



**LSU Board of Supervisors**

**Friday, September 7, 2018**

**10:00 AM**

LSU University Administration Building

Board Room

3810 W. Lakeshore Drive

Baton Rouge, Louisiana 70808

**PUBLIC COMMENT**

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting. For additional information see:

<http://www.lsu.edu/bos/public-comments.php>

**A. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE**

**Mr. Glenn Armentor, Chair**

**1. CONSENT AGENDA**

- i. Request from LSU to Change the Name of the School of Library & Information Science to the School of Information Studies
- ii. Request from LSU Shreveport for Continued Approval of the Red River Watershed Management Institute (RRWMI)

**B. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE**

**Mr. Blake Chatelain, Chair**

1. Update on Response to June 2018 Fee Resolution, Future Implications, and Next Steps
2. Supplier Diversity Program Update Presentation
3. Recommendation to Approve the FY 2018-2019 Operating Budget

**C. PROPERTY AND FACILITIES COMMITTEE**

**Ms. Mary Werner, Chair**

1. Request for Approval of the FY 2019-20 Five-Year Capital Outlay Budget Request and First Year Prioritized Categories for Louisiana State University

2. Request from LSU A&M to Authorize the President to Execute a Lease for Construction of Alex Box Plaza with Tiger Athletic Foundation
3. Request from LSU A&M to Approve the Schematic Design of the New Kappa Kappa Gamma Sorority House
4. Request from LSU A&M to Approve the Purchase of Property Located at 604 West Roosevelt Street, Baton Rouge, Louisiana from the LSU Real Estate and Facilities Foundation
5. Request from LSU Health Sciences Center-New Orleans to Approve an Intent to Lease Agreement with an Affiliated 501(c)(3) Organization for the Construction of Improvements for Floors Four through Eight of the Interim LSU Hospital Building
6. Request from LSU Health Sciences Center-New Orleans for Authorization to Accept Transfer of State Owned Nursing Home, Certificate of Need and License and to Negotiate a Lease with Affiliated Hospital to Operate and Manage the Nursing Home
7. Request from LSU Health Sciences Center-New Orleans to Approve a Cooperative Endeavor Agreement between the LSU Board of Supervisors and the Board of Supervisors of Community and Technical Colleges on behalf of Delgado Community College
8. Request from LSU A&M to Approve an Exchange of Property with the Louisiana National Guard at LSU Innovation Park, East Baton Rouge Parish, Louisiana
9. Request from the Pennington Biomedical Research Center to Name Room M4063 in the Clinical Research Building the "Art E. Favre Executive Conference Room"

**D. ATHLETIC COMMITTEE**  
**Mr. James W. Moore, Jr., Chair**

1. Request from LSU A&M to Approve Employment Contracts with Co-Head Coaches David Geyer and Douglas Shaffer
2. Request from LSU A&M to Approve Employment Contract with Yolanda "Nikki" Caldwell, Head Coach Women's Basketball
3. Request from LSU A&M to Amend the LSU Athletics Ticket, Parking and Tradition Fund Policy
4. Request from LSUS to Approve Employment Contracts with Three Head Coaches
5. Request from LSUS to Approve an Employment Contract for Athletic Director Lucas Morgan

**F. HEALTHCARE AND MEDICAL EDUCATION COMMITTEE**  
**Ms. Valencia Jones, Chair**

1. Recommendation to Approve a Cooperative Endeavor Agreement with the LSU Board of Supervisors, Ochsner Health System, & the State of Louisiana Through the Louisiana Division of Administration Relating to Management and Operation of Public Hospitals and Clinics in Shreveport and Monroe

NOTICE: The LSU Board of Supervisors may go into executive session pursuant to La. R.S. 42:17(A)(2).



**LSU Board of Supervisors**

**Friday, September 7, 2018**

**~1:00 PM**

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Board Room

3810 W. Lakeshore Drive

Baton Rouge, Louisiana 70808

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Election of the Chair-Elect for 2018-2019
4. Oath of Office for the New Board Leadership
5. Approval of the Minutes of the Board Meeting held on June 29, 2018
6. Reports from Council of Staff Advisors and Council of Faculty Advisors
7. President's Report
8. Reports to the Board
  - a. FY18 4th Quarter Consolidated Report on Personnel Actions Not Requiring Board Approval
  - b. FY18 4th Quarter Consolidated Investment Report
  - c. FY18 4th Semi-Annual Consolidated Financial Report
  - d. New 403B Supplemental Retirement Structure
  - e. Facility Summary Reports
  - f. FY19 Internal Audit Plan
  - g. FY18 3rd Quarter Audit Summary
9. Committee Reports
10. Chairman's Report
11. Adjournment



## **LSU Board of Supervisors Committees Meeting**

**Friday, 9/7/2018**

**10:00 AM - 12:00 PM CT**

LSU University Administration Building

Board Room

3810 W. Lakeshore Drive

Baton Rouge, Louisiana 70808

### **PUBLIC COMMENT**

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#### **A. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE**

##### **1. CONSENT AGENDA**

- i. Request from LSU to Change the Name of the School of Library & Information Science to the School of Information Studies

*ACADEMIC AFFAIRS CONSENT - Request from LSU A&M to change name of School of Library & Information Science*

- ii. Request from LSU Shreveport for Continued Approval of the Red River Watershed Management Institute (RRWMI)

*ACADEMIC AFFAIRS CONSENT - Request from LSU Shreveport for continued approval of the Red River Watershed Management Institute*

#### **B. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE**

1. Update on Response to June 2018 Fee Resolution, Future Implications, and Next Steps

2. Supplier Diversity Program Update Presentation

3. Recommendation to Approve the FY 2018-2019 Operating Budget

*FINANCE - Resolution Recommendation to Approve the FY 2018-19 Operating Budget*

*ATTACHMENT I -Board Resolution\_Recommendation to Approve the FY 2018-19 Operating Budget.v3*

*ATTACHMENT II - Summary of FY 2018-19 Campus Priorities.v3*

#### **C. PROPERTY AND FACILITIES COMMITTEE**

1. Request for Approval of the FY 2019-20 Five-Year Capital Outlay Budget Request and First Year Prioritized Categories for Louisiana State University

*PROPERTY - Resolution Capital Outlay- Summary of the Matter\_09-07-18 v.2*

*ATTACHMENT I - 2019-20 5-Year Plan*

*ATTACHMENT II - 2019-20 Priority List*

2. Request from LSU A&M to Authorize the President to Execute a Lease for Construction of Alex Box Plaza with Tiger Athletic Foundation  
*PROPERTY - Resolution for Alex Box Champions Plaza v.2*  
*ATTACHMENT I - Alex Box Plaza Lease*
3. Request from LSU A&M to Approve the Schematic Design of the New Kappa Kappa Gamma Sorority House  
*PROPERTY - Resolution LSU AM\_Schematic Design\_KKG-New-Sorority-House\_BOS 09-07-18 v.2*  
*ATTACHMENT I - Transmittal-Memo\_KKG New House BOS Approval Request*  
*ATTACHMENT II - Kappa for BoS*
4. Request from LSU A&M to Approve the Purchase of Property Located at 604 West Roosevelt Street, Baton Rouge, Louisiana from the LSU Real Estate and Facilities Foundation  
*PROPERTY - Resolution West Roosevelt v.3*  
*ATTACHMENT I - 604 West Roosevelt Transmittal Memo*  
*ATTACHMENT II - Facility Use LMTA 2011*
5. Request from LSU Health Sciences Center-New Orleans to Approve an Intent to Lease Agreement with an Affiliated 501(c)(3) Organization for the Construction of Improvements for Floors Four through Eight of the Interim LSU Hospital Building  
*PROPERTY - Resolution LSUHSC-NO Interim Hospital Floors 4 through 8*  
*ATTACHMENT I - Letter from Chancellor Larry Hollier MD*  
*ATTACHMENT II - INTENT TO LEASE AGREEMENT 08-17-2018*
6. Request from LSU Health Sciences Center-New Orleans for Authorization to Accept Transfer of State Owned Nursing Home, Certificate of Need and License and to Negotiate a Lease with Affiliated Hospital to Operate and Manage the Nursing Home  
*PROPERTY - Resolution Hainkel House*  
*ATTACHMENT I - Exhibit I - RS 40.2103*  
*ATTACHMENT II - Exhibit II - Building Floor Plan*  
*ATTACHMENT III - Exhibit III - Property Site Map*  
*ATTACHMENT IV - Exhibit IV- Proforma Financial Statement Revised*
7. Request from LSU HSC-NO to Approve an Intent To Enter into a Cooperative Endeavor Agreement Between LSU Board of Supervisors and the Board of Supervisors of Community and Technical Colleges on Behalf of Delgado Community College  
*PROPERTY - Resolution LSUHSC-NO 1542 Tulane Ave*  
*ATTACHMENT I - Letter from Chancellor Larry Hollier MD*  
*ATTACHMENT II - 2018-08-21 AGRMNT - INTENT TO ENTER INTO CEA*
8. Request from LSU A&M to Approve an Exchange of Property with the Louisiana National Guard at LSU Innovation Park, East Baton Rouge Parish, Louisiana  
*PROPERTY - Resolution National Guard Property Exchange v.3*  
*ATTACHMENT I - LNG Property Exchange Diagram*  
*ATTACHMENT II - LANG Property Exchange Transmittal Memo*
9. Request from the Pennington Biomedical Research Center to Name Room M4063 in the Clinical Research Building the "Art E. Favre Executive Conference Room"

*PROPERTY - Resolution PBRC Room Naming Art E. Favre v.2*

*ATTACHMENT I - Letter from Dr. John Kirwan*

#### **D. ATHLETIC COMMITTEE**

1. Request from LSU A&M to Approve Employment Contracts with Co-Head Coaches David Geyer and Douglas Shaffer

*ATHLETICS - Resolution Geyer and Shaffer v.2*

*ATTACHMENT I - CHC David Geyer*

*ATTACHMENT II - CHC Douglas Shaffer*

2. Request from LSU A&M to Approve Employment Contract with Yolanda “Nikki” Caldwell, Head Coach Women’s Basketball

*ATHLETICS - Resolution Yolanda Nikki Caldwell*

*ATTACHMENT I - Yolanda Nikki Caldwell Contract*

3. Request from LSU A&M to Amend the LSU Athletics Ticket, Parking and Tradition Fund Policy

*ATHLETICS - Resolution for Ticket Parking and Tradition Fund Policy Sept 2018*

*ATTACHMENT I - REVISED Ticket Policy proposed - Sept 07 2018 (8.21.18)*

4. Request from LSU Shreveport to Approve Employment Contracts with Three Head Coaches

*ATHLETICS - Resolution LSUS Coaches v.2*

*ATTACHMENT I - Kyle Blankenship Contract Final*

*ATTACHMENT II - Matthew Cross Contract Final*

*ATTACHMENT III - Brent Lavalley Contract Final*

5. Request from LSU Shreveport to Approve an Employment Contract for Athletic Director Lucas Morgan

*ATHLETICS - Resolution LSUS AD Lucas Morgan v.2*

*ATTACHMENT I - Lucas Morgan Contract Final*

#### **E. HEALTHCARE AND MEDICAL EDUCATION COMMITTEE**

1. Request to Approve a Cooperative Endeavor Agreement with the LSU Board of Supervisors, Ochsner Health System, & the State of Louisiana Through the Louisiana Division of Administration Relating to Management and Operation of Public Hospitals and Clinics in Shreveport and Monroe

NOTICE: The LSU Board of Supervisors may go into executive session pursuant to La. R.S. 42:17 (A)(2).

*HEALTHCARE - Resolution CEA Ochsner*

*cea-board-version-20180831*

*acca-board-version-20180831-with-exhibits*

*rou-with-exhibits-board-version-20180830*

*master-hospital-lease-final-board-version-20180831-with-exhibits*

*equipment-lease-final-board-version-20180831*

*medical-office-building-lease-board-version-20180831-with-exhibits*

*articles-of-incorporation-board-version-08\_31\_2018*

*by-laws-board-version-20180831-with-exhibit*

*professional-services-agreement-board-version-with-exhibits-083118*

*academic-affiliation-agreement-board-version-with-exhibits*

*financial-integration-agreement-board-version-8\_30\_18*

*shared-services-agreement-board-version-20180831*

*trademark-license-agreement-board-version-20180831*  
*research-collaboration-agreement-board-version-lsu-8\_31\_18*  
*brf-settlement-agreement-board-version-20180904*  
*brf-termination-agreement-board-version*  
*management-services-agreement-board-version-with-exhibits-9-5-18*  
*administrative-support-agreement-board-version-with-exhibits-9-5-18*  
*faculty-services-agreement-board-version-with-exhibits-9\_5\_18*



## Request from LSU to Change the Name of the School of Library & Information Science to the School of Information Studies

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

### **1. Summary of Matter**

The LSU A&M College of Human Sciences and Education is requesting to change the name of the School of Library and Information Science to the School of Information Studies. The new name will better reflect transformations in the field of information technologies and more effectively communicate the mission and scope of the School's program to the university, stakeholders, employers, students, and potential students.

LSU began offering library science courses in 1926 and in 1931, the Board of Supervisors established the Graduate School of Library Science. The mission of the School was to educate school, academic, and public librarians in collecting, evaluating, describing, organizing, and disseminating print information resources. During and after World War II, a major shift in the field of library science occurred with the development of computer technologies. Studies relating to automation systems, database creation, and citation analysis were added to the mission of the School, and the School's name expanded to Library and Information Science to reflect this in 1981. Since that time, information technologies have become ubiquitous, part of every form of industry. As a consequence, the School has further expanded its programs to include digital information management, organizational knowledge management, records management, and informatics, as have several other American Library Association (ALA)-accredited programs at other prestigious schools. The role of the information professional is no longer needed exclusively for libraries but for every aspect of employment.

The School has developed several programs to reflect the information professional's workforce needs for the 21<sup>st</sup> century, offering Graduate Certificates in Records and Information Management and Archival Studies as well as an undergraduate minor in Digital Studies. The School also maintains a commitment to education for librarianship, offering a Masters in Library and Information Science and a Graduate Certificate in School Librarianship. The name change reflects this transformation of evaluating, collecting, describing, organizing, and disseminating information in any format and/or environment and engagement with communities through professional service and collaboration.

### **3. Review of Documents Related to Referenced Matter**

A memo of request from the Dean of the College of Human Sciences and Education and a memo of approval from the Provost at LSU are on file with the LSU Office of Academic Affairs.

### **4. Certification of Compliance with Article VII, Section 9, Paragraph C of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the LSU Board of Supervisors does hereby approve the request from LSU to change the name of the School of Library and Information Science to the School of Information Studies, subject to approval by the Louisiana Board of Regents.

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## Request from LSU Shreveport for Continued Approval of the Red River Watershed Management Institute (RRWMI)

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

### **1. Summary of Matter**

The Red River Watershed Management Institute (RRWMI) at LSU Shreveport was granted initial approval by the Board of Regents on July 20, 2001 and continued approval in 2003, 2008, and 2013. LSUS is requesting continued approval of the RRWMI for an additional five years.

The RRWMI's mission is to conduct research on the Red River and its watershed, establish public education and outreach programs related to the wetlands in this watershed, and recommend and facilitate management alternatives for the watershed. The Institute is integral in monitoring groundwater and surface water in the region and assists state water planners in assessing aquifer monitoring approaches and long-term planning of water resources.

The goals of the RRWMI include: promoting awareness and appreciation of surrounding water ecosystems, contributing scientifically-proficient students to the environmental workforce, and developing the RRWMI as a regional leader in the study of freshwater ecosystems and floodplain mapping. These goals have been realized through ongoing projects such as the Caddo Parish Monitoring Well Project, the study of the Red River flood stages and the Red River Alluvial Aquifer, the protection of water resources in the Haynesville Shale Development, ecosystems research and education, the Red River Floristic Survey, along with the creation of several scientific presentations and publications.

The focus on the next five years is to build upon these successes and continue to increase the impact and scope of RRWMI efforts. Two additional goals, developing global warming research and utilizing GIS applications in spatial data analysis of water levels, are of great import to the RRWMI and the surrounding areas.

### **2. Review of Business Plan**

The RRWMI resides in the College of Science at LSUS under the direction of Gary Hanson. The Institute has experienced normal turnover of faculty due to retirements and new hires but has maintained key faculty and staff. Additionally, no significant additions or changes have been

made to the facility aside from the addition of outdoor mesocosms at the Anderson Watershed Research Station for aquatic plant studies.

The budget for the next five years includes general funds use, the continuation of current budgetary relationships with local government, corporate support, and private donors, as well as grant funding. Even though local partners have been and continue to be very supportive, the Institute aggressively develops new revenue streams by monetizing the various services that the RRWMI provides local government and non-government agencies and by continuing to pursue grant opportunities. Anticipated revenue for the next five years is projected to cover the anticipated expenditures.

### **3. Review of Documents Related to Referenced Matter**

A complete Board of Regents Request Form C: Request for Continued Approval of an Existing Research Unit and budget are on file with the LSU Office of Academic Affairs

### **4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Request for Continued Approval of the Red River Watershed Management Institute from LSU Shreveport, subject to approval by the Louisiana Board of Regents.



## Recommendation to Approve the Fiscal Year 2018-19 Operating Budget

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant Board matter pursuant to the Board's Bylaws, Article VII, Section 9:

A.1 Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and services missions of the University or any of its campuses.

### 1. Summary of Matter

Each year an operating budget that details the expected revenues and expenditures of the University for the fiscal year is planned. These budgets are prepared in accordance with budget guidelines issued by the Board of Regents and the Division of Administration.

Pursuant to Board of Regents' guidelines, the University's FY 2018-19 operating budgets will be submitted to the Board of Regents on September 3<sup>rd</sup>, with a caveat that they are being submitted contingent upon action by the LSU Board of Supervisors at its September 7<sup>th</sup> meeting. The Board of Regents will hold their annual hearings on the FY 2018-19 operating budget submissions from each postsecondary education management board and other higher education entities on September 25<sup>th</sup>.

As noted in **Attachment I**, the total beginning unrestricted operating budget for Fiscal Year 2018-19, including the LSU Health Care Services Division, is \$1.03 billion. This represents a decrease of \$7.6 million or 0.7% from the final FY 2017-18 budget<sup>1</sup>. Estimated restricted revenues including auxiliary enterprise operations total \$1.40 billion. The total Fiscal Year 2018-19 operating budget, including estimated restricted revenues, is \$2.43 billion.

This year, State General Fund support for LSU campuses was essentially held flat compared with FY 2017-18 levels and the campuses raised fees under the authority granted by Act 293 of the 2017 Regular Legislative Session and approved by the Board of Supervisors in June 2018. A summary of FY 2018-19 budget priorities by campus is presented in **Attachment II**.

### 2. Review of Documents Related to Referenced Matter

LSU campuses have submitted the Fiscal Year 2018-19 operating budget in the format requested by the Board of Regents and the Division of Administration.

#### ATTACHMENTS

- I. Summary of Fiscal Year 2018-19 Operating Budget Information
- II. Summary of Fiscal Year 2018-19 Campus Priorities
- III. Support materials for this item are available on the LSU Administration's web page

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<sup>1</sup> This decrease is due primarily to: (1) negative budget adjustments associated with one-time State General Fund appropriations received by LSU, the Ag Center, and HSC-New Orleans in FY 2017-18; and (2) reductions in various Statutory Dedicated Fund appropriations for FY 2018-19 (i.e., SELF, Tobacco Tax Health Care Fund, and Overcollections Fund) that impacted all LSU campuses.

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the operating budget for the fiscal year ending June 30, 2019, providing:

(a) Final approval and commitment authorization of funds for unrestricted educational and general, medical, and related expenses in the amount of \$1,026,660,906 for the campuses shown below.

LSU A&M  
LSU Agricultural Center  
LSU Alexandria  
LSU Eunice  
LSU Shreveport  
LSU Health Sciences Center, New Orleans  
LSU Health Sciences Center, Shreveport  
LSU Pennington Biomedical Research Center  
The Hospital and Central Office of the LSU Health Care Services Division

(b) Commitment authorizations for auxiliary enterprises, grants and contracts, and other restricted funds estimated to be \$1,401,010,655.

(c) Transactions included or referred to in the operating budget that otherwise require Board approval are not approved by mere inclusion in the operating budget.

**BE IT FURTHER RESOLVED** that each campus shall prepare a semi-annual financial report that is in accordance with a format approved by the President. The format of the report will include the following:

1. Budget and actual for unrestricted revenues by source of funds
2. Actual for unrestricted expenditures by object and by function
3. Beginning account balances and actual revenues and expenditures/transfers for restricted operations
4. Any significant changes in the budget that should be brought to the attention of the President and Board
5. An explanation of any significant reduction in anticipated revenues or significant increase in expenditures

Any subsequent modification to the reporting format will be approved by the President with notification to the Board.

## Board of Regents

## Form BOR-1

## Revenue/Expenditure Data

Consolidated Louisiana State University System  
INCLUDES Health Care Services Division

Revenue/Expenditure	Actual 2017-2018	Budgeted 2017-2018	Budgeted 2018-2019	Over/(Under) 2017-2018	% Change
<b>Revenues By Source:</b>					
<b>State Funds:</b>					
General Fund Direct	0	382,626,112	375,905,078	(6,721,034)	-1.76%
General Fund - Restoration Amount	0	0	0	0	N/A
<b>Statutory Dedicated:</b>	<b>0</b>	<b>31,861,963</b>	<b>29,860,004</b>	<b>(2,001,959)</b>	<b>-6.28%</b>
Higher Education Initiatives Fund	0	0	0	0	N/A
Support Education in Louisiana First (SELF)	0	20,128,504	19,567,239	(561,265)	-2.79%
Tobacco Tax Health Care Fund	0	6,017,842	5,845,116	(172,726)	-2.87%
Equine Fund	0	750,000	750,000	0	0.00%
Fireman Training Fund	0	3,370,352	3,487,649	117,297	3.48%
Two Percent Fire Insurance Fund	0	210,000	210,000	0	0.00%
Medical & Allied Health Scholarship & Loan Fund	0	0	0	0	N/A
Shreveport Riverfront & Convention Center & Independence Stadium Fund	0	0	0	0	N/A
Overcollections Fund	0	1,385,265	0	(1,385,265)	-100.00%
<b>Funds Due From Management Board or Regents:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
Other	0	0	0	0	N/A
<b>Funds Due to Institutions:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
Other	0	0	0	0	N/A
Other	0	0	0	0	N/A
<b>Total State Funds</b>	<b>0</b>	<b>414,488,075</b>	<b>405,765,082</b>	<b>(8,722,993)</b>	<b>-2.10%</b>
<b>Interagency Transfers</b>	<b>0</b>	<b>25,902,830</b>	<b>25,015,301</b>	<b>(887,529)</b>	<b>-3.43%</b>
<b>Non-Recurring Self-Generated Carry Forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Self Generated Funds</b>	<b>0</b>	<b>576,061,912</b>	<b>578,061,912</b>	<b>2,000,000</b>	<b>0.35%</b>
<b>Federal Funds</b>	<b>0</b>	<b>17,818,611</b>	<b>17,818,611</b>	<b>0</b>	<b>0.00%</b>
<b>Interim Emergency Board</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Total Revenues</b>	<b>0</b>	<b>1,034,271,428</b>	<b>1,026,660,906</b>	<b>(7,610,522)</b>	<b>-0.74%</b>
<b>Expenditures by Function:</b>					
Instruction	0	337,183,601	332,735,323	(4,448,278)	-1.32%
Research	0	134,127,058	129,437,573	(4,689,485)	-3.50%
Public Service	0	40,950,920	39,062,821	(1,888,099)	-4.61%
Academic Support**	0	108,607,526	105,597,364	(3,010,162)	-2.77%
Student Services	0	26,570,952	25,146,995	(1,423,957)	-5.36%
Institutional Services	0	110,984,200	112,194,619	1,210,419	1.09%
Scholarships/Fellowships	0	95,257,664	109,291,824	14,034,160	14.73%
Plant Operations/Maintenance	0	109,310,130	107,174,280	(2,135,850)	-1.95%
<b>Total E&amp;G Expenditures</b>	<b>0</b>	<b>962,992,051</b>	<b>960,640,799</b>	<b>(2,351,252)</b>	<b>-0.24%</b>
Hospital	0	72,121,559	66,935,280	(5,186,279)	-7.19%
Transfers out of agency	0	(842,182)	(915,173)	(72,991)	8.67%
Athletics	0	0	0	0	N/A
Other	0	0	0	0	N/A
<b>Total Expenditures</b>	<b>0</b>	<b>1,034,271,428</b>	<b>1,026,660,906</b>	<b>(7,610,522)</b>	<b>-0.74%</b>
<b>Expenditures by Object:</b>					
Salaries	0	469,847,625	470,913,635	1,066,010	0.23%
Other Compensation	0	36,454,446	35,916,045	(538,401)	-1.48%
Related Benefits	0	231,446,438	234,963,472	3,517,034	1.52%
<b>Total Personal Services</b>	<b>0</b>	<b>737,748,509</b>	<b>741,793,152</b>	<b>4,044,643</b>	<b>0.55%</b>
Travel	0	5,714,359	5,237,624	(476,735)	-8.34%
Operating Services	0	104,307,867	90,337,288	(13,970,579)	-13.39%
Supplies	0	34,005,601	32,317,390	(1,688,211)	-4.96%
<b>Total Operating Expenses</b>	<b>0</b>	<b>144,027,827</b>	<b>127,892,302</b>	<b>(16,135,525)</b>	<b>-11.20%</b>
Professional Services	0	20,764,994	20,627,121	(137,873)	-0.66%
Other Charges	0	104,838,196	111,151,240	6,313,044	6.02%
Debt Services	0	262,514	263,539	1,025	0.39%
Interagency Transfers	0	17,985,353	18,177,483	192,130	1.07%
<b>Total Other Charges</b>	<b>0</b>	<b>143,851,057</b>	<b>150,219,383</b>	<b>6,368,326</b>	<b>4.43%</b>
General Acquisitions	0	7,407,197	5,315,046	(2,092,151)	-28.24%
Library Acquisitions	0	1,236,838	1,294,473	57,635	4.66%
Major Repairs	0	0	146,550	146,550	N/A
<b>Total Acquisitions and Major Repairs</b>	<b>0</b>	<b>8,644,035</b>	<b>6,756,069</b>	<b>(1,887,966)</b>	<b>-21.84%</b>
Unallotted	0	0	0	0	N/A
<b>Total Expenditures</b>	<b>0</b>	<b>1,034,271,428</b>	<b>1,026,660,906</b>	<b>(7,610,522)</b>	<b>-0.74%</b>

\* This column should reflect the last approved BA-7 in FY 17-18.

\*\*Library costs are included in the function of academic support and are detailed on the BOR-4A.

Board of Regents  
Form BOR-2

Consolidated Louisiana State University System  
Includes Health Care Services Division

Financing Other Than State Funds Appropriations

Source:	ACTUAL 2017-2018	BUDGETED 2017-2018	BUDGETED 2018-2019	OVER /UNDER 2017-2018
Interagency Transfers:				
Medicaid	0	2,394,653	1,553,456	(841,197)
Uncompensated Care	0	14,472,375	14,472,375	0
Hospital Contracts	0	0	0	0
Lab School	0	7,519,106	7,472,774	(46,332)
Other Total	0	1,516,696	1,516,696	0
<b>Total Other Interagency Transfers</b>	<b>0</b>	<b>25,902,830</b>	<b>25,015,301</b>	<b>(887,529)</b>
<b>Non-Recurring Self-Generated Carry Forward</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Self-Generated Funds:</b>	0	0	0	0
<b>Student Fees:</b>	0	0	0	0
General Registration Fees	0	370,277,493	347,709,617	(22,567,876)
Non-Resident Fees	0	85,594,807	91,732,139	6,137,332
Academic Excellence Fee	0	17,532,262	17,830,603	298,341
Operational Fee	0	6,952,680	7,092,015	139,335
Academic Enhancement Fee	0	0	0	0
Building Use Fee	0	0	0	0
Building Use Fee - Act 426	0	0	0	0
Student Services Fee	0	0	0	0
Technology Fee	0	0	0	0
Energy Surcharge	0	0	0	0
University Self-Assessed Fees	0	32,135,644	48,962,946	16,827,302
Student Self-Assessed Fees	0	0	0	0
All Other Mandated Fees	0	1,770,000	5,249,151	3,479,151
All Other Student Fees	0	15,998,563	16,256,873	258,310
<b>Total Student Fees:</b>	<b>0</b>	<b>530,261,449</b>	<b>534,833,344</b>	<b>4,571,895</b>
Hospital - Commercial/Self-Pay	0	15,472,658	15,472,658	0
Sales and Services of Educational Activities	0	7,690,773	7,690,630	(143)
State Grants and Contracts	0	0	0	0
Organized Activities Related to Instruction	0	0	0	0
Athletics Other than Student Fees	0	0	0	0
Other Self-Generated Funds	0	22,637,032	20,065,280	(2,571,752)
<b>Total Self-Generated Funds</b>	<b>0</b>	<b>576,061,912</b>	<b>578,061,912</b>	<b>2,000,000</b>
Federal Funds:	0	0	0	0
Federal Program Admin.	0	0	0	0
Medicare	0	4,800,336	4,800,336	0
Grants:	0	0	0	0
Pell	0	0	0	0
Other	0	13,018,275	13,018,275	0
<b>Total Federal Funds</b>	<b>0</b>	<b>17,818,611</b>	<b>17,818,611</b>	<b>0</b>
<b>Interim Emergency Board</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Revenues Other Than State Funds Appropriations</b>	<b>0</b>	<b>619,783,353</b>	<b>620,895,824</b>	<b>1,112,471</b>

Source:	BUDGETED 2017-2018						BUDGETED 2018-2019					
	UNRESTRICTED	% OF TOTAL	RESTRICTED	% OF TOTAL	TOTAL	% OF TOTAL	UNRESTRICTED	% OF TOTAL	RESTRICTED	% OF TOTAL	TOTAL	% OF TOTAL
<b>State Funds:</b>												
General Fund Direct	382,626,112	100.0%	0	0.00%	382,626,112	16.0%	375,905,078	100.0%	0	0.00%	375,905,078	15.5%
General Fund - Restoration Amount	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Statutory Dedicated	<b>31,861,963</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>31,861,963</b>	<b>1.3%</b>	<b>29,860,004</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>29,860,004</b>	<b>1.2%</b>
Higher Education Initiative Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Support Education in Louisiana First (SELF)	20,128,504	100.0%	0	0.00%	20,128,504	0.8%	19,567,239	100.0%	0	0.00%	19,567,239	0.8%
Tobacco Tax Health Care Fund	6,017,842	100.0%	0	0.00%	6,017,842	0.3%	5,845,116	100.0%	0	0.00%	5,845,116	0.2%
Calcasieu Parish Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Calcasieu Parish Higher Education Improvement Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Pari-Mutiel Live Racing Facility Gaming Control Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Southern University Agricultural Program Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Equine Fund	750,000	100.0%	0	0.00%	750,000	0.0%	750,000	100.0%	0	0.00%	750,000	0.0%
Fireman Training Fund	3,370,352	100.0%	0	0.00%	3,370,352	0.1%	3,487,649	100.0%	0	0.00%	3,487,649	0.1%
Two Percent Fire Insurance Fund	210,000	100.0%	0	0.00%	210,000	0.0%	210,000	100.0%	0	0.00%	210,000	0.0%
Health Excellence Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
La. Educational Quality Support Fund (LEQSF)	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Proprietary School Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Workforce Rapid Response	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Rockefeller Scholarship Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Orleans Excellence Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOPS Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Medical & Allied Health Scholarship & Loan Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Shreveport Riverfront and Convention Center and Independence Stadium Fund	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Overcollections Fund	1,385,265	100.0%	0	0.00%	1,385,265	0.1%	0	0.0%	0	0.0%	0	0.0%
<b>Funds Due From Management Board or Regents:</b>	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Funds Due to Institutions:</b>	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total State Funds</b>	<b>414,488,075</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>414,488,075</b>	<b>17.3%</b>	<b>405,765,082</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>405,765,082</b>	<b>16.7%</b>
<b>Interagency Transfers:</b>												
Medicaid	2,394,653	100.0%	0	0.00%	2,394,653	0.1%	1,553,456	100.0%	0	0.00%	1,553,456	0.1%
Uncompensated Care	14,472,375	100.0%	0	0.00%	14,472,375	0.6%	14,472,375	100.0%	0	0.00%	14,472,375	0.6%
Hospital Contracts	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Lab School	7,519,106	100.0%	0	0.00%	7,519,106	0.3%	7,472,774	100.0%	0	0.00%	7,472,774	0.3%
Other Total	1,516,696	100.0%	0	0.00%	1,516,696	0.1%	1,516,696	100.0%	0	0.00%	1,516,696	0.1%
<b>Total Interagency Transfers</b>	<b>25,902,830</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>25,902,830</b>	<b>1.1%</b>	<b>25,015,301</b>	<b>100.0%</b>	<b>0</b>	<b>0.00%</b>	<b>25,015,301</b>	<b>1.0%</b>
<b>Non-Recurring Self Generated Carry Forward</b>	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Student Fees:</b>												
<b>General Registration Fees:</b>	370,277,493	97.9%	7,765,408	2.05%	378,042,901	15.8%	347,709,617	96.5%	12,571,552	3.49%	360,281,169	14.8%
Non-Resident Fees:	85,594,807	100.0%	0	0.00%	85,594,807	3.6%	91,732,139	100.0%	0	0.00%	91,732,139	3.8%
Academic Excellence Fee:	17,532,262	100.0%	0	0.00%	17,532,262	0.7%	17,830,603	100.0%	0	0.00%	17,830,603	0.7%
Operational Fee:	6,952,680	100.0%	0	0.00%	6,952,680	0.3%	7,092,015	100.0%	0	0.00%	7,092,015	0.3%
Student Athletic Fees	0	0.0%	2,405,885	100.00%	2,405,885	0.1%	0	0.0%	3,285,370	100.00%	3,285,370	0.1%
Other Total	49,904,207	56.6%	38,265,118	43.40%	88,169,325	3.7%	70,468,970	64.0%	39,564,013	35.96%	110,032,983	4.5%
<b>Total Student Fees:</b>	<b>530,261,449</b>	<b>91.6%</b>	<b>48,436,411</b>	<b>8.37%</b>	<b>578,697,860</b>	<b>24.2%</b>	<b>534,833,344</b>	<b>90.6%</b>	<b>55,420,935</b>	<b>9.39%</b>	<b>590,254,279</b>	<b>24.3%</b>
Hospital - Commercial/Self-Pay	15,472,658	100.0%	0	0.00%	15,472,658	0.6%	15,472,658	100.0%	0	0.00%	15,472,658	0.6%
Physician Practice Plans	0	0.0%	58,629,000	100.00%	58,629,000	2.5%	0	0.0%	12,118,000	100.00%	12,118,000	0.5%
Sales and Services of Educational Activities	7,690,773	14.9%	43,840,289	85.08%	51,531,062	2.2%	7,690,630	16.4%	39,072,400	83.55%	46,763,030	1.9%
State Grants and Contracts	0	0.0%	75,892,996	100.00%	75,892,996	3.2%	0	0.0%	71,192,240	100.00%	71,192,240	2.9%
Organized Activities Related to Instruction	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Athletics Other than Student Fees	0	0.0%	129,360,500	100.00%	129,360,500	5.4%	0	0.0%	129,166,500	100.00%	129,166,500	5.3%
Auxiliaries (Excluding Athletics)	0	0.0%	114,393,972	100.00%	114,393,972	4.8%	0	0.0%	128,575,066	100.00%	128,575,066	5.3%
Endowment Income	0	0.0%	6,980,495	100.00%	6,980,495	0.3%	0	0.0%	7,700,227	100.00%	7,700,227	0.3%
Gifts, Grants, and Contracts	0	0.0%	537,182,413	100.00%	537,182,413	22.5%	0	0.0%	618,442,095	100.00%	618,442,095	25.5%
Other Self-Generated Funds	22,637,032	12.4%	159,967,929	87.60%	182,604,961	7.6%	20,065,280	11.6%	153,392,897	88.43%	173,458,177	7.1%
<b>Total Self-Generated Funds</b>	<b>576,061,912</b>	<b>32.9%</b>	<b>1,174,684,005</b>	<b>67.10%</b>	<b>1,750,745,917</b>	<b>73.2%</b>	<b>578,061,912</b>	<b>32.2%</b>	<b>1,215,080,360</b>	<b>67.76%</b>	<b>1,793,142,272</b>	<b>73.9%</b>
<b>Federal Funds:</b>												
Federal Program Admin.	0	0.0%	7,000	100.00%	7,000	0.0%	0	0.0%	6,500	100.00%	6,500	0.0%
Medicare	4,800,336	100.0%	0	0.00%	4,800,336	0.2%	4,800,336	100.0%	0	0.00%	4,800,336	0.2%
<b>Grants:</b>												
Pell	0	0.0%	33,500,000	100.00%	33,500,000	1.4%	0	0.0%	34,900,000	100.00%	34,900,000	1.4%
Other	13,018,275	8.0%	148,895,353	91.96%	161,913,628	6.8%	13,018,275	7.9%	151,023,795	92.06%	164,042,070	6.8%
<b>Total Federal Funds</b>	<b>17,818,611</b>	<b>8.9%</b>	<b>182,402,353</b>	<b>91.10%</b>	<b>200,220,964</b>	<b>8.4%</b>	<b>17,818,611</b>	<b>8.7%</b>	<b>185,930,295</b>	<b>91.25%</b>	<b>203,748,906</b>	<b>8.4%</b>
<b>Interim Emergency Board</b>	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total Revenues</b>	<b>1,034,271,428</b>	<b>43.3%</b>	<b>1,357,086,358</b>	<b>56.7%</b>	<b>2,391,357,786</b>	<b>100.0%</b>	<b>1,026,660,906</b>	<b>42.3%</b>	<b>1,401,010,655</b>	<b>57.71%</b>	<b>2,427,671,561</b>	<b>100.0%</b>

**FY 2018-19 OPERATING BUDGET PRIORITIES SUBMITTED BY CAMPUSES****Louisiana State University and Agricultural and Mechanical College**

LSU will continue to ensure that high quality instruction, research, and service are its enduring contribution to the State and nation. In addition, the campus must continue to keep investments in faculty and staff as one of its top priorities in order to provide the quality of education analogous with other national flagship universities

The FY 2018-19 operating budget includes investments in four Strategic Priorities. Funding will be provided for recruitment and enrollment initiatives (\$1.2M), information technology (\$1M), libraries (\$0.2M), and a modest merit increase program for faculty and staff (\$8.4M).

**Louisiana State University Agricultural Center**

The AgCenter's FY 2018-2019 budget priorities are to try to balance programs and funding in order to accomplish its core missions:

- Continue to maintain an appropriate extension presence in parishes. Continue to refine the commodity based staffing plan for agricultural agents.
- Capitalize on major grant funded nutrition initiatives by maintaining adequate faculty to conduct general nutrition education.
- Examine the delivery of 4-H programs with the goal of increasing effectiveness, efficiency and use of technology.
- Provide a critical mass of faculty at priority branch stations and in academic departments, including adequate faculty to teach in the College of Agriculture.
- Provide research and extension faculty to support Louisiana's principal agricultural commodities and emerging areas and needs.
- Provide adequate staff, operating support and infrastructure to support faculty programs.

**Louisiana State University Alexandria**

The top priority going in to the new fiscal year is to again be able to grant salary adjustments to all fulltime employees of the university. However, this will be solely dependent upon an increase in enrollment and self-generated revenues. Ultimately, the university must raise enrollment and sustain that increase in order to maintain the same level of services offered and to keep a well-qualified faculty and staff.

Likewise, the continued emphasis on recruitment, enrollment and retention will remain a priority. As the university becomes more dependent upon self-generated revenue; more funding has to be directed to resources that will result in new students and more students retained. Currently over \$2.2M is dedicated in this area of the university including institutional scholarship dollars.

These are the only priorities that current appropriations and self-generated funds will allow for. Deferred maintenance continues to grow and all other areas of the institution will operate in a "status-quo" fashion

for the 2018/19 fiscal year.

While not directly a part of the unrestricted operating budget, a high priority going in to FY19 is to stabilize revenue and expenditures within the Athletic department. Fiscal year 2018 resulted in the seventh consecutive year with a fund balance decrease. Athletics is now operating at a significant deficit that must be righted.

### **Louisiana State University Eunice**

Our immediate priority is to provide merit increases for our faculty, professional staff, and classified staff. We must reward our dedicated employees who have served the university long-term, and we must attract new employees who seek positions at institutions that are willing to invest in their people. Our students deserve a high quality education from a talented and productive faculty and staff.

While LSUE has improved its financial position through self-generated revenue and continues to increase enrollment, our focus for the 2018-19 academic year is improving student success. LSUE will increase course completions, program completions and graduate rates over the next academic year.

We expect Fall 2018 enrollment to surpass enrollment from the fall of 2017 in both headcount and semester credit hours. This increase will help generate funding for additional student support services and scholarships.

Other initiatives include increasing university-wide marketing and advertising, expanding recruitment and enrollment efforts, improving residential and student life, renovating critical facilities to improve the efficiency and the physical appearance of the campus, restructuring online learning, and enhancing resources for campus safety and security. In addition, LSUE will continue to invest in its employees to provide a positive, friendly, and diverse working environment reflective of LSUE's mission and values.

### **Louisiana State University Shreveport**

There are a number of new initiatives and/or changes associated with our new fiscal year. These include:

- Salary increases for classified staff (up to 4%).
- The addition of 14 new full-time faculty members, bringing the total new faculty hires over 3 years to around 42. Of those, 34 are tenure-track or tenured hires. This has been critical to restoring lost faculty positions over previous years and to meet program accreditation expectations.
- LSUS has implemented the increase in the LSUS "Academic Excellence" fee approved by the LSU Board of Supervisors. This fee increase will help fund the new Cyber Collaboratory. LSUS also received a \$300,000 grant from AEP Swepco to help fund this Cyber Collaboratory.
- The Health & Physical Education building will receive a new roof this year. LSUS will be responsible for approximately \$500,000 of the cost while the state will cover the remaining cost.

- LSUS will renovate a distance learning classroom to make way for a new Student Veteran's Resource Center. The approximate cost is \$200,000 and will tentatively be complete by mid to late December 2018.
- The newly outsourced Barnes & Noble at LSUS will have space renovated at the University Center and will move back into that building in October 2018.
- Resolution of the LSUS student housing situation (involving the potential buy-out of the current lease with Campus Living Villages and implementing plans for new housing, including units suitable for freshmen students). This continues to plague LSUS and has been identified by our current consultant Ruffalo Noel Levitz as a distinct reason we cannot successfully recruit undergraduate students that live outside of certain range of campus.
- Upgrades and renovations to spaces within the University Center for a student organization lounge/meeting space and a food pantry are underway.
- Renovations to the Boardroom to upgrade for current day technological needs as well as a more functional space are underway.
- 35<sup>th</sup> Anniversary of International Lincoln Center for American Studies will be this year. We will recognize the Kinsey family at the upcoming Kemp Forum (09/12/18).

### **LSU Pennington Biomedical Research Center**

Given the current funding situation at a federal level, it is important that Pennington Biomedical researchers continue their preeminently successful quest for regular federal grant awards. We continue to stress diversity in our research portfolio and focus on grant applications from the private sector and other foundations. We are continuing a trend toward changing the institutional model, and striving for more industry partnerships toward our goal to increase revenue generation. We are also continuing our implementation of initiatives for clinical services.

### **LSU Health Sciences Center in New Orleans**

The Fiscal Year 2018-19 appropriation for the LSU Health Sciences Center in New Orleans Campus (LSUHSC-NO) is \$141.0 million. This represents a net decrease of \$718 thousand in comparison to our final budget of \$141.7 million for Fiscal Year 2017-2018. LSUHSC-NO's appropriation was reduced in large part due to a decrease in supplemental appropriation for rent to the Louisiana Cancer Research Consortium, a decrease in statutory dedications from the SELF fund, and an increase in self-generated funds due to the student excellence fees effective Fall 2018.

### **LSUHSC-NO Spending Priorities in FY 2018-2019:**

Pursuant to proposed changes in the civil service rules, annual performance adjustments/Merit increases will be abolished effective July 1, 2018 and instead all eligible classified employees will receive an annual increase in accordance with the new Market Adjustment Rule (CSR 6.32). Effective July 15, 2018, eligible classified employees will receive a market adjustment. A market adjustment is an adjustment to an employee's base pay based upon the employee's position within his/her pay range.

In order to be eligible for a market adjustment, a classified employee must have been employed (at a state entity) six months preceding the disbursement date of July 15<sup>th</sup> of each year. The following employees shall not be eligible for market adjustments:

Any classified employee who received an overall performance evaluation of Needs Improvement/Unsuccessful on his last official performance evaluation.

When Actually Employed (WAE) employees.

Eligible classified employees will receive a base pay increase through a market adjustment annually on July 15<sup>th</sup>. The Percentage amount granted to an employee will be determined by identifying where his current hourly rate falls within his/her pay range. Eligibility percentages are below:

Hourly Rate at Minimum up to 1 <sup>st</sup> Quartile	Hourly Rate above 1 <sup>st</sup> Quartile up to the Midpoint	Hourly Rate above the Midpoint up to the 3 <sup>rd</sup> Quartile	Hourly Rate above 3 <sup>rd</sup> Quartile up to the Maximum
4%	3%	2%	2%

Effective July 1, 2018, the Health Sciences Center will be granting salary increases for faculty who have earned promotions in rank. Increases should range between 5% and 12%.

Revenues generated from the student excellence fee are intended for supporting the recent faculty and staff merit increase program, recruiting and retention of key faculty, and support for instruction and support services of the university.

Because we are well aware of the State’s fiscal condition, our campus continues our emphasis on creating and enhancing alternative sources of funding:

- LSUHSC-NO continues to seek new and/or expanded relationships with private and not-for-profit health care entities. We anticipate increases in revenue from clinical contracts this fiscal year.
- LSUHSC-NO continues to seek capital outlay appropriations and other self-generated funds to repurpose the LSU Interim Hospital for the purpose of enhancing the LSUHSC-NO footprint including the construction and operation of a Center for Advanced Learning and Simulation.
- LSUHSC-NO continues to explore new and innovative public private partnerships to maximize revenue and utilize the transferred buildings including parking in support of repurposed buildings, housing for residents, students, and faculty, and clinics in support of Graduate Medical Education.

LSUHSC-NO continues to focus on:

- Advancing a learning environment of excellence
- Enhancing the quality of educational programs
- Growing our reputation as a national leader in biomedical research

- Improving access and quality of care to citizens, while promoting disease prevention and health awareness
- Building strong community partner relationships

### **LSU Health Science Center in Shreveport**

LSU Health Sciences Center in Shreveport provides statewide education, research, and professional patient care services. The LSUHSC-Shreveport encompasses three professional schools: School of Medicine, School of Graduate Studies, and School of Allied Health Professions.

Faculty and Staff: Investment in faculty and staff is under evaluation as retaining talent and institutional knowledge is key to managing costs and efficiency. (A 2.5- 3% pool of merit increases is under evaluation). Replacement of productive faculty members generally results in increased salary and reduced revenue in the first 12 – 24 months due to time required to build patient base.

Chair Recruitment: Investment in Chair recruitment is necessary. Currently, we have four Interim Chairs with the possibility of an additional two. It is critical that we fill these positions with individuals who have clinical and research credentials and the ability to attract new extramural research funding.

### **LSU Health Care Service Division**

During 2013 and 2014, HCSD transitioned six of its seven hospitals to public-private partnerships. The partnerships are designed to support the HCSD mission by providing new resources for patient care and teaching. It is HCSD's priority to provide supportive services to our partners to ensure that the mission is upheld. These services include IT systems and support, patient billing and accountable care services.

As a result of the public-private partnership, legacy costs remain with HCSD. Retiree's group insurance and risk management make up the majority of these costs for FY19. Other legacy costs include, but are not limited to, record storage, personnel cost, and legal fees. State General Fund in the amount of \$20,310,616 was appropriated for the FY19 budget to cover these costs. \$22,437,424 is the total projected legacy cost for FY19 for HCSD. This leaves \$2.1M in unfunded legacy costs.

It is a priority of HCSD to maintain existing programs, at current levels, and continued access to quality care at Lallie Kemp Regional Medical Center.



**Request for Approval of the 2019-2020  
Five-Year Capital Outlay Budget Request and  
First Year Prioritized Categories for  
Louisiana State University**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to Bylaws Art. VII, Section 9:

E.2 Capital outlay prioritization must be approved by the Board or Executive Committee.

**1. Summary of Matter**

The Division of Administration requires that annual Capital Outlay Budget Requests, which includes projects proposed to be undertaken within the next five years, be submitted no later than November 1<sup>st</sup>. Proposed projects will renovate, repair and construct facilities and infrastructure to meet the needs of teaching, research, service and health care programs of Louisiana State University.

**2. Review of Business Plan**

To be submitted and reviewed for self-generated projects.

**3. Fiscal Impact**

Operation and maintenance cost will increase with new construction projects, deferred maintenance and utility costs will decrease with renovation projects.

**4. Description of Competitive Process**

Not applicable.

**5. Review of Legal Documents**

Campus Capital Outlay Projects Forms and 5-Year Plans are in order

**6. Parties of Interest**

None

**7. Related Transactions**

Where applicable and when appropriate, auxiliary revenue bond documents will be provided to the Board for consideration.

**8. Conflicts of Interest**

None

**ATTACHMENTS**

- I. 5-Year Plan
- II. First Year Prioritized Project List

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that the following list of projects to be submitted to the Division of Administration in accordance with the provisions of La. R.S. 39:101 *et seq.* and first year prioritized project categories are approved and;

**BE IT FURTHER RESOLVED**, that F. King Alexander, Louisiana State University President, be and he is hereby authorized to make adjustments as necessary in this request as circumstances dictate, including technical corrections, increasing or decreasing the amount requested for individual projects by not more than twenty percent (20%) of the amount approved in this resolution, combining or renaming projects and/or changing sources of funds and to add self-generated projects with individual project costs of less than \$1 million without further approval by the Board, provided, however, that such project additions be reported to the Board.

**BE IT FURTHER RESOLVED** that transactions included or referred to in the capital outlay request that otherwise require Board approval are not approved by inclusion in the capital outlay request per Article VII, Section 8, E.1 of the Bylaws.

# 5 YEAR CAPITAL OUTLAY PLAN

ATTACHMENT I

**SYSTEM NAME: LSU**

**5 YEAR CAPITAL OUTLAY PLAN**

**FY2019-2020 THRU FY2023-2024**

	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
LSU	Life Safety and ADA Compliance	E-1	\$0	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$10,000,000	<b>\$10,000,000</b>
LSU	Student Health Center Renovation and Addition	SG-1	\$4,000,000	\$23,890,000					\$23,890,000	<b>\$27,890,000</b>
LSU	Louise Garig Hall Renovation	SG-2	\$100,000	\$5,100,000					\$5,100,000	<b>\$5,200,000</b>
LSU	Renovate Old Engineering Shops for Art Department, Planning and Construction	C-1	\$8,976,900	\$6,123,100					\$6,123,100	\$15,100,000
LSU	Stephenson Veterinary Hospital, Planning and Construction	C-2	\$5,000,000	\$8,000,000					\$8,000,000	<b>\$13,000,000</b>
LSU	LSU Memorial Tower Renovations	C-3	\$4,000,000	\$4,000,000					\$4,000,000	<b>\$8,000,000</b>
LSU	Nicholson Gateway Infrastructure Improvements	C-4	\$3,695,100	\$0					\$0	<b>\$3,695,100</b>
LSU	French House	C-5	\$5,445,000	\$0					\$0	<b>\$5,445,000</b>
LSU	H.P. Long Field House Renovation, Planning and Construction	N-1	\$0	\$1,800,000	\$11,600,000	\$11,600,000			\$25,000,000	<b>\$25,000,000</b>
LSU	Strategic Capital Plan – Deferred Maintenance and Major Repairs for Buildings (Science)	N-2	\$0	\$31,320,000	\$31,320,000	\$31,320,000	\$31,320,000	\$31,320,000	\$156,600,000	<b>\$156,600,000</b>
LSU	Strategic Capital Plan – Deferred Maintenance and Major Repairs for Buildings (Historic Core)	N-3	\$0	\$4,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$44,000,000	<b>\$44,000,000</b>
LSU	Strategic Capital Plan – Deferred Maintenance for Infrastructure and Streets	N-4	\$0	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$40,000,000	<b>\$40,000,000</b>
	<b>Total</b>		<b>\$31,217,000</b>	<b>\$94,233,100</b>	<b>\$62,920,000</b>	<b>\$62,920,000</b>	<b>\$51,320,000</b>	<b>\$51,320,000</b>	<b>\$322,713,100</b>	<b>\$353,930,100</b>

	<b>Project Title</b>	<b>Inst. Priority</b>	<b>Previous Funding</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>5-Year Request</b>	<b>Total Cost</b>
AgCenter	Animal and Food Science Facilities Renovations and Modernizations	C-1	\$30,038,300	\$10,983,558	\$6,601,149	\$5,215,293			\$22,800,000	<b>\$52,838,300</b>
AgCenter	Livestock Education Facility	C-2	\$282,600	\$2,805,780	\$2,311,620				\$5,117,400	<b>\$5,400,000</b>
AgCenter	Martin D. Woodin Hall Renovations and Modernizations	N-1			\$4,952,000	\$7,648,000			\$12,600,000	<b>\$12,600,000</b>
AgCenter	Dairy Science Processing Facility	N-2				\$2,554,000	\$2,546,000		\$5,100,000	<b>\$5,100,000</b>
AgCenter	Greenhouse Facilities Relocation and Departmental Renovations	N-3				\$1,235,000	\$13,585,000	\$780,000	\$15,600,000	<b>\$15,600,000</b>
AgCenter	Emerging Technology Center - Parker Coliseum	N-4					\$5,000,000	\$60,000,000	\$65,000,000	<b>\$65,000,000</b>
AgCenter	Biological & Agricultural Engineering Bldg.	N-5					\$1,248,000	\$14,092,000	\$15,340,000	<b>\$15,340,000</b>
	<b>Totals</b>		<b>\$30,320,900</b>	<b>\$13,789,338</b>	<b>\$13,864,769</b>	<b>\$16,652,293</b>	<b>\$22,379,000</b>	<b>\$74,872,000</b>	<b>\$141,557,400</b>	<b>\$171,878,300</b>
	<b>Project Title</b>	<b>Inst. Priority</b>	<b>Previous Funding</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>5-Year Request</b>	<b>Total Cost</b>
HCSD	Emergency Room Expansion, University Medical Center	C-1	\$4,457,500	\$0					\$0	<b>\$4,457,500</b>
HCSD	Replacement of Air Handlers and Chillers, WO Moss	C-2	\$1,505,000	\$0					\$0	<b>\$1,505,000</b>
HCSD	New Emergency Generator & Chillers, UMC	C-3	\$3,106,000	\$0					\$0	<b>\$3,106,000</b>
HCSD	Air Handling Unit Replacement, Chabert	C-4	\$372,261	\$0					\$0	<b>\$372,261</b>
HCSD	Air Handler Replacement, Lafayette	C-5	\$1,443,600	\$0					\$0	<b>\$1,443,600</b>
HCSD	Cooling Tower Replacement - Lallie Kemp Regional Medical Center	N-1	\$0	\$131,401					\$131,401	<b>\$131,401</b>
HCSD	Underground Plumbing, Sewer and Storm line Replacement - Lallie Kemp Regional Medical Center	N-2	\$0	\$888,861					\$888,861	<b>\$888,861</b>
HCSD	Fire Alarm Replacement - Lallie Kemp Regional Medical Center	N-3	\$0	\$138,000					\$138,000	<b>\$138,000</b>
HCSD	Parking Lot Resurfacing	N-4	\$0	\$90,720					\$90,720	<b>\$90,720</b>
										<b>\$0</b>
	<b>Total</b>		<b>\$10,884,361</b>	<b>\$1,248,982</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,248,982</b>	<b>\$12,133,343</b>

	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
HSCNO	Medical Education Building Laboratory Exhaust Upgrade	E-1	\$0	\$4,000,000	\$5,500,000	\$4,500,000			\$14,000,000	\$14,000,000
HSCNO	Interim Hospital Repuposing	C-1	\$6,500,000	\$8,500,000	\$10,500,000	\$10,000,000	\$5,500,000		\$34,500,000	\$41,000,000
HSCNO	Health Science Center Facility Renovation - Dental School Simulation Facility	C-2	\$31,179,500	\$470,500					\$470,500	\$31,650,000
HSCNO	Human Development Center	C-3	\$25,189,000	\$0					\$0	\$25,189,000
HSCNO	Dental School Mechanical, Electrical Systems Modernization and ADA Improvement	N-1	\$0	\$1,200,000	\$4,400,000	\$4,400,000			\$10,000,000	\$10,000,000
HSCNO	Lions Eye Reroofing	N-2	\$0		\$300,000	\$1,700,000			\$2,000,000	\$2,000,000
HSCNO	Elevated Walkway Structural, ADA, and Lighting Improvements	N-3	\$0			\$350,000	\$3,800,000		\$4,150,000	\$4,150,000
HSCNO	AH&SON Waterproofing	N-4	\$0			\$100,000	\$900,000		\$1,000,000	\$1,000,000
HSCNO	CSRB Roof Replacement and Waterproofing	N-5	\$0					\$3,300,000	\$3,300,000	\$3,300,000
	Total		\$62,868,500	\$14,170,500	\$20,700,000	\$21,050,000	\$10,200,000	\$3,300,000	\$69,420,500	\$132,289,000
	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
HSCS	Medical School B-Building HVAC Replacement	E-1		\$5,100,000					\$5,100,000	\$5,100,000
HSCS	Medical School 10th Floor B-Building HVAC Replacement	E-2		\$5,100,000					\$5,100,000	\$5,100,000
HSCS	Medical School Roof Replacement (B/E Buildings)	E-3		\$700,000					\$700,000	\$700,000
HSCS	Medical School Building Elevator Replacement	E-4		\$2,000,000					\$2,000,000	\$2,000,000
HSCS	Patient Care HVAC Replacement, Planning and Construction	C-1	\$2,995,600	\$750,000					\$750,000	\$3,745,600
HSCS	Capital Improvement Projects, Design and Engineering	C-2	\$5,000,000	\$0					\$0	\$5,000,000
HSCS	Inpatient Critical Care Renovation, Planning, and Construction	C-3	\$3,788,000	\$0					\$0	\$3,788,000
HSCS	High Voltage Electrical Distribution System Upgrade	C-4	\$5,101,500	\$0					\$0	\$5,101,500
HSCS	Student Study & Wellness Center	N-1		\$500,000	\$2,500,000				\$3,000,000	\$3,000,000
HSCS	Campus-wide Pavement Replacement	N-2		\$500,000	\$1,898,460				\$2,398,460	\$2,398,460
	Totals		\$16,885,100	\$14,650,000	\$4,398,460	\$0	\$0	\$0	\$19,048,460	\$35,933,560

	<b>Project Title</b>	<b>Inst. Priority</b>	<b>Previous Funding</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>5-Year Request</b>	<b>Total Cost</b>
LSUA	Infrastructure Improvements	E-1	\$3,320,000	\$2,800,000		\$0	\$0	\$0	\$2,800,000	<b>\$6,120,000</b>
LSUA	Coughlin Hall Renovation	E-2		\$237,313	\$2,721,009	\$0	\$0	\$0	\$2,958,322	<b>\$2,958,322</b>
LSUA	Drainage Outfall	E-3	\$953,265	\$0		\$0	\$0	\$0	\$0	<b>\$953,265</b>
LSUA	Business and Education Building	N-1		\$1,291,579	\$12,915,788			\$0	\$14,207,367	<b>\$14,207,367</b>
LSUA	Library Flooring Replacement and Damage Repair	N-2		\$1,212,750		\$0	\$0	\$0	\$1,212,750	<b>\$1,212,750</b>
LSUA	Oakland Hall Renovation	N-3		\$383,119	\$3,888,938	\$912,450	\$364,875	\$0	\$5,549,382	<b>\$5,549,382</b>
	<b>Totals</b>		<b>\$4,273,265</b>	<b>\$5,924,761</b>	<b>\$19,525,735</b>	<b>\$912,450</b>	<b>\$364,875</b>	<b>\$0</b>	<b>\$26,727,821</b>	<b>\$31,001,086</b>
	<b>Project Title</b>	<b>Inst. Priority</b>	<b>Previous Funding</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>5-Year Request</b>	<b>Total Cost</b>
LSUE	Science Building Roof Replacement	E-1		\$564,000					\$564,000	<b>\$564,000</b>
LSUE	Science Building HVAC Repairs	E-2		\$501,600					\$501,600	<b>\$501,600</b>
LSUE	Science Building Renovation	N-1		\$1,066,169	\$11,868,928	\$615,000			\$13,550,097	<b>\$13,550,097</b>
LSUE	Hundley Roof Replacement	N-2		\$152,400					\$152,400	<b>\$152,400</b>
LSUE	Acadian Center Kitchen & South Side Improvements	N-3			\$500,000				\$500,000	<b>\$500,000</b>
LSUE	Water Proofing	N-4			\$600,000				\$600,000	<b>\$600,000</b>
LSUE	Library Renovations	N-5			\$297,275	\$3,333,275			\$3,630,550	<b>\$3,630,550</b>
LSUE	H&PE Building Renovations	N-6				\$316,250	\$3,542,000		\$3,858,250	<b>\$3,858,250</b>
	<b>Totals</b>		<b>\$0</b>	<b>\$2,284,169</b>	<b>\$13,266,203</b>	<b>\$4,264,525</b>	<b>\$3,542,000</b>	<b>\$0</b>	<b>\$23,356,897</b>	<b>\$23,356,897</b>

	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
LSUS	Business Continuity/Disaster Recovery Equipment	E-1		\$130,000	\$1,216,160				\$1,346,160	\$1,346,160
LSUS	ADA Accessibility Compliance Upgrades	E-2		\$760,000					\$760,000	\$760,000
LSUS	Student Success Health & Wellness Center	SG-1		\$15,935,700					\$15,935,700	\$15,935,700
LSUS	Campus Wide Safety/Security Improvements	N-1		\$1,020,000					\$1,020,000	\$1,020,000
LSUS	Boiler Installation Renovation (B&E, BH, HPER, TC, UC)	N-2		\$500,000	\$1,000,000	\$500,000	\$410,000		\$2,410,000	\$2,410,000
LSUS	Science Building Renovation & Lab Modernization	N-3		\$1,252,000	\$960,000	\$9,308,000	\$1,000,000		\$12,520,000	\$12,520,000
LSUS	Technology Center Roof Replacement	N-4		\$630,000					\$630,000	\$630,000
LSUS	Bronson Hall Building Renovation	N-5		\$1,868,450	\$7,675,000	\$4,000,000	\$2,000,000	\$2,773,179	\$18,316,629	\$18,316,629
LSUS	HPE Renovation and Safety Compliance	N-6		\$1,152,900	\$1,000,000	\$4,000,000	\$4,000,000	\$1,376,100	\$11,529,000	\$11,529,000
LSUS	Business and Education Building Renovation	N-7		\$1,000,000	\$2,097,500	\$2,097,500	\$2,097,500	\$2,097,500	\$9,390,000	\$9,390,000
LSUS	Campuswide Energy Conservation Initiatives	N-8		\$256,200	\$1,200,000	\$1,200,000	\$438,200		\$3,094,400	\$3,094,400
LSUS	Science Buildings Roof Replacement	N-9		\$85,000	\$765,000				\$850,000	\$850,000
LSUS	Science Building Exterior Wall Repairs	N-10		\$120,000	\$1,080,000				\$1,200,000	\$1,200,000
	<b>Totals</b>			<b>\$0</b>	<b>\$24,710,250</b>	<b>\$16,993,660</b>	<b>\$21,105,500</b>	<b>\$9,945,700</b>	<b>\$6,246,779</b>	<b>\$79,001,889</b>
	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
PBRC	PBRC New Clinical Research Bldg, Imaging Center, & High-Tech Research Instrumentation & Equipment, Planning, & Construction	C-5	\$49,949,663	\$50,337					\$50,337	\$50,000,000
PBRC	Building Security Access System Upgrade	N-1		\$600,000					\$600,000	\$600,000
PBRC	Site Security Access System Upgrade	N-2		\$600,000					\$600,000	\$600,000
	<b>Totals</b>		<b>\$49,949,663</b>	<b>\$1,250,337</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,250,337</b>	<b>\$51,200,000</b>
	Project Title	Inst. Priority	Previous Funding	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	5-Year Request	Total Cost
LSU BOS	Major Repairs and Deferred Maintenance of Buildings and Facilities	C-1	\$14,830,000	\$5,000,000		\$0			\$5,000,000	\$19,830,000
	<b>Total</b>		<b>\$14,830,000</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,000,000</b>	<b>\$19,830,000</b>
<b>TOTAL ALL LSU CAMPUSES</b>			<b>\$221,228,789</b>	<b>\$177,261,437</b>	<b>\$151,668,827</b>	<b>\$126,904,768</b>	<b>\$97,751,575</b>	<b>\$135,738,779</b>	<b>\$689,325,386</b>	<b>\$910,554,175</b>

**LSU BOARD OF SUPERVISORS  
FY 2019-2020 Capital Outlay  
Recommendations In Priority Order**

<b>2019-20 System Priority</b>	<b>Campus</b>	<b>Emergency Projects</b>	<b>FY19-20</b>	<b>Total Project Cost</b>
E-1	LSUA	Infrastructure Improvements	\$2,800,000	<b>\$6,120,000</b>
E-2	LSUS	Business Continuity/Disaster Recovery Equipment	\$130,000	<b>\$1,346,160</b>
E-3	LSUE	Science Building Roof Replacement	\$564,000	<b>\$564,000</b>
E-4	HSCNO	Medical Education Building Laboratory Exhaust Upgrade	\$4,000,000	<b>\$14,000,000</b>
E-5	LSUE	Science Building HVAC Repairs	\$501,600	<b>\$501,600</b>
E-6	HSCS	Medical School B-Building HVAC Replacement	\$5,100,000	<b>\$5,100,000</b>
E-7	LSUA	Coughlin Hall Renovation	\$237,313	<b>\$2,958,322</b>
E-8	HSCS	Medical School 10th Floor B-Building HVAC Replacement	\$5,100,000	<b>\$5,100,000</b>
E-9	HSCS	Medical School Roof Replacement (B/E Buildings)	\$700,000	<b>\$700,000</b>
E-10	HSCS	Medical School Building Elevator Replacement	\$2,000,000	<b>\$2,000,000</b>
E-11	LSU	Life Safety and ADA Compliance	\$2,000,000	<b>\$10,000,000</b>
E-12	LSUS	ADA Accessibility Compliance Upgrades	\$760,000	<b>\$760,000</b>
E-13	LSUA	Drainage Outfall	\$0	<b>\$953,265</b>
		<b>TOTAL EMERGENCY PROJECTS</b>	<b>\$23,892,913</b>	<b>\$50,103,347</b>
<b>2019-20 System Priority</b>	<b>Campus</b>	<b>Self-Generated Projects</b>	<b>FY19-20</b>	<b>Total Project Cost</b>
SG-1	LSU	Student Health Center Renovation and Addition	\$23,890,000	<b>\$27,890,000</b>
SG-2	LSU	Louise Garig Hall Renovation	\$5,100,000	<b>\$5,200,000</b>
SG-3	LSUS	Student Success Health & Wellness Center	\$15,935,700	<b>\$15,935,700</b>
		<b>TOTAL SELF-GENERATED PROJECTS</b>	<b>\$44,925,700</b>	<b>\$49,025,700</b>

**LSU BOARD OF SUPERVISORS  
FY 2019-2020 Capital Outlay  
Recommendations In Priority Order**

2019-20 System Priority	Campus	Continuing Projects	FY19-20	Total Project Cost
C-1	LSU	Renovate Old Engineering Shops for Art Department, Planning and Construction	\$6,123,100	<b>\$15,100,000</b>
C-2	LSU	Stephenson Veterinary Hospital, Planning and Construction	\$8,000,000	<b>\$13,000,000</b>
C-3	LSU	LSU Memorial Tower Renovations	\$4,000,000	<b>\$8,000,000</b>
C-4	HSCNO	Interim Hospital Repuposing	\$8,500,000	<b>\$41,000,000</b>
C-5	AgCenter	Animal and Food Science Facilities Renovations and Modernizations	\$10,983,558	<b>\$52,838,300</b>
C-6	AgCenter	Livestock Education Facility	\$2,805,780	<b>\$5,400,000</b>
C-7	BOS	Major Repairs and Deferred Maintenance of Buildings and Facilities	\$5,000,000	<b>\$19,830,000</b>
C-8	HSCS	Patient Care HVAC Replacement, Planning and Construction	\$750,000	<b>\$3,745,600</b>
C-9	HSCNO	Health Science Center Facility Renovation - Dental School Simulation Facility	\$470,500	<b>\$31,650,000</b>
C-10	PBRC	PBRC New Clinical Research Bldg, Imaging Center, & High-Tech Research Instrumentation & Equipment, Planning, & Construction	\$50,337	<b>\$50,000,000</b>
C-11	LSU	Nicholson Gateway Infrastructure Project	\$0	<b>\$3,695,100</b>
C-12	LSU	French House Renovation	\$0	<b>\$5,445,000</b>
C-13	HSCS	Capital Improvement Projects, Design and Engineering	\$0	<b>\$5,000,000</b>
C-14	HSCS	Inpatient Critical Care Renovation, Planning, and Construction	\$0	<b>\$3,788,000</b>
C-16	HSCS	High Voltage Electrical Distribution System Upgrade	\$0	<b>\$5,101,500</b>
C-17	HSCNO	Human Development Center	\$0	<b>\$25,189,000</b>
C-18	HCSD	Emergency Room Expansion, University Medical Center	\$0	<b>\$4,457,500</b>
C-19	HCSD	Replacement of Air Handlers and Chillers, WO Moss	\$0	<b>\$1,505,000</b>
C-20	HCSD	New Emergency Generator & Chillers, UMC	\$0	<b>\$3,106,000</b>
C-21	HCSD	Air Handling Unit Replacement, Chabert	\$0	<b>\$372,261</b>
C-22	HCSD	Air Handler Replacement, Lafayette	\$0	<b>\$1,443,600</b>
		<b>TOTAL CONTINUING PROJECTS</b>	<b>\$46,683,275</b>	<b>\$299,666,861</b>

**LSU BOARD OF SUPERVISORS  
FY 2019-2020 Capital Outlay  
Recommendations In Priority Order**

2019-20 System Priority	Campus	New Projects	FY19-20	Total Project Cost
N-1	HSCNO	Dental School Mechanical, Electrical Systems Modernization and ADA Improvement	\$1,200,000	<b>\$10,000,000</b>
N-2	LSU	H.P. Long Field House Renovation, Planning and Construction	\$1,800,000	<b>\$25,000,000</b>
N-3	LSUS	Campus Wide Safety/Security Improvements	\$1,020,000	<b>\$1,020,000</b>
N-4	LSU	Strategic Capital Plan – Deferred Maintenance and Major Repairs for Buildings (Science)	\$31,320,000	<b>\$156,600,000</b>
N-5	PBRC	Building Security Access System Upgrade	\$600,000	<b>\$600,000</b>
N-6	LSUA	Business and Education Building	\$1,291,579	<b>\$14,207,367</b>
N-7	LSUS	Boiler Installation Renovation (B&E, BH, HPER, TC, UC)	\$500,000	<b>\$2,410,000</b>
N-8	LSU	Strategic Capital Plan – Deferred Maintenance and Major Repairs for Buildings (Historic Core)	\$4,000,000	<b>\$44,000,000</b>
N-9	HCSD	Cooling Tower Replacement - Lallie Kemp Regional Medical Center	\$131,401	<b>\$131,401</b>
N-10	LSU	Strategic Capital Plan – Deferred Maintenance for Infrastructure and Streets	\$8,000,000	<b>\$40,000,000</b>
N-11	LSUE	Science Building Renovation	\$1,066,169	<b>\$13,550,097</b>
N-12	LSUS	Science Building Renovation & Lab Modernization	\$1,252,000	<b>\$12,520,000</b>
N-13	LSUS	Technology Center Roof Replacement	\$630,000	<b>\$630,000</b>
N-14	LSUS	Bronson Hall Building Renovation	\$1,868,450	<b>\$18,316,629</b>
N-15	LSUS	HPE Renovation and Safety Compliance	\$1,152,900	<b>\$11,529,000</b>
N-16	LSUA	Library Flooring Replacement and Damage Repair	\$1,212,750	<b>\$1,212,750</b>
N-17	LSUA	Oakland Hall Renovation	\$383,119	<b>\$5,549,382</b>
N-18	HSCS	Student Study & Wellness Center	\$500,000	<b>\$3,000,000</b>
N-19	HCSD	Underground Plumbing, Sewer and Storm Line Replacement - Lallie Kemp Regional Medical Center	\$888,861	<b>\$888,861</b>
N-20	LSUS	Business and Education Building Renovation	\$1,000,000	<b>\$9,390,000</b>
N-21	HSCS	Campus-Wide Pavement Replacement	\$500,000	<b>\$2,398,460</b>
N-22	LSUE	Hundley Roof Replacement	\$152,400	<b>\$152,400</b>
N-23	LSUS	Campuswide Energy Conservation Initiatives	\$256,200	<b>\$3,094,400</b>
N-24	LSUS	Science Buildings Roof Replacement	\$85,000	<b>\$850,000</b>
N-25	LSUS	Science Building Exterior Wall Repairs	\$120,000	<b>\$1,200,000</b>
N-26	PBRC	Site Security Access System Upgrade	\$600,000	<b>\$600,000</b>
N-27	HCSD	Fire Alarm Replacement - Lallie Kemp Regional Medical Center	\$138,000	<b>\$138,000</b>
N-28	HCSD	Parking Lot Resurfacing	\$90,720	<b>\$90,720</b>
		<b>TOTAL NEW PROJECTS</b>	<b>\$61,759,549</b>	<b>\$379,079,467</b>
		<b>TOTAL ALL CAMPUSES</b>	<b>\$177,261,437</b>	<b>\$777,875,375</b>



**Request from LSU A&M to Authorize the President to Execute a Lease Agreement for Construction of Alex Box Champions Plaza with Tiger Athletic Foundation**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 9:

- A.3 The lease of any immovable property
- A.5(i) Any contract for construction or capital improvements on immovable property of the Board where the construction cost is projected to be greater than \$1 million

**1. Summary of Matter**

Tiger Athletic Foundation ("TAF") requests consideration and approval to lease approximately 3,150 square feet of land and improvements thereon situated between Alex Box Stadium and Gourrier Lane for the purpose of permitting TAF to construct a plaza and related improvements including, but not limited to a statue of Skip Bertman, recognition walls and graphics recognizing LSU's SEC regular season and SEC tournament championship teams, and related site improvements (the "Work") at TAF's expense and in strict accordance with plans and specifications approved by LSU and applicable LSU policies and procedures. TAF would undertake all commercially reasonable efforts to complete all work on or before August 31, 2019. The proposed lease would be effective as of approximately November 1, 2018, and terminate on either donation of the completed Work to LSU, or August 31, 2019, whichever is earlier, unless extended upon written consent by the President of LSU.

**2. Review of Business Plan**

TAF has sufficient accumulated funds and private contributions that may be used for the purpose of paying expenses incurred by TAF for design and construction of the Work and related expenses.

**3. Fiscal Impact**

The cost of constructing the Work is to be determined and will be confirmed in writing to the President of LSU prior to issuance of an Authorization to Proceed. The estimated cost of the Work may be increased only with the written consent of TAF and the LSU Representative. All costs and expenses shall be paid by TAF from private funds.

**4. Description of Competitive Process**

TAF will utilize the services of the contractor selected via competitive bids.

**5. Review of Legal Documents**

Before execution by the President, all legal documents will be reviewed by LSU for legal sufficiency and compliance with LSU policies, procedures and practices. Pursuant to the terms of the attached Lease, the Board will grant to TAF and its contractors rights of access and use of LSU property for the sole purpose of performing the Work. Lease provisions include requirements that: construction must be at TAF's expense; contractors must be licensed in Louisiana and provide labor and materials payment bonds for the full amount of the construction contract naming TAF and the Board as dual-obligees; unless

waived by the LSU Representative, contractors must provide specific insurance in certain minimum amounts naming the Board and TAF as additional insureds; and, Plans and Specifications must be approved by the LSU Representative prior to commencement of construction.

## **6. Parties of Interest**

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“Board”), Louisiana State University and Agricultural and Mechanical College (“LSU”), and Tiger Athletic Foundation (“TAF”) are the primary parties of interest.

## **7. Related Transactions**

None.

## **8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Draft Lease Agreement for Construction of Alex Box Champions Plaza with Tiger Athletic Foundation

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, to execute a Lease to Tiger Athletic Foundation in order to facilitate the Construction of Alex Box Champions Plaza and to execute related agreements” as may be reasonably necessary to facilitate the project;

**BE IT FURTHER RESOLVED** that the Board, pursuant to the Uniform Affiliation Agreement between it and the Tiger Athletic Foundation, finds an acceptable University purpose for Tiger Athletic Foundation to enter into the proposed Lease, and any related or ancillary contracts and agreements reasonably necessary for the project; and,

**BE IT FURTHER RESOLVED** that F. King Alexander, in his capacity as President of LSU, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, to include in the Lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.”

**LEASE AGREEMENT FOR CONSTRUCTION OF  
ALEX BOX CHAMPIONS PLAZA**

**THIS LEASE AGREEMENT FOR CONSTRUCTION OF ALEX BOX CHAMPIONS PLAZA** (herein "Lease") is entered into as of the dates indicated on the attached Acknowledgments, by and between,

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through, F. King Alexander, in his capacity as President of LSU, duly authorized and empowered by resolution of said Board of Supervisors (hereinafter referred to as "Board"),

and

**TIGER ATHLETIC FOUNDATION**, a Louisiana non-profit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, herein appearing through and represented by Richard B. Perry, its duly authorized President and Chief Executive Officer (hereinafter referred to as "Foundation"),

provides as follows:

**WITNESSETH**

**WHEREAS**, Foundation is a private non-profit Louisiana corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax exempt purpose is to support the mission and programs of Louisiana State University and Agricultural and Mechanical College ("University"), a higher education institution under the management and supervision of Board;

**WHEREAS**, Louisiana Revised Statutes 17:3361, et seq., expressly authorizes Board to lease property to a nonprofit corporation such as Foundation for the purpose of constructing and renovating buildings, other structures and improvements;

**WHEREAS**, Board is the owner of the immovable property including but not limited to land and improvements thereon consisting of approximately 3,150 square feet situated on the southwest side of Alex Box Stadium and on the north side of Gourrier Lane, on the campus of Louisiana State University, located in Section 56, T-7-S, R-1-W, Greensburg Land District in the Parish of East Baton Rouge, State of Louisiana, as further depicted on Exhibit “A” (the, “Land”);

**WHEREAS**, Foundation desires to lease the Land for the purpose of constructing a plaza and related improvements including, but not limited to, the construction and installation of a statue of Skip Bertman, recognition walls and graphics recognizing LSU’s SEC regular season and SEC tournament championship teams, all at Foundation’s expense and in accordance with design standards established by the Board and/or University,

**WHEREAS**, Board desires to grant Foundation such a lease and limited rights of use and access in order to facilitate construction of such improvements; and,

**WHEREAS**, the improvements to be constructed by Foundation pursuant to the terms of this Lease will be donated by Foundation to Board upon completion of construction and acceptance by Board in accordance with the terms of this Lease;

**NOW THEREFORE**, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

**CERTAIN TERMS DEFINED**

“**Applicable Laws**,” refers to all laws, statutes, rules, regulations, ordinances, building codes, resolutions and orders of any Governmental Authority, including but not limited to applicable rules, regulations and architectural standards of University and Board, applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or any third parties.

“**Architect**,” refers to any architect or other design professional, including their permitted

successors and assigns, engaged by Foundation to perform architectural or design services with respect to any phase of the design and/or construction renovation of the Improvements or any substitute or successor architect or other design professional engaged by Foundation.

**“Construction Contract,”** refers to one or more agreements for the construction of the Improvements entered into by and between the Foundation and the Contractor, including all amendments, modifications, exhibits, schedules, supplements and change orders to all such agreements.

**“Contractor,”** refers to the contractor or contractors selected by Foundation to construct the Improvements and their permitted successors and assigns.

**“Effective Date,”** refers to November 1, 2018, or the date upon which all of the following have occurred, whichever is later: (a) this Lease is executed and delivered by the parties hereto; (b) all necessary approvals of this Lease, as required by Applicable Laws, are obtained; and, (c) the final Plans and Specifications have been approved and an Authorization to Proceed has been authorized and issued in accordance with the terms of this Lease, including but not limited to Section 4.1B.

**“Force Majeure,”** refers to any (a) act of God, lightning, hurricane, tornado, and other extraordinarily adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slow down or work stopped; and, (c) any other similar cause or similar event beyond the reasonable control of the Foundation.

**“Governmental Authorities,”** refers to any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

**“Improvements,”** refers to the construction and installation of a statue of Skip Bertman, recognition walls, graphics recognizing LSU’s SEC regular season and SEC tournament championship teams and related site work on the Land.

**“LSU”** refers to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including the campus of the Board at which the Work is to be performed.

**“LSU Representative”**, refers to the President of LSU or the Executive Vice President for Finance and Administration and CFO of LSU acting as the President’s designee. With respect to matters involving construction and design, including, without limitation, approvals of Plans and Specifications, Construction Contracts, Change Orders, Authorizations to Proceed, Punch Lists, and Substantial Completion, the term LSU Representative shall refer to the LSU Associate Vice President for Facilities and Property Oversight.

**“LSU Rules and Regulations”** refers to all current and future rules, regulations, procedures and directives promulgated by or pursuant to authority granted to LSU.

**“LSU Construction Monitor,”** one or more persons designated and authorized from time

to time by the Associate Vice President for Facilities and Property Oversight to monitor Foundation's construction progress during the construction phase of the Improvements or any other Work who shall be either a licensed architect or a licensed engineer. The initial LSU Construction Monitor shall be LSU's Director of Planning, Design and Construction.

**"Payment and Performance Bonds,"** refers to payment and performance bonds required in connection with performance of the Work and described in Section 4D of this Lease.

**"Plans and Specifications,"** refers to one or more sets of final plans and specifications, including any amendments thereto, for design of the Improvements, materials selection and method of construction for the construction of the Improvements and for all Work related thereto, which have been approved, in writing, by the LSU Representative.

**"Punch List,"** refers to a list prepared by the Architect and approved by the LSU Construction Monitor and the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion, prior to final acceptance.

**"Substantial Completion,"** refers to the date or dates on which (a) the Architect has certified to Foundation that the Work (or, if approved by the LSU Construction Monitor and the LSU Representative, any portion of the Work) has been completed substantially in accordance with the Plans and Specifications, subject to customary punch list items remaining to be completed, (b) the LSU Construction Monitor and the LSU Representative have given written approval of the Architect's certificate, which approval shall not be unreasonably delayed, withheld or conditioned, and (c) governmental certificates and approvals required to allow beneficial use and occupancy of the Improvements by the University have been obtained, including, but not limited to, a Certificate of Occupancy (whether temporary or final if applicable) and State Fire Marshal approval.

**"Work,"** refers to all work and activities required to be undertaken by Foundation in order to design and construct the Improvements including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the design, planning and construction of Facilities and all necessary utility placements, relocations, tie-ins and upgrades.

## 1.

### **AGREEMENT TO LEASE**

For and in consideration of One Hundred (\$100) Dollars and other good and valuable consideration, Board hereby leases the Land to Foundation, and hereby grants to Foundation such rights of use and access as are necessary for Foundation to perform the Work. Unless otherwise agreed to in writing by Foundation and the LSU Representative, this Lease, including all rights of use and access for construction purposes, shall terminate upon the earlier of; (a) termination of this

Lease in accordance with the provisions hereof; (b) donation of the Improvements to Board as provided for herein; or (c) August 31, 2019.

2.

**AGREEMENT TO CONSTRUCT AND DONATE IMPROVEMENTS**

Foundation agrees to construct the Improvements in accordance with the Plans and Specifications and to donate the Improvements to Board after completion of the Work. Estimated costs to construct the Improvements will be provided in writing to the LSU Representative prior to issuance of an Authorization to Proceed, and all cost and expense associated with the design and construction of the Improvements shall be paid by Foundation from private donations. The amount estimated for costs and expense may be increased with the written consent of Foundation and the LSU Representative, subject to the requirements of Subsections 4.1.A and 4.1.J hereof.

3.

**USE OF PREMISES**

Foundation may use the Land only for construction of the Improvements. Foundation shall not use the Land for the sale, distribution, storage, transportation or handling of petroleum or other similar synthetic products. Foundation shall not make any use of the Land in violation of any Applicable Laws, and shall not permit any contamination or pollution on or about the Land or increase the fire or insurance hazard by any use thereof. Before beginning any Work on the Land, Foundation shall obtain any permits required by the State of Louisiana, the Parish of East Baton Rouge and the United States of America or any of their subdivisions or departments. Foundation shall not install or otherwise place storage tanks in or on the Land without the LSU Representative's prior written consent which, in addition to any other conditions required by the LSU Representative, shall be subject to the condition that any such tanks shall be located on a

concrete slab and shall be surrounded by a retaining wall that will retain the products stored in the tanks in the event of any spill, discharge, leak, overflow, or other release.

**4.**

**CONSTRUCTION**

4.1 At its sole cost and expense, Foundation shall construct the Improvements in a good and workmanlike manner, in accordance with the following provisions:

**A. Plans and Specifications/Change Orders**

At least thirty (30) days prior to commencement of any construction, proposed final plans and specifications approved by the LSU Construction Monitor shall be delivered to the LSU Representative for his review. The LSU Representative shall approve or disapprove such proposed final plans and specifications in writing within thirty (30) days of receipt thereof. Any request for change orders to the Plans and Specifications or to the Construction Contract shall be made to the LSU Representative, who shall approve or disapprove such request in writing within ten (10) working days of having received such request from the Foundation. Any change in work and materials relating to construction of the Improvements which either (1) materially alters the exterior appearance of the Improvements, or (2) materially alters the quality of materials or the interior appearance of any of the Improvements and costs more than One Hundred Thousand and 00/100 Dollars (\$100,000.00), is subject to the prior review and approval of the LSU Representative, which approval shall not be unreasonably withheld, delayed or conditioned. Foundation shall notify the LSU Representative in writing of any such proposed changes in work or materials, and provide to the LSU Representative copies of the proposed changes, and the LSU Representative shall either approve or disapprove any such changes within seven (7) Business Days after receipt of such notice from Foundation. If the LSU Representative fails to respond within such seven (7) day period, it shall be deemed that LSU approves such changes. Notification to the LSU Representative shall include copies of proposed change orders approved by the Contractor, the Architect, the Foundation and the LSU Construction Monitor, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such changes in the Work or materials. Complete copies of all final change orders shall be provided to the LSU Representative no later than the commencement of the Work

represented by the change order, even if LSU Representative approval is not required. Changes in work or materials relating to construction of the Improvements not required to be submitted to the LSU Representative by this section shall be submitted in writing (unless written submission is waived by the LSU Construction Monitor) to and received by the LSU Construction Monitor who shall either approve or disapprove any such changes within two (2) Business Days after receipt of such request and copies of the proposed changes from Foundation. If the LSU Construction Monitor fails to respond within such two (2) Business Day period, it shall be deemed that he approves such changes.

No change order to the Construction Contract which materially and substantially deviates from the Construction Contract as originally approved shall be implemented without the prior written consent of the LSU Representative.

**B. Commencement and Completion of Work**

Unless delayed by Force Majeure, at its own expense, Foundation agrees to: (1) commence the Work on or before November 1, 2018, or within thirty (30) days after the LSU Representative has issued a written Authorization to Proceed, whichever is later; and (2) make best reasonable efforts to achieve Substantial Completion of all Work on or before August 31, 2019. No work shall commence until the LSU Representative has issued a written Authorization to Proceed and written approval to the final proposed plans and specifications. The commencement and completion dates set forth herein may be extended by a written request issued by the Foundation and approved in writing by the LSU Representative.

**C. Construction Contract**

The Work shall be performed on behalf of Foundation pursuant to the terms of the Construction Contract. Foundation shall not enter into a proposed Construction Contract without the prior written approval of the LSU Representative. The LSU Representative shall approve or disapprove the proposed final contract within ten (10) days of receipt from Foundation. Where

appropriate, the Construction Contract and Payment and Performance Bonds shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. Foundation shall include a liquidated damages clause acceptable to the LSU Representative in the proposed Construction Contract. Board and Foundation hereby acknowledge the following, and, to the extent practically and legally possible, the Construction Contract and all subcontracts entered into by the Contractor shall acknowledge expressly that they have been informed of the following:

- (i) The Work will be performed solely and exclusively for Foundation.
- (ii) Foundation is a separate legal entity from University and Board. It is not acting as agent for University or Board, and Foundation has no authority to obligate University or Board to any extent whatsoever.
- (iii) Neither Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Lease.
- (iv) Foundation has no ownership interest in the Land on which the Work will be performed. Any improvements placed on the Land shall become property of Board upon completion of the Work. The Work shall not give rise to any rights against the Land or Board.
- (v) It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent,

approval or review given or undertaken in connection with the Work. No party shall infer, based on any consent, approval or review given or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

D. Payment and Performance Bonds

Foundation shall require that the Contractor provide a performance and labor and materials payment bond(s) with a corporate surety authorized to do business in the State of Louisiana. Said bond(s) shall be for the greater of the full amount of the Contract Sum or the Guaranteed Maximum Price as defined and established in the Construction Contract. Both Foundation and Board shall be obligees under the bond(s).

E. Rights Concerning the Land During Construction

To the extent necessary, Foundation and the Contractor shall have the right to occupy and use the Land, with reasonable ingress to and egress from the Land, during the term of this Lease and, with the prior written consent of the LSU Construction Monitor, shall fence or block off that area of the Land necessary to perform the Work in a safe and secure manner. Except for unknown or unforeseen and unforeseeable defects, Foundation assumes all responsibility for the condition of the Land during the term of this Lease. Foundation and the Contractor shall maintain Land and any improvement or construction thereon in a reasonably prudent manner at all times until the Work is accepted by the LSU Representative and donated to the Board. Board shall not be responsible for any maintenance or repairs to the Land or the Work during the term of this Lease.

The LSU Construction Monitor and the LSU Representative and any other individuals authorized by the LSU Representative shall at all times have access to the Land and the exercise of all rights as owner except as otherwise provided herein, even those not specifically acknowledged herein. Foundation accepts the Land for the purposes herein outlined without any warranty of title or recourse whatsoever against Board.

F. Access over Adjoining Property during Construction

Board hereby grants to Foundation a servitude of access over and across such other property owned by Board only in so far as such is reasonably necessary in order for the Foundation to fulfill its obligations hereunder, provided, however, that (1) such access routes are approved in writing by the LSU Construction Monitor; and (2) Foundation shall not unreasonably interfere with Board's (or Board's lessee's) use of such other property.

G. LSU Rules and Regulations; Access During Construction

Foundation agrees that it will comply with all Board and University regulations, policies and mandates with regard to all contractors and personnel entering the Land for purposes of construction, which rules and regulations will be addressed at the pre-construction conference, and that it will secure, at its own expense, all necessary permits and licenses from all regulatory agencies or bodies. Foundation shall make these same requirements of the Contractor. At all times during construction, the LSU Construction Monitor, the LSU Representative and any individuals authorized by the LSU Representative shall have the right but not the obligation to enter the Land and review the Work to determine that it is being performed in compliance with the Plans and Specifications and in a good and workmanlike manner.

H. Signage

Before erecting or placing any sign upon the Land or the Improvements, Foundation

shall submit the design specifications of such sign to the LSU Construction Monitor for approval. Foundation may only erect or place signage hereunder if it has obtained the prior written approval of the University Construction Monitor.

I. Acceptance of Construction

Foundation and Board agree to work together to identify and facilitate completion of all warranty and punch list items within the first year following acceptance of the Work. Foundation will not accept any portion of the Work without the written approval of the LSU Representative. Board reserves the right to refuse to approve the acceptance of the Work unless monies equal to the value of the punch list deficiencies are withheld by the Foundation and designated for payment to the Contractor only upon completion of the punch list items. Upon donation of the Work, by Foundation to Board, Foundation hereby agrees that, to the extent allowed by law, Foundation will assign or transfer to Board its right to enforce actions against the Contractor and/or the Architect arising out of the Work; provided, however, Foundation shall continue to be obligated to complete the Punch List items. Final payment shall not be made to the Contractor until the LSU Representative agrees in writing that the Punch List items have been completed.

J. Funds for Construction

At the LSU Representative's request, prior to the commencement of the Work, Foundation shall satisfy the LSU Representative that the total amount of money needed to complete the Work, has been collected or acquired by the Foundation and is dedicated to that use. At the LSU Representative's sole option, Foundation may be required to provide a letter of credit, a performance bond, or a dedicated escrow account to guarantee its performance.

K. On Site Construction Inspector

If in the LSU Representative's sole discretion it becomes necessary, Foundation at Foundation's expense shall hire an on-site construction inspector or clerk of the works for full time supervision of the Work.

L. Inspection and Survey

Foundation shall inspect the Land, and arrange for any necessary boundary surveys, topographical surveys, soil borings and other site investigations at its expense. Foundation accepts the Land in its present condition.

M. No Liens; Release of Recorded Liens

Foundation shall not suffer or permit any liens to be enforced against the Land or Board by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to Foundation or to anyone through or under the Foundation. If any such liens shall be recorded against the Land, Foundation shall cause the same to be released of record, or in the alternative, if the Foundation in good faith desires to contest the same, Foundation shall be privileged to do so, but in such case, Foundation shall promptly deposit with the Recorder of Mortgages of East Baton Rouge Parish a bond guaranteeing payment of any such liens and hereby agrees to indemnify, defend with an attorney of the LSU Representative's choice, and save Board harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

5.

INSURANCE

5.1 Unless otherwise approved in writing by the LSU Representative, during the Work and prior to the donation of the Improvements to Board, Foundation shall maintain or require the

Contractor to maintain the following:

A. Builder's Risk Insurance

Contractor shall provide an "All Risk" builder's risk insurance policy, including but not limited to fire and extended coverage insurance, vandalism and malicious mischief, for not less than one hundred (100%) percent of the full replacement value of the Work or property destroyed to protect against any damage or loss during the Work and until final donation of the Improvements to Board and acceptance thereof. This policy shall be taken out prior to commencement of construction and discontinue upon final acceptance by Board of the donation. It shall run in favor of Contractor, Foundation and Board, as their interests may appear. The coverage shall include the Architect's fee for work required and reconstruction following a loss during construction. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.

B. General Liability and Property Damage Insurance

Foundation and its contractors, before commencing any construction, shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, which will cover Foundation's, Board's and the Architect's legal liability arising out of the construction performed by Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by either of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings, which may arise from operations for the construction of the Work, with minimum limits of liability of Two Million (\$2,000,000.00) dollars per occurrence and Five Million (\$5,000,000.00) dollars general aggregate. Foundation shall also require its contractors and subcontractors to have in full force and effect a policy of workmen's compensation

and employer's liability insurance before proceeding with the construction under this Lease. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.

C. Architect's Design, Errors and Omissions

Upon execution of this Lease, Foundation shall provide the LSU Representative with evidence that the Architect has procured architect's design, errors and omissions insurance coverage for the Work in an amount acceptable to the LSU Representative, and Board shall be named as an additional insured on said policy.

5.2 Unless otherwise approved by the LSU Representative in writing, the following requirements shall be applicable to insurance policies and coverages required pursuant to the terms of this Lease:

A. Required Insurance Shall Be Primary

All insurance required hereby shall be primary as respects Board, its members, officers, employees and authorized agents. Any insurance or self-insurance maintained by the Louisiana Office of Risk Management and Board shall be excess and noncontributory of Foundation or any Contractors' insurance.

B. Failure to Comply With Reporting Requirements

Any failure of the Foundation or Contractor to comply with reporting requirements of a policy required hereby shall not affect coverage provided to Board, its members, officers, employees and authorized agents.

C. Application of Multiple Policies

The Foundation's and/or Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policy limits.

D. No Release

Neither the acceptance of the completed Work nor the payment therefor shall release the Foundation or Contractor or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein.

E. No Recourse

The insurance companies issuing the required policies shall have no recourse against Board for payment of premiums or for assessments under any form of the policies.

F. Excess Insurance

Excess umbrella insurance may be used to meet the minimum requirements for the general liability and automobile liability only.

G. Deductibles and SIR's

The Foundation and/or Contractor shall be responsible for all deductibles and self-insured retentions.

H. No Special Limitations

The coverage required hereunder shall contain no special limitations (e.g. limitations beyond those that are normal and customary based on the policy, coverage and activity insured) on the scope of protection afforded to Board, its members, officers, employees and authorized agents.

I. Licensed Louisiana Insurers

All insurance shall be obtained through insurance companies duly licensed and authorized to do business in the State of Louisiana, which, to the extent available on commercially reasonable terms, bear a rating of A:X in the latest A. M. Best Co. ratings guide. If at any time an

insurer issuing a policy hereunder does not meet the minimum A. M. Best Co. ratings, and such requirement has not been waived in writing by the LSU Representative, the Foundation and/or Contractor shall obtain a policy with an insurer that meets the A. M. Best Co., rating required and shall submit another Certificate of Insurance as required hereunder.

J. Occurrence Based Policies

All insurance required hereunder, with the exception of Architect's Design Errors and Omissions policies, shall be occurrence coverage. Except as specifically permitted herein, claims-made policies are not allowed.

K. Verification of Coverage

The Foundation shall furnish the LSU Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a twenty (20) day written notification to the LSU Representative prior to the cancellation thereof. Upon failure of the Foundation to furnish, deliver and maintain such insurance as provided herein, and expiration of any applicable cure period, then Board may, but shall not shall be obligated to, obtain said insurance on behalf of the Foundation at the Foundation's commercially reasonable cost and expense. Failure of the Foundation to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve the Foundation from any liability or indemnification hereunder.

L. Additional Insureds

The Foundation, Board and its members, officers, employees and authorized agents shall each be named as additional insureds on all policies required hereby.

M. Additional Insurance

The LSU Representative may review Foundation's required insurance as stated herein at the time of renewal of the policies or at the time of a material change, and the LSU Representative reserves the right to require reasonable additional limits or coverages to the extent available at commercially reasonable rates. Foundation agrees to comply with any such reasonable request by the LSU Representative or to allow reasonable changes or reductions in coverages.

N. Blanket Policies

If any blanket general insurance policy of Foundation complies with the requirements of this Lease, such insurance shall fulfill the requirements set forth herein.

O. Limitation on Liability

The insurance and other provisions of this Lease do not waive or abrogate, are not intended to waive or abrogate, and shall not be interpreted to waive or abrogate the limitation on liability established under La. R.S. 13:5106 for Board.

**6.**

**DONATION OF IMPROVEMENTS AND TITLE TO IMPROVEMENTS**

6.1 Foundation agrees to donate the Improvements to Board after (a) final acceptance of all Work by Foundation and written approval by the LSU Representative of said final acceptance, and (b) the delivery to the LSU Representative of either (i) a clear lien certificate as to the Work, which certificate has been obtained from the proper parish clerk's office or (ii) evidence that any liens against the Improvements have been adequately bonded. Unless otherwise agreed to in writing by the LSU Representative and Foundation, the Work shall not be donated to

Board until the events in both (a) and (b) of this paragraph have occurred; however, for good cause as determined by the LSU Representative in his sole discretion, the Work may be donated to Board following Substantial Completion subject to Foundation's obligation to satisfactorily complete any outstanding punch list items and satisfy any outstanding liens and payment obligations relating to the Work. If the Architect for the Work recommends final acceptance of the Work by Foundation, the LSU Representative shall not unreasonably refuse to approve final acceptance by Foundation. Unless otherwise agreed to in writing by the LSU Representative and Foundation, use and/or occupancy of the Improvements shall be prohibited until the Improvements have been donated by Foundation to Board.

6.2 Upon fulfillment of the conditions set forth in paragraph 6.1 (a) and 6.1 (b) hereof, the Improvements shall be donated to and title and ownership to said Improvements shall be transferred to and shall become owned by Board. Said donation shall occur concurrently with final fulfillment of the conditions set forth in paragraph 6.1 (a) and 6.1 (b), and, upon said donation, Foundation shall have no further responsibilities, obligations or liabilities with regard to the completed Improvements, Land or the Work except as otherwise specifically set forth herein. Foundation shall bear the risk of loss with respect to the Improvements until acceptance of the donation by the LSU Representative; provided, however, Foundation's risk shall be limited to available insurance proceeds. Furthermore, prior to such donation, Foundation shall obtain guarantees and warranties from the contractor or contractors and suppliers of equipment, which guarantees and warranties shall be assigned to and shall run in favor of Board upon the donation of the Improvements, provided, however, Foundation itself shall make no warranty as to the condition of the Work. To the extent that such terms are available on commercially reasonable terms, guarantees and warranties for the construction and completion of the Improvements shall

run from the later of (1) the fulfillment of the conditions set forth in paragraph 6.1 or (2) the full execution of the donation of the Improvements from the Foundation to Board or (3) occupancy for the purposes set forth herein (the “Warranty Commencement Date”), which warranties shall include but not be limited to the following items and periods if available:

- (a) For ten (10) years following the Warranty Commencement Date, all defects in materials and workmanship;
- (b) For ten (10) years following the Warranty Commencement Date, all plumbing, electrical, heating, cooling and ventilating systems; and
- (c) For the length of manufacturers’ warranties, all appliances and equipment.

6.3 Upon fulfillment of the conditions set forth in Paragraph 6.1 hereof the parties agree to execute any and all documents necessary to effectuate the donation and the acceptance thereof on behalf of Board. The parties will record the donation and acceptance in the records of the parish in which Land is located.

6.4 Notwithstanding anything contained in this Lease, at all times Board shall have the absolute right to terminate this Lease on thirty (30) days’ written notice to Foundation. Upon such termination either Board shall take title to the Improvements, or Board, at its option, may require Foundation to transfer all of its right, title and interest in this Lease, in any funds (subject to applicable donor restrictions and the terms of any valid and perfected liens, pledges and security interests) dedicated to complete the construction of the Improvements, and in the Improvements already constructed, to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390, which is acceptable to Board, and which accepts the obligations of the Foundation hereunder.

## 7.

### **INDEMNIFICATION**

7.1 Foundation, for itself and for its successors, assigns, agents, contractors, employees, invitees, customers and licensees, agrees to indemnify, defend and to hold Board harmless against any loss for damages or injuries that may be suffered by Board or by any person, including but not limited to Foundation's agents, contractors, employees, invitees and licensees, to the extent such loss arises out of or is related to the Work, except with respect to acts or omissions by Board's members, officers and employees unless said members, officers and employees are acting at the direction or request of the Foundation, and Foundation agrees to defend Board with an attorney of Board's choice in any legal action against it and pay in full and satisfy any claims, demands or judgments made or rendered against Board, and to reimburse Board for any legal expenses, including attorney's fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder, but Foundation's costs and expenses incurred in fulfilling this indemnity and defense shall, to the extent allowed by Applicable Laws, be limited to insurance proceeds which are available for this purpose.

7.2 To the extent allowed by Applicable Laws, Board, agrees to indemnify, defend and hold Foundation harmless against any loss for damages or injuries that may be suffered by Foundation or by any person including but not limited to Board's agents, contractors, employees, invitees, and licensees, except if any of such persons are acting at the direction or request of the Foundation, to the extent that such loss, damage or injuries arise out of or are related to the fault or negligence of Board, its members, employees, or officers, and Board agrees to defend Foundation in any legal actions against it and, to the extent allowed by law, pay in full and satisfy any claims, demands or judgments made or rendered against Foundation, and to reimburse Foundation for any legal expenses, including attorneys' fees and court costs, which may be

incurred by it in defense of any claim or legal action arising thereunder; provided, however, that Board's costs and expenses incurred in fulfilling this indemnity and defense shall be limited to proceeds from the Office of Risk Management which are available for this purpose.

**8.**

**TERMINATION**

This Lease shall terminate upon donation of the Improvements to Board and acceptance by Board of said donation as set forth in paragraph 6.1(a), 6.1(b) and 6.2 hereof, or at the latest on August 31, 2019. This Lease may be extended by written consent of both parties, which consent may be granted by the LSU Representative.

**9.**

**NOTICES**

All notices, demands and correspondence made necessary by the provisions of this Lease shall be deemed to be properly given, served and addressed, if and when sent by certified mail, return receipt requested, directed as follows:

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

Foundation: Tiger Athletic Foundation  
Attention: Richard B. Perry, President and CEO  
Pete Maravich Assembly Center  
North Stadium Drive

P.O. Box 711  
Baton Rouge, LA 70821

**10.**

**FOUNDATION DEFAULT**

10.1 Board may declare Foundation in default upon one or more of the following events:

A. Failure to Timely Commence or Complete.

Failure of Foundation to commence and/or complete the Work as set forth in this Lease, within the time frame allowed, unless such time period has been mutually extended in writing by the LSU Representative and Foundation unless such failure was caused by a Force Majeure, and which failure has continued for a period of thirty (30) days after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied; or

B. Deviation From Approved Plans and Specifications.

A substantial deviation, unauthorized in writing by the LSU Representative, from the plans and specifications for the Work approved by the LSU Representative, which deviation has continued for a period of thirty (30) days after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied; or

C. Breach of Lease Covenants.

Failure of Foundation to observe or perform any other covenant, condition or obligation upon its part to be observed or performed under this Lease for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied; or

D. Taking of Improvements.

The taking by execution of the Improvements for the benefit of any person or entity other than Board; or

E. Involuntary Bankruptcy.

A court having jurisdiction shall enter an order for relief in any involuntary case commenced against Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for Foundation or any substantial part of the properties of Foundation or ordering the winding up or liquidation of the affairs of Foundation, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

F. Voluntary Bankruptcy.

The commencement by Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by Foundation to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for Foundation or any substantial part of the properties of the Foundation; or

G. Abandonment of Project.

Foundation, after commencement of construction but prior to substantially completing construction of the Improvements, abandons (with no intent to continue) construction for a period of ninety (90) consecutive days, excluding delays caused by Force Majeure.

10.2 Whenever any event of default referred to in this section shall have occurred and be continuing and Foundation refuses or fails to take the reasonable and necessary remedial action to cure such default in the time period specified therefor, in addition to any other remedies herein or by law provided, Board shall have the right, without any further demand or notice, to declare

this Lease terminated. In the event of the termination of this Lease, Foundation expressly waives any notice to vacate. Furthermore, in the event of the termination of this Lease during the Work, Board shall be the owner of all improvements made on or to the Land, provided, however, at Board's sole option and direction, in the event of the termination of this Lease during the Work, Foundation shall transfer any Improvements constructed pursuant to the Lease, its rights and obligations under this Lease and any funds (subject to applicable donor restrictions and the terms of any valid and perfected liens, pledges and security interests) Foundation has dedicated to complete the construction of the Improvements to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to Board.

**11.**

**BOARD DEFAULT**

Foundation may declare Board in default upon the failure of Board to observe or perform any covenant, condition or agreement upon its part to be observed or performed under this Lease for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default be continuing and Board has not taken any action reasonably anticipated to cure such default, in addition to any other remedies herein or by law provided, Foundation shall have the right, without any further demand or notice to declare this Lease terminated and shall have no further obligation to perform any of the obligations of Foundation under this Lease.

**12.**

## MISCELLANEOUS

### 12.1 Relationship of Parties.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto.

### 12.2 Attorneys Fees.

The prevailing party to the extent allowed by law shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

### 12.3 Louisiana Law to Apply.

This Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana.

### 12.4 Nonwaiver.

No waiver by Board or Foundation of a breach of any of the covenants, conditions, or restrictions of this Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Lease. The failure of Board or Foundation to insist in any one or more cases upon the strict performance of any of the covenants of the Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. No waiver, change, modification or discharge by Board or Foundation of any provision of this Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties hereto.

### 12.5 Severability.

If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

12.6 Authorization.

By execution of this Lease, Foundation and Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Lease have been taken and performed; and that the persons signing this Lease on their behalf have due authorization to do so.

12.7 Use of Name, Logos or Marks.

Neither party shall make use of the other party's name, logo or marks without its prior written consent.

12.8 Amendment.

No amendment, modification, or alteration of the terms of this Lease shall be binding unless made in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

12.9 Assignment and Mortgage.

Foundation shall not assign this Lease or any part hereof without the prior written consent of the LSU Representative, and any attempt of assignment without the prior written consent of the LSU Representative shall be null and void as to Board. Furthermore, Foundation may not mortgage or encumber its rights in or arising out of this Lease or any rights it has or might have in the Land, the Improvements or the Work without the prior written consent of the LSU

Representative, and any attempt to mortgage or encumber without the prior written consent of the LSU Representative shall be null and void as to Board.

12.10 Books, Records and Audit.

The books, accounts and records of Foundation which pertain directly to the Work and construction of the Improvements shall be maintained at the principal office of Foundation. Board may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Foundation and its contractor(s) to the extent necessary to verify compliance with this Lease or insofar as said books, bank accounts, records and accounts directly relate to Foundation's performance of its obligations under this Lease. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of Board, by independent auditors retained by Board to conduct such audit, or by the Louisiana Legislative Auditor, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation.

12.11 Successors and Assigns.

All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of University or Board into another educational institution or governing body.

12.12 Notice of Lease.

Foundation agrees not to record this Lease. At the Foundation's request, the parties

will execute a Notice of Lease for recording in the records of East Baton Rouge Parish, and the cost of recording will be borne by Foundation.

12.13 LSU Representative.

In addition to any other individuals specifically authorized in writing by the President of LSU System to act as the LSU Representative, the LSU Associate Vice President for Facility and Property Oversight is hereby authorized to act as the LSU Representative. It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with this Lease or the Work. No party shall infer, based on any consent, approval or review given or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

12.14 Oversight By Division of Administration Office of Facility Planning and Control (“OFPC”). Design and construction of the Improvements is subject to oversight by OFPC in accordance with La. R. S. 17:3361 (A) (2), and such oversight includes, but is not limited to (a) the right to review and approve plans and specifications prior to commencement of construction and to require changes to conform to Applicable Laws, including space and quality standards, and (b) the right to conduct periodic inspections during construction to ensure that all work is being performed in compliance with the OFPC approved Plans and Specifications.

12.15 Entire Agreement.

This Lease, together with the exhibits attached hereto, contain the final and entire agreement between the parties hereto with respect to the Land and contain all of the terms and conditions agreed upon with respect to the Land, and no other agreements, oral or otherwise, regarding the subject matter of this Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

[remainder of page intentionally left blank]

[signature page to Lease for Construction of Alex Box Champions Plaza]

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease as of the dates indicated on the attached Acknowledgments.

WITNESSES:

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

\_\_\_\_\_

By: \_\_\_\_\_  
F. King Alexander  
President of LSU

---

**TIGER ATHLETIC FOUNDATION**

---

By: \_\_\_\_\_  
Richard B. Perry, President and CEO

---

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_\_ day of \_\_\_\_\_, 2018, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared F. King Alexander, appearing herein in his capacity as President of LSU, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Supervisors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

**IN TESTIMONY WHEREOF**, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
F. King Alexander  
President of LSU

\_\_\_\_\_  
NOTARY PUBLIC

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared Richard B. Perry, appearing herein in his capacity as President and Chief Executive Officer of Tiger Athletic Foundation, a charitable organization, who, being by me and first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Directors and that said instrument is the free act and deed of said Foundation and was executed for the uses, purposes and benefits therein expressed.

**IN TESTIMONY WHEREOF**, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

\_\_\_\_\_  
  
\_\_\_\_\_

\_\_\_\_\_  
Richard B. Perry, President and CEO

\_\_\_\_\_  
NOTARY PUBLIC

**EXHIBIT "A"**  
**PROPERTY DESCRIPTION**

**NOTICE OF LEASE**

BE IT KNOWN, that as of the \_\_\_\_, day of \_\_\_\_\_, 2018, the undersigned parties made and entered into a "Lease Agreement for Construction of Alex Box Champion Plaza," pursuant to which Lessor, for good and valuable consideration, leased the immovable property described herein to Lessee.

**LESSOR'S NAME:** BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY  
AND AGRICULTURAL AND MECHANICAL COLLEGE

**LESSEE'S NAME:** TIGER ATHLETIC FOUNDATION

**LEASE TERM:** Approximately November 1, 2018, and ending on approximately August 31, 2019, unless terminated earlier or extended in accordance with applicable lease terms.

**DESCRIPTION OF LEASED PROPERTY:** That certain area of land and improvements thereon consisting of approximately 3,150 square feet, situated on the southwest side of Alex Box Stadium and the north side of Gourrier Lane, on the campus of Louisiana State University, located in Section 56, T-7-S, R-1-W, Greensburg Land District in the Parish of East Baton Rouge, State of Louisiana, as further depicted on Exhibit "A".

SIGNED, this \_\_\_\_ day of \_\_\_\_\_, 2018.

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

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

BY: \_\_\_\_\_

F. King Alexander  
President of LSU

WITNESSES:

\_\_\_\_\_

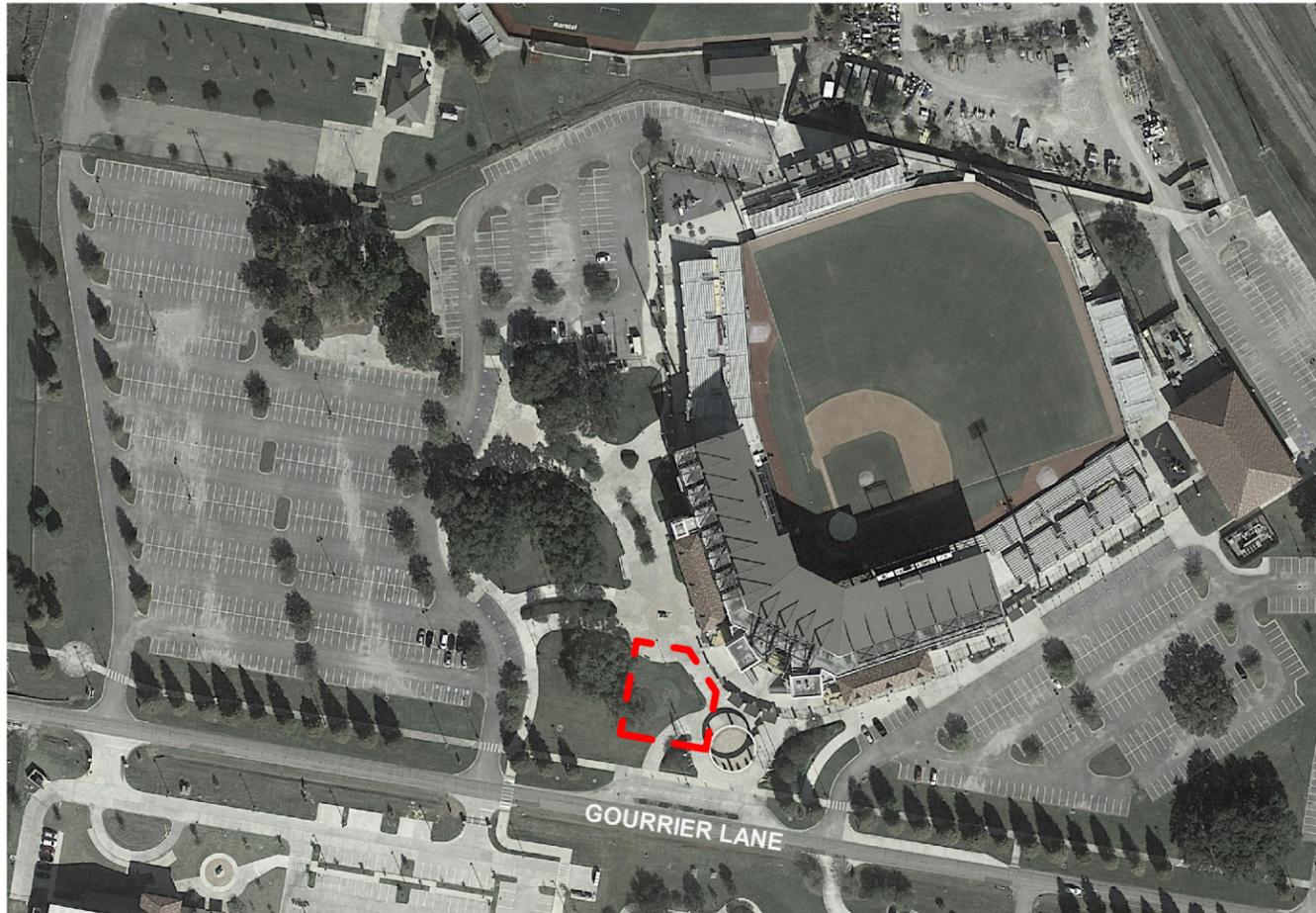
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**TIGER ATHLETIC FOUNDATION**

BY: \_\_\_\_\_

Richard B. Perry, President & CEO





# 1 OVERALL SITE PLAN

1" = 200'-0"

BEING A PORTION OF LOUISIANA STATE UNIVERSITY  
 LOCATED IN SECTION 56, T-7-S, R-1-W  
 GREENSBURG LAND DISTRICT  
 EAST BATON ROUGE PARISH, LOUISIANA

ALEX BOX STADIUM, GOURRIER LANE  
 LOUISIANA STATE UNIVERSITY  
 BATON ROUGE, LA



# 2 ENLARGED SITE PLAN

1" = 60'-0"



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ALEX BOX CHAMPIONS PLAZA  
 LOUISIANA STATE UNIVERSITY

date	07/12/18
phase	SD
project number	311718

**AS-100**  
 SITE PLAN  
 scale As indicated



**PLAZA  
3150 SF**

ALEX BOX

GERRY LANE  
PLAZA

date	07/12/18
phase	SD
project number	311718



**Request from LSU A&M to Approve the Schematic Design of the New  
Kappa Kappa Gamma Sorority House**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 9:

- A.6. Schematic Designs: Exterior elevations of new buildings and of renovations or construction projects that significantly alter the appearance of the exterior of the building or other physical structures, where the construction cost is anticipated to exceed \$1 million.

**1. Summary of the Matter**

Pending approval of the schematic design for the New Kappa Kappa Gamma Sorority House by the University Architect and the University's Facility Design and Development Committee (FDDC) at their upcoming August 23, 2018 meeting; LSU requests the Board's final approval of this schematic design.

**2. Review of Business Plan**

N/A

**3. Fiscal Impact**

N/A.

**4. Description of Competitive Process**

N/A.

**5. Review of Legal Documents**

N/A

**6. Parties of Interest**

N/A

**7. Related Transactions**

N/A

**8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Transmittal Memo
- II. Schematic Design (Site Plan & the Exterior Elevations)

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the exterior elevations for the New Kappa Kappa Gamma Sorority House.



# PLANNING, DESIGN & CONSTRUCTION

FINANCE & ADMINISTRATION

August 2, 2018

**To:** F. King Alexander,  
President

**Through:** Daniel T. Layzell,  
Executive Vice President, Finance & Administration/CFO

**Through:** Tony Lombardo, Associate Vice President  
Facility & Property Oversight

**Through:** Danny Mahaffey, Assistant Vice President/University Architect  
Facility & Property Oversight

**From:** Roger Husser, Assistant Vice President  
Planning, Design & Construction

A handwritten signature in blue ink, appearing to read "R. Husser".

**Subject** **Board of Supervisors Agenda, September 7, 2018**  
**The New Kappa Kappa Gamma Sorority House, Schematic Design**

The New Kappa Kappa Gamma Sorority House project is in the schematic design phase of development. The schematic design requires approval by the Board of Supervisors to assure campus development is in accordance with adopted design standards. It is therefore requested that this project be placed on the agenda for the September 7, 2018 meeting of the Board of Supervisors.

The project is being recommended for approval by Planning, Design, and Construction. The Facilities Design and Development Committee (FDDC) will review at its meeting on August 23, 2018. Enclosed are copies of reduced images of the proposed design which includes the demolition of the existing building. Representatives from the Design team will attend the meeting to make the presentation to the Board of Supervisors.

Funding for the project is being provided through private funds.

ATTACHMENT II



**PROJECT SITE**



A RESIDENCE DESIGNED FOR  
THE DELTA IOTA CHAPTER OF  
KAPPA KAPPA GAMMA SORORITY OF LSU



FUSCH ARCHITECTS INC.  
404 WESTSHORE AVE SUITE 200 DALLAS, TEXAS 75201  
TEL: 214-520-0000 WWW.FUSCHARCHITECTS.COM

4050 WEST LAKESHORE DRIVE  
BATON ROUGE, LOUISIANA

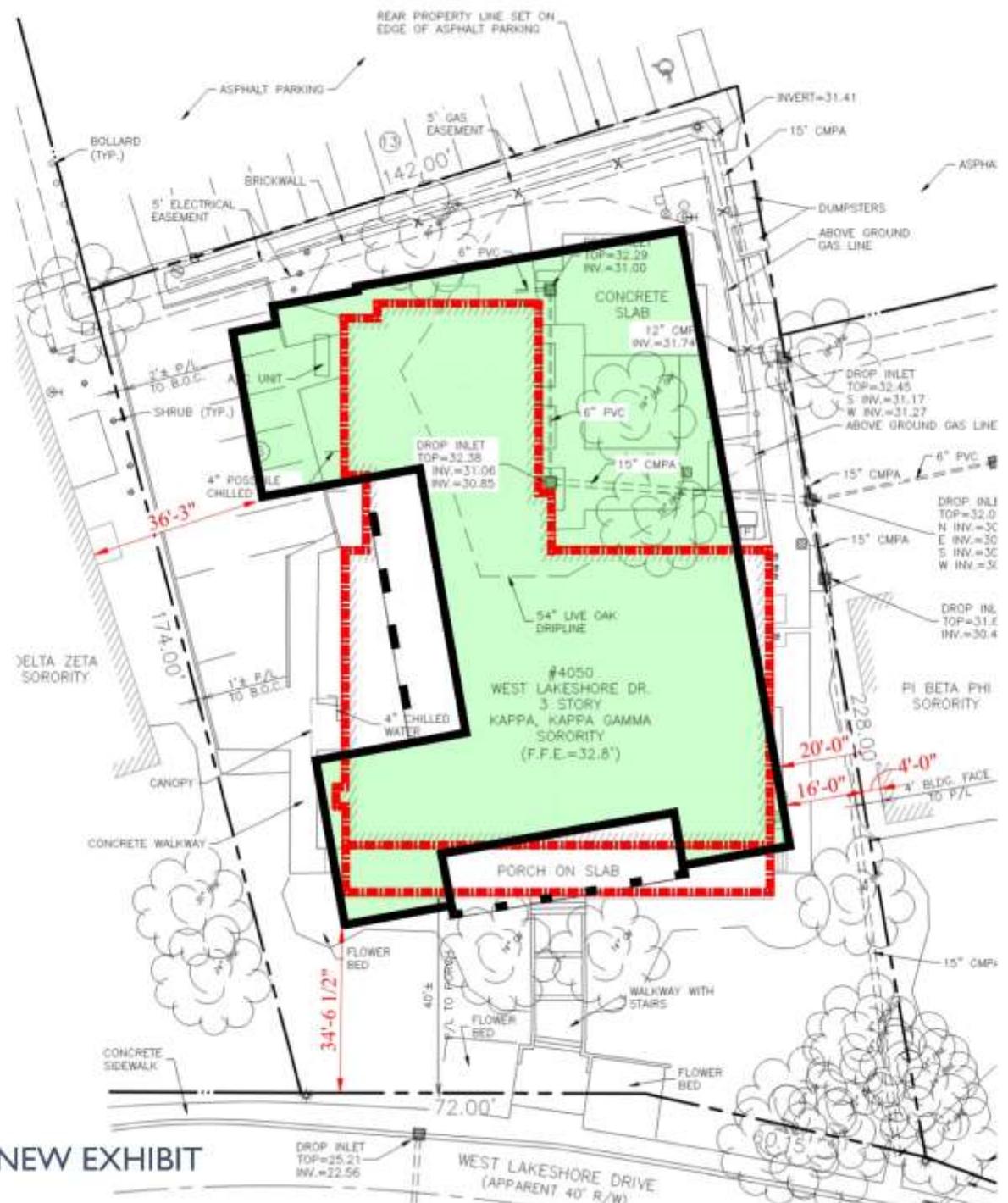


A RESIDENCE DESIGNED FOR  
THE DELTA IOTA CHAPTER OF  
KAPPA KAPPA GAMMA SORORITY OF LSU



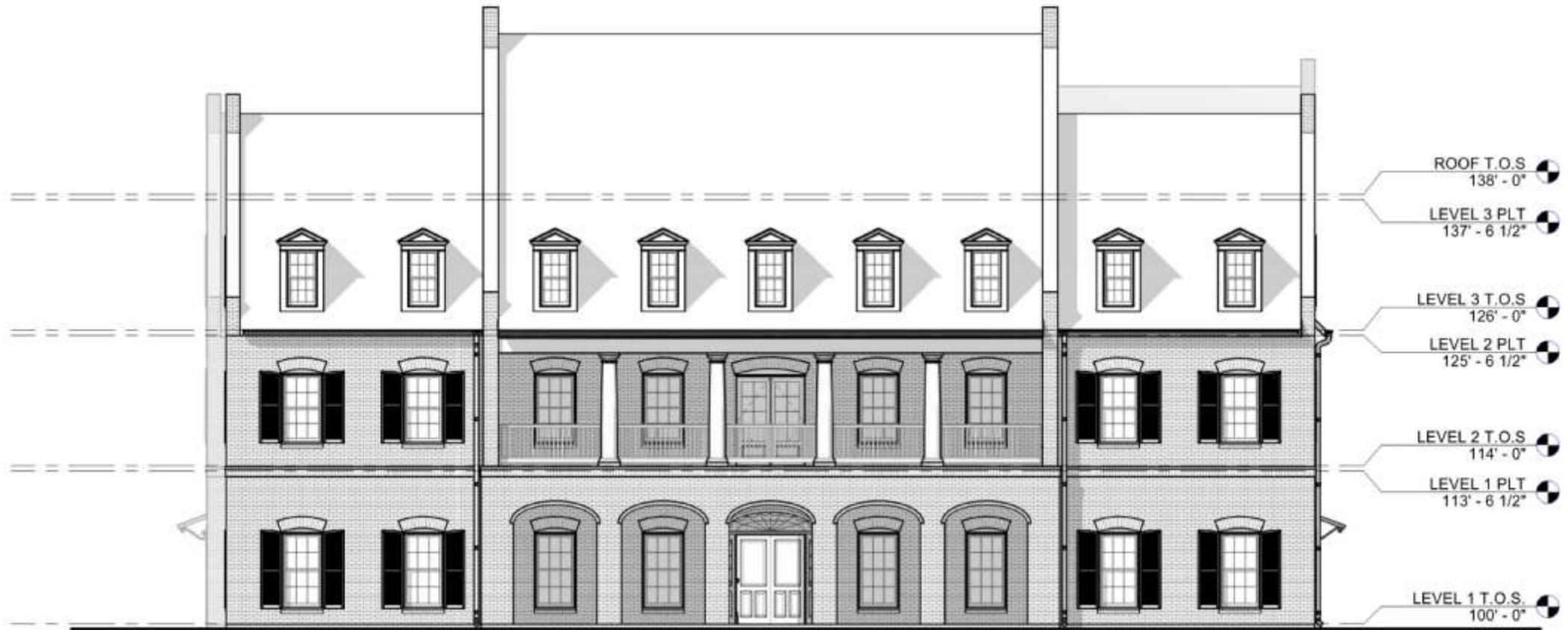
FUSCH ARCHITECTS INC  
108 STEUBENS AVE. #100, DALLAS, TEXAS 75201  
TEL: 214-886-9111 WWW.FUSCHARCHITECTS.COM

4050 WEST LAKESHORE DRIVE  
BATON ROUGE, LOUISIANA



ORIGINAL/NEW EXHIBIT

DROP INLET  
 TOP=25.21  
 INV.=22.56  
 WEST LAKESHORE DRIVE  
 (APPARENT 40' R/W)



SOUTH ELEVATION

A RESIDENCE DESIGNED FOR  
 THE DELTA IOTA CHAPTER OF  
 KAPPA KAPPA GAMMA SORORITY OF LSU



WEST ELEVATION

A RESIDENCE DESIGNED FOR  
 THE DELTA IOTA CHAPTER OF  
 KAPPA KAPPA GAMMA SORORITY OF LSU



**Request from LSU A&M to Approve the Purchase of Property Located at 604 W. Roosevelt Street, Baton Rouge, Louisiana**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 9:

A.2 The transfer of title or ownership to any immovable property to or from the Board, whether by sale, assignment, donation, or other mechanism

**1. Summary of Matter**

The LSU Real Estate and Facilities Foundation (REFF) has made an offer to purchase a small apartment complex located at 604 W. Roosevelt St., which is located within ½ mile from the LSU campus. The offer to purchase was made as part of the Campus Periphery Project authorized by this Board on March 16, 2018. Acquisition of this property will improve the safety and security of LSU's students, faculty, and staff and allow LSU to influence development and redevelopment on the borders of its campus.

Pursuant to the authority granted by the Board at its March 16, 2018 meeting, the President found an Acceptable University Purpose for REFF to acquire the property. Subsequent to that authorization, REFF made an offer to purchase the property, which includes the land and a 5-unit apartment complex. The offer to purchase is for the property to be sold vacant and empty of tenants. LSU has confirmed that there are no tenants currently occupying the property.

Initially, LSU contemplated that REFF would purchase the property initially in order to take advantage of a rapidly moving market. However, delays in closing that transaction have allowed time for LSU to present this item to the Board for approval prior to the closing. Thus, it will be more efficient for LSU to purchase the property directly from the seller, Foundation Enterprises Property Investment Division. REFF's offer to purchase is transferable, so REFF will assign it to LSU, and then LSU will close on the property purchase.

LSU is still determining the best and most appropriate use for the property. It may be demolished, or LSU may find a suitable use for the property by an LSU office or department.

**2. Review of Business Plan**

An appraisal is currently being conducted. Based on the analysis of market comparables by the real estate broker handling the transaction, we anticipate that the appraisal will equal or exceed the negotiated purchase price. LSU will not execute the purchase agreement unless the appraisal shows this to be true.

**3. Fiscal Impact**

LSU has the funds on-hand to make this purchase.

**4. Description of Competitive Process**

The purchase price of the property was negotiated between REFF and the seller. LSU will not close the transaction unless the purchase price is equal to or less than the appraised fair market value.

## **5. Review of Legal Documents**

Nancy Dougherty of Taylor Porter assisted REFF with the preparation of the purchase agreement, and has also prepared the Act of Sale for LSU to acquire the property.

## **6. Parties of Interest**

LSU Real Estate and Facilities Foundation  
Foundation Enterprises Property Investment Division, LLC

## **7. Related Transactions**

None anticipated at this time.

## **8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Transmittal Memo
- II. Memo finding Acceptable University Purpose

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, to accept from the LSU Real Estate and Facilities Foundation the assignment of an offer to purchase the building and land located at 604 W. Roosevelt St. from Foundation Enterprises Property Investment Division, LLC in Baton Rouge, Louisiana, and further authorizes President Alexander to purchase that property for an amount no greater than the appraised fair market value; and

**BE IT FURTHER RESOLVED** that the Board, in addition to the authority granted above, expressly authorizes F. King Alexander to immediately purchase that parcel of land with street address of 604 W. Roosevelt St., Baton Rouge, LA, together with all improvements thereon, for the amount of \$159,900 or such lesser amount determined to be its fair market value; and

**BE IT FURTHER RESOLVED** that F. King Alexander, in his capacity as President of LSU, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to execute Acts of Sale and other reasonably required agreements to acquire ownership of such property, and to include in such Acts of Sale or other agreements any terms and conditions that he may deem in the best interests of LSU.



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**CAMPUS CORRESPONDENCE**

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**To:** F. King Alexander,  
President of LSU

**Date:** August 24, 2018

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration/CFO

**Through:** Tony Lombardo, Associate Vice President  
Facility & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President  
Real Estate, Public Partnerships, and Compliance 

**Subject** **Purchase of 604 W. Roosevelt Board Submission**

LSU is requesting approval from the Board of Supervisors to purchase property located at 604 W. Roosevelt.

LSU requests that this item be placed on the agenda for the Board's meeting scheduled for September 7, 2018.

Thank you.



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## CAMPUS CORRESPONDENCE

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To: Brian Benchoff  
LSU Foundation President and CEO

Date: May 18, 2018

From: Tony Lombardo, P.E.  
Associate Vice President, Facility & Property Oversight

Re: Acquisition of 604 W. Roosevelt by LSU Real Estate & Facilities Foundation

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LSU and LSU Real Estate and Facilities Foundation (REFF) have been exploring the acquisition of a small apartment building located on the perimeter of campus at 604 W. Roosevelt St, consistent with the recently adopted Comprehensive and Strategic Campus Master Plan.

The intent is for REFF to purchase the property immediately with LSU purchasing the property from REFF after appropriate Board approvals. LSU commits to reimburse REFF for any out of pocket expenses REFF incurs that it cannot recoup by selling the property to LSU within 12 months.

Consistent with the Uniform Affiliation Agreement between LSU and REFF, the University has determined that purchase of this immovable property is an acceptable University purchase based on the property lying within ½ mile of the campus boundary and the property costs less than \$2 million.

The attached letter indicates the President's approval of the acquisition, a delegation the LSU Board of Supervisors delegated to President Alexander at its March 16, 2018 Board meeting.

Should you have any questions and/or need additional information, please do not hesitate to contact me.

Cc: Dan Layzell, Executive Vice President and CFO, LSU



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## CAMPUS CORRESPONDENCE

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To: Dr. F. King Alexander  
President of LSU

*Dr. Alexander* Approved  
Date: May 3, 2018

Through: Daniel T. Layzell, Executive Vice President for  
Finance & Administration / CFO

Through: Tony Lombardo, Associate Vice President for  
Facilities & Property Oversight

From: Patrick H. Martin, V, Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance

Re: Acquisition of 604 W. Roosevelt by LSU Real Estate & Facilities Foundation

LSU and the LSU Real Estate and Facilities Foundation (REFF) have been exploring the acquisition of a small apartment building and grounds located on the perimeter of the campus at 604 W. Roosevelt, consistent with the recently adopted Comprehensive and Strategic Campus Master Plan.

The general intention is for REFF to purchase the property immediately to take advantage of market conditions and a motivated seller, with LSU ultimately purchasing the property from REFF after appropriate Board approvals. The LSU Foundation will provide the funding to make the purchase, which we believe will be approximately \$159,900. Other minor costs associated with the acquisition (such as an environmental study and an appraisal, as well as legal fees) will be funded by LSU directly.

Under the Uniform Affiliation Agreement between LSU and REFF, the University must find an Acceptable University Purpose for REFF to purchase immovable property. At its March 16, 2018 Board meeting, the LSU Board of Supervisors delegated to President Alexander the authority to make a finding of Acceptable University Purpose for REFF to purchase property, provided that: (1) the property is within ½ mile of the campus boundary and (2) the property costs less than \$2 million. The property at West Roosevelt meets both conditions, as shown in the attached analysis.

There are substantial benefits associated with this acquisition, which are summarized in the attached Perimeter Property Acquisition Analysis performed by this office in consultation with REFF counsel and staff and the real estate broker who has been assisting LSU to examine this and other opportunities.

Finally, the attached letter from the President commits that if REFF incurs out-of-pocket expenses that it cannot recoup by selling the property to LSU, LSU will reimburse those out-of-pocket expenses within 12 months from the date of purchase. This is consistent with LSU's practices when asking REFF or other LSU Foundation entities to undertake these types of risk for the benefit of the university.

The attached Finding of Acceptable University Purpose has been prepared by this office. It is consistent with law and LSU policy and practices. I recommend its signature by the President.



**Property & Facilities Oversight**  
*Real Estate, Public Partnerships, and Compliance*

**Perimeter Property Acquisition Opportunity Analysis - May 3, 2018**

By: Patrick H. Martin, V  
Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance

**Synopsis**

Property: 604 W. Roosevelt St.  
Type: 5 unit multi-family apartment  
Price: \$159,900  
Cur. Income: \$30,000 annually  
Dist. To Campus 0.10 miles to Edward Gay Apts  
Age: 40-50 years

**Purpose of Acquiring**

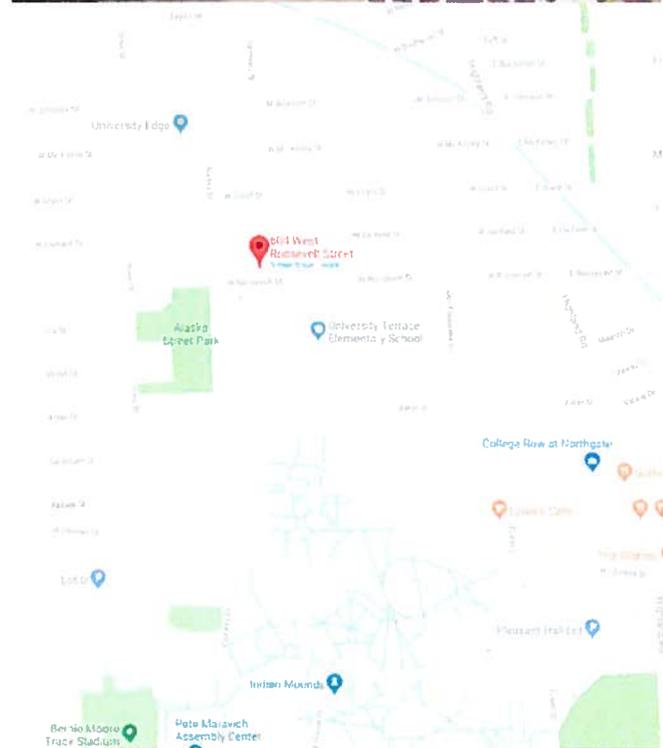
Begin process of acquiring land at border of campus to enhance campus safety.

**Plan**

REFF signs a purchase agreement for the property, subject to an inspection period of approximately 20 days, with closing scheduled for 60 to 90 days after signing. REFF pays a deposit of approximately \$5,000. During the inspection period, REFF or LSU have a Phase 1 Environmental Study conducted and an appraisal, along with necessary title research. REFF gets deposit back if REFF decides not to purchase during inspection period. If property is not completely vacant of tenants prior to scheduled closing, REFF is not required to close, but will lose the \$5,000 deposit.

**Cost Estimates**

Purchase Price	\$159,900
Demolition	\$20,000
Legal Fees	\$5,000
Phase 1	\$3,000
Appraisal	\$1,000
<b>Total</b>	<b>\$186,900</b>



Only the Purchase Price is expected be paid by REFF. Other expenses will be paid directly by LSU.

## **Benefits**

Buying small lots in larger areas will give LSU a substantial voice in future development. LSU students' biggest safety concerns are in this area, which is very near to the Edward Gay apartments where 2 LSU grad students were murdered in a home invasion robbery in 2007. Developer is motivated to sell, and price is good for the land.

## **Financial and Legal Risks**

Provided all existing leases are terminated and the current residents have voluntarily moved prior to closing on the property, the financial and legal risks to LSU and REFF should be minimal. This office does not analyze proposed transactions for political or similar risks.

Longer term, there is a small risk that LSU's acquisition of this property could cause property prices in the neighborhood to rise, making it more expensive for LSU to acquire similar properties in the future. This is not necessarily a negative, if it brings more investment to the area, spurring economic development in the neighborhood.

## **Long-term Plan**

LSU should develop a strategic plan for property acquisitions in the neighborhood so that they may be considered and evaluated in the context of LSU's long-term interests. LSU should consider the past experiences of community organizations engaged at one time or another in efforts to revitalize this neighborhood, such as the Baton Rouge Area Foundation, the Old South Baton Rouge Economic Redevelopment Redevelopment Group, and the Center for Planning Excellence. Additional information about community planning and efforts in this area is available here: <https://www.cpex.org/old-south-baton-rouge/>.

## **Acceptable University Purpose**

For these reasons, this office believes there is an Acceptable University Purpose for LSU to acquire this property. Pursuant to the Resolution of the LSU Board of Supervisors adopted March 16, 2018, President Alexander is authorized to find an Acceptable University Purpose for REFF to acquire property on the perimeter of campus, provided that the property: (1) is located within 0.50 miles of a campus boundary and (2) costs less than \$2 million. This property is located 0.10 miles from the edge of the Edward Gay apartment complex and 0.14 miles from the parking lot for the West Campus Apartments, both of which are owned by LSU.

## **Proposed Action Plan**

3/16/18	LSU Board approves resolution authorizing President to find an Acceptable University Purpose for REFF acquiring property on the campus perimeter.
Done	REFF engages Leigh Adams of Re/Max as broker.

Done	LSU engages Nancy Dougherty of LSU to assist with the transaction, because of the expectation that LSU will eventually purchase property from REFF.
Early May	LSU Foundation Board or Financing Committee approves providing funds for this purpose.
Early May	REFF Board approves purchase.
Early May	REFF signs Purchase Agreement with seller, with these major terms: <ol style="list-style-type: none"> <li>1. 20-day inspection period to conduct Phase 1 and title examination</li> <li>2. 90 days to close, with understanding that no closing will occur if property is not vacant</li> <li>3. \$5,000 deposit which becomes non-refundable after inspection period</li> <li>4. Satisfactory . Nancy Dougherty to assist with preparation of Purchase Agreement, because expectation is for LSU to purchase property in May.</li> </ol>
Upon PA	As soon as Purchase Agreement is signed, Nancy Dougherty engages Terracon to conduct Phase 1 environmental on behalf of LSU and engages Dave Lakvold to conduct appraisal. Nancy also commences title work. \$5,000 paid by REFF into escrow for the deposit.
PA + 20 days	End of inspection period. \$5,000 becomes non-refundable unless REFF rejects because of a bad Phase 1 or title issues.
PA + 90 days	Closing, if property is vacant. Possible mutual option to extend closing time if property is nearly vacant and a reasonable amount of additional time will allow for good resolution.
6/29/18	LSU Board authorizes LSU to buy the property from REFF for appraised fair market value.



**Request from LSU Health Sciences Center-New Orleans  
to Approve an Intent to Lease Agreement with an  
Affiliated 501(c)(3) Organization for the Construction of  
Improvements for Floors Four through Eight of the  
Interim LSU Hospital Building, State ID#09923**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to Bylaws Art. VII, Section 9:

A.3 Lease of Immovable Property, as lessee or lessor, where ...:

ii. the lease is for more than 10,000 square feet of building space

**1. Summary of the Matter**

LSU requests approval to enter into an Intent to Lease Agreement with an Affiliated 501(c)(3) Organization to design and construct the School of Medicine (SOM) Clinical Education Offices and SOM Testing Center, and related improvements.

The intent to lease proposes to enter into an agreement with an Affiliated 501(c)(3) to design, construct and equip the Clinical Education Offices and the School of Medicine Testing Center on floors four through eight of the Interim LSU Hospital Building (ILH), State ID # 09923, all in accordance with the plans and specifications approved by the LSU Representative and pursuant to the Board's design standards applicable to LSU. The Affiliated 501(c)(3) would agree to donate the improvements to the Board upon completion.

These Improvements are part of a larger effort to repurpose the former ILH into the Center for Advanced Learning and Simulation, creating a centerpiece for the LSU Health New Orleans campus. The 321,637 SF building provides an ideal location to bring students and clinical faculty together and to foster inter-departmental communication and inter-professional education.

The lower three floors will house the Center for Advanced Learning & Simulation. The facility will offer state of the art resources for teaching, simulation, professional development, and industry innovation. Additional functions include Clinical Skills Training, Standardized Patient Training, and a Medical Mall. The Center for Advanced Learning and Simulation is to be funded by Capital Outlay funds. LSUHSC-NO received Priority 5 funding authority in the recent Legislative Session.

The upper floors, floors 4 through 8 will consist of Clinical Sciences faculty offices, a student testing facility, and meeting rooms. The departmental spaces will also provide enhanced support for residents who are completing their education. It is this part of the overall ILH Repurposing where LSUHSC-NO will seek funding assistance from its affiliated 501(c)(3) organizations.

Upon signature by both parties of the Intent to Lease, a Lease Agreement will be developed for approval by the Affiliated 501(c)(3) Board and submitted for approval by the Board of Supervisors.

**2. Review of Business Plan**

LSU will grant to the Affiliated 501(c)(3) and its contractors the right to occupy and use floors four through eight of the property, with reasonable ingress and egress from the property, in order to facilitate the construction per the terms of the proposed Intent to Lease. The improvements will be donated to the LSU Board of Supervisors upon completion and acceptance by LSU.

**3. Fiscal Impact**

All costs and expenses shall be paid by the Affiliated 501(c)(3) for the purpose of supporting the design, construction and related expenses associated with improvements to the building. The Board will lease the property and grant to the Affiliated 501(c)(3) such rights of use and access as necessary to perform the work on the facility.

**4. Description of Competitive Process**

Contracts with contractor(s) will be negotiated by the Affiliated 501(c) (3).

**5. Review of Legal Documents**

Proposed Intent to Lease has been reviewed and is attached.

**6. Parties of Interest**

None.

**7. Related Transactions**

Improvements will be donated to LSU upon completion of work and acceptance by LSU.

**8. Conflicts of Interest**

None.

**ATTACHMENTS**

- I. Letter from Chancellor Hollier
- II. Proposed Intent to Lease Agreement

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that F. King Alexander, President of the Louisiana State University A&M College, or his designee, is authorized on behalf of and in the name of the Board of Supervisors to execute an Intent to Lease Agreement with an Affiliated 501(c)(3) Organization for construction of School of Medicine (SOM) Clinical Education Offices and SOM Testing Center in the Interim LSU Hospital Building and related improvements.

**BE IT FURTHER RESOLVED** that F. King Alexander, President LSU A&M College, or his designee, is hereby authorized by and empowered for an on behalf of and in the name of the Board of Supervisors to include in the Intent to Lease Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.” Upon signature by both parties of the Intent to Lease, a Lease Agreement will be developed for approval by the Affiliated 501(c)(3) Board and submitted for approval by the Board of Supervisors.



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS  
SCHOOL OF DENTISTRY  
SCHOOL OF GRADUATE STUDIES  
SCHOOL OF NURSING  
SCHOOL OF MEDICINE IN NEW ORLEANS  
SCHOOL OF PUBLIC HEALTH

August 20, 2018

Dr. F. King Alexander  
President and Chancellor  
LSU System Office  
381 West Lakeshore Drive, Room 107  
Baton Rouge, LA 70808

Dear Dr. Alexander,

In accordance with the rules established by Article VII, Section 8 F 2 (a), I am submitting the attached proposed Intent to Lease for Board approval.

The LSU Health Sciences Center – New Orleans (LSUHSC-NO) desires to enter into an Intent to Lease agreement with Affiliated 501(c) (3) to design, construct and equip the Clinical Education Offices and the School of Medicine Testing Center on floors four through eight of the Interim LSU Hospital Building (ILH), State ID # 09923, all in accordance with the plans and specifications approved by the LSU Representative and pursuant to the Board's design standards applicable to LSU. The Affiliated 501(c) (3) would agree to donate the improvements to the Board upon completion.

The Health Sciences Center is respectfully requesting approval of this Intent to Lease. I certify to the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,

A handwritten signature in cursive script that reads "Larry Hollier, MD".

Larry Hollier, MD  
Chancellor

**INTENT TO LEASE AGREEMENT FOR CONSTRUCTION OF  
IMPROVEMENTS TO INTERIM LSU HOSPITAL BUILDING  
STATE ID# 09923**

**THIS INTENT TO LEASE AGREEMENT FOR CONSTRUCTION OF IMPROVEMENTS TO A PORTION OF THE FLOORS FOUR THROUGH EIGHT OF THE INTERIM LSU HOSPITAL BUILDING** (herein “Leased Premises”) is entered into as of the dates indicated on the attached Acknowledgments, by and between,

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through F. King Alexander, President of the Louisiana State University System, duly authorized and empowered by resolution of said Board of Supervisors (hereinafter referred to as “Board”),

and

\_\_\_\_\_, a Louisiana Non-Profit Organization, doing business as \_\_\_\_\_, a private Louisiana non-profit organization (hereafter referred to as “Association”) herein represented \_\_\_\_\_, President of the Association, duly authorized by a resolution of its Board of Directors, a copy of which is attached hereto as Exhibit “D” and made a part hereof with a principal office located at, and a mailing address of \_\_\_\_\_, provides as follows:

**WITNESSETH**

**WHEREAS**, Association is a private non-profit Louisiana corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax exempt purpose is to support the mission and programs of Louisiana State University and Agricultural and Mechanical College (“University”), a higher education institution under the management and supervision of Board;

**WHEREAS**, Association is an affiliated organization of the Board and the Louisiana State University Health Sciences Center, New Orleans (“LSUHSC-NO”), pursuant to R.S. 17:3215;

**WHEREAS**, Louisiana Revised Statutes 17:3361, et seq., expressly authorizes Board to lease property to a nonprofit corporation such as Association for the purpose of constructing and renovating buildings, other structures and improvements;

**WHEREAS**, Board is the owner of that certain structure known as the Interim LSU Hospital Building ID # 09923 located on the campus of Louisiana State University Health Sciences Center in New Orleans, Louisiana, (Site ID # 1-36-069), as shown on Exhibit “A” (“LSU Health Downtown Campus Map”) and Exhibit “B” (“Legal Description”), and including those portions of the fourth through eighths floors which are shown in Exhibit “C” (“Leased Premises”);

**WHEREAS**, Association desires to lease the Leased Premises for the purpose of constructing and installing School of Medicine (SOM) Clinical Education Offices and SOM Testing Center in the Leased Premises and related improvements, all at Association’s expense and in accordance with design standards established by the Board and/or University, and Board desires to grant Association such a lease and limited rights of use and access in order to facilitate construction of such improvements; and,

**WHEREAS**, the improvements to be constructed by Association pursuant to the terms of this Lease will be donated by Association to Board upon completion of construction and acceptance by Board in accordance with the terms of this Lease;

**NOW THEREFORE**, the parties agree as follows:

**1. Purpose**

The purpose of this Intent to Lease Agreement is to enter into an agreement with an LSUHSC-NO affiliated 501(c)(3) organizations for funding assistance in support of the Re-purposing of the Interim Louisiana Hospital (“ILH”).

The former ILH will be re-purposed to become the Center for Advanced Learning and Simulation, creating a centerpiece for the LSU Health New Orleans campus. The 321,637 SF building provides an ideal location to bring students and clinical faculty together and to foster inter-departmental communication and inter-professional education.

The lower three floors will house the Center for Advanced Learning & Simulation. The Center for Advanced Learning and Simulation facility will offer state of the art resources for teaching, simulation, professional development and industry innovation. Additional functions include Clinical Skills Training, Standardized Patient Training, and a Medical Mall. The Center for Advanced Learning and Simulation is to be funded by Capital Outlay funds. LSUHSC-NO received Priority 5 funding authority in the recent Legislative Session.

Floors 4 through 8 will consist of Clinical Sciences faculty offices, a student testing facility, and meeting rooms. The departmental spaces will also provide enhanced support for residents who are completing their education. It is this part (herein the “Project) of the overall ILH Repurposing where LSUHSC-NO will seek funding assistance from its affiliated 501(c)(3) organizations.

If an agreement is reached with one of LSUHSC-NO’s affiliated 501(c)(3) organizations, it will enter into this Intent to Lease Agreement. The Lease Premises are more fully described in Exhibits A, B and C. Any such lease shall be for the improvements on ILH floors 4 through 8 and include all design and construction of the Project (as will be more specifically described in

any resulting lease agreement) pursuant to the authority of La. R.S. 17:3361, et seq. or other applicable law.

## **2. Process**

LSUHSC-NO will enter into the Intent to Lease Agreement with an affiliated 501(c)(3) organizations for funding assistance in support of the Re-purposing of the Interim Louisiana Hospital (“ILH”). The affiliated organization who agrees to support this effort (Association) will enter into the Intent to Lease Agreement.

Following entering into the Intent to Lease Agreement, LSUHSC-NO and the Association will develop a Lease Agreement between the Association and the LSU Board to be submitted to the Association's Board of Directors and, following approval by the Association's Board of Directors, to the LSU Board (and any other agencies required by law) for review and approval.

The Lease Agreement to the Association shall thereafter govern the relationship between the LSU Board and the Association with regard to development pursuant to any Sublease(s)

## **3. LSU Approvals**

Any proposed Lease Agreement relating to the Project and the proposed Sublease(s) shall be subject to final review and approval by the LSU Board and any other agencies required by law; provided, however, that in accordance with applicable LSU Board policies and procedures, the President of LSU or his designee may grant the Association and/or any potential sublessee(s) limited and temporary rights of access to the leased area for purposes of performing site

assessments and similar activities such as environmental surveys, topographical surveys, utility surveys and soil borings.

Although the parties to any Sublease(s) resulting from this process will be the Association and the sublessee(s), no such agreement will be executed by either party until approved by the LSU Board and will not become effective until approved by any other agencies required by law.

#### **4. Financial Responsibility and Support of University**

It is intended that all expenses authorized and incurred by the Association in connection with the Project shall be the responsibility of the Association.

It is further intended that all financial risk and responsibility for the Project shall be borne by the Association and the sublessee(s), and neither the LSU Board nor the State of Louisiana shall bear any responsibility, whether directly or indirectly, for the fulfillment of any obligations established pursuant to the terms of any agreements entered into by the Association or any sublessee.

The lease of the Leased Premises to the Association will provide a source of rental and other revenue for the University. Any such lease to the Association will include an agreement by the Association and any sublessees to support the educational, scientific, research and public service functions of University.

#### **5. Association Records**

The Association shall be solely responsible for maintaining custody and control of records

related to the competitive processes and any responses thereto, for selecting the designer and contractor(s).

**6. Non-Binding Agreement**

This Intent to Lease Agreement does not constitute a binding agreement, is not a lease of land or building space to the Association and does not obligate the LSU Board to enter into any lease agreement with the Association. The parties hereto will not be bound in any respect unless and until a Lease Agreement and any other agreements contemplated hereby are approved by the LSU Board and signed by all of the parties hereto.

**7. Expiration**

The provisions of this Intent to Lease Agreement shall expire and be of no further force and effect **at 5:00 p.m. (Baton Rouge time) on September 7, 2020**, unless such date is extended by the mutual written agreement of the parties hereto.

*(Signatures on Following Page)*

*Signature Page for the Intent to Lease Agreement for the LSU Health Sciences Center – New Orleans, Improvements to Floors Four Through Eight of the Interim LSU Hospital between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Affiliated 501(c)(3)*

**THUS DONE AND SIGNED**, on the dates indicated below and effective as of the Effective Date stated above.

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

By: \_\_\_\_\_

Date: \_\_\_\_\_

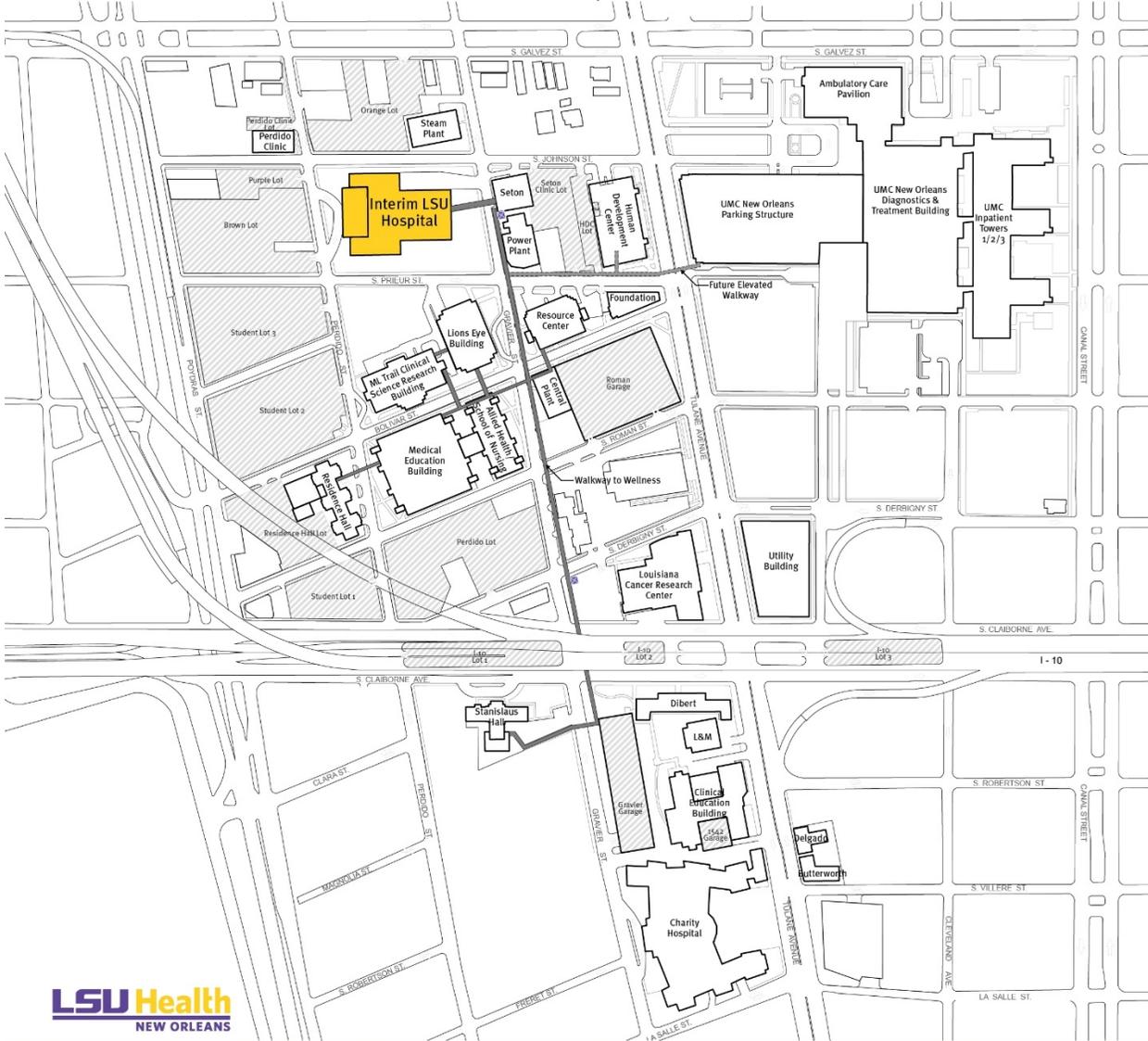
**AFFILIATED 501 (C)(3)**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**  
**TO INTENT TO LEASE AGREEMENT FOR THE LSU HEALTH SCIENCES CENTER**  
**- NEW ORLEANS INTERIM LSU HOSPITAL BUILDING**  
**STATE ID# 09923**

**LSU HEALTH DOWNTOWN CAMPUS MAP**  
**NEW ORLEANS, LOUISIANA**



**EXHIBIT "B"**

**TO INTENT TO LEASE AGREEMENT FOR THE LSU HEALTH SCIENCES CENTER  
– NEW ORLEANS INTERIM LSU HOSPITAL BUILDING  
STATE ID# 09923**

**LEGAL DESCRIPTION  
2021 PERDIDO STREET, SQUARE 498, NEW ORLEANS**



The property to be leased consists of 1 parcel on SQ 498 LOT 27 in the First Municipal District, City of New Orleans, Parish of Orleans, State of Louisiana. A single parcel have been formed by combining all lots within SQ 498. The approximate dimension are 302'3" x 455'4" and measures 135,600 SF (3.11 acres). The address recognized by the City of New Orleans is 519 South Prieur Street, New Orleans, Louisiana 70112.

**EXHIBIT "C"**

**TO INTENT TO LEASE AGREEMENT FOR THE LSU HEALTH SCIENCES CENTER  
– NEW ORLEANS INTERIM LSU HOSPITAL BUILDING  
STATE ID# 09923**

**FLOOR PLANS**



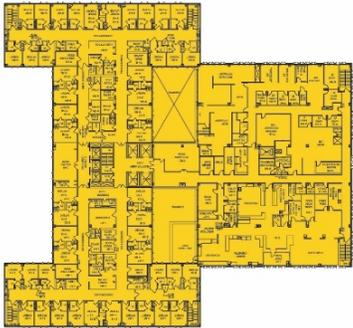
**FLOOR ONE**



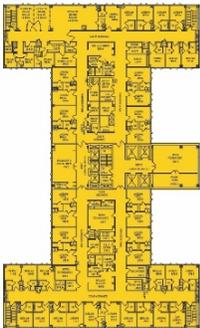
**FLOOR TWO**



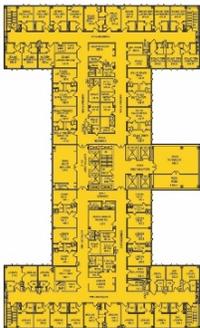
**FLOOR THREE**



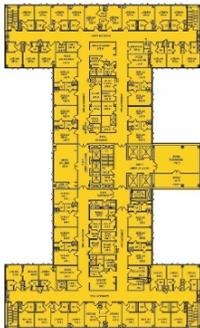
**FLOOR FOUR**



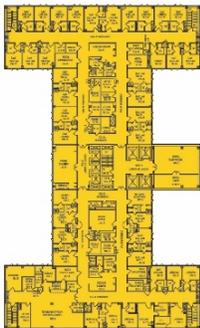
**FLOOR FIVE**



**FLOOR SIX**



**FLOOR SEVEN**



**FLOOR EIGHT**

**EXHIBIT “D”**

**TO INTENT TO LEASE AGREEMENT FOR THE LSU HEALTH SCIENCES CENTER  
– NEW ORLEANS INTERIM LSU HOSPITAL BUILDING  
STATE ID# 09923**

**RESOLUTION BY BOARD OF DIRECTORS**



**Request from LSU Health Sciences Center-New Orleans  
for Authorization to Accept Transfer of State Owned  
Nursing Home, Certificate of Need and License and to  
Negotiate a Lease with Affiliated Hospital to Operate and  
Manage the Nursing Home**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to Bylaws Art. VII, Section 9:

A.1 General Rule: Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

A.2 Transfer of Title to Immovable Property: The transfer of title or ownership to any immovable property to or from the Board, whether by sale, assignment, donation, or other mechanism.

LSU Health Science Center-New Orleans (LSUHSC-NO) seeks the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approval to accept a transfer of the John J. Hainkel, Jr Home and Rehabilitation Center (the Hainkel Home or the Home) along with the related Certificate of Need and License from the Louisiana Department of Health and to negotiate a Lease and Cooperative Endeavor Agreement with University Medical Center Medical Corporation (UMCMC) an Affiliated Hospital partner who will operate and manage the facility.

**1. Summary of the Matter**

The population demographics of Louisiana indicate the demand for geriatric services will continue to expand over the next several decades. Nearly 15% of Louisiana citizens are 65 years old or older (source: Kaiser Family Foundation). The growth in the geriatric population has driven an increasing demand for healthcare professionals to meet the broad range of healthcare needs of aging citizens and those in nursing homes.

LSUHSC-NO is a leader in educating and training the future healthcare workforce in the region and throughout the state. In-depth educational and clinical training experiences in geriatrics are integral to students in medicine, physical therapy, occupational therapy, speech pathology, nursing, and geriatric dentistry. Geriatric research opportunities are also an important component linked to healthy aging and improved quality of life for the elderly.

LSUHSC-NO has been seeking the opportunity to expand geriatric educational experiences for its students, while enhancing clinical opportunities for residents and faculty through an affiliated partnership. However, the State of Louisiana has been unable to issue additional Nursing Home Licenses as a result of RS 40:2103. (See Exhibit I.)

In recent discussions with the Louisiana Department of Health (LDH), LSUHSC-NO discovered that the Hainkel Home was at risk of closure. LSUHSC-NO recognized this as a unique opportunity to partner with UMCMC to stabilize and improve operations of the Home, enhance access and quality of care,

expand and enrich student education and clinical training experiences, and to facilitate a broader continuum of patient care for UMCMC.

LDH has agreed to facilitate a transfer of the Hainkel Home, its Certificate of Need (CON) and License to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU BOS) for the benefit of LSUHSC-NO. Simultaneously with the transfer of the Home to LSU BOS, LSUHSC-NO will negotiate a long-term lease agreement, including certain leasehold improvements, with UMCMC who will operate the Home. LSUHSC-NO will also negotiate a Cooperative Endeavor Agreement (CEA) with UMCMC for its use of the Certificate of Need and License. UMCMC will in-turn execute a management agreement with an established nursing home organization that will staff and run day-to-day operations of the facility. UMCMC will remain responsible for maintenance and any renovations of the facility during the term of the lease. The Home is currently operating under a short-term emergency arrangement between LDH and a contracted management company to bridge the care of patients until transfer of the Home, CON, and License are completed along with the lease agreement and CEA. The proposed lease agreement and CEA will be presented to the BOS for review and approval at a future Board meeting.

## 2. Review of Business Plan

The Hainkel Home is a two-story 73,044 square foot brick and steel building (State Building ID #00576) constructed in 1979 and situated on approximately 2.0 acres located at 612 Henry Clay Ave. in the Uptown area of New Orleans (see Exhibits II and III). The facility is licensed for 142 beds.

The payer mix is 80% Medicaid, 14% Medicare and 6% private insurance. The Home’s average daily census during FY 2018 was 70 patients per day. It is projected that the number of residents of the home will increase steadily over the next several years as UMCMC and their contracted management partner improve the quality and scope of geriatric and ancillary healthcare services at the Home. See projected resident census growth over the next 5 years in Table-1 below.

**Table-1**

### **John J. Hainkel Home & Rehabilitation Center**

<b>Projected Census Growth</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Medicare Part A Days	6	7	8	9	9
Managed Care A Days	4	4	5	6	6
Medicaid Days	59	65	75	86	86
Private Pay Days	5	6	6	7	7
Hospice Days	-	-	-	-	-
VA Days	-	-	-	-	-
<b>Total Days (Residents)</b>	<b>74</b>	<b>82</b>	<b>94</b>	<b>108</b>	<b>125</b>

The projected Medicaid daily rate per occupied bed is \$365, while the estimated blended rate for all payers based on the current payer mix is \$330 per day. With projected growth in resident census, a stable Medicaid reimbursement rate and improved efficiencies in operations through UMCMC and their contracted management partner, the Home is expected to achieve a net income of about \$250K in its first twelve months of operations and is projected to reach net income of approximately \$1.5M by year five (see Exhibit-IV).

UMCMC will receive additional payments from LDH through the existing CEA in support of the educational activities at the home. LSUHSC-NO will utilize the Home as a primary site for geriatric education and clinical training experiences for students in medicine, physical therapy, occupational therapy, speech pathology, nursing, dental hygiene, occupational medicine, physician assistant studies, geriatric

dentistry, dental hygiene, and medical residents. LSUHSC-NO will negotiate GME and student clinical rotation agreements as well as clinical service line agreements related to these activities to support the healthcare needs of the residents of the Home.

### **3. Fiscal Impact**

LSUHSC-NO will receive lease revenues and will benefit from leasehold improvements made to the Home by UMCMC. LSUHSC-NO will negotiate a CEA for the use of the CON and License by the affiliated hospital as required to operate the Home. Various professional services agreements will be negotiated with UMCMC or its contracted management partner for the provision of select geriatric clinical and specialty services. LSUHSC-NO will also enter into academic agreements with UMCMC for geriatric education and clinical training experiences for students and medical residents.

Initial market comparatives indicate that the lease rate for the Home will be in the range of \$23-\$25 per square foot, thus generating between \$1.6 and \$1.8 million in new lease revenue to LSUHSC-NO annually. In return, UMCMC will experience reduced inpatient costs through additional capacity at the Home for patients requiring a transfer to nursing home and rehabilitation services.

LSUHSC-NO will work with LDH and the Division of Administration to appropriately value the assets being transferred and negotiate a yearly compensation mechanism to LDH from LSUHSC-NO via an interagency transfer line item in the appropriations process until such time as LDH has been properly compensated.

LSUHSC-NO and UMCMC will negotiate a CEA assigning use of the CON and License to UMCMC in return for a broad range of undergraduate and graduate student and resident educational and clinical training experiences at the Home. The CEA will also outline certain renovations to the Home to be completed and funded by UMCMC.

Revenue for clinical services will vary. Some services will be reimbursed from professional service agreements negotiated with UMCMC or its contracted management partner, while other clinical or specialty services may be reimbursed through billings to Medicare, Medicaid or other 3<sup>rd</sup> party payers.

### **4. Description of Competitive Process**

N/A

### **5. Review of Legal Documents**

The Lease Agreement and CEA will be reviewed by the Office of General Counsel prior to presentation to the BOS for approval.

### **6. Parties of Interest**

The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Sciences Center- New Orleans, Louisiana Department of Health, and University Medical Center Medical Corporation.

### **7. Related Transactions**

None.

## 8. Conflicts of Interest

None known.

### ATTACHMENTS

- I. Exhibit I – RS 40:2103
- II. Exhibit II – Building Floor Plan
- III. Exhibit III – Property Site Map
- IV. Exhibit IV – Financial Proforma Operating Income Statement

### RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“Board”) does hereby authorize F. King Alexander, President of Louisiana State University, or his designee, to accept a transfer from the Louisiana Department of Health of the John J. Hainkel Home and Rehabilitation Center in New Orleans, its Certificate of Need and License for the benefit of LSU Health Sciences Center- New Orleans and for LSU Health Science Center – New Orleans to negotiate a lease agreement and Cooperative Endeavor Agreement (“CEA”) with an affiliated hospital partner who will operate and manage the facility and will have use of the Certificate of Need and License, subject to Board approval.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute such other consents, approvals, amendments and agreements as are necessary to effectuate said transfer and subsequent lease agreement and CEA and in such other consents, approvals, amendments and agreements those terms and conditions as he deems to be in the best interest of the Board, subject to Board approval.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of Louisiana State University, or his designee, is authorized to approve the valuation of the assets being transferred and to negotiate a yearly compensation mechanism to Louisiana Department of Health from Louisiana State University Health Sciences Center- New Orleans via an interagency transfer line item in the appropriations process that he deems to be in the best interest of the Board.

**Exhibit I - Revised Statute****RS 40:2103**

§2103. Date licenses must be obtained; moratorium on licensure of long-term care hospitals and beds

A. After July 1, 1961, no person acting individually or jointly with any other person shall establish, conduct, or maintain a hospital without a license from the department, except that any hospital in operation at the time of enactment of this Part shall make application for a license and may continue in operation until action has been taken on the application. Such hospitals shall be given a reasonable time, under the particular circumstances, not to exceed one year without department approval from the date of adoption of rules, regulations, and minimum standards as herein provided, within which to comply with such rules, regulations, and minimum standards.

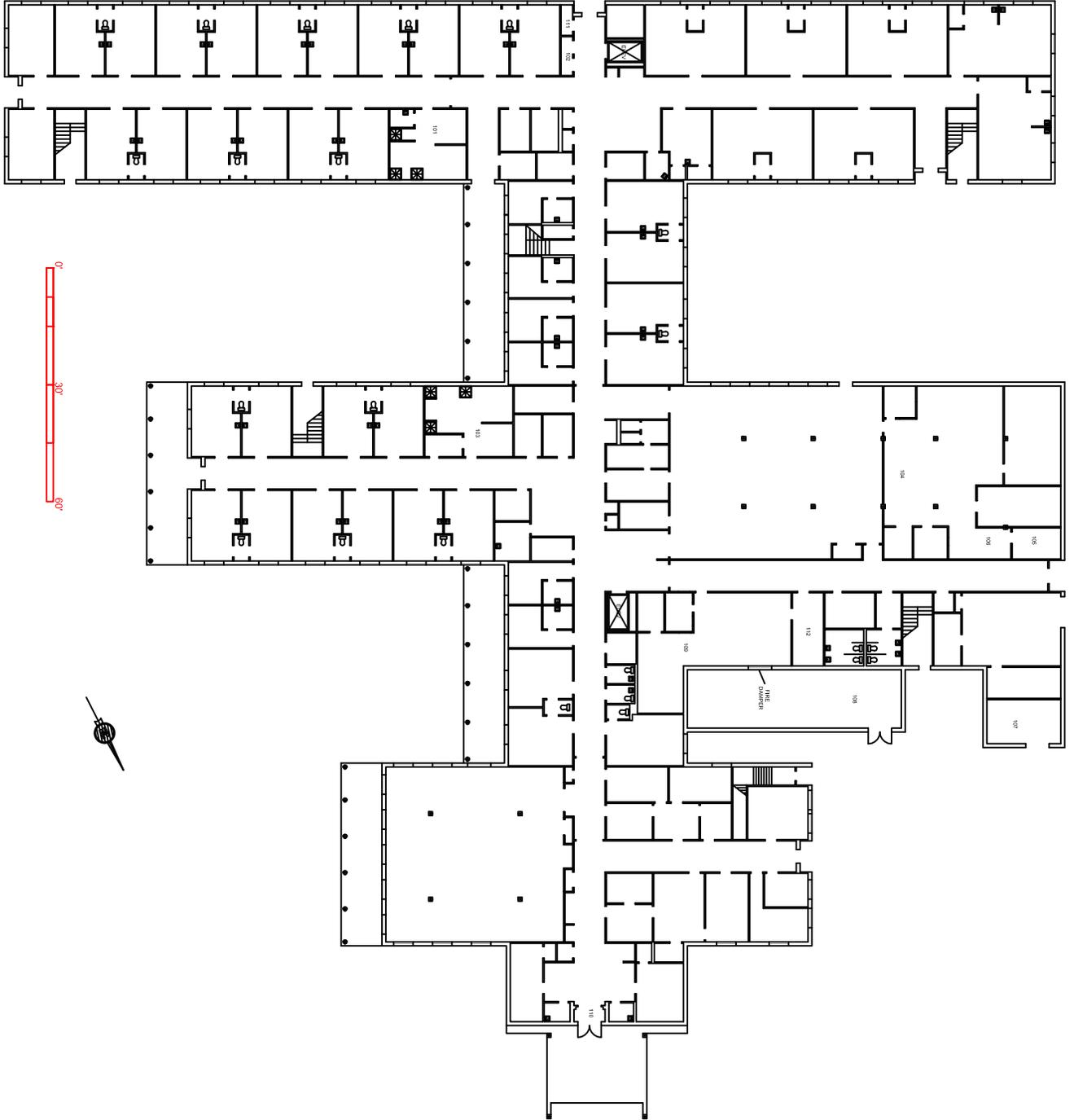
B. A provisional license may be issued to a hospital for periods of six months in cases where sufficient compliance with regulations, codes or minimum standards require an extension of time. The failure to comply must not be detrimental to the health or safety of the residents and the deficiencies must be cited at the time of issuance.

C.(1) Notwithstanding any other provision of law to the contrary, the Louisiana Department of Health shall implement a moratorium, effective August 1, 1997, on the licensure of long-term care hospital facilities and beds in long-term care hospital facilities. The Louisiana Department of Health shall not approve for licensure as a hospital and enrollment as a Medicaid provider any long-term care hospital facility, as defined in 42 CFR 412.23, nor shall it approve for licensure and enrollment as a Medicaid provider any bed in such a facility, until July 1, 2008.

(2) This moratorium shall not apply to facilities licensed and converted to long-term care hospital facilities prior to December 1, 1997, or to Louisiana entities that, prior to July 1, 1997, have filed an application for accreditation with the Joint Commission on Accreditation of Healthcare Organizations for facilities leased from a major teaching hospital, and have given notice to the Louisiana Department of Health of their intention to obtain long-term care hospital status for such hospital facilities.

(3) Without limiting the generality of the foregoing, the legislature specifically intends that this moratorium shall not apply to the facility in Orleans Parish formerly known as New Orleans General Hospital. Further, to the extent permitted by federal law this moratorium shall apply only to facilities enrolled in the Medicaid program.

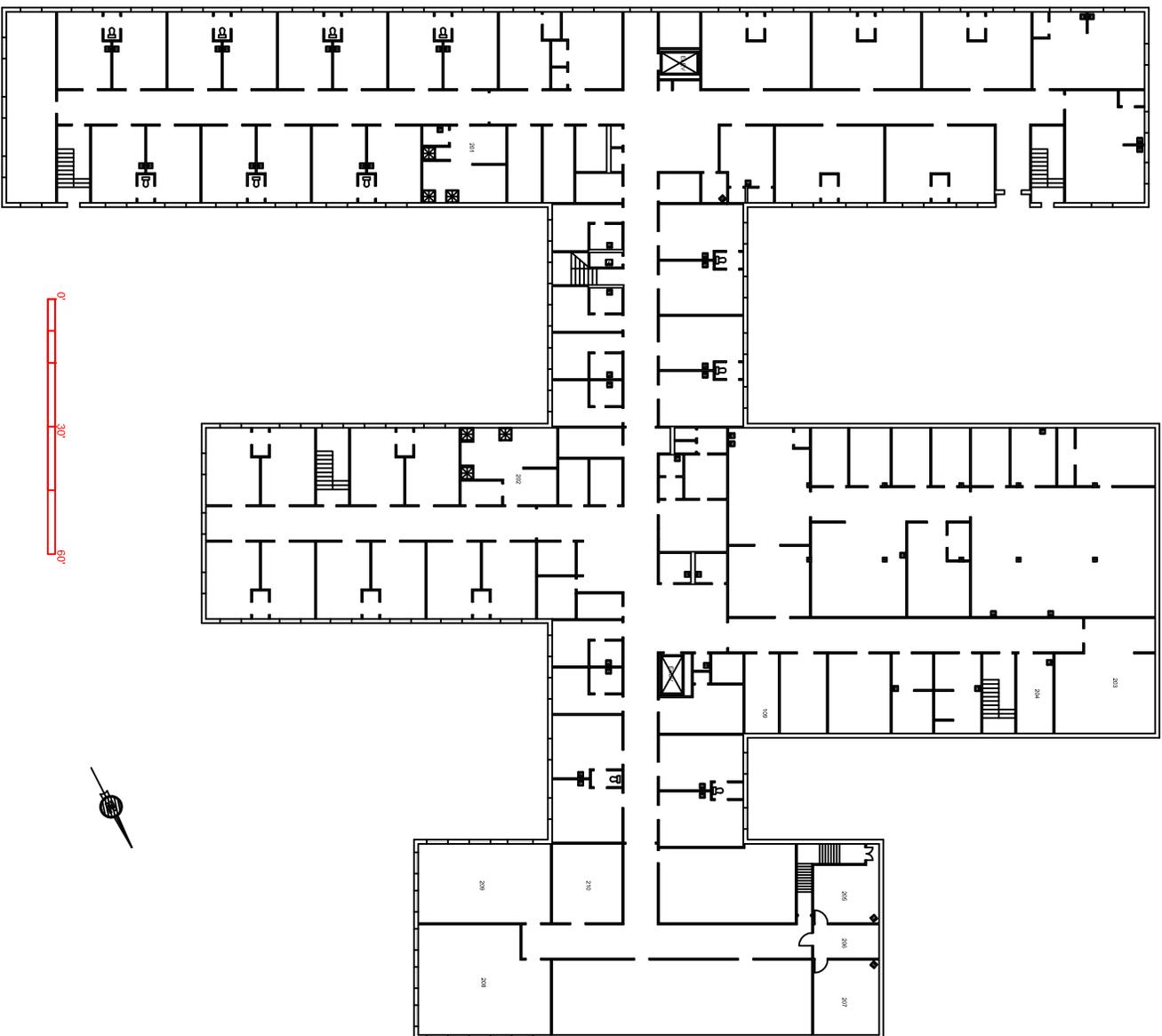
Added by Acts 1961, No. 90, §1. Amended by Acts 1970, No. 408, §1; Acts 1978, No. 786, §5, eff. July 17, 1978; Acts 1997, No. 583, §2, eff. July 3, 1997; Acts 2001, No. 863, §2, eff. June 26, 2001; Acts 2003, No. 1191, §2, eff. July 3, 2003.



**HAINKEL HOUSE - 1ST FLOOR PLAN**

SCALE: 1"=40'

DATE: 2018-08-02



**HAINKEL HOUSE - 2ND FLOOR PLAN**

SCALE: 1"=40'

DATE: 2018-08-02

## Exhibit III – Property Site Map

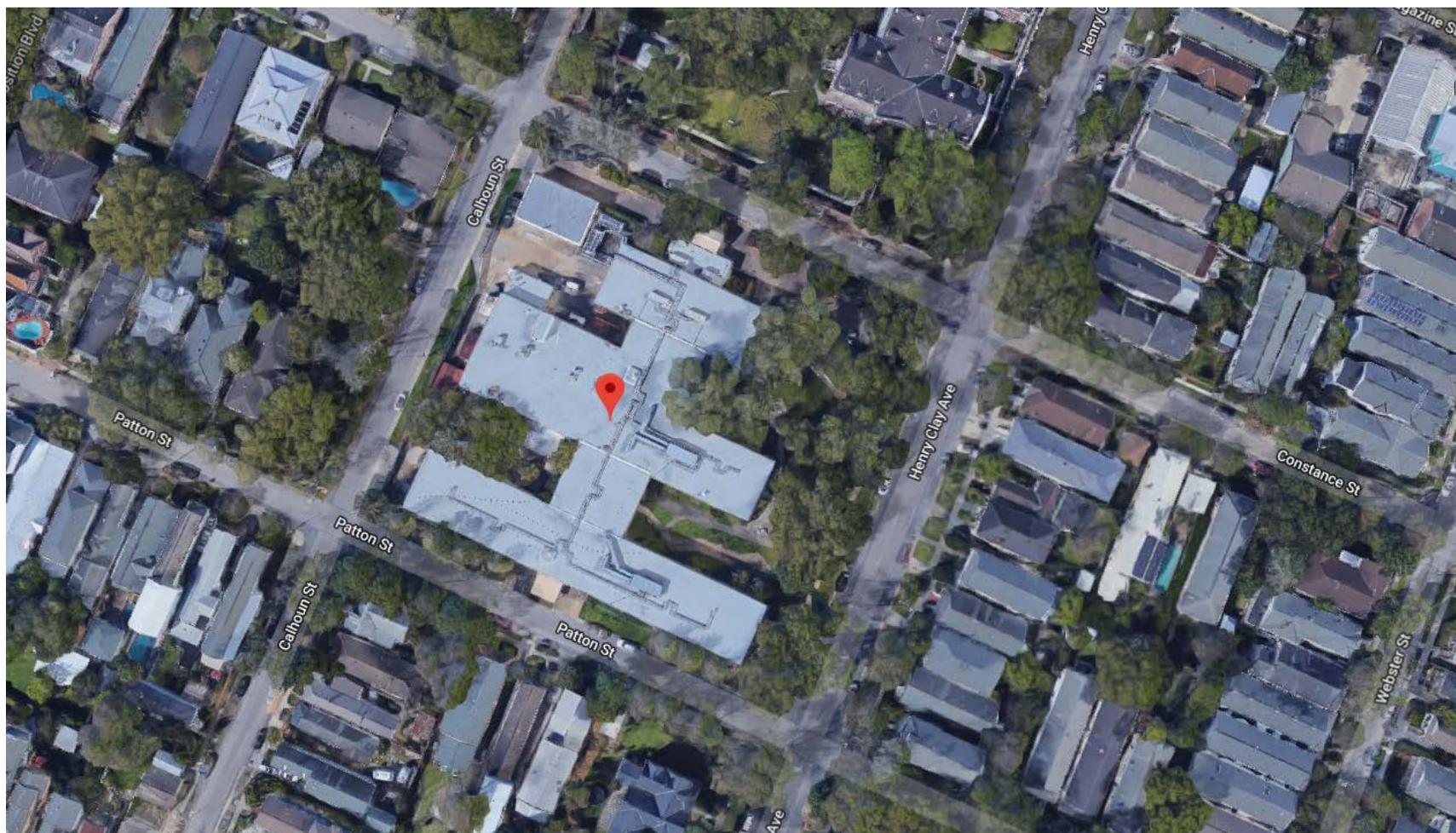
**John J. Hainkel, Jr. Home and Rehabilitation Center Located at 612 Henry Clay Avenue, New Orleans, LA 70118**

**Site Code: 1-36-056**

**State Building ID: 00576**

**Building Area: 73,044 sq ft    Stories: 2**

**Two Stories Brick Building with steel framing construction with flat roof.**





**Main Entrance**



**Courtyard**

## Exhibit IV- Financial Proforma Operating Income Statement

### John J. Hainkel Home & Rehabilitation Center

#### Financial Proforma Operating Income Statement

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
<b><u>Revenue</u></b>					
Medicare Part A	\$ 911,200	\$ 1,002,320	\$ 1,152,668	\$ 1,325,568	\$ 1,524,403
Managed Care Part A	582,000	640,200	736,230	846,665	973,664
Medicare Part B	91,020	100,121	115,140	132,411	152,272
Managed Care Part B	20,378	22,415	25,778	29,644	34,091
<b>Total Medicaid</b>	<b>7,888,380</b>	<b>8,677,218</b>	<b>9,978,801</b>	<b>11,475,621</b>	<b>13,196,964</b>
Private Pay	328,500	361,350	415,553	477,885	549,568
Uncompensated Care	(76,651)	(84,316)	(96,963)	(111,508)	(128,234)
<b>Total Revenue</b>	<b>\$ 9,744,826</b>	<b>\$ 10,719,309</b>	<b>\$ 12,327,205</b>	<b>\$ 14,176,286</b>	<b>\$ 16,302,729</b>
<b><u>Expenses</u></b>					
Operating Expenses	\$ 2,244,189	\$ 2,428,899	\$ 2,733,669	\$ 3,084,156	\$ 3,487,215
Nursing Service-D/C	2,390,652	2,587,416	2,912,077	3,285,437	3,714,801
Nursing Service-C/R	448,001	484,874	545,714	615,681	696,142
Dietary	460,125	497,995	560,482	632,342	714,981
Marketing	108,436	117,361	132,087	149,022	168,497
Laundry & Linen	65,618	71,019	79,930	90,178	101,963
Housekeeping	214,643	232,309	261,458	294,980	333,530
Resident Activities	46,967	50,832	57,211	64,546	72,981
Social Services	93,857	101,582	114,328	128,986	145,843
Medical Records	60,486	65,464	73,678	83,125	93,988
Consulting Fees	81,360	88,056	99,105	111,812	126,424
Medicare Part A Ancillary	356,051	385,356	433,710	489,316	553,263
Managed Care Part A Ancillary	225,525	244,087	274,714	309,936	350,440
Medicare Part B Ancillary	66,567	72,045	81,085	91,481	103,437
Managed Care Part B Ancillary	14,264	15,438	17,375	19,603	22,165
Mcd & Prvt Ancillary Services	6,793	7,352	8,274	9,335	10,555
Plant Operations	931,493	1,008,160	1,134,661	1,280,137	1,447,434
Lease Expense	1,680,102	1,680,102	1,680,102	1,680,102	1,680,102
<b>Total Expenses</b>	<b>\$ 9,495,127</b>	<b>\$ 10,276,630</b>	<b>\$ 11,566,109</b>	<b>\$ 13,049,010</b>	<b>\$ 14,754,346</b>
<b>Net Operational Income</b>	<b>\$ 249,699</b>	<b>\$ 442,679</b>	<b>\$ 761,096</b>	<b>\$ 1,127,276</b>	<b>\$ 1,548,382</b>



**Request from LSU Health Sciences Center-New Orleans  
to Approve an Intent To Enter into a Cooperative  
Endeavor Agreement Between the LSU Board of  
Supervisors and the Board of Supervisors of Community  
and Technical Colleges on Behalf of Delgado Community  
College**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws Art. VII, Section 9:

A.2 The transfer of title or ownership to any immovable property to or from the Board, whether by sale, assignment, donation or other mechanism.

**1. Summary of the Matter**

The LSU Health Science Center – New Orleans currently occupies a portion of its building located at 1542 Tulane Avenue, New Orleans, Louisiana (herein the “1542 Tulane Building”). The 1542 Tulane Building has been occupied for many years by the LSU School of Medicine-New Orleans. The LSUHSC-NO is seeking funding to renovate certain floors in the Interim LSU Hospital Building (herein “ILH”) for the School of Medicine, and, upon completion of the ILH renovation, intends to vacate the 1542 Tulane Building and to relocate its LSUHSC-NO occupants into the ILH. LSUHSC-NO currently is occupying about fifty percent (50%) of the space in the 1542 Tulane Building.

The Board of Supervisors of Community and Technical Colleges (herein “LCTCS”) proposes that LCTCS acquire the 1542 Tulane Building from the LSU Board of Supervisors (“LSU Board”) and move its Delgado School of Nursing into the 1542 Tulane Building. The Delgado School of Nursing currently is located in a building at the corner of Perdido Street and South Claiborne Street in New Orleans, Louisiana (herein the “LCTCS Building”) that is owned by the LSU Board and leased to Delgado until 2022. LCTCS has proposed that the 1542 Tulane Building be transferred to LCTCS, but that LSU be allowed to remain in the 1542 Tulane Building until LSU’s renovations to ILH are completed. LCTCS would commence renovations on the unoccupied portions of the 1542 Tulane Building and move the Delgado Community College Nursing and Allied Health Program into those areas when renovations are complete, jointly occupying the 1542 Tulane Building with LSUHSC-NO until ILH is ready for LSUHSC-NO’s occupancy. LCTCS may also operate the Delgado Community College Center for Hospitality and Culinary Arts in the 1542 Tulane Building.

For the first five (5) years after the transfer of title to the 1542 Tulane Building, LCTCS would pay all of the expenses of operation and maintenance (“O&M expenses”) of the 1542 Tulane Building, even with respect to the LSU-occupied areas. That expense is estimated to total approximately One Million Three Hundred Thousand and No/100 Dollars (\$1.3 million) per year. LCTCS intends to commence renovations of those non-LSU-occupied areas in the 1542 Tulane Building with money it obtains from the issuance of tax-exempt debt. Upon the completion of said improvements, the Delgado School of Nursing would move out of its current location into the 1542 Tulane Building. Upon vacating the LCTCS Building, LCTCS would terminate its lease of this facility from the LSU Board. The Cooperative Endeavor Agreement (herein the “CEA”) would be the agreement by which the parties would agree to: (1) the transfer of the 1542 Tulane Building to LCTCS; (2) the continued occupancy of portions of the 1542 Tulane Building by LSU; and (3) the payment of all O&M expenses by LCTCS for five (5) years. The Act of Transfer would be reflected as an Exhibit to the CEA, but would ultimately be executed as a free-standing document so that it can be properly recorded in the Conveyance Records of

Orleans Parish. The parties are continuing to negotiate the details of the CEA but want to indicate their general agreement in an Intent to Enter into Cooperative Endeavor Agreement. Once finalized, the CEA will be brought back to LSU Board for approval.

It is possible that LCTCS will request the involvement of the Delgado Community College Foundation as an additional party to the CEA, but the Intent to Enter into Cooperative Endeavor Agreement is only between the LSU Board and the LCTCS Board.

## **2. Review of Business Plan**

LSUHSC-NO believes that the value to the Health Science Center in New Orleans of continuing to occupy the 1542 Tulane Building during the renovation of ILH, while all of the operating expenses and utilities are borne by LCTCS for a period of five (5) years is more than equal to the value of the 1542 Tulane Building that LSU proposes to transfer to LCTCS.

## **3. Fiscal Impact**

None.

## **4. Description of Competitive Process**

Not Applicable.

## **5. Review of Legal Documents**

The Office of General Counsel has reviewed the Intent to Enter into Cooperative Endeavor Agreement.

## **6. Parties of Interest**

LCTCS, LSU Board, and possibly, Delgado Community College Foundation, when the final Cooperative Endeavor Agreement is executed.

## **7. Related Transactions**

None.

## **8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Letter from Chancellor Larry Hollier, MD
- II. Intent to Enter into a Cooperative Endeavor Agreement

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of Louisiana State University, to execute an Intent to Enter into Cooperative Endeavor Agreement by and between the Board of Supervisors of Community and Technical Colleges on behalf of Delgado Community College and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, said Intent to Enter into Cooperative Endeavor Agreement to contain such terms and conditions as President Alexander deems to be in the best interest of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS  
 SCHOOL OF DENTISTRY  
 SCHOOL OF GRADUATE STUDIES  
 SCHOOL OF NURSING  
 SCHOOL OF MEDICINE IN NEW ORLEANS  
 SCHOOL OF PUBLIC HEALTH

August 21, 2018

Dr. F. King Alexander  
 President and Chancellor  
 LSU System Office  
 381 West Lakeshore Drive, Room 107  
 Baton Rouge, LA 70808

Dear Dr. Alexander,

In accordance with the rules established by Article VII, Section 8 F 2 (a), I am submitting the attached proposed Intent to Enter into a Cooperative Endeavor Agreement for Board approval. The LSU Health Sciences Center – New Orleans (LSUHSC-NO) desires to enter into an Intent to Enter into a Cooperative Endeavor Agreement between the LSU Board of Supervisors and the Board of Supervisors of Community and Technical Colleges (LCTCS) on behalf of Delgado Community College.

LSU Health Sciences Center – New Orleans (herein “LSUHSC-NO”) currently occupies a portion of its building located at 1542 Tulane Avenue, New Orleans, Louisiana (herein the “1542 Tulane Building”). The 1542 Tulane Building has been occupied for many years by the LSU School of Medicine-New Orleans. LSUHSC-NO is seeking funding to renovate certain floors in the Interim LSU Hospital Building (herein “ILH”) for the School of Medicine, and, upon completion of the ILH renovation, intends to vacate the 1542 Tulane Building and will relocated the LSUHSC-NO occupants to the ILH. LSUHSC-NO currently is occupying about fifty percent (50%) of the space in the 1542 Tulane Building.

The Board of Supervisors of Community and Technical Colleges (herein “LCTCS”) proposes that LCTCS acquire the 1542 Tulane Building from the LSU Board of Supervisors and move its Delgado School of Nursing into the 1542 Tulane Building. The Delgado School of Nursing currently is located in a building at the corner of Perdido Street and South Claiborne Street in New Orleans, Louisiana (herein the “LCTCS Building”) that is owned by the LSU Board of Supervisors and leased to Delgado until 2022. LCTCS has proposed that the 1542 Tulane Building be transferred to LCTCS, but that LSU be allowed to remain in the 1542 Tulane Building until LSU’s renovations to ILH are completed. LCTCS would commence renovations on the unoccupied portions of the 1542 Tulane Building and move the Delgado Community College Nursing and Allied Health Program into those areas when renovations are complete, jointly occupying the 1542 Tulane Building with LSUHSC-NO until ILH is ready for LSUHSC-NO’s occupancy. LCTCS may also operate the Delgado Community College Center for Hospitality and Culinary Arts in the 1542 Tulane Building.

LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER • 433 BOLIVAR STREET • SUITE 815 • NEW ORLEANS, LOUISIANA 70112-2223

PHONE (504) 568-4800 • FAX (504) 568-5177 • WWW.LSUHSC.EDU

For the first five (5) years after the transfer of title to the 1542 Tulane Building, LCTCS would pay all of the expenses of operation and maintenance of the 1542 Tulane Building, even with respect to the LSU-occupied areas. That expense is estimated to total approximately One Million Three Hundred Thousand and No/100 Dollars (\$1.3 million) per year. LCTCS intends to commence renovations of those non-LSU-occupied areas in the 1542 Tulane Building with money it obtains from the issuance of tax-exempt debt. Upon the completion of said improvements, the Delgado School of Nursing would move out of its current location into the 1542 Tulane Building. Upon vacating the LCTCS Building, LCTCS would terminate its lease from the LSU Board of Supervisors of the Delgado Nursing Building. The Cooperative Endeavor Agreement (herein the "CEA") would be the agreement by which the parties would agree to: (1) the transfer of the 1542 Tulane Building to LSU; (2) the continued occupancy of portions of the 1542 Tulane Building by LSU; and (3) the payment of all expenses by LCTCS for five (5) years. The Act of Transfer would be reflected as an Exhibit to the CEA, but would ultimately be executed as a free-standing document so that it can be properly recorded in the Conveyance Records of Orleans Parish. The parties are continuing to negotiate the details of the CEA, but want to indicate their general agreement in an Intent to Enter into Cooperative Endeavor Agreement.

The Health Sciences Center is respectfully requesting approval of this lease. I certify to the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,



for Larry Hollier, MD  
Chancellor

**INTENT TO ENTER INTO A COOPERATIVE ENDEAVOR AGREEMENT  
BY AND BETWEEN  
BOARD OF SUPERVISORS OF  
COMMUNITY AND TECHNICAL COLLEGES,  
ON BEHALF OF DELGADO COMMUNITY COLLEGE  
AND  
BOARD OF SUPERVISORS OF LOUISIANA STATE  
UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**

**THIS INTENT TO ENTER INTO A COOPERATIVE ENDEAVOR AGREEMENT** is made and entered into effective as of \_\_\_\_\_, 2018 (the “**Effective Date**”), by and between:

**BOARD OF SUPERVISORS OF COMMUNITY AND TECHNICAL COLLEGES, ON BEHALF OF DELGADO COMMUNITY COLLEGE**, whose mailing address is 265 S. Foster Drive, Baton Rouge, LA 70806 represented by and through Joseph F. Marin, its Chief Operations Officer, duly authorized (“**LCTCS Board**”); and

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, whose mailing address is 3810 West Lakeshore Drive, Baton Rouge, Louisiana, 70802, represented by Dr. F. King Alexander, its President, duly authorized (“**LSU Board**”);

(LCTCS and LSU are each a “**Party**” and are collectively referred to as the “**Parties**”).

provides as follows:

**RECITALS**

**WHEREAS**, the LCTCS Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana, and Delgado Community College (“**Delgado**”) is an institution under the LCTCS Board’s supervision and management;

**WHEREAS**, the LSU Board is a public constitutional corporation organized and existing under the laws of the State of Louisiana, and Louisiana State University Health Sciences Center-New Orleans (“**LSUHSC-NO**”) is an institution under the LSU Board’s supervision and management;

**WHEREAS**, LSUHSC-NO, School of Medicine is located at 1542 Tulane Avenue, New Orleans, Louisiana, (the “**Tulane Avenue Building**”), and has occupied the building at that location of LSU Health Sciences Center-New Orleans for many years;

**WHEREAS**, LSUHSC-NO currently occupies only portions of the Tulane Avenue Building, and LSUHSC-NO has no plans to use the unoccupied portions;

**WHEREAS**, LCTCS desires to acquire the Tulane Avenue Building and land on which it sits from the LSU Board and is working to secure funding to renovate portions of the Tulane Avenue Building;

**WHEREAS**, as consideration for the transfer of the Tulane Avenue Building and land to LCTCS, LSUHSC-NO shall continue to occupy space in the Tulane Avenue Building, and LCTCS will pay all maintenance and operation expenses therefor; and

**WHEREAS**, the Parties are continuing to negotiate the details with respect to the proposed transaction,

**NOW, THEREFORE**, the parties agree as follows:

**1. Purpose**

The purpose of this Intent to Enter Into Cooperative Endeavor Agreement is to provide an outline of the agreement of the parties to serve as a basis for further negotiation with respect to the following described property:

Tract C: One (1) certain tract or parcel of ground designated as “Tract C” containing 1.80 acres (78,584 square feet) being a portion of the First Municipal District of Orleans Parish, Louisiana, and more particularly described on **Exhibit “A”** hereto.

**2. Process**

After agreeing to the terms and conditions of the transaction, the Parties will draft a Cooperative Endeavor Agreement to be presented for approval to the LSU Board of Supervisors, the LCTCS Board of Supervisors and the Division of Administration for approval.

**3. Additional Party to CEA**

In order to facilitate its financing of the improvements by LCTCS of the Tulane Avenue Building, LCTCS may request that an additional party be added to the CEA. That party would be the Delgado Community College Foundation.

**4. LSU Approvals**

The proposed cooperative endeavor agreement would be brought to the LSU Board of Supervisors for approval.

**5. Financial Responsibility and Support of University**

It is intended that upon transfer by the LSU Board to the LCTCS Board of the title to the Tulane Avenue Building and the land on which it is located, all expenses of the operation and maintenance of the Tulane Avenue Building for a period of five (5) years would be borne by and paid by LCTCS and no rent would be paid by LSUHSC-NO to LCTCS. It is LSUHSC-NO’s intent to have completely vacated the Tulane Avenue Building on or before five (5) years from execution

of the Act of Transfer, but the Parties are negotiating as to how expenses with respect to the building might be apportioned in the event that LSU is unable to vacate the building within that five (5) year period of time.

**6. Non-Binding Agreement**

This Intent to Enter Into Cooperative Endeavor Agreement does not constitute a binding agreement, is not a lease or transfer of land or building space to or from the LCTCS Board or the LSU Board, and does not obligate the LSU Board to enter into any Cooperative Endeavor Agreement, or any other agreement between the Parties. The Parties hereto will not be bound in any respect unless and until a Cooperative Endeavor Agreement and any other agreements contemplated thereby are signed by all of the parties thereto.

**7. Expiration**

The provisions of the Intent to Enter Into Cooperative Endeavor Agreement shall expire and be of no further force and effect at 5:00 p.m. (Central Standard Time) on the \_ day of \_\_\_\_\_, 20 \_\_, unless such day is extended by mutual written agreement of the Parties hereto.

**[SIGNATURES ON FOLLOWING PAGE]**

*[Signatory Page of Intent to Enter Into Cooperative Endeavor Agreement between Board of Supervisors of Community and Technical Colleges on behalf of Delgado Community College and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.]*

**THUS DONE AND SIGNED** effective as of \_\_\_\_\_, 2018.

**BOARD OF SUPERVISORS OF  
COMMUNITY AND TECHNICAL  
COLLEGES ON BEHALF OF DELGADO  
COMMUNITY COLLEGE**

By: \_\_\_\_\_  
Joseph F. Marin, Chief Operations Officer

Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
Name: Dr. F. King Alexander  
Title: President

Date: \_\_\_\_\_

**“EXHIBIT A”**

**PROPERTY DESCRIPTION  
(1542 Tulane Ave., New Orleans, LA 70140)**

**LEGAL DESCRIPTION**

**TRACT C**

One (1) certain tract or parcel of ground designated as "Tract C", containing 1.80 Ac. (78,584 Sq. Ft.) being a portion of the First Municipal District of Orleans Parish, Louisiana, and more particularly described as follows:

Commence at an "x" in concrete on the southerly right-of-way line of Tulane Avenue, said "x" also being the Point of Beginning;

Thence, along the southerly right-of-way line of Tulane Avenue, South 62 degrees 59 minutes 49 seconds East a distance of 284.47 feet to a "x" in concrete; thence, departing said right-of-way line, along a line common with both Tracts C and D, South 27 degrees 00 minutes 11 seconds West a distance of 191.57 feet to a "x" in concrete; thence, along a line common with both Tracts C and D, South 39 degrees 34 minutes 2 seconds West a distance of 92.76 feet to a 1/2" Iron Pipe; thence, along a line common with Tracts B,C and D, North 62 degrees 59 minutes 30 seconds West a distance of 224.29 feet to a 1/2" Iron Pipe; thence, along a line common with both Tracts B and C, North 27 degrees 00 minutes 30 seconds East a distance of 18.74 feet to a 1/2" Iron Pipe; thence, along a line common with both Tracts B and C, North 62 degrees 59 minutes 30 seconds West a distance of 40.00 feet to a 1/2" Iron Pipe; thence, along a line common with Tracts A, B and C, North 27 degrees 00 minutes 11 seconds East a distance of 263.34 feet to the Point of Beginning, Tract being the same Tract C as shown on the map showing Resubdivision Survey of Square 367, 402, 405 and Previously Revoked Sections of South Robertson and Magnolia Street into Tracts A, B, C and D by Colin B. Gravois, P.L.S. dated July 30, 2018, attached with and made a part of this Exhibit A.”





## Request from LSU A&M for Approval to Exchange Property at Innovation Park with the Louisiana National Guard

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to Bylaws Art. VII, Section 9:

A.2. Transfer of Title to Immovable Property

### **1. Summary of Matter**

The Military Department, State of Louisiana, currently owns property for the Louisiana National Guard (“LANG”) immediately adjacent to LSU’s Innovation Park. LANG has requested that LSU enter into a property exchange, to swap a portion of the property it currently owns for a larger amount of property at the Innovation Park site. LANG hopes to construct a facility and operate a program on the property it would acquire from LSU that would enhance the overall area and be consistent with the mission and purpose of Innovation Park.

LANG’s proposes to exchange 4.93 acres (Tract “A” on the attached diagram) of its current property to LSU in return for 15.24 acres (Tract “B”) of LSU’s current property. In addition to the property exchange, LANG will agree to construct a boulevard from Nicholson Drive to its new tract of land that will also provide substantial benefit to LSU as it expands Innovation Park in accordance with LSU’s plans. The cost of constructing this boulevard is estimated at \$1.2 million. Approximately half of the boulevard would be on LSU property providing benefit to LSU tenants, if and when LSU has development in accordance with the Innovation Park master plan. LSU will define the requirements and ensure that the boulevard is constructed according to LSU’s future needs and requirements, including sufficient utility capacity along the boulevard to support future LSU growth in this area. While there are improvements on the existing LANG tract, they are old and in poor condition, and are considered to have little if any value.

The appraised value of LANG’s Tract A is \$575,000. The appraised value of LSU’s Tract B is \$1,160,000. The transaction will be structured as a cooperative endeavor agreement between two state entities, and thus it is not required for the two tracts to be of equal value. The cost of the construction of the boulevard, plus the value of LANG’s Tract A, is close to the appraised value of LSU’s Tract B. Further, LSU expects to receive substantial value from LANG’s expected use of the property and the development that will occur on the site as a result. LANG’s expected use of the property will enhance the overall reputation and value of Innovation Park.

The parties expect to execute a cooperative endeavor agreement and an act of exchange to accomplish this transaction. The Louisiana National Guard Foundation has agreed to pay part of the expenses of the exchange and will be a party to the cooperative endeavor agreement.

### **2. Review of Business Plan**

This proposal will not require any expenditure of funds by LSU except those related to legal and compliance costs associated with the transfer of title. There may be some costs associated with maintenance or demolition of the existing structures on the current LANG tract. These costs would be borne by Innovation Park in accordance with routine practices.

### **3. Fiscal Impact**

While the value per acre of the two tracts being exchanged are equivalent, the larger size of Tract B means that LSU is giving up a more valuable plot of land in return for a less valuable plot of land. However, the addition of the construction of the boulevard, which is consistent with LSU's plans for Innovation Park, will provide substantial benefits to future LSU development in the area and brings the purely financial value of the transaction close to equal for both sides. In addition, it is expected that the use for the property by LANG will provide substantial value to LSU by increasing the desirability of Innovation Park to prospective tenants.

### **4. Description of Competitive Process**

Because this is an exchange of immovable property to another component of Louisiana state government, no competitive process will be utilized.

### **5. Review of Legal Documents**

LSU outside counsel will prepare an appropriate Cooperative Endeavor Agreement, Act of Exchange and other paperwork. Prior to execution by the President, those documents will be reviewed by the LSU Office of Facility & Property Oversight as well as the Office of General Counsel for compliance with state law and LSU policies.

### **6. Parties of Interest**

Louisiana State University, Louisiana National Guard/Military Department, State of Louisiana, Louisiana National Guard Foundation

### **7. Related Transactions**

None known.

### **8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Property Diagram
- II. Transmittal Letter

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "**LSU Board of Supervisors**") hereby authorizes Dr. F. King Alexander, President of Louisiana State University, or his designee to execute a Cooperative Endeavor Agreement among LSU Board of Supervisors, the Military Department, State of Louisiana and the Louisiana National Guard Foundation, and an act of exchange of immovable property between the LSU Board of Supervisors and the Military Department, State of Louisiana exchanging a certain tract or parcel of ground located on LSU's Innovation Park and being described as Tract B, as said parcel is depicted on Attachment 1 hereto and identified therein as "New LANG Site", and receiving in return that certain tract

or parcel of ground located adjacent to LSU's Innovation Park and being described as Tract A, as said parcel is depicted on Attachment 1 hereto, and that President Alexander be and hereby is authorized to execute such cooperative endeavor agreement, act of exchange and any and all other documents necessary to accomplish the transaction and to include in such cooperative endeavor agreement, act of exchange or other documents any terms and conditions as he deems to be in the best interests of the LSU Board of Supervisors.





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## CAMPUS CORRESPONDENCE

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**To:** F. King Alexander,  
President of LSU

**Date:** August 24, 2018

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration/CFO

**Through:** Tony Lombardo, Associate Vice President  
Facility & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President  
Real Estate, Public Partnerships, and Compliance 

**Subject** **Louisiana National Guard Property Exchange Board Submission**

LSU is requesting approval from the Board of Supervisors for an exchange of immovable property with the Louisiana National Guard at LSU's Innovation Park.

LSU requests that this item be placed on the agenda for the Board's meeting scheduled for September 7, 2018.

Thank you.



**Request from the Pennington Biomedical Research Center to Name Room M4063 in the Clinical Research Building the “Art E. Favre Executive Conference Room”**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to Bylaws Art. VII, Section 9:

- A.12 Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

**1. Summary of the Matter**

The Pennington Biomedical Research Center seeks to recognize the generous contributions of Mr. Art E. Favre. Mr. Favre recently made a significant investment which will help faculty recruitment and program support for the cancer metabolism research program. He has enthusiastically embraced the vision for this important research program and has contributed considerably to its development. Additionally, Mr. Favre provides leadership and guidance as a member of the board of directors of the Pennington Biomedical Research Foundation. In response to his leadership and to the recent significant gift that Mr. Favre has made to Pennington Biomedical Research Foundation, Pennington Biomedical Research Center seeks approval of the LSU Board of Supervisors to acknowledge Mr. Favre's leadership and generosity and name the "Art E. Favre Executive Conference Room" of the Clinical Research Building at Pennington Biomedical in his honor.

**2. Review of Business Plan**

N/A

**3. Fiscal Impact**

N/A.

**4. Description of Competitive Process**

N/A.

**5. Review of Legal Documents**

N/A

**6. Parties of Interest**

Pennington Biomedical Research Center  
Art E. Favre

**7. Related Transactions**

N/A

**8. Conflicts of Interest**

None

**ATTACHMENTS**

- I. Letter from Dr. John Kirwan

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University, or his designee, to rename the room M4063 of the Pennington Biomedical Research Center Clinical Research Building the "Art E. Favre Executive Conference Room."

**BE IT FURTHER RESOLVED** that F. King Alexander, President of the Louisiana State University, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to rename room M4063 of the Pennington Biomedical Research Center Clinical Research Building the "Art E. Favre Executive Conference Room."



July 30, 2018

Dr. F. King Alexander, President  
Louisiana State University  
University Administration Building  
Baton Rouge, LA 70803

Dear Dr. Alexander:

I am writing to request approval to name conference room M4063 in the Pennington Biomedical Clinical Research Building the "Art E. Favre Executive Conference Room."

In proposing this naming opportunity, we wish to recognize the generous contributions of Mr. Art E. Favre. Mr. Favre recently made a significant investment in Pennington Biomedical which will help faculty recruitment and program support for the cancer metabolism research program. He has enthusiastically embraced the vision for this important research program and has contributed considerably to its development. Additionally, Mr. Favre provides leadership and guidance as a member of the board of directors of the Pennington Biomedical Research Foundation. In response to his leadership and to the recent significant gift that Mr. Favre has made to Pennington Biomedical Research Foundation, Pennington Biomedical Research Center would like to acknowledge Mr. Favre's leadership and generosity and name the "Art E. Favre Executive Conference Room" of the Clinical Research Building in his honor.

I appreciate your consideration of this request and have included a draft request for the Board of Supervisors. Please let me know if you need additional information.

Sincerely,



John P. Kirwan, PhD  
Executive Director  
and George A. Bray, Jr. Endowed Super Chair in Nutrition



**Request from LSU A&M to Approve Employment Contracts with Co-Head Coaches David Geyer and Douglas Shaffer**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.11.b. Appointments and all other personnel actions relating to Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks approval of the proposed employment contracts for David Geyer, Co-Head Coach Swimming & Diving, and Douglas Shaffer, Co-Head Coach Swimming & Diving. The key terms of the proposed contracts are summarized below:

Coach	Contract Action	Term		Total Certain Compensation		
		Current	Proposed	Current	Proposed	Increase
David Geyer	Extension	6/30/2018	6/30/2020	\$110,000	\$115,000	4.5%
Douglas Shaffer	Extension	6/30/2018	6/30/2020	\$110,000	\$115,000	4.5%

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to these employment contracts will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the proposed contracts.

**ATTACHMENTS**

- I. Memorandum of Agreement: David Geyer, Co-Head Coach Swimming & Diving
- II. Memorandum of Agreement: Douglas Shaffer, Co-Head Coach Swimming & Diving

**RECOMMENDATION**

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President to sign the proposed contracts with the listed coaches.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contracts with David Geyer and Douglas Shaffer as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.



## Summary of Athletic Coaching Contract David Geyer, Co-Head Coach Swimming & Diving

		<i>Current</i>	<i>Proposed</i>	<i>Change</i>	<i>%</i>	<i>Notes</i>
<i>Basic</i>	Term Ends	6/30/2018	<b>6/30/2020</b>	2 year		a
	Base Salary	\$ 105,000	\$ <b>110,000</b>	\$ 5,000	5%	a
	Supplemental Comp.	\$ 5,000	\$ <b>5,000</b>	\$ -		a
<i>Incentive</i>	Post-Season (max)	\$ 37,800	\$ <b>39,600</b>	\$ 1,800	5%	b
	Academic (max)	\$ 5,000	\$ <b>5,000</b>	\$ -		a
<i>Benefits</i>	Automobile	\$ 12,000	\$ <b>12,000</b>	\$ -		a
	Other					c
<b>Total Certain Compensation</b>		<b>\$ 110,000</b>	<b>\$ 115,000</b>	<b>\$ 5,000</b>	<b>5%</b>	<b>d</b>

### Notes

(a) Coach Geyer's previous two year contract expires on June 30, 2018. This contract includes a two year extension and salary increase. Base salary for fiscal year 2020, increases to \$115,000. Automobile payment is up to \$1,000/month.

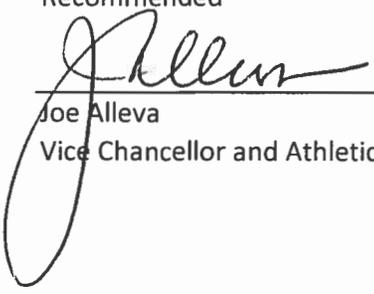
(b) Post-season incentive is based on Board Policy which allows up to 36% of base salary for team SEC and NCAA performance.

(c) Not applicable

(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one-time amounts, such as contract buy-outs or relocation allowances.

This document summarizes the key terms of the proposed employment contract for the athletic coach named above. Unless noted otherwise, the contract is attached and is based on the standard template normally used by LSU for contracts of this type. The campus recommends approval by the Board.

Recommended

  
\_\_\_\_\_  
Joe Alleva  
Vice Chancellor and Athletic Director

Reviewed, No Objections

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance  
and Administration/CFO

\_\_\_\_\_  
Tom Skinner, LSU General Counsel

STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE

**EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”) is made and entered into as of this 1<sup>st</sup> day of July 2016, by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by F. King Alexander, its duly authorized President, and David L. Geyer (“COACH”):

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:

- A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.
- B. “President”: The President of LSU A&M.
- C. “Athletic Director”: The Director of Athletics at LSU A&M.
- D. “Base Salary Amount”: The annual sum of:  
  
One Hundred Ten Thousand and No/100ths dollars (\$110,000.00) – Effective July 1, 2018 – June 30, 2019.  
  
One Hundred Fifteen Thousand and No/100ths dollars (\$115,000.00) – Effective July 1, 2019 – June 30, 2020.
- E. “Start Date”: July 1, 2018.
- F. “End Date”: June 30, 2020.
- G. “Program”: The intercollegiate Men’s and Women’s Swimming & Diving program at LSU A&M.
- H. “Team”: The intercollegiate athletic team which is a part of the Program.

2. **Employment.** LSU does hereby employ COACH as Co-Head Coach of the Team. COACH will report directly to the Athletic Director and through the Athletic Director to the President. COACH will be responsible for the Program at LSU A&M. It is understood, however, that LSU retains the right to assign COACH to other positions within LSU with different duties without penalty during the term of this Agreement, provided that COACH will not be assigned to any position which is not consistent with Employee's education and training. COACH hereby agrees to accept such employment and to devote full-time attention to the performance of the duties herein.
  
3. **Duties and Responsibilities.** As Co-Head Coach of Team, COACH's duties and responsibilities shall include the following, all subject to law, LSU policy, and the directives, input, and advice of the President and the Athletic Director:
  - A. Administering, managing, and leading the Program in a professionally appropriate and competent manner;
  - B. Administering, managing, and leading the Program in an effort to effectively compete in National Collegiate Athletic Association (NCAA) play;
  - C. Hiring and managing the assistant coaches and other athletic staff necessary and appropriate to assist COACH in meeting the responsibilities herein;
  - D. Directing the Program, including management of staff, budget, and other resources;

- E. Being reasonably knowledgeable, with reasonable assistance of LSU, of: (i) applicable federal and state laws governing intercollegiate athletics; and (ii) all governing constitutions, by-laws, rules, policies, interpretations, and regulations of the NCAA, the Southeastern Conference (SEC), LSU, and any other conference or organization of which LSU is or becomes a member during the term of this Agreement; all hereinafter collectively referred to as “**Governing Athletics Regulations**”;
- F. Assuring and monitoring compliance with Governing Athletics Regulations by COACH and all student athlete members of the Team, assistant coaches, other Program staff members, and other individuals under or subject to COACH’s direct control, authority, or supervision;
- G. Promptly reporting any violation of Governing Athletics Regulations to the Associate Athletic Director for Compliance;
- H. Cooperating fully in any investigation of possible NCAA violations conducted or authorized by LSU or the NCAA at any time;
- I. Reasonably observing, respecting, and promoting the principles of institutional control in the Program;
- J. Reasonably understanding, observing, and upholding LSU’s reasonable, written academic standards, requirements, and policies, and reasonably promoting an environment in which admissions, financial aid, academic services for student

athletes, and recruiting can be conducted consistently with LSU's mission (provided said mission is reasonable and communicated to COACH in writing);

- K. Using reasonable and good faith personal efforts to cultivate and maintain effective relations with the Board of Supervisors, affiliated foundations, conferences, institutional alumni, the media, the public, students, faculty, staff, and friends of LSU;
- L. Using reasonable efforts to exercise due care and supervision to provide that all student athletes, assistant coaches, other program staff members, and other individuals under or subject to COACH's control, authority, or supervision comply with all Governing Athletics Regulations and act in accordance with the high moral, ethical, and academic standards of the Program and LSU;
- M. Using reasonable efforts to promote the goal of LSU, that every student athlete obtain a baccalaureate degree, and reasonably cooperating with academic counselors or similar persons designated by LSU to assist student athletes and the faculty and administrators of LSU in connection with the academic pursuits of student athletes;
- N. Performing these duties at all times in a manner consistent with good sportsmanship and in accordance with the high moral, ethical, and academic standards of the Department of Athletics and LSU;
- O. Performing all other reasonable duties customarily performed by head coaches in Team's sport of commensurate rank serving other NCAA member institutions.

4. **Term.** The term (“Term”) of this AGREEMENT shall be for a definite term, commencing on the Start Date and ending on the End Date unless terminated sooner in accordance with Section 12 of this Agreement. This Agreement will automatically renew on a monthly basis effective the day after the End Date unless the Agreement has been terminated pursuant to Section 12 or written notice of non-renewal has been given by either party to the other at least 30 days before the End Date.
  
5. **Base Salary.** LSU agrees to pay COACH the Base Salary Amount annually, in twelve (12) equal monthly installments.
  
6. **Supplemental Compensation.**
  - A. In addition to the salary described above, COACH each contract year will receive Supplemental Compensation in an amount of Five Thousand and No/100ths dollars (\$5,000.00) for COACH appearing on or participating in, as requested, University sanctioned television, radio and internet programs concerning LSU and the Team. The amount of Supplemental Compensation payable to COACH shall be based on the number of radio, television, and internet programs in which COACH participates or appears and shall be determined by the Athletic Director. Any amount earned by COACH pursuant to this provision shall be considered earned on the date(s) on which COACH appears on or participates in the television, radio, and internet programs and shall be paid within 30 days of the last game played by Team in its season, including any post-season play.
  - B. COACH shall not appear without the prior written approval of the President on, or in, any radio, television, or internet programs or other electronic medium other

than those produced or sponsored by LSU, except routine news media interviews for which no compensation is received. COACH shall not appear in or make any commercial or commercial endorsement without the prior written approval of the President and the Athletic Director. Such approval shall not be unreasonably withheld.

7. **Incentive Compensation.**

A. **Post-Season Incentive Compensation.** In the event the Team participates in post-season games, LSU agrees to pay COACH Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play as follows in accordance with LSU's policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for SEC Regular Season Champion, the date of the last SEC game in Team's sport played by any SEC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth in Schedule A, which is attached to and made a part of this Agreement. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSU as of the date on which the incentives are earned.

B. **Academic Incentive Compensation.** In the event the multi-year Academic Performance Rate “APR” [as defined by the NCAA] for an individual Swimming & Diving team is 930 or higher in any one contract year, LSU agrees to pay COACH additional compensation in the amount of Five Thousand and No/100 dollars (\$5,000) per contract year. This incentive can only be achieved once per contract year. The additional compensation, if payable, shall be considered earned on the date on which the APR for LSU is released while COACH is employed at LSU and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must be employed by LSU as of the date on which the incentives are earned.

8. **Retirement and Fringe Benefits.** COACH shall be entitled to participate in the retirement and fringe benefit programs available to all unclassified professional LSU employees, with contributions and benefit amounts (including state retirement benefits) based only upon the Base Salary Amount and any Post-Season Incentive Compensation. During the term of this Agreement and in accordance with applicable LSU policy and applicable law, COACH will also receive the following benefits, part or all of which may be payable from affiliated foundation funds, subject to approval of LSU and the foundation:

A. Membership(s) in a social club, such as the University Club of Baton Rouge, provided that: (i) monthly dues shall be payable from affiliated foundation funds, subject to approval of such foundation; (ii) business-related (non-personal)

expenses incurred in accordance with LSU and foundation policy will be reimbursed from affiliated foundation funds; and (iii) COACH shall be responsible for payment of all personal charges.

- B. Mobile communications device and service;
- C. An annual automobile allowance in the amount not to exceed \$1,000 per month or, to the extent consistent with state ethics law, use of courtesy vehicle provided by dealership and related insurance reimbursed from affiliated foundation funds; and
- D. COACH will be allowed to invite guest(s) for travel to athletic events as per the LSU Travel Handbook. Any guest(s) must be approved for travel on chartered or commercial transportation by the Athletic Director or his/her designee.
- E. Other customary, reasonable and related employee benefits to be provided by foundations affiliated with LSU, as authorized by the President after a review by the LSU System General Counsel and a determination that such benefits are in compliance with LSU policy and the Louisiana Code of Ethics.

**9. Additional Revenue.**

Subject to compliance with Governing Athletics Regulations, including but not limited to current NCAA Bylaw 11.2 and 11.3, *et seq.*, and LSU's PM-11, COACH may earn or receive other revenue ("Additional Revenue") while employed by LSU provided, however, that COACH shall obtain prior written approval, which approval shall not be unreasonably withheld, from the President before engaging in any commercial or private

venture, including the use of COACH's name by any commercial, public or private entity. COACH shall report annually to the President and the Athletic Director on January 31<sup>st</sup>, in writing, in compliance with NCAA Bylaw 11.2.2 and 11.2.2.1, and any applicable LSU policy, all athletically-related income from sources outside LSU, and LSU shall have reasonable access to all records of COACH to verify this report. LSU does not guarantee any amount of Additional Revenue.

COACH shall not, without written approval of the President and the Athletic Director, arrange for or agree to the receipt by any assistant coach of any supplemental pay, bonus, or other form of payment from any outside source, except for income earned by assistant coaches from COACH's operation of sports camps, or as otherwise authorized by LSU in accordance with PM-11.

10. **Sports Camps.** COACH, subject to Governing Athletics Regulations and Athletic Department guidelines, rules and regulations, may operate or work at sports camps/clinics at LSU. LSU does not guarantee or provide any supplemental compensation or additional revenue from operation of sports camps/clinics. COACH shall not be permitted to sell, assign, lease, donate or otherwise transfer any ownership, assets or interests in such a camp or clinic to any other person or entity, without the prior written approval of the President.

11. **Assignment and Retirement Benefits.**

A. **Assignment.** To the extent permitted by law, COACH may require LSU to contract with a separate legal entity, whether under the control of COACH or not, for the performance of any services by COACH required or authorized under

Sections 6 (Supplemental Compensation, if any) and 10 (Sports Camps). The form of the contract shall be subject to the approval of LSU, which approval shall not be unreasonably withheld.

- B. **Retirement Benefits.** Regardless of whether the services are performed directly for LSU or through contract with a separate legal entity, whether such other entity is under the control of COACH or not, sums paid or authorized under Section 6 (Supplemental Compensation, if any), 7.B (Academic Incentive Compensation), 8 (Fringe Benefits), 9 (Additional Revenue), and 10 (Sports Camps) of this Agreement shall not be considered “base pay,” “earned compensation,” or “earnable compensation” as such terms are defined in Louisiana Revised Statutes 11:403 and 11:701, or other applicable Louisiana retirement laws, and shall not be included as compensation for the purpose of computation of retirement benefits. Only the Base Salary Amount and any Post Season Incentive Compensation earned pursuant to Section 7.A shall be considered for the purpose of computation of retirement benefits.

12. **Termination.** This Agreement may be terminated by the parties as follows:

- A. **Termination by LSU for Cause.** This Agreement may be terminated for "cause" by LSU, acting through the President, at any time prior to its expiration, upon written notice to COACH. In the event of termination for cause, COACH's Base Salary Amount, Supplemental Compensation (if any), and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages

other than compensation earned prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

For purposes of this Section, “cause” for termination shall be defined as:

- (1) Committing a material and substantial violation (including repeated secondary violations) of Governing Athletics Regulations, or failing promptly to report any such violation by another person to the President and the Associate Athletic Director for Compliance;
- (2) Commission of a material and substantial violation of Governing Athletics Regulations involving any aspect of the Program by any other person if either: (i) the violation occurs or continues to occur after COACH knew or had constructive knowledge that it was about to occur or was occurring, or (ii) COACH failed to establish and maintain reasonable policies and procedures, or to follow reasonable policies and procedures established in writing by the Athletic Department for the Program to prevent violations of Governing Athletics Regulations from occurring and to detect promptly any such violations which may occur;
- (3) Committing or being convicted of either: (i) any felony; or (ii) any misdemeanor involving gambling, drugs, or alcohol;
- (4) Engaging in serious misconduct which either: (i) displays a continual, serious disrespect or continual, serious disregard for the mission of LSU; (ii) brings COACH into substantial public disrepute sufficient to materially impair COACH’s ability to perform the obligations contained herein without material adverse impact on the Team or Program; or (iii) constitutes moral turpitude or

breaches the high moral and ethical standards applicable to COACH as a visible representative of LSU;

- (5) Unreasonably refusing or repeatedly failing to perform any duties imposed upon COACH herein (including, but not limited to, those duties and responsibilities set forth in Section 3 of this Agreement), or failing to perform the same to the best of COACH's reasonable ability, after written notice to COACH of LSU's reasonable expectation;
- (6) Knowingly committing material or repeated significant violations of any provision of this Agreement, provided said initial violations are not cured within ten (10) days of COACH's receipt of written notice of the same;
- (7) Prolonged absence from LSU without its consent, which will not unreasonably be withheld;
- (8) (i) Intentionally or with reckless disregard for the truth committing fraud in the performance of any duties and responsibilities herein, including, but not limited to, fraud in the preparation, falsification, or alteration of documents or records of LSU, the NCAA, or the SEC, or documents or records pertaining to any recruit or student athlete, including without limitation transcripts, eligibility forms, and compliance reports; or (ii) counseling, instructing, encouraging, or knowingly permitting any other person to commit such fraud;
- (9) (i) Failing to respond reasonably accurately and fully within a reasonable time to any reasonable requests or inquiry relating to the performance of any duties herein or at any prior employment at any other institution of higher learning propounded by LSU, the NCAA, the SEC or any other governing body having supervision

over the athletic programs of LSU or such other institution of higher education, or required by law or Governing Athletics Regulations; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any other person to fail to so respond;

- (10) (i) Participating in any gambling, bookmaking, wagering, or betting involving any athletic contest whether by soliciting, placing, or accepting a bet or wager or through a bookmaker, a pool, or any other method of gambling; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any student athlete, assistant coach, or other individual under or subject to COACH's control, authority, or supervision to participate in such activity;
- (11) (i) Furnishing any information or data, other than information or data provided to the general public through press conferences, news releases, and the like, relating in any manner to any intercollegiate sport or to any student athlete to any individual whom COACH knows (or has constructive knowledge) to be a gambler, better, or bookmaker, or an agent of any such person; or (ii) counseling, instructing, or encouraging any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision to furnish such information or data;
- (12) Using or consuming alcoholic beverages or controlled substances, steroids, or other drugs or chemicals to such degree and for such appreciable period as to substantially impair COACH's ability to perform the duties herein;
- (13) Selling, purchasing, using, or possessing any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by

COACH is prohibited by law or Governing Athletics Rules. The provisions of this subsection do not prohibit the use or possession of substances or drugs lawfully prescribed by a healthcare provider, and used in accordance therewith.

- (14) Knowingly encouraging or permitting the sale, purchase, use, or possession by any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision of any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by such person is prohibited by law or Governing Athletics Rules;
- (15) (i) Failing reasonably to cooperate in the investigation and enforcement of Governing Athletics Regulations; or (ii) counseling, instructing, or encouraging any other person to fail to cooperate in such investigation and enforcement;
- (16) Subject to any right of administrative appeal permitted or granted to COACH by the NCAA or SEC, the making or rendition of a finding or determination by the NCAA, SEC, or any commission, committee, council, or tribunal of the same, of any major or repetitive violations by COACH of NCAA or SEC rules, or of any such major or repetitive violations by others under the direct supervision of COACH which were knowingly and intentionally permitted, encouraged, or condoned by COACH, or about which violations COACH knew or should have known (constructive knowledge), and should have acted reasonably to prevent, limit, or mitigate (it is recognized that this sub-section includes findings or determinations of violations during employment of COACH at any other institution of higher education); or

- (17) Failing to report promptly to the Associate Athletic Director for Compliance any violations of Governing Athletics Regulations involving the Team of which COACH has actual knowledge.

Any judgment as to whether the criteria contained in this section have been met shall not be made arbitrarily or capriciously by LSU. Prior to termination for cause, COACH: (i) shall be provided with written notice of contemplated termination and a statement of the grounds and facts in support thereof; and (ii) shall have five calendar days from receipt of such notice to make a written request for a hearing on the contemplated action. A hearing will be held by the President or his designee(s), and at the hearing COACH shall have the right to counsel and to present the testimony of witnesses and other reliable evidence. The procedures shall conform to, and evidence may be considered, consistent with federal and state due process standards for such hearings.

All compensation, including salary, benefits, and other remuneration set forth in this Agreement incidental to COACH's employment, cease upon termination, other than compensation owed COACH for services performed by COACH prior to termination.

**B. Termination by LSU Without Cause.**

- (1) LSU shall have the right to terminate this Agreement without cause upon written notice to COACH. In such event, LSU will pay COACH liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the

event of termination by LSU without cause, COACH's Base Salary, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages other than the liquidated damages provided for herein and any compensation earned pursuant to this Agreement prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

- (2) Liquidated damages under this Section 12.B will be the Base Salary per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.
- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation COACH earns, receives, or is entitled to receive from the termination date until LSU's obligation pursuant to this Section 12.B to COACH terminates or ceases to exist. COACH shall exercise due diligence and good faith in seeking other athletically-related employment. In the event COACH obtains such other employment, COACH will notify LSU and provide any and all documentation requested by LSU to determine the amount of compensation received by COACH and the amount of offset due to LSU.

- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause COACH to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by COACH in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

**C. Termination by COACH Without Cause.**

- (1) COACH shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event COACH terminates this Agreement without cause, COACH will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by COACH without cause, COACH's Base Salary, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and COACH), and LSU shall not thereafter be liable to COACH for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be 15% of the Base Salary per year for the remaining term of this Agreement, including any extended term. COACH shall have the option to pay such amount in a lump sum or in equal monthly installments over a period of time equal to the amount of time then remaining in the Agreement, including any extended term.
- (3) Liquidated damages under this Section 12.C may be waived, in the sole discretion of the President, if COACH is not in breach of any provision of this Agreement and LSU determines that such a waiver would serve the best interests of LSU, considering factors such as, but not limited to, COACH's length of service with LSU, whether COACH is taking another athletically-related job, the impact the timing of COACH's notice has on the Team (whether it is given before, during, or after the Team's season and recruiting period), COACH's ability and willingness to assist LSU if requested during any transition period (such as during post-season play after giving notice at the end of the regular season), ease of recruiting a replacement for COACH, and the impact requiring the payment of liquidated damages would have on recruiting and retaining other similarly-situated coaches.
- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by COACH prior to its expiration by lapse of term would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement head coach for Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither COACH nor COACH's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the President and the Athletic Director.

**D. Suspension or Other Disciplinary Action.**

- (1) In lieu of termination for cause, and apart from any rights it may have under Section 12.A, LSU may impose disciplinary sanctions less severe than termination upon COACH, up to and including suspension or leave without pay for a period no longer than ninety (90) days for any act or omission which would be grounds for termination for cause. Imposition of such sanctions shall be at the discretion of LSU, which shall not be exercised arbitrarily or capriciously.
- (2) LSU may suspend COACH for an indefinite period during any investigation by LSU, another governmental entity, or the NCAA or SEC to determine whether COACH has violated any laws or Governing Athletics Regulations. During such suspension, COACH shall receive only the Base Salary, and shall not be entitled to receive any other benefits, compensation or remuneration set forth in this Agreement for the period of such suspension. If the matter giving rise to the suspension is finally resolved completely in favor of COACH, and does not otherwise represent an independent basis for termination herein for cause, LSU shall pay or make available to COACH the benefits and other compensation

herein otherwise payable to COACH during the period of suspension. Any such benefits which are payable pursuant to this Agreement by an affiliated foundation shall only be paid by such foundation, subject to its approval. Suspension under this sub-section shall not limit any rights of LSU to terminate COACH for cause.

- (3) COACH shall be subject to disciplinary or corrective action by the NCAA or SEC for any violation of NCAA and SEC regulations, respectively. Such action by the NCAA or the SEC shall not preclude or in any manner affect LSU's right to take such other corrective or disciplinary action as it deems necessary or proper, including termination for cause.

E. **Termination by Death or Disability.** In the event of the death of COACH or the inability of COACH to perform the obligations described in this Agreement by reason of illness or some other occurrence beyond the control of either party, and such inability to perform has continued or will continue beyond a reasonable period of time, but not less than one hundred twenty (120) days, this Agreement shall terminate as a termination with cause and all future obligations between the parties shall cease upon the termination date reasonably established by LSU, unless otherwise required by law.

F. **Waiver of Claims.** The financial consequences of termination of this Agreement or suspension herein are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, neither COACH nor LSU shall be entitled to receive, and each hereby waives any claim against the

other, and their respective board members, officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including without limitation loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speaking, camps or other outside activity, or expectation income, or damages allegedly sustained by reason of alleged humiliation or defamation or other non-compensatory and compensatory damages and attorney's fees resulting from the fact of termination, the public announcement thereof, or the release by LSU or COACH of information or documents required by law. COACH acknowledges that in the event of either termination of this Agreement for cause, without cause, or otherwise, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, COACH shall have no right to occupy the position of head coach of Team and that COACH's sole remedies are provided herein and shall not extend to injunctive relief. COACH further acknowledges and agrees that COACH is not eligible for will not be considered for or granted tenure by LSU.

- G. **Key Man Insurance.** LSU or its affiliated athletic foundation, at the sole discretion of LSU, shall have the right at any time during the term of this Agreement to take out key man insurance or other insurance on the life of COACH. COACH shall reasonably cooperate in the underwriting and issuance of any such insurance.

13. **Retention and Return of all Materials, Records, and Other Items.** All documents, records, or materials, including without limitation personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to COACH by LSU or developed by COACH on behalf of or at the expense of LSU or otherwise in connection with the employment of COACH are and shall remain the sole and confidential property of LSU. Within ten (10) days of the expiration or termination of this Agreement, COACH shall cause any such materials in COACH's possession or control to be delivered to LSU. At the same time, COACH shall return to LSU all credit cards, keys, computers, mobile communication devices and other items belonging to LSU which were issued to or are in the possession of COACH.
14. **Non-Assignment.** Neither party may assign, transfer, alienate, or encumber any of its rights or obligations hereunder without the express written consent of the other party, except as otherwise specifically set forth in this Agreement.
15. **Entire Contract.** This Agreement constitutes and expresses the entire agreement and understanding of the parties concerning the employment of COACH by LSU and shall, upon the effective date hereof, supersede any other oral and written agreements between the parties. There are no oral or other agreements, understandings, promises, or representations between the parties affecting this Agreement. Both parties have relied solely on their own respective judgments in entering into this agreement, with full opportunity to seek advice of competent counsel. It shall be construed, if necessary, without reference to the party that was the principal drafter of the agreement

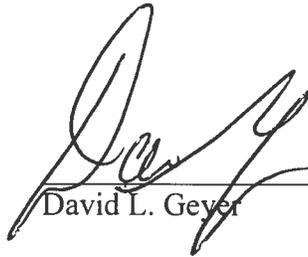
16. **Amendments to Contract.** This Agreement may be amended only by a written instrument duly approved by LSU through its designated representatives and accepted by COACH, such approval and acceptance to be acknowledged in writing.
17. **Severability.** If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.
18. **No Waiver of Default.** No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.
19. **Sovereign Immunity Not Waived.** It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver or relinquishment by LSU of any rights to claim such exemptions, privileges and immunities as may be provided by law.
20. **"Force Majeure" Clause.** Neither party shall be considered in default of performance of any obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

21. **Governing Law and Venue.** This Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having jurisdiction and domiciled in East Baton Rouge Parish, Louisiana.

THE PARTIES hereto, acknowledging that this Agreement is subject to approval of the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, Ph.D., President Date

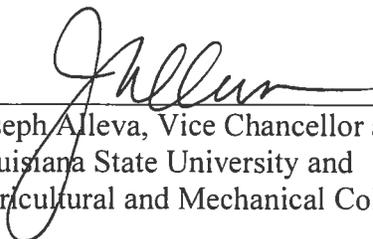


\_\_\_\_\_

David L. Geyer

6/21/13  
Date

RECOMMENDED:



\_\_\_\_\_

Joseph Alleva, Vice Chancellor and Director of Athletics  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_

Daniel T. Layzell, Executive Vice President for Finance and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College

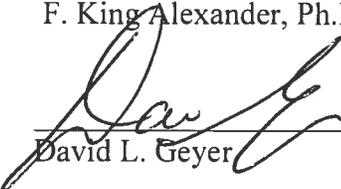
**Schedule A – Supplemental Terms for David L. Geyer**

This Schedule A supplements and further defines the provisions of the Employment Agreement dated July 1, 2018 entered into between LSU and David L. Geyer, to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

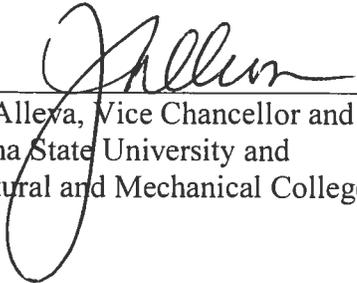
1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts, and based on attaining the goals as outlined in the most recent Additional Compensation Policy for Post-Season Athletics approved by LSU at the time the additional compensation is attained.
2. All other provisions of the Agreement remain unchanged by this Schedule A.

*Schedule A Approved:*

By: \_\_\_\_\_  
F. King Alexander, Ph.D., President

 \_\_\_\_\_ 6/21/18  
David L. Geyer

RECOMMENDED:

 \_\_\_\_\_  
Joseph Alleya, Vice Chancellor and Director of Athletics  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College



## Summary of Athletic Coaching Contract Douglas Shaffer, Co-Head Coach Swimming & Diving

		<i>Current</i>	<i>Proposed</i>	<i>Change</i>	<i>%</i>	<i>Notes</i>
<i>Basic</i>	Term Ends	6/30/2018	6/30/2020	2 year		a
	Base Salary	\$ 105,000	\$ 110,000	\$ 5,000	5%	a
	Supplemental Comp.	\$ 5,000	\$ 5,000	\$ -		a
<i>Incentive</i>	Post-Season (max)	\$ 37,800	\$ 39,600	\$ 1,800	5%	b
	Academic (max)	\$ 5,000	\$ 5,000	\$ -		a
<i>Benefits</i>	Automobile	\$ 12,000	\$ 12,000	\$ -		a
	Other					c
<b>Total Certain Compensation</b>		<b>\$ 110,000</b>	<b>\$ 115,000</b>	<b>\$ 5,000</b>	<b>5%</b>	<b>d</b>

### Notes

(a) Coach Shaffer's previous two year contract expires on June 30, 2018. This contract includes a two year extension and salary increase. Base salary for fiscal year 2020, increases to \$115,000. Automobile payment is up to \$1,000/month.

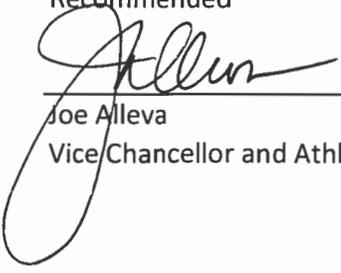
(b) Post-season incentive is based on Board Policy which allows up to 36% of base salary for team SEC and NCAA performance.

(c) Not applicable

(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one-time amounts, such as contract buy-outs or relocation allowances.

This document summarizes the key terms of the proposed employment contract for the athletic coach named above. Unless noted otherwise, the contract is attached and is based on the standard template normally used by LSU for contracts of this type. The campus recommends approval by the Board.

Recommended

  
\_\_\_\_\_  
Joe Alleva  
Vice Chancellor and Athletic Director

Reviewed, No Objections

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance  
and Administration/CFO

\_\_\_\_\_  
Tom Skinner, LSU General Counsel

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”) is made and entered into as of this 1<sup>st</sup> day of July 2016, by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by F. King Alexander, its duly authorized President, and Douglas J. Shaffer (“COACH”):

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:

A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.

B. “President”: The President of LSU A&M.

C. “Athletic Director”: The Director of Athletics at LSU A&M.

D. “Base Salary Amount”: The annual sum of:

One Hundred Ten Thousand and No/100ths dollars (\$110,000.00) – Effective July 1, 2018 – June 30, 2019.

One Hundred Fifteen Thousand and No/100ths dollars (\$115,000.00) – Effective July 1, 2019 – June 30, 2020.

E. “Start Date”: July 1, 2018.

F. “End Date”: June 30, 2020.

G. “Program”: The intercollegiate Men’s and Women’s Swimming & Diving program at LSU A&M.

H. “Team”: The intercollegiate athletic team which is a part of the Program.

2. **Employment.** LSU does hereby employ COACH as Co-Head Coach of the Team. COACH will report directly to the Athletic Director and through the Athletic Director to the President. COACH will be responsible for the Program at LSU A&M. It is understood, however, that LSU retains the right to assign COACH to other positions within LSU with different duties without penalty during the term of this Agreement, provided that COACH will not be assigned to any position which is not consistent with Employee's education and training. COACH hereby agrees to accept such employment and to devote full-time attention to the performance of the duties herein.
  
3. **Duties and Responsibilities.** As Co-Head Coach of Team, COACH's duties and responsibilities shall include the following, all subject to law, LSU policy, and the directives, input, and advice of the President and the Athletic Director:
  - A. Administering, managing, and leading the Program in a professionally appropriate and competent manner;
  
  - B. Administering, managing, and leading the Program in an effort to effectively compete in National Collegiate Athletic Association (NCAA) play;
  
  - C. Hiring and managing the assistant coaches and other athletic staff necessary and appropriate to assist COACH in meeting the responsibilities herein;
  
  - D. Directing the Program, including management of staff, budget, and other resources;

- E. Being reasonably knowledgeable, with reasonable assistance of LSU, of: (i) applicable federal and state laws governing intercollegiate athletics; and (ii) all governing constitutions, by-laws, rules, policies, interpretations, and regulations of the NCAA, the Southeastern Conference (SEC), LSU, and any other conference or organization of which LSU is or becomes a member during the term of this Agreement; all hereinafter collectively referred to as “**Governing Athletics Regulations**”;
- F. Assuring and monitoring compliance with Governing Athletics Regulations by COACH and all student athlete members of the Team, assistant coaches, other Program staff members, and other individuals under or subject to COACH’s direct control, authority, or supervision;
- G. Promptly reporting any violation of Governing Athletics Regulations to the Associate Athletic Director for Compliance;
- H. Cooperating fully in any investigation of possible NCAA violations conducted or authorized by LSU or the NCAA at any time;
- I. Reasonably observing, respecting, and promoting the principles of institutional control in the Program;
- J. Reasonably understanding, observing, and upholding LSU’s reasonable, written academic standards, requirements, and policies, and reasonably promoting an environment in which admissions, financial aid, academic services for student

athletes, and recruiting can be conducted consistently with LSU's mission (provided said mission is reasonable and communicated to COACH in writing);

- K. Using reasonable and good faith personal efforts to cultivate and maintain effective relations with the Board of Supervisors, affiliated foundations, conferences, institutional alumni, the media, the public, students, faculty, staff, and friends of LSU;
- L. Using reasonable efforts to exercise due care and supervision to provide that all student athletes, assistant coaches, other program staff members, and other individuals under or subject to COACH's control, authority, or supervision comply with all Governing Athletics Regulations and act in accordance with the high moral, ethical, and academic standards of the Program and LSU;
- M. Using reasonable efforts to promote the goal of LSU, that every student athlete obtain a baccalaureate degree, and reasonably cooperating with academic counselors or similar persons designated by LSU to assist student athletes and the faculty and administrators of LSU in connection with the academic pursuits of student athletes;
- N. Performing these duties at all times in a manner consistent with good sportsmanship and in accordance with the high moral, ethical, and academic standards of the Department of Athletics and LSU;
- O. Performing all other reasonable duties customarily performed by head coaches in Team's sport of commensurate rank serving other NCAA member institutions.

4. **Term.** The term (“Term”) of this AGREEMENT shall be for a definite term, commencing on the Start Date and ending on the End Date unless terminated sooner in accordance with Section 12 of this Agreement. This Agreement will automatically renew on a monthly basis effective the day after the End Date unless the Agreement has been terminated pursuant to Section 12 or written notice of non-renewal has been given by either party to the other at least 30 days before the End Date.
  
5. **Base Salary.** LSU agrees to pay COACH the Base Salary Amount annually, in twelve (12) equal monthly installments.
  
6. **Supplemental Compensation.**
  - A. In addition to the salary described above, COACH each contract year will receive Supplemental Compensation in an amount of Five Thousand and No/100ths dollars (\$5,000.00) for COACH appearing on or participating in, as requested, University sanctioned television, radio and internet programs concerning LSU and the Team. The amount of Supplemental Compensation payable to COACH shall be based on the number of radio, television, and internet programs in which COACH participates or appears and shall be determined by the Athletic Director. Any amount earned by COACH pursuant to this provision shall be considered earned on the date(s) on which COACH appears on or participates in the television, radio, and internet programs and shall be paid within 30 days of the last game played by Team in its season, including any post-season play.
  
  - B. COACH shall not appear without the prior written approval of the President on, or in, any radio, television, or internet programs or other electronic medium other

than those produced or sponsored by LSU, except routine news media interviews for which no compensation is received. COACH shall not appear in or make any commercial or commercial endorsement without the prior written approval of the President and the Athletic Director. Such approval shall not be unreasonably withheld.

7. **Incentive Compensation.**

- A. **Post-Season Incentive Compensation.** In the event the Team participates in post-season games, LSU agrees to pay COACH Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play as follows in accordance with LSU's policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for SEC Regular Season Champion, the date of the last SEC game in Team's sport played by any SEC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth in Schedule A, which is attached to and made a part of this Agreement. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSU as of the date on which the incentives are earned.

B. **Academic Incentive Compensation.** In the event the multi-year Academic Performance Rate “APR” [as defined by the NCAA] for an individual Swimming & Diving team is 930 or higher in any one contract year, LSU agrees to pay COACH additional compensation in the amount of Five Thousand and No/100 dollars (\$5,000) per contract year. This incentive can only be achieved once per contract year. The additional compensation, if payable, shall be considered earned on the date on which the APR for LSU is released while COACH is employed at LSU and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, COACH must be employed by LSU as of the date on which the incentives are earned.

8. **Retirement and Fringe Benefits.** COACH shall be entitled to participate in the retirement and fringe benefit programs available to all unclassified professional LSU employees, with contributions and benefit amounts (including state retirement benefits) based only upon the Base Salary Amount and any Post-Season Incentive Compensation. During the term of this Agreement and in accordance with applicable LSU policy and applicable law, COACH will also receive the following benefits, part or all of which may be payable from affiliated foundation funds, subject to approval of LSU and the foundation:

A. Membership(s) in a social club, such as the University Club of Baton Rouge, provided that: (i) monthly dues shall be payable from affiliated foundation funds, subject to approval of such foundation; (ii) business-related (non-personal)

expenses incurred in accordance with LSU and foundation policy will be reimbursed from affiliated foundation funds; and (iii) COACH shall be responsible for payment of all personal charges.

- B. Mobile communications device and service;
- C. An annual automobile allowance in the amount not to exceed \$1,000 per month or, to the extent consistent with state ethics law, use of courtesy vehicle provided by dealership and related insurance reimbursed from affiliated foundation funds; and
- D. COACH will be allowed to invite guest(s) for travel to athletic events as per the LSU Travel Handbook. Any guest(s) must be approved for travel on chartered or commercial transportation by the Athletic Director or his/her designee.
- E. Other customary, reasonable and related employee benefits to be provided by foundations affiliated with LSU, as authorized by the President after a review by the LSU System General Counsel and a determination that such benefits are in compliance with LSU policy and the Louisiana Code of Ethics.

**9. Additional Revenue.**

Subject to compliance with Governing Athletics Regulations, including but not limited to current NCAA Bylaw 11.2 and 11.3, *et seq.*, and LSU's PM-11, COACH may earn or receive other revenue ("Additional Revenue") while employed by LSU provided, however, that COACH shall obtain prior written approval, which approval shall not be unreasonably withheld, from the President before engaging in any commercial or private

venture, including the use of COACH's name by any commercial, public or private entity. COACH shall report annually to the President and the Athletic Director on January 31<sup>st</sup>, in writing, in compliance with NCAA Bylaw 11.2.2 and 11.2.2.1, and any applicable LSU policy, all athletically-related income from sources outside LSU, and LSU shall have reasonable access to all records of COACH to verify this report. LSU does not guarantee any amount of Additional Revenue.

COACH shall not, without written approval of the President and the Athletic Director, arrange for or agree to the receipt by any assistant coach of any supplemental pay, bonus, or other form of payment from any outside source, except for income earned by assistant coaches from COACH's operation of sports camps, or as otherwise authorized by LSU in accordance with PM-11.

**10. Sports Camps.** COACH, subject to Governing Athletics Regulations and Athletic Department guidelines, rules and regulations, may operate or work at sports camps/clinics at LSU. LSU does not guarantee or provide any supplemental compensation or additional revenue from operation of sports camps/clinics. COACH shall not be permitted to sell, assign, lease, donate or otherwise transfer any ownership, assets or interests in such a camp or clinic to any other person or entity, without the prior written approval of the President.

**11. Assignment and Retirement Benefits.**

A. **Assignment.** To the extent permitted by law, COACH may require LSU to contract with a separate legal entity, whether under the control of COACH or not, for the performance of any services by COACH required or authorized under

Sections 6 (Supplemental Compensation, if any) and 10 (Sports Camps). The form of the contract shall be subject to the approval of LSU, which approval shall not be unreasonably withheld.

- B. **Retirement Benefits.** Regardless of whether the services are performed directly for LSU or through contract with a separate legal entity, whether such other entity is under the control of COACH or not, sums paid or authorized under Section 6 (Supplemental Compensation, if any), 7.B (Academic Incentive Compensation), 8 (Fringe Benefits), 9 (Additional Revenue), and 10 (Sports Camps) of this Agreement shall not be considered “base pay,” “earned compensation,” or “earnable compensation” as such terms are defined in Louisiana Revised Statutes 11:403 and 11:701, or other applicable Louisiana retirement laws, and shall not be included as compensation for the purpose of computation of retirement benefits. Only the Base Salary Amount and any Post Season Incentive Compensation earned pursuant to Section 7.A shall be considered for the purpose of computation of retirement benefits.

12. **Termination.** This Agreement may be terminated by the parties as follows:

- A. **Termination by LSU for Cause.** This Agreement may be terminated for "cause" by LSU, acting through the President, at any time prior to its expiration, upon written notice to COACH. In the event of termination for cause, COACH's Base Salary Amount, Supplemental Compensation (if any), and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages

other than compensation earned prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

For purposes of this Section, “cause” for termination shall be defined as:

- (1) Committing a material and substantial violation (including repeated secondary violations) of Governing Athletics Regulations, or failing promptly to report any such violation by another person to the President and the Associate Athletic Director for Compliance;
- (2) Commission of a material and substantial violation of Governing Athletics Regulations involving any aspect of the Program by any other person if either: (i) the violation occurs or continues to occur after COACH knew or had constructive knowledge that it was about to occur or was occurring, or (ii) COACH failed to establish and maintain reasonable policies and procedures, or to follow reasonable policies and procedures established in writing by the Athletic Department for the Program to prevent violations of Governing Athletics Regulations from occurring and to detect promptly any such violations which may occur;
- (3) Committing or being convicted of either: (i) any felony; or (ii) any misdemeanor involving gambling, drugs, or alcohol;
- (4) Engaging in serious misconduct which either: (i) displays a continual, serious disrespect or continual, serious disregard for the mission of LSU; (ii) brings COACH into substantial public disrepute sufficient to materially impair COACH’s ability to perform the obligations contained herein without material adverse impact on the Team or Program; or (iii) constitutes moral turpitude or

breaches the high moral and ethical standards applicable to COACH as a visible representative of LSU;

- (5) Unreasonably refusing or repeatedly failing to perform any duties imposed upon COACH herein (including, but not limited to, those duties and responsibilities set forth in Section 3 of this Agreement), or failing to perform the same to the best of COACH's reasonable ability, after written notice to COACH of LSU's reasonable expectation;
- (6) Knowingly committing material or repeated significant violations of any provision of this Agreement, provided said initial violations are not cured within ten (10) days of COACH's receipt of written notice of the same;
- (7) Prolonged absence from LSU without its consent, which will not unreasonably be withheld;
- (8) (i) Intentionally or with reckless disregard for the truth committing fraud in the performance of any duties and responsibilities herein, including, but not limited to, fraud in the preparation, falsification, or alteration of documents or records of LSU, the NCAA, or the SEC, or documents or records pertaining to any recruit or student athlete, including without limitation transcripts, eligibility forms, and compliance reports; or (ii) counseling, instructing, encouraging, or knowingly permitting any other person to commit such fraud;
- (9) (i) Failing to respond reasonably accurately and fully within a reasonable time to any reasonable requests or inquiry relating to the performance of any duties herein or at any prior employment at any other institution of higher learning propounded by LSU, the NCAA, the SEC or any other governing body having supervision

over the athletic programs of LSU or such other institution of higher education, or required by law or Governing Athletics Regulations; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any other person to fail to so respond;

- (10) (i) Participating in any gambling, bookmaking, wagering, or betting involving any athletic contest whether by soliciting, placing, or accepting a bet or wager or through a bookmaker, a pool, or any other method of gambling; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any student athlete, assistant coach, or other individual under or subject to COACH's control, authority, or supervision to participate in such activity;
- (11) (i) Furnishing any information or data, other than information or data provided to the general public through press conferences, news releases, and the like, relating in any manner to any intercollegiate sport or to any student athlete to any individual whom COACH knows (or has constructive knowledge) to be a gambler, better, or bookmaker, or an agent of any such person; or (ii) counseling, instructing, or encouraging any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision to furnish such information or data;
- (12) Using or consuming alcoholic beverages or controlled substances, steroids, or other drugs or chemicals to such degree and for such appreciable period as to substantially impair COACH's ability to perform the duties herein;
- (13) Selling, purchasing, using, or possessing any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by

COACH is prohibited by law or Governing Athletics Rules. The provisions of this subsection do not prohibit the use or possession of substances or drugs lawfully prescribed by a healthcare provider, and used in accordance therewith.

- (14) Knowingly encouraging or permitting the sale, purchase, use, or possession by any student athlete, assistant coach, or other individual under COACH's control, authority, or supervision of any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by such person is prohibited by law or Governing Athletics Rules;
- (15) (i) Failing reasonably to cooperate in the investigation and enforcement of Governing Athletics Regulations; or (ii) counseling, instructing, or encouraging any other person to fail to cooperate in such investigation and enforcement;
- (16) Subject to any right of administrative appeal permitted or granted to COACH by the NCAA or SEC, the making or rendition of a finding or determination by the NCAA, SEC, or any commission, committee, council, or tribunal of the same, of any major or repetitive violations by COACH of NCAA or SEC rules, or of any such major or repetitive violations by others under the direct supervision of COACH which were knowingly and intentionally permitted, encouraged, or condoned by COACH, or about which violations COACH knew or should have known (constructive knowledge), and should have acted reasonably to prevent, limit, or mitigate (it is recognized that this sub-section includes findings or determinations of violations during employment of COACH at any other institution of higher education); or

- (17) Failing to report promptly to the Associate Athletic Director for Compliance any violations of Governing Athletics Regulations involving the Team of which COACH has actual knowledge.

Any judgment as to whether the criteria contained in this section have been met shall not be made arbitrarily or capriciously by LSU. Prior to termination for cause, COACH: (i) shall be provided with written notice of contemplated termination and a statement of the grounds and facts in support thereof; and (ii) shall have five calendar days from receipt of such notice to make a written request for a hearing on the contemplated action. A hearing will be held by the President or his designee(s), and at the hearing COACH shall have the right to counsel and to present the testimony of witnesses and other reliable evidence. The procedures shall conform to, and evidence may be considered, consistent with federal and state due process standards for such hearings.

All compensation, including salary, benefits, and other remuneration set forth in this Agreement incidental to COACH's employment, cease upon termination, other than compensation owed COACH for services performed by COACH prior to termination.

**B. Termination by LSU Without Cause.**

- (1) LSU shall have the right to terminate this Agreement without cause upon written notice to COACH. In such event, LSU will pay COACH liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the

event of termination by LSU without cause, COACH's Base Salary, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages other than the liquidated damages provided for herein and any compensation earned pursuant to this Agreement prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

- (2) Liquidated damages under this Section 12.B will be the Base Salary per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.
- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation COACH earns, receives, or is entitled to receive from the termination date until LSU's obligation pursuant to this Section 12.B to COACH terminates or ceases to exist. COACH shall exercise due diligence and good faith in seeking other athletically-related employment. In the event COACH obtains such other employment, COACH will notify LSU and provide any and all documentation requested by LSU to determine the amount of compensation received by COACH and the amount of offset due to LSU.

- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause COACH to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by COACH in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

**C. Termination by COACH Without Cause.**

- (1) COACH shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event COACH terminates this Agreement without cause, COACH will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by COACH without cause, COACH's Base Salary, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and COACH), and LSU shall not thereafter be liable to COACH for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be 15% of the Base Salary per year for the remaining term of this Agreement, including any extended term. COACH shall have the option to pay such amount in a lump sum or in equal monthly installments over a period of time equal to the amount of time then remaining in the Agreement, including any extended term.
- (3) Liquidated damages under this Section 12.C may be waived, in the sole discretion of the President, if COACH is not in breach of any provision of this Agreement and LSU determines that such a waiver would serve the best interests of LSU, considering factors such as, but not limited to, COACH's length of service with LSU, whether COACH is taking another athletically-related job, the impact the timing of COACH's notice has on the Team (whether it is given before, during, or after the Team's season and recruiting period), COACH's ability and willingness to assist LSU if requested during any transition period (such as during post-season play after giving notice at the end of the regular season), ease of recruiting a replacement for COACH, and the impact requiring the payment of liquidated damages would have on recruiting and retaining other similarly-situated coaches.
- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by COACH prior to its expiration by lapse of term would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement head coach for Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither COACH nor COACH's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the President and the Athletic Director.

**D. Suspension or Other Disciplinary Action.**

- (1) In lieu of termination for cause, and apart from any rights it may have under Section 12.A, LSU may impose disciplinary sanctions less severe than termination upon COACH, up to and including suspension or leave without pay for a period no longer than ninety (90) days for any act or omission which would be grounds for termination for cause. Imposition of such sanctions shall be at the discretion of LSU, which shall not be exercised arbitrarily or capriciously.
- (2) LSU may suspend COACH for an indefinite period during any investigation by LSU, another governmental entity, or the NCAA or SEC to determine whether COACH has violated any laws or Governing Athletics Regulations. During such suspension, COACH shall receive only the Base Salary, and shall not be entitled to receive any other benefits, compensation or remuneration set forth in this Agreement for the period of such suspension. If the matter giving rise to the suspension is finally resolved completely in favor of COACH, and does not otherwise represent an independent basis for termination herein for cause, LSU shall pay or make available to COACH the benefits and other compensation

herein otherwise payable to COACH during the period of suspension. Any such benefits which are payable pursuant to this Agreement by an affiliated foundation shall only be paid by such foundation, subject to its approval. Suspension under this sub-section shall not limit any rights of LSU to terminate COACH for cause.

- (3) COACH shall be subject to disciplinary or corrective action by the NCAA or SEC for any violation of NCAA and SEC regulations, respectively. Such action by the NCAA or the SEC shall not preclude or in any manner affect LSU's right to take such other corrective or disciplinary action as it deems necessary or proper, including termination for cause.

E. **Termination by Death or Disability.** In the event of the death of COACH or the inability of COACH to perform the obligations described in this Agreement by reason of illness or some other occurrence beyond the control of either party, and such inability to perform has continued or will continue beyond a reasonable period of time, but not less than one hundred twenty (120) days, this Agreement shall terminate as a termination with cause and all future obligations between the parties shall cease upon the termination date reasonably established by LSU, unless otherwise required by law.

F. **Waiver of Claims.** The financial consequences of termination of this Agreement or suspension herein are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, neither COACH nor LSU shall be entitled to receive, and each hereby waives any claim against the

other, and their respective board members, officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including without limitation loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speaking, camps or other outside activity, or expectation income, or damages allegedly sustained by reason of alleged humiliation or defamation or other non-compensatory and compensatory damages and attorney's fees resulting from the fact of termination, the public announcement thereof, or the release by LSU or COACH of information or documents required by law. COACH acknowledges that in the event of either termination of this Agreement for cause, without cause, or otherwise, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, COACH shall have no right to occupy the position of head coach of Team and that COACH's sole remedies are provided herein and shall not extend to injunctive relief. COACH further acknowledges and agrees that COACH is not eligible for will not be considered for or granted tenure by LSU.

- G. **Key Man Insurance.** LSU or its affiliated athletic foundation, at the sole discretion of LSU, shall have the right at any time during the term of this Agreement to take out key man insurance or other insurance on the life of COACH. COACH shall reasonably cooperate in the underwriting and issuance of any such insurance.

13. **Retention and Return of all Materials, Records, and Other Items.** All documents, records, or materials, including without limitation personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to COACH by LSU or developed by COACH on behalf of or at the expense of LSU or otherwise in connection with the employment of COACH are and shall remain the sole and confidential property of LSU. Within ten (10) days of the expiration or termination of this Agreement, COACH shall cause any such materials in COACH's possession or control to be delivered to LSU. At the same time, COACH shall return to LSU all credit cards, keys, computers, mobile communication devices and other items belonging to LSU which were issued to or are in the possession of COACH.
14. **Non-Assignment.** Neither party may assign, transfer, alienate, or encumber any of its rights or obligations hereunder without the express written consent of the other party, except as otherwise specifically set forth in this Agreement.
15. **Entire Contract.** This Agreement constitutes and expresses the entire agreement and understanding of the parties concerning the employment of COACH by LSU and shall, upon the effective date hereof, supersede any other oral and written agreements between the parties. There are no oral or other agreements, understandings, promises, or representations between the parties affecting this Agreement. Both parties have relied solely on their own respective judgments in entering into this agreement, with full opportunity to seek advice of competent counsel. It shall be construed, if necessary, without reference to the party that was the principal drafter of the agreement

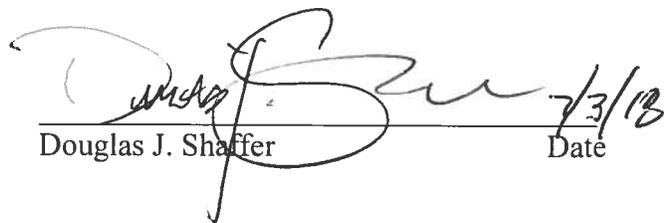
16. **Amendments to Contract.** This Agreement may be amended only by a written instrument duly approved by LSU through its designated representatives and accepted by COACH, such approval and acceptance to be acknowledged in writing.
17. **Severability.** If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.
18. **No Waiver of Default.** No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.
19. **Sovereign Immunity Not Waived.** It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver or relinquishment by LSU of any rights to claim such exemptions, privileges and immunities as may be provided by law.
20. **"Force Majeure" Clause.** Neither party shall be considered in default of performance of any obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

21. **Governing Law and Venue.** This Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having jurisdiction and domiciled in East Baton Rouge Parish, Louisiana.

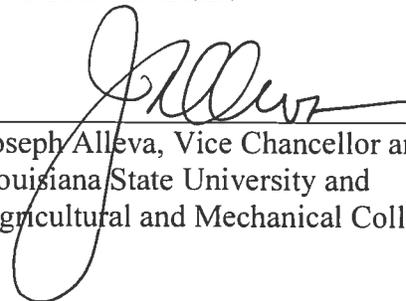
THE PARTIES hereto, acknowledging that this Agreement is subject to approval of the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, Ph.D., President Date

  
\_\_\_\_\_  
Douglas J. Shaffer Date 7/3/18

RECOMMENDED:

  
\_\_\_\_\_  
Joseph Alleva, Vice Chancellor and Director of Athletics  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College

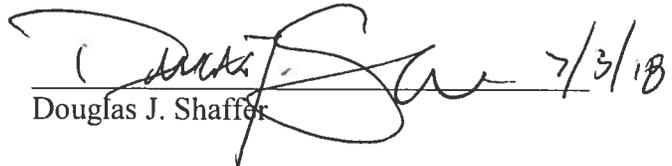
**Schedule A – Supplemental Terms for Douglas J. Shaffer**

This Schedule A supplements and further defines the provisions of the Employment Agreement dated July 1, 2018 entered into between LSU and Douglas J. Shaffer, to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

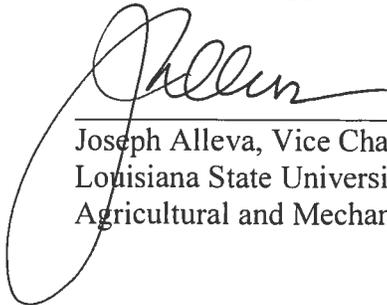
1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts, and based on attaining the goals as outlined in the most recent Additional Compensation Policy for Post-Season Athletics approved by LSU at the time the additional compensation is attained.
2. All other provisions of the Agreement remain unchanged by this Schedule A.

*Schedule A Approved:*

By: \_\_\_\_\_  
F. King Alexander, Ph.D., President

 7/3/18  
\_\_\_\_\_  
Douglas J. Shaffer

RECOMMENDED:



\_\_\_\_\_  
Joseph Alleva, Vice Chancellor and Director of Athletics  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College



**Request from LSU A&M to Approve Employment Contract with Yolanda “Nikki” Caldwell**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.11.b. Appointments and all other personnel actions relating to Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks approval of the proposed employment contract for Yolanda “Nikki” Caldwell, Head Coach Women’s Basketball. The key terms of the proposed contracts are summarized below:

Coach	Contract Action	Term		Total Certain Compensation <sup>a</sup>		
		Current	Proposed	Current	Proposed	Increase
Yolanda “Nikki” Caldwell	Extension	6/30/2019	6/30/2022	\$700,000	\$700,000	0%

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to this employment contract will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the proposed contract.

**ATTACHMENTS**

- I. Memorandum of Agreement: Yolanda “Nikki” Caldwell, Head Coach Women’s Basketball

**RECOMMENDATION:**

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President to sign the proposed contracts with the listed coaches.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contract with Head Coach Yolanda “Nikki” Caldwell as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.



## Summary of Athletic Coaching Contract Yolanda "Nikki" Caldwell, Head Coach Women's Basketball

		<i>Current</i>	<i>Proposed</i>	<i>Change</i>	<i>%</i>	<i>Notes</i>
<i>Basic</i>	Term Ends	6/30/2019	<b>6/30/2022</b>	3 years		a
	Base Salary	\$ 350,000	\$ <b>350,000</b>	\$ -	0%	a
	Supplemental Comp.	\$ 350,000	\$ <b>350,000</b>	\$ -		a
<i>Incentive</i>	Post-Season (max)	\$ 500,000	\$ <b>600,000</b>	\$ 100,000	20%	b
	Academic (max)	\$ 50,000	\$ <b>50,000</b>	\$ -		c
<i>Benefits</i>	Automobile	\$ 9,600	\$ <b>9,600</b>	\$ -		a
	Other					c
	<b>Total Certain Compensation</b>	\$ <b>700,000</b>	\$ <b>700,000</b>	\$ -	<b>0%</b>	<b>d</b>

### Notes

(a) Coach Caldwell's previous five year contract expires on June 30, 2019. The new contract includes a three year extension and a change in liquidated damages for termination of contract by LSU or Coach Caldwell. Automobile payment is up to \$1,000/month.

(b) Post-Season incentives are based on specific goals and amounts set forth in Coach Caldwell's contract.

(c) The Academic Incentive goal is a team APR score of 930.

(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one-time amounts, such as contract buy-outs or relocation allowances.

Recommended:

Joe Alleva  
Vice Chancellor and Athletic Director

Reviewed, No Objections:

Daniel T. Layzell, Executive Vice President for Finance  
and Administration & CFO

Reviewed, No Objections:

Tom Skinner, LSU General Counsel

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**AMENDMENT TO EMPLOYMENT AGREEMENT**

The Employment Agreement between THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (LSU) and YOLANDA “NIKKI” CALDWELL (Coach), dated the 2<sup>nd</sup> day of April, 2011, was hereby amended as of the 1st day of July, 2014, and is hereby amended as of the 1<sup>st</sup> day of April, 2018 as follows:

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:
  - A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.
  - B. “President and Chancellor”: The President and Chancellor of LSU A&M.
  - C. “Athletic Director”: The Director of Athletics at LSU A&M.
  - D. “Base Salary Amount”: The annual sum of Three Hundred Fifty Thousand and No/100ths dollars (\$350,000.00).
  - E. “Start Date”: April 1, 2018.
  - F. “End Date”: June 30, 2022.
  - G. “Program”: The intercollegiate Women’s Basketball program at LSU A&M.
  - H. “Team”: The intercollegiate athletic team which is a part of the Program.
2. **Employment.** No Change
3. **Duties and Responsibilities.** No Change
4. **Term.** No Change

5. **Base Salary.** No Change
6. **Supplemental Compensation.** No Change
7. **Incentive Compensation.** No Change
8. **Retirement and Fringe Benefits.** No Change
9. **Additional Revenue.** No Change
10. **Sports Camps.** No Change
11. **Assignment and Retirement Benefits.** No Change
12. **Termination.** This Agreement may be terminated by the parties as follows:
  - A. **Termination by LSU for Cause.** No Change
  - B. **Termination by LSU Without Cause.**
    - (1) LSU shall have the right to terminate this Agreement without cause upon written notice to COACH. In such event, LSU will pay COACH liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the event of termination by LSU without cause, COACH's Base Salary Amount, Supplemental Compensation, Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to COACH for any sums or damages other than the liquidated damages provided for herein and any compensation earned pursuant to this Agreement prior to the termination date. The termination date

shall be the date on which notice of termination is given, or on such later date as may be set forth by LSU in the notice of termination.

- (2) Liquidated damages under this Section 12.B will be \$200,000 per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.
- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation COACH, in relation to athletics or athletic-media endeavors, earns, receives, or takes reasonable steps to actually receive from the termination date until LSU's obligation pursuant to this Section 12.B to COACH terminates or ceases to exist. COACH shall exercise due diligence and good faith in seeking other employment. In the event COACH obtains such other employment, COACH will notify LSU and provide any and all documentation requested by LSU to determine the amount of compensation received by COACH and the amount of offset due to LSU. The mitigation of liquidated damages provision of this subsection shall not be applicable if termination by LSU without cause takes place within one year of the end of the initial term or an extended term.
- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties

recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause COACH to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by COACH in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

**C. Termination by COACH Without Cause.**

- (1) COACH shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event COACH terminates this Agreement without cause and accepts, during what would otherwise be the remaining term of this Agreement (including any extended term), another coaching position with any other institution of higher education or professional athletic team, or any other athletically-related position (including media and sports marketing), COACH will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by COACH without cause, COACH's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and COACH), and LSU shall not thereafter be liable to COACH

for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be determined based upon the Contract Year in which notice of termination is given. COACH shall have the option to pay such amount in a lump sum or in equal monthly installments over a period of time equal to the amount of time then remaining in the Agreement, including any extended term. COACH must notify LSU in writing of the payment option she elects on or before the date the first monthly installment would be due. If COACH elects the lump sum option, payment in full shall be due on or before sixty (60) days after the termination date. If COACH elects to pay in monthly installments, each installment shall be due on or before the last day of each remaining month in the Agreement. For purposes of this subparagraph, the first Contract Year will begin on the effective date of this Agreement, and end on June 30, 2019. The second Contract Year will begin on July 1, 2019 and end on June 30, 2020, with each subsequent Contract Year beginning on July 1 and ending on June 30 of the following year; provided however, that no liquidated damages shall be due if notice of termination is given by Coach after the end of the season during the Final Contract Year. The amount of liquidated damages shall be:

<i>Amount</i>	<i>Contract year when notice of termination given</i>
a. \$200,000	First Contract Year
b. \$200,000	Second Contract Year
c. \$200,000	Third Contract Year
d. \$0	Fourth Contract Year

- (3) Liquidated damages under this Section 12.C may be waived, in the sole discretion of the Athletic Director, if COACH is not in breach of any provision of this Agreement and LSU determines that such a waiver would serve the best interests of LSU, considering factors such as, but not limited to, COACH's length of service with LSU, whether COACH is taking another athletically-related job, the impact the timing of COACH's notice has on the Team (whether it is given before, during, or after the Team's season and recruiting period), COACH's ability and willingness to assist LSU if requested during any transition period (such as during post-season play after giving notice at the end of the regular season), ease of recruiting a replacement for COACH, and the impact requiring the payment of liquidated damages would have on recruiting and retaining other similarly-situated coaches.
- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by COACH prior to its expiration by lapse of term (including any extended term) would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement head coach for Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty. COACH recognizes that his promise to work for LSU until its expiration by lapse of term (including any extended term) is an essential consideration of and a material inducement for LSU's decision to employ him in the position described in Section 2, above. COACH also recognizes that LSU is making a highly

valuable investment in his continued employment by entering into this Agreement and its investment would be lost or diminished were he to resign or otherwise terminate his employment with LSU prior to the End Date (including any extended term). The payment owed pursuant to this liquidated damages provision is to reimburse LSU for expenses, including but not limited to (i) searching for, recruiting and hiring a replacement for COACH, (ii) relocating a replacement employee, and (iii) buying out the contract, if necessary, of a replacement employee. COACH expressly agrees that the amount of liquidated damages provided for herein is a reasonable approximation of the harm that LSU will incur in the event of such early termination by COACH.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither COACH nor COACH's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the President and the Athletic Director.

D. **Suspension or Other Disciplinary Action.** No Change

E. **Termination by Death or Disability.** No Change

F. **Waiver of Claims.** No Change

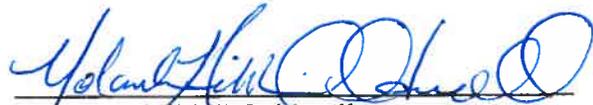
G. **Key Man Insurance.** No Change

13. **Retention and Return of all Materials, Records, and Other Items.** No Change
14. **Non-Assignment.** No Change
15. **Entire Contract.** No Change
16. **Amendments to Contract.** No Change
17. **Severability.** No Change
18. **No Waiver of Default.** No Change
19. **Sovereign Immunity Not Waived.** No Change
20. **"Force Majeure" Clause.** No Change
21. **Governing Law and Venue.** No Change

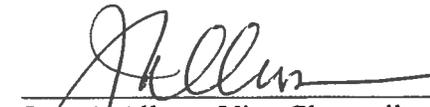
THE PARTIES hereto, acknowledging that this Agreement is subject to approval of the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

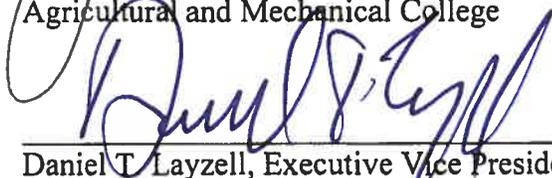
BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University

  
\_\_\_\_\_  
Yolanda "Nikki" Caldwell

RECOMMENDED:

  
\_\_\_\_\_  
Joseph Alleva, Vice Chancellor and Athletic Director  
Louisiana State University and  
Agricultural and Mechanical College

  
\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance and Administration & CFO  
Louisiana State University and  
Agricultural and Mechanical College

## Schedule A – Supplemental Terms for Yolanda “Nikki” Caldwell

This Schedule A supplements and further defines the provisions of the Employment Agreement dated April 2, 2011, hereby amended as of the 1<sup>st</sup> day of April, 2018, entered into between LSU and Yolanda “Nikki” Caldwell, to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts (such amounts being cumulative), and based on attaining the goals, shown below. The maximum amount of Post-Season Incentive Compensation paid shall be \$600,000 per contract year:

a)	SEC Regular Season Champion	\$ 50,000
b)	SEC Tournament Champion	\$ 50,000
c)	NCAA Tournament Appearance	\$ 50,000
d)	NCAA Sweet Sixteen Appearance	\$ 75,000
e)	NCAA Final Four Appearance	\$ 75,000
f)	NCAA National Champion	\$150,000
g)	SEC Coach of the Year (as voted by the SEC Coaches)	\$ 50,000
h)	National Coach of the Year (Naismith Women’s College Coach of the Year)	\$100,000

2. All other provisions of the Agreement remain unchanged by this Schedule A.

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

By: \_\_\_\_\_  
F. King Alexander, President and Chancellor  
Louisiana State University

  
\_\_\_\_\_  
Yofanda "Mikki" Caldwell.

RECOMMENDED:

  
\_\_\_\_\_  
Joseph Alleva, Vice Chancellor and Athletic Director  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_  
Daniel T. Layzell, Executive Vice President for Finance and Administration & CFO  
Louisiana State University and  
Agricultural and Mechanical College



## Request from LSU A&M to Amend the LSU Athletics Ticket, Parking, and Tradition Fund Policy

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 9:

A.12 Other Significant Matters: Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

### 1. Summary of the Matter

The University proposes amending the current LSU Athletics Ticket, Parking, and Tradition Fund Policy to include the following changes:

- 1) Tradition Fund – Changes language to reflect the current structure of LSU and reduces pricing in two 600 level areas of the Tiger Stadium;
- 2) Football Season Ticket Prices – Establishes season ticket prices in the Skyline Club section of Tiger Stadium;
- 3) Reduces Season Pricing for two parking lots for football;
- 4) Adjusts the General Ticket Distribution and Complimentary Ticket schedules to reflect staff and/or organizational changes; and
- 5) Allows the Athletic Director to set Tradition Fund and season ticket pricing for sports other than football, with written approval by the President or designee, in consultation with the Board Chair and Athletics Committee Chair. Full Board approval will still be required for Tradition Fund and season ticket price **increases** for football, though the Athletic Director will be able to implement price **decreases** for football with written approval by the President or designee, in consultation with the Board Chair and Athletics Committee Chair.

### 2. Review of Business Plan

Not applicable.

### 3. Fiscal Impact

While reducing ticket, parking, and Tradition Fund prices in some areas as necessary may reduce income, it is anticipated that these price reductions will generate an increase in sales to offset the reduction of prices. The Athletic Department will continue to pursue these funding sources in order to maintain competitive prices for sporting events and parking. It is the goal of the Athletics Department to maximize revenues while at the same time increasing or maintaining attendance at sporting events. This may entail reducing prices at some sporting events based on analytical and peer data.

### 4. Description of Competitive Process

Not applicable.

### 5. Review of Legal Documents

Not applicable.

**6. Parties of Interest**

Not applicable.

**7. Related Transactions**

Not applicable.

**8. Conflicts of Interest**

None.

**ATTACHMENTS:**

- I. Louisiana State University Athletics Ticket, Parking, and Tradition Fund Policy and Associated Schedules

**RESOLUTION**

**WHEREAS**, there are recommended revisions to the Athletics Ticket, Parking, and Tradition Fund Policy in order to promote the flexibility and competitiveness of related pricing in response to market demands;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approves the proposed revisions to the Athletics Ticket, Parking, and Tradition Fund Policy, and,

**BE IT FURTHER RESOLVED** that any request for a pricing change submitted to the President by the Athletic Director should include a written justification for the change with peer comparisons, revenue implications, and other relevant data, and,

**BE IT FURTHER RESOLVED** that where the revised Athletics Ticket, Parking, and Tradition Fund Policy requires “consultation with the Board Chair and Athletics Committee Chair”, such consultation shall include up to a ten (10) business day review period by the chairs in discussion with the President and Athletic Director before a final decision of approval or rejection is made by the chairs on the pricing change request; and,

**BE IT FURTHER RESOLVED** that the Director of Athletics shall continue to report annually to the Board on the financial status of the Athletic Department at Louisiana State University.

## LOUISIANA STATE UNIVERSITY

**ATHLETICS TICKET, PARKING, AND TRADITION FUND POLICY**

<b>GENERAL POLICY ON TICKETS, PARKING PERMITS AND TRADITION FUND FOR ATHLETIC EVENTS</b>	pg. 2
<b>GENERAL PRICING POLICY</b>	
TRADITION FUND	pg. 5
HOME FOOTBALL	pg. 6
HOME BASKETBALL	pg. 7
HOME BASEBALL/SOFTBALL	pg. 8
HOME GYMNASTICS	pg. 9
OTHER MEN'S & WOMEN'S EVENTS	pg. 10
PARKING PERMITS ALL SPORTS	pg. 11
<b>GENERAL TICKET &amp; PARKING PERMIT DISTRIBUTION POLICY</b>	
HOME EVENTS	pg. 12
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<b>COMPLIMENTARY TICKET &amp; PARKING PERMIT DISTRIBUTION POLICY</b>	
HOME EVENTS	pg. 16
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AWAY EVENTS – OTHER SPORTS	pg. 19
PARKING PERMITS	pg. 20

**PROPOSED**  
**June 29, 2018**

## **GENERAL POLICY ON TICKETS, PARKING PERMITS, AND TRADITION FUND FOR ATHLETIC EVENTS**

The Ticket, Parking, & Tradition Fund Policy for athletic events, as established by the Board of Supervisors, is the general guideline for ticket & parking pricing and distribution (general and complimentary). The Policy provides guidelines for ticket & parking reorder priorities, season ticket & parking permit holder policies, ticket & parking transfer option, obtaining season ticket & parking permits, Tiger Athletic Foundation (TAF) tickets, Alumni Association tickets, student body tickets.

### Ticket & Parking Reorder Priorities

All season ticket and parking holders, both individual and private enterprise/corporations can, at the discretion of the Athletics Department, renew their tickets/parking permits each year, provided the renewal order is returned with payment by the deadline date. Tickets or parking permits not renewed will revert to the LSU Athletics Department for resale. LSU reserves the right to deny renewal privileges and to change the seat/parking location of any holder, for any reason deemed necessary and appropriate by the Athletics Department.

### LSU Season Ticket & Parking Permit Holder Policies

A ticket to an LSU athletic event only authorizes the holder to attend that event on the terms and conditions described on the ticket. A parking permit to an LSU athletic event only authorizes the holder to park in the designated spot/area for the event. Purchasers of the tickets or parking permit(s), including season tickets and season parking permits, acquire no other rights. The ticket and/or parking permit purchaser has no opportunity to renew or transfer tickets or parking permits except as provided under the policies of the LSU Board of Supervisors. Such policies create no vested rights and are subject to change at any time at the sole discretion of the Board of Supervisors.

Season tickets and parking permits to any LSU athletic event can be renewed in accordance with the ticket & parking reorder priorities policy of the Board of Supervisors by the individual, organization or company name(s) on the account.

Any change in the address of the account can only be made by the account holder of the tickets or parking permits; i.e. that individual, organization, or company named on the account. Any such address change must be made in writing by the account holder or the chief executive officer of the organization or company. Season ticket and parking accounts are non-transferable except as set forth in the following three paragraphs below.

In the case of death of the season ticket or parking permit holder of record, the surviving spouse will automatically become the ticket or parking permit holder of record. The surviving spouse must notify the ticket office in writing to have the name changed on the account. If there is no surviving spouse, the Athletics Department will offer the option to renew tickets or parking permits to a surviving child if provided with a notarized and uncontested request by the child to be the season ticket or parking permit holder of record. If there is no surviving child, the transfer will be made to a surviving grandchild if provided with a notarized and uncontested request by the grandchild to be the season ticket or parking permit holder of record. Furthermore, at the time of ticket or parking permit renewals an individual ticket or permit holder can request a transfer of the

ticket/parking permit holder's ticket/parking permit or tickets/permits to a spouse or to a natural or adopted child or stepchild of the ticket/parking permit holder. If there is no surviving child, the transfer can be made to a grandchild. The Athletics Department will offer the option to renew tickets or parking permits to the spouse or child (or grandchild, if applicable) if provided with a notarized and uncontested request by the season ticket/parking permit holder to do so.

If a company is the ticket/parking permit holder of record and goes out of business, tickets/parking permits revert to the Athletics Department for resale. If the company is acquired by another company and the original company name is changed, the chief executive officer must notify the Athletics Ticket Office in writing of the change to maintain the option to renew season tickets/parking permits. All correspondence and further clarification shall be addressed to: LSU Athletics Ticket Office, Athletics Administration Bldg., Baton Rouge, LA 70803.

#### Ticket & Parking Permit Transfer Option

The Athletics Department may allow for the transfer of season ticket and parking passes that do not fall into the above stated family, organization, and business categories provided that a set of policies and guidelines are presented to the President or their designee for approval prior to implementation. Transfers would require season ticket holders to notify the Athletics Ticket Office in writing on a notarized form of the requested change. Any transfer in this category would include transfer fees established by the Athletics Department. Policies, guidelines and fees may vary by sport. A LSU faculty or staff member (see page 4) who is a transferee under the provisions of this paragraph may not be eligible for exemption from the Tradition Fund.

#### Obtaining Season Tickets and Parking Permits

Season tickets & season parking permits will go on sale to the public at a time period to be determined by the Athletics Ticket Office. The Athletics Ticket Office will maintain a waiting list of names which will be given priority if tickets or parking permits become available for purchase.

#### Tiger Athletic Foundation Tickets

The Tiger Athletic Foundation (TAF) can receive season tickets and parking permits for athletic events for fund raising purposes in accordance with the provisions of Item 4 on page 6 of these regulations. Payments for the regular season ticket and parking permit purchase price shall be made directly to the LSU Athletics Department.

#### Alumni Association Tickets

The LSU Alumni Association will receive tickets on an annual basis in accordance with the provisions of Item 4 on page 6 of these regulations to offer to contributing members of the Alumni Association. The Alumni Association is in control of the distribution of the tickets.

#### Individual Game Tickets

The procedure in which these tickets are allocated and sold will be established by the Athletics Department and may change from year to year due to demand, schedule, possible technology enhancements and other factors.

## Student Tickets

The Athletics Department has allocated a minimum of 12,000 student seats for football; a minimum of 1,200 student seats for men's basketball; and a minimum of 300 student seats for baseball. The Athletics Department reserves the right to sell a portion of these tickets to the General Public if student attendance is lacking and there is a demand by the General Public.

## LSU Faculty or Staff

For the purposes of this policy, "faculty and staff" is defined as full-time or retired employees of LSU campuses whose status is verified by the LSU Office of Human Resource Management.

Following are the committee interpretations of the relevant LSU Board of Supervisors ticket policy:  
(Revised: 6/29/18 effective 01/01/19)

- A. "full-time" means the percent of effort needed to qualify for benefits which is 75% or more effort.
- B. "retired employees" must be considered retired from an LSU campus per the LSU Office of Human Resource Management.
- C. Employee is responsible for applying for the exemption on the LSU Athletic website. The Athletic Ticket Office will send a list of employees annually to the LSU Office of Human Resource Management to verify employment/retiree status.

## University Limited Access Seating

For purposes of this policy, "University Limited Access Seating" shall mean Club Seats, the Tiger Den Suites and the Upper East Deck Seats constructed by TAF at TAF expense. The Board hereby grants to TAF the right to purchase tickets in University Limited Access Seating in consideration for the expense of construction borne by TAF and in consideration of the overall benefit to the University of the addition of those areas to Tiger Stadium.

## **TRADITION FUND**

In August of 2003, the LSU Board of Supervisors (Board) approved a preferred seating program called the "Tradition Fund". The policy was amended 1) in January of 2007 to include parking for LSU athletic events; 2) in January of 2008 to implement a Tradition Fund for baseball in conjunction with the opening of the new stadium in the 2009 baseball season; and 3) in June of 2010 to implement a Tradition Fund for men's basketball.

1. Board approval is required for any increases to Tradition Fund contributions in the sport of football. All changes to the Tradition Fund for other sports and any decreases for football are at the discretion of the Athletic Director with written approval by the President or designee, in consultation with the Board Chair and Athletics Committee Chair.
2. The State of Louisiana allows up to 12% of seats in designated areas of stadiums/arenas to be made available to TAF for fundraising purposes. Any modifications made to the seating configuration of stadiums/arenas (such as the addition of suites or club seating) with TAF funding will be made available for sale to TAF.
3. Contributions to the Tradition Fund will be required for the purchase of certain season tickets to athletic events.
4. Contributions to the Tradition Fund will be required for the purchase of certain parking permits to athletic events.
5. Faculty and staff (as defined on page 4 of the general policy) will be exempted from paying the Tradition Fund for up to two season tickets and one parking permit, based on availability, for each sport while employed at the University. This exemption also applies once the employee retires from the University.
6. If due to extraordinary circumstances it is deemed necessary and equitable to credit all or a portion of Tradition Fund payment, the Athletics Director is empowered to do so with the written approval of the President or their designee.
7. Tradition Fund donation levels & diagrams of stadiums/arenas/parking are included on:
  - Schedule A - Football
  - Schedule B - Basketball
  - Schedule C - Baseball/Softball
  - Schedule D - Parking
8. The President of Louisiana State University or his/her designee is authorized to implement this policy and to make revisions to and interpretations of this policy and to the tradition fund diagrams in the attached schedules consistent with this policy and as necessary to implement the purposes hereof, including but not limited to decisions with respect to the location of any particular seat which is the subject of this policy.

## **GENERAL PRICING POLICY FOR HOME FOOTBALL GAMES**

### Tickets

1. The cost of a season ticket for football will be as shown on Schedule A. Only pricing increases will require Board approval. Any new seating areas with same pricing or decreases will be at the discretion of the Athletic Director with written approval from the President or designee, in consultation with the Board Chair and Athletics Committee Chair. The cost per game for season ticket holders will be established by the Athletic Department annually based upon factors such as conference affiliation, prior season success, market demand, etc.
2. Additionally, a separate individual game price will be established should tickets be available to the general public. The Athletics Department shall have the authority to charge higher prices for visiting school's tickets. These prices will be based upon ticket prices charged for games at the opponent's stadium.
3. The cost of LSU student reserved seat tickets and general admission tickets are as shown on Schedule A. Only season pricing increases will require Board approval. Any new seating areas with same pricing or decreases will be at the discretion of the Athletic Director with written approval from the President or designee. If available, any individual game student and/or guest tickets will be priced separately by the Athletic Director and subject to the approval of the President or designee. Guest ticket prices will be comparable to the general public ticket price based upon location. Students will be required to provide a valid student identification card.
4. All season tickets assigned to the TAF and to the LSU Alumni Association shall be subject to the regular price of the ticket as shown on Schedule A. Stadium Club seats will be made available to the Tiger Athletic Foundation to market and sell.
5. All attendees, regardless of age, must have a ticket or working pass to enter a game.
6. In the event there are football games where it is necessary to stimulate fan interest and support, the Athletics Director is authorized to market unsold home football game tickets through corporate sponsors or other promotional opportunities in order to generate income and fan interest. The price of the tickets will be determined by the Athletics Director and subject to the approval of the President or designee.
7. If due to extraordinary circumstances it is deemed necessary and equitable to credit all or a portion of season ticket or individual game ticket payment, the Athletics Director is empowered to do so with the written approval of the President or designee.
8. If applicable, sales taxes will be charged in addition to the prices shown on Schedule A. The Athletic Department may round up to the nearest dollar to eliminate the need for coins as change. (For example, a \$50 ticket with an additional 9% sales tax will cost \$55).
9. The Athletics Department may implement a dynamic pricing program that will allow the Department to adjust individual game pricing based upon market conditions such as opponent, date and/or time of game, available inventory, etc. Limitations and guidelines will be outlined in a dynamic pricing program to be approved by the President or designee. This program will help maximize attendance along with generating additional revenue.

## **GENERAL PRICING POLICY FOR HOME BASKETBALL GAMES**

### Tickets

1. The cost of a season ticket for basketball will be as shown on Schedule B. Season ticket prices will be set annually by the Athletics Director and subject to the written approval of the President or designee, in consultation with the Board Chair and Athletics Committee Chair. These prices may be changed based upon supply and demand among many other market factors. Schedule changes will be delivered to the President's Office for updates. These updates will also be available on LSUSports.net.
2. The cost per game for season ticket holders will be established by the Athletic Department based upon factors such as conference affiliation, prior season success, market demand, etc. Additionally, a separate individual game price will be established should tickets be available to the general public.
3. All student seating is general admission. Students are admitted free of charge to basketball games, as long as seats are available, with a valid student identification card. Also based on availability, students can purchase a guest ticket at prices shown on Schedule B. Students may have to purchase tickets to events hosted by LSU such as the NCAA Women's Tournament and the NIT.
4. Faculty and staff (as defined on page 4 of the general policy) will pay regular price for men's basketball tickets. For women's basketball games (excluding hosted events), faculty and staff will be admitted free of charge with a valid faculty/staff identification card.
5. All attendees, except children under 3 years of age, must have a ticket, working pass, or valid LSU ID (student or faculty/staff) to enter a game.
6. The Athletics Department has the right with the approval of the President or designee to distribute tickets through corporate sponsors or other promotional opportunities to increase attendance and awareness of the sports of men's & women's basketball. The price of the tickets will be determined by the Athletics Director and subject to the approval of the President or designee.
7. In the event LSU hosts a qualifying regular-season multiple-team event (ex: Pre-Season NIT), or postseason tournament (ex: NCAA Women's Tournament), season ticket prices may be adjusted to include the additional games that will be played.
8. If, due to extraordinary circumstances, it is deemed necessary and equitable to credit all or a portion of season ticket or individual game ticket payment, the Athletics Director is empowered to do so with the written approval of the President or designee.
9. If applicable, sales taxes will be charged in addition to the prices shown on Schedule B. The athletic department may round up to the nearest dollar to eliminate the need for coins as change. (For example, a \$10 ticket with an additional 9% sales tax will cost \$11).
10. The Athletics Department may implement a dynamic pricing program that will allow the Department to adjust individual game pricing based upon market conditions such as opponent, date and/or time of game, available inventory, etc. Limitations and guidelines will be outlined in a dynamic pricing program to be approved by the President or designee. This program will help maximize attendance along with generating additional revenue.

## **GENERAL PRICING POLICY FOR HOME BASEBALL/SOFTBALL GAMES**

### Tickets

1. The cost of a season ticket will be as shown on Schedule C. Season ticket prices will be set annually by the Athletics Director and subject to the written approval of the President or designee, in consultation with the Board Chair and Athletics Committee Chair. These prices may be changed based upon supply and demand among many other market factors. Any schedule changes will be delivered to the President's Office for updates. These updates will also be available on LSUSports.net.
2. The cost per game for season ticket holders will be established by the Athletic Department based upon factors such as conference affiliation, prior season success, market demand, etc. Additionally, a separate individual game price will be established should tickets be available to the general public.
3. All attendees, except children under 3 years of age, must have a ticket, working pass, or valid LSU ID (student or faculty/staff) to enter a game.
4. If seats are available for regular season games, LSU students, faculty and staff (as defined on page 4 of the general policy) will be issued a complimentary ticket with a valid LSU identification card.
5. The Athletics Department has the right with the approval of the President or designee to distribute tickets through corporate sponsors or other promotional opportunities to increase attendance and awareness of the sports of baseball and softball. The price of the tickets will be determined by the Athletics Director and subject to the approval of the President or designee.
6. In the event LSU hosts a qualifying regular-season multiple-team event, season ticket prices may be adjusted to include the additional games that will be played.
7. If applicable, sales taxes will be charged in addition to the prices shown on Schedule C. The Athletic Department may round up to the nearest dollar to eliminate the need for coins as change. (For example, \$10 ticket with an additional 9% sales tax will cost \$11).
8. The Athletics Department may implement a dynamic pricing program that will allow the Department to adjust individual game pricing based upon market conditions such as opponent, date and/or time of game, available inventory, etc. Limitations and guidelines will be outlined in a dynamic pricing program to be approved by the President or designee. This program will help maximize attendance along with generating additional revenue.

## **GENERAL PRICING POLICY FOR HOME GYMNASTICS MEETS**

### Tickets

1. The cost of a season ticket will be as shown on Schedule B. Season ticket prices will be set annually by the Athletics Director and subject to the written approval of the President or designee, in consultation with the Board Chair and Athletics Committee Chair. These prices may be changed based upon supply and demand among many other market factors. Any schedule changes will be delivered to the President's Office for updates. These updates will also be available on LSUsports.net.
2. The cost per game for season ticket holders will be established by the Athletic Department based upon factors such as conference affiliation, prior season success, market demand, etc. Additionally, a separate individual meet price will be established should tickets be available to the general public.
3. All attendees, except children under 3 years of age, must have a ticket, working pass, or valid LSU ID (student or faculty/staff) to enter a meet.
4. If seats are available for regular season meets, LSU students, faculty and staff (as defined on page 4 of the general policy) will be issued a complimentary ticket with a valid LSU identification card.
5. The Athletics Department has the right with the approval of the President or designee to distribute tickets through corporate sponsors or other promotional opportunities to increase attendance and awareness of the sport of gymnastics. The price of the tickets will be determined by the Athletics Director and subject to the approval of the President or designee.
6. In the event LSU hosts a qualifying regular-season multiple-team event, season ticket prices may be adjusted to include the additional meets that will be played.
7. If applicable, sales taxes will be charged in addition to the prices shown on Schedule B. The Athletic Department may round up to the nearest dollar to eliminate the need for coins as change. (For example, \$10 ticket with an additional 9% sales tax will cost \$11).
8. The Athletics Department may implement a dynamic pricing program that will allow the Department to adjust individual meet pricing based upon market conditions such as opponent, date and/or time of meet, available inventory, etc. Limitations and guidelines will be outlined in a dynamic pricing program to be approved by the President or designee. This program will help maximize attendance along with generating additional revenue.

## **GENERAL PRICING POLICY FOR ALL OTHER MEN'S AND WOMEN'S ATHLETIC EVENTS**

### Tickets

1. The cost of tickets for all sports other than football, men's basketball, women's basketball, baseball, softball, and gymnastics for which admission is charged will be determined by the Athletics Director and subject to the written approval of the President or designee, in consultation with the Board Chair and Athletics Committee Chair.
  2. All attendees, except children under 3 years of age, must have a ticket, working pass, or valid LSU ID (student or faculty/staff) to enter a game.
  3. LSU students, faculty and staff (as defined on page 4 of the general policy) will be admitted free of charge with a valid LSU identification card. Faculty and staff members are allowed to bring one guest free of charge.
  4. The Athletics Department has the right with the approval of the President or designee to establish season ticket prices for each sport.
  5. The Athletics Department has the right with the approval of the President or designee to distribute tickets through corporate sponsors or other promotional opportunities to increase attendance and awareness of individual sports. The price of the tickets will be determined by the Athletics Director and subject to the approval of the President or designee.
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## **GENERAL PRICING POLICY FOR PARKING PERMITS**

1. The price of a season parking permit will be as shown on Schedule D. Season prices will be set annually by the Athletics Director and subject to the written approval of the President or designee, in consultation with the Board Chair and Athletics Committee Chair. These prices may be changed based upon supply and demand among many other market factors. Any schedule changes will be delivered to the President's Office for updates. These updates will also be available on LSUSports.net.
2. Prices will be determined by 1) its proximity to the venue and 2) whether the parking lot has reserved spots or is first come-first choice.
3. The Athletics Department can also charge for individual game day parking. Prices will be established yearly by the Athletics Director and subject to the approval of the President or designee.
4. Availability and designation of parking lots will be determined annually by the Athletics Department and the University's Office of Parking, Traffic, & Transportation. All parking permits will be distributed by the Athletic Ticket Office. Revenues generated from the sale of these parking permits will be collected and remain with the Athletic Department.
5. LSU reserves the right to deny renewal privileges and to change the parking location if any reserved parking permit holder, for any reason deemed necessary and appropriate by the Athletics Department.
6. If applicable, sales taxes will be charged in addition to the prices shown on Schedule D. The Athletic Department may round up to the nearest dollar to eliminated the need for coins as change. (For example, a \$40 parking pass with an additional 9% sales tax will cost \$44).

## **GENERAL TICKET DISTRIBUTION POLICY FOR HOME EVENTS**

### **SALE OF PRIORITY SEATING**

Certain key groups will have the option to purchase tickets, based upon availability, on an annual non-renewal basis. This policy is outlined below:

#### **I. State Officials**

While holding office, the state officials listed on Schedule E – General Ticket Distribution will be given the option to purchase the best available seats at the full season ticket price plus the required contribution based on the location of the seat. These tickets can be purchased in addition to any tickets the state officials have been personally purchasing in the past. When the official leaves office the seats will revert to the office.

#### **II. University Officials**

The University Officials listed on Schedule E – General Ticket Distribution will have the option to purchase a specified number of tickets plus required contribution on a priority basis. These tickets can be purchased in addition to any tickets the University Officials have been personally purchasing in the past. When the official leaves office the seats will revert to the office. The number of tickets for each sport is listed on Schedule E- General Ticket Distribution and the request for these tickets must be made in writing to the Athletics Department Ticket Manager.

#### **III. City, Parish Officials**

While holding office the officials listed on Schedule E – General Ticket Distribution will be given the option to purchase priority tickets plus the required contribution. These tickets can be purchased in addition to any tickets the officials have been personally purchasing in the past. When the official leaves office the seats will revert to the office.

#### **IV. Courtesy Car Program**

Tickets will be available up to the amount shown on Schedule E – General Ticket Distribution for purchase by the Tiger Athletic Foundation for the car dealers donating the use of a vehicle to the Athletics Department Administrators and Coaches. The Tiger Athletic Foundation will pay the regular price of the ticket without required contribution.

#### **V. Athletic Network**

Tickets will be available up to the amount shown on Schedule E – General Ticket Distribution for purchase at regular price plus required contribution based on the location of the seat by companies and individuals that provide direct support in their respective sports. The Athletic Director will have final approval of distribution of this allotment.

#### **VI. Athletic Department**

Tickets will be available up to the amount shown on Schedule E – General Ticket Distribution for purchase at regular price plus required contribution, if applicable, based on the location of the seat. When the Athletic Department staff member or coach is no longer employed by Athletics Department, tickets will revert to back to Athletics Department for distribution. In addition, the Athletic Director will have an allotment of tickets, as shown on Schedule E, for distribution at his discretion for purposes such as development and public relations.

## **GENERAL TICKET DISTRIBUTION POLICY - AWAY FOOTBALL GAMES**

### **SALE OF PRIORITY SEATING**

It is the policy of the University to offer priority seating to away football games. The policy is designed to accord proper recognition to persons who, because of their positions, or who render, without compensation, special services to the athletic programs of the University, shall receive special consideration for away game tickets.

If a situation arises whereby a contract with the opposing University does not supply LSU with sufficient tickets to satisfy all sales priorities listed below, the number of tickets will decrease proportionately.

#### **I. State Officials**

While holding office, the state officials listed on Schedule E below, will be given the option to purchase priority seating at the full price of the ticket. When the individual leaves office the seats will revert to the office listed below.

#### **II. University Officials**

The University Officials listed on Schedule E below will have the option to purchase a specified number of tickets on a priority basis. When the individual leaves office the seats will revert to the office listed below.

#### **III. The LSU Tiger Marching Band**

The LSU Tiger Marching Band will get a section of tickets where the field is accessible. When traveling with a full band, approximately 550 tickets (depending on configuration) will be set aside for the band. When traveling with a pep band, approximately 150 tickets (depending on configuration) will be set aside. Away game tickets for the band are paid by the Athletics Department unless the contract specifies otherwise.

#### **IV. Remaining game tickets will be allocated among the following categories of buyers**

Ticket distribution will depend on ticket allocation for Away Football Games. Consideration will be given to Office of the President, Athletic Director, Athletic Network, Car Program, Tiger Athletic Foundation, Corporate Sponsors, Alumni Association, students, season ticket holders, and public.

## **GENERAL TICKET DISTRIBUTION POLICY-POST SEASON**

### **SALE OF PRIORITY SEATING TO POST SEASON EVENTS**

#### **I. Football Post Season Games**

After the Complimentary Ticket Distribution, sale of priority seating for post-season football games shall be distributed in accordance with the policies for away football games, subject to necessary modification by the President or their designee caused by a limited number of tickets provided to LSU by the organizer of the post-season game.

#### **II. All Other Sports Post Season Play**

For all other post-season play other than football, to provide that, insofar as practicable after priority distribution of complimentary tickets in accordance with existing policy, tickets for post-season games be distributed or allocated for priority purchase in accordance with the distribution policies for the applicable sport, subject to the necessary modification by the President or designee caused by a limited number of tickets provided or allocated to LSU by the organizer of the post-season game.

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## **GENERAL DISTRIBUTION POLICY FOR PARKING PERMITS**

### **SALE OF PARKING PERMITS**

Certain key officials will have the option to buy parking permits on an annual basis. The amounts are listed on Schedule F.

#### **I. State Officials**

While holding office, state officials will be given the option to purchase parking permit(s), at the full season parking permit price plus the required contribution based on the location of the parking permit. These permits can be purchased in addition to any permits the state officials have been personally purchasing in the past. When the official leaves office the permit(s) will revert to the office. Recipients must also have regular season tickets to purchase a parking permit.

#### **II. City-Parish Officials**

While holding office, the city-parish officials listed on Schedule F will be given the option to purchase parking permit(s), at the full season parking permit price plus the required contribution based on the location of the parking permit. These permits can be purchased in addition to any permits the city-parish officials have been personally purchasing in the past. When the official leaves office the permit(s) will revert to the office. Recipients must also have regular season tickets to purchase a parking permit.

## **COMPLIMENTARY TICKET DISTRIBUTION-HOME EVENTS**

The following outline accounts for the distribution of complimentary tickets to athletic events.

### **I. Athletics Department**

The following athletics department office/position, receive complimentary tickets due to their direct relationship to the football team, and/or Athletics Department. All tickets indicated in this category are tickets located within the stadium, not in the stadium press box area or limited access seating area. When the individual leaves office the seats will revert to the office. See Schedule G – Complimentary Ticket Distribution.

### **II. Guests of University**

The University Offices listed on Schedule G – Complimentary Ticket Distribution will be provided with complimentary tickets for distribution to distinguished guests of the University.

### **III. Service Personnel**

The individuals or office listed on Schedule G – Complimentary Ticket Distribution will be provided with complimentary tickets for distribution to service personnel that work the event.

### **IV. Press Box Seating or Limited Access Seating**

The individuals or office listed on Schedule G – Complimentary Ticket Distribution will be provided with a designated number of seats in the LSU Press Box area or Limited Access Seating. Tickets for seating in each area will be complimentary and signed for by the individual. When the individual leaves office the seats will revert to the office.

### **V. Homecoming Court**

Tickets will be made available for the homecoming court for the home football game designated as part of the homecoming activities. The maximum number of complimentary tickets is listed on Schedule G – Complimentary Ticket Distribution.

## **COMPLIMENTARY TICKET DISTRIBUTION – AWAY FOOTBALL GAMES**

The following outline accounts for the distribution of complimentary tickets to away football games.

### **I. University Officials**

The University Offices listed on Schedule G, have the option to receive complimentary tickets for distribution to guests of the University or supporters of the University. If not used, they will be included in the group of tickets that are sold or returned to the host university.

### **II. Athletics Department**

The Athletics Department will have one hundred twenty-five (125) complimentary tickets to use for people who work in the Athletics Department or have a direct relationship to the Athletics Department. This includes those who travel to work at the game, are guests of the Athletics Department, or provide services in the course of team travel. One hundred twenty-five tickets is the maximum number of tickets to be used in this area, and any unused tickets will be sold or returned to the host university. (Issued at the discretion of the Athletics Director)

### **III. Football Team**

Those receiving complimentary tickets in this category are members of the team or have a direct relationship to the football team.

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## **COMPLIMENTARY TICKET DISTRIBUTION – POST-SEASON**

This includes bowl games, NCAA championships and other post season activity.

### **I. University Officials and Athletics Department**

University officials and individuals who work for the Athletics Department or have a direct relationship to the Athletics Department receive complimentary tickets for post season activity as per Schedule G – Complimentary Ticket Distribution.

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## **COMPLIMENTARY TICKET DISTRIBUTION – AWAY EVENTS – OTHER SPORTS**

This includes all sports, other than football, including post season activity.

### **I. University Officials, Athletics Department, Sport staff, and players**

Complimentary tickets will be distributed as per Schedule G – Complimentary Ticket Distribution  
BASED UPON AVAILABILITY OF TICKETS.

## **COMPLIMENTARY PARKING PERMITS GUIDELINES AND DISTRIBUTION**

It is the policy of the University to issue certain complimentary parking permits to home football, basketball, and baseball games when needed and justified.

The policy is designed to accord proper recognition to persons who, because of their positions, or who render, without compensation, special services to the athletic programs of the University, shall receive special consideration for complimentary parking (Schedule H).

All complimentary parking is based on availability.

### **The policy will be implemented under the following guidelines:**

1. Any individual, who is covered in more than one classification, will receive only the maximum complimentary parking permits allowed in one position, with the exception of commitments to endowed scholarship contributors.
2. Complimentary parking permits will be issued only to specified individuals and are intended for the use of those individuals only.
3. All complimentary permits will be distributed only by the University.
4. Complimentary parking permits will be issued only to qualified individuals who purchase season tickets or who have been given complimentary tickets to the games.
5. Special consideration for complimentary parking will be extended to those handicapped persons with maximum immobility through the Athletics Director.
6. Requests for complimentary parking permits must be submitted in writing. Classifications with multiple passes must submit a list for ticket verification before permits will be issued.
7. All decisions concerning location of complimentary parking permits are subject to approval of the Athletics Director.
8. Individual game or season permits as denoted in the policy, will be issued at the discretion of the Athletics Department on a game-by-game basis with the approval of the Athletics Director.
9. The Athletics Director shall determine which lots or portions of lots are designated and sold for use by handicapped patrons (in compliance with American Disabilities Act) and which lots or portions of lots are designated for complimentary parking permits.

# SCHEDULE A FOOTBALL PRICING - FY 2018-19

## Tradition Fund



Level	Donation
Sideline & Tiger Terrace 1	\$1,025
Sideline & Tiger Terrace 2	\$975
Sideline & Tiger Terrace 3	\$925
Low Sidelines (Rows 1-2)	\$575
North & South End zone 1	\$300
North & South End zone 2	\$260
South End zone 3	\$210
East & West Chair backs 1	\$525
East & West Chair backs 2	\$420
East & West Chairbacks 3	\$260
West Upper Bench backs	\$125
East Upper Bench	0
West Upper Bench	0
NEZ & Upper Lev. Accessible	\$210

# SCHEDULE A-2 FOOTBALL PRICING - FY 2018-19



## Season Donor/Public Pricing

	Price		Price
<span style="background-color: yellow; width: 20px; height: 10px; display: inline-block;"></span> Premium/Sideline/Tiger Terrace	\$425	<span style="background-color: red; width: 20px; height: 10px; display: inline-block;"></span> Visiting Team	NA
<span style="background-color: purple; width: 20px; height: 10px; display: inline-block;"></span> Endzone/Upper Chairback	\$425	<span style="background-color: blue; width: 20px; height: 10px; display: inline-block;"></span> Skyline Club	\$425
<span style="background-color: green; width: 20px; height: 10px; display: inline-block;"></span> Upper Benchback/Bench	\$360		

## Student Season Ticket Pricing

Price Level	Price
General Admission	\$84
Reserved	\$126

# SCHEDULE B

## BASKETBALL - FY 2017-18

### LSU Men's Basketball Tradition Fund

**100 LEVEL:**

A: Mid-court	103-104, 113-114	\$500
B: Court	102, 105, 112, 115	\$325
C: Baseline	101, 106, 107-111, 116	\$100

**200 LEVEL:**

D: Mid-court	204-205, 218-219	\$325
E: Court	202-203, 206-207, 216-217, 220-221	\$175
F: Court Angle	201, 208, 215, 222	\$100
G: Baseline	209-214, 223-224	\$50

**300 LEVEL:**

H: Mid-court	305-307, 327-329	\$50
I: Court	301-304, 308-312, 322-326, 330-334, 344	\$50
J: Baseline	313-321, 335-337, 343	\$0



# SCHEDULE B

## MEN'S BASKETBALL PRICING - FY 2017-18

### Season Ticket Price

**100 LEVEL:**

All sections		\$250
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**200 LEVEL:**

All sections		\$250
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**300 LEVEL:**

H: Mid-court	305-307, 327-329	\$250
I: Court	301-304, 308-312, 322-326, 330-334, 344	\$200
J: Baseline	313-321, 335-337, 343	\$100



# SCHEDULE B

## WOMEN'S BASKETBALL PRICING - FY 2017-18

### Season Ticket Price

**100 LEVEL:**

101-106; 111-116		\$100
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**200 LEVEL:**

203-206; 217-220		\$75
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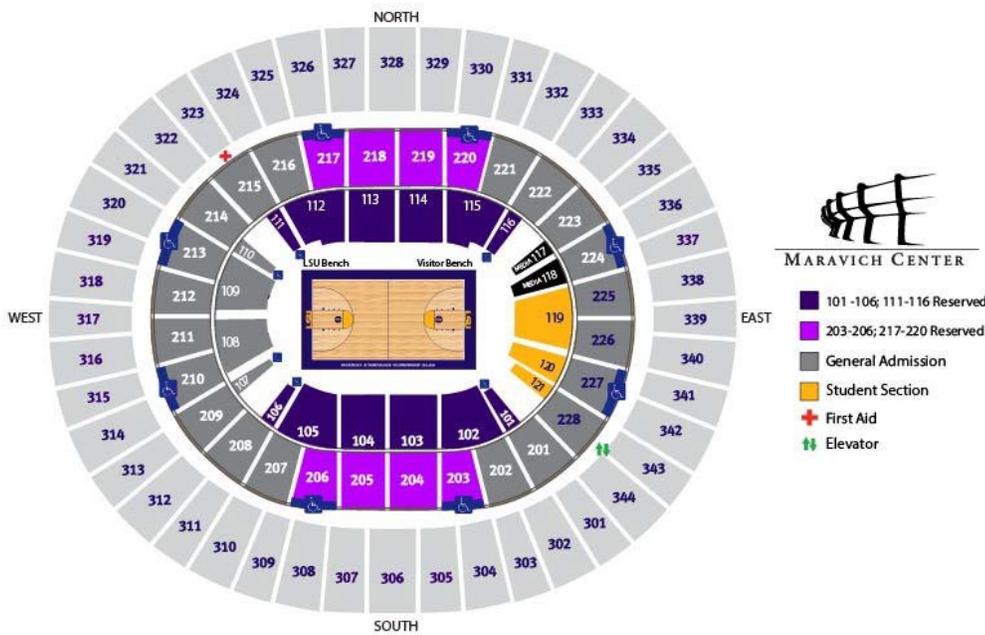
**300 LEVEL:**

All Sections		
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**Students**

119-121		Free w./ ID
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## WOMEN'S BASKETBALL SEATING CHART



# SCHEDULE B GYMNASTICS PRICING - FY 2017-18

## Season Ticket Price

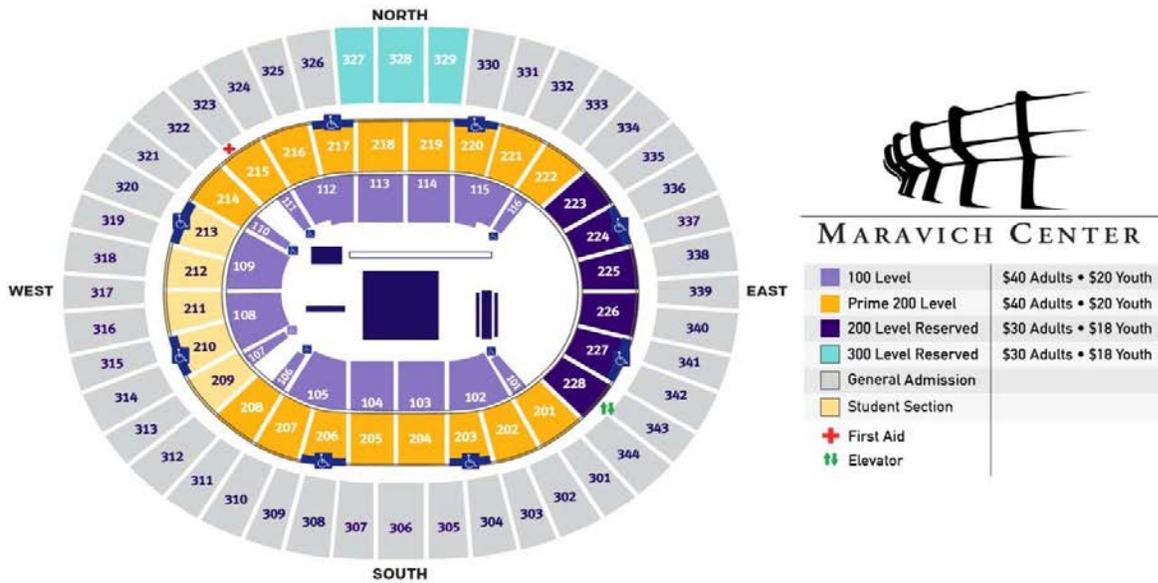
### Reserved Seating

100 Level		\$40 - Adults, \$20 - Youth
Prime 200 Level		\$40 - Adults, \$20 - Youth
200 Level Reserved		\$30 - Adults, \$18 - Youth
300 Level Reserved		\$30 - Adults, \$18 - Youth

### Students

Full Time LSU-Baton Rouge		Free w./ ID
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## LSU GYMNASTICS SEATING CHART



# SCHEDULE C BASEBALL PRICING FY - 17-18 - 2018 Season

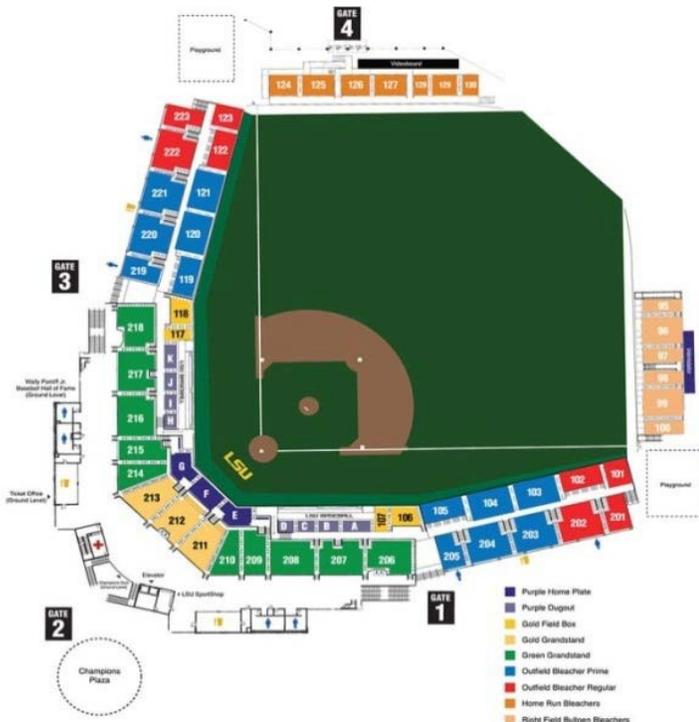
## BASEBALL TICKET PRICES

SECTION	2018
SUITES	\$350
PURPLE HOME PLATE	\$350
PURPLE DUGOUT	\$350
GOLD FIELD BOX	\$315
GOLD GRANDSTAND	\$315
GREEN GRANDSTAND	\$280
OUTFIELD BLEACHERS PRIME	\$210
OUTFIELD BLEACHERS REGULAR	\$210
HOME RUN BLEACHERS	\$210

## BASEBALL TRADITION FUND PRICES

Level	2018
SUITES	TAF

Club Home Plate		2000	
Club Dugout		1500	
Gold Field Box		400	
Gold Grandstand		300	
Green Grandstand		200	
Prime Bleachers		75	
NC Bleachers		0	
LF Bleachers		0	
RF Bleachers		0	



# SCHEDULE C SOFTBALL PRICING FY - 17-18 - 2018 Season

## SEASON TICKET PRICES

	Ticket Price	Tradition Fund	Total
Suite	\$100	\$250	\$350
Club	\$100	\$150	\$250
Gold Seats	\$100	\$50	\$150
Bleachers	\$75	\$0	\$75



**LSU**  
**SOFTBALL**  
**TRADITION FUND**



Seating	Ticket Price	Tradition Fund Donation
Gold Chairbacks	\$100	\$50
Club	\$100	\$150
Suites	\$100	\$250
Reserved Bleacher	\$75	\$-

**SCHEDULE D  
FOOTBALL PARKING  
PRICING - FY 2018-19**

<b>LOT</b>	<b>Tradition Fund</b>	<b>Cost</b>	<b>Total Price</b>
<b>Automobile - Tier 1</b>			
101 (Reserved)	\$ 425	\$ 300	\$ 725
102 (Reserved)	\$ 425	\$ 300	\$ 725
103 (Reserved)	\$ 425	\$ 300	\$ 725
104 (Reserved)	\$ 425	\$ 300	\$ 725
201	\$ 425	\$ 300	\$ 725
202 (Reserved)	\$ 425	\$ 300	\$ 725
301	\$ 425	\$ 300	\$ 725
401 (Reserved)	\$ 425	\$ 300	\$ 725
<b>Automobile - Tier 2</b>			
102	\$ 200	\$ 300	\$ 500
103	\$ 200	\$ 300	\$ 500
104	\$ 200	\$ 300	\$ 500
202	\$ 200	\$ 300	\$ 500
203	\$ 200	\$ 300	\$ 500
205	\$ 200	\$ 300	\$ 500
303	\$ 200	\$ 300	\$ 500
304	\$ 200	\$ 300	\$ 500
402	\$ 200	\$ 300	\$ 500
404	\$ 200	\$ 300	\$ 500
<b>Automobile - Tier 3</b>			
105	\$ 100	\$ 300	\$ 400
106	\$ 100	\$ 300	\$ 400
108	\$ 100	\$ 300	\$ 400
302 (SUITES)		\$ 300	\$ 300
305	\$ 100	\$ 300	\$ 400
406	\$ 100	\$ 300	\$ 400
408	\$ 100	\$ 300	\$ 400
409	\$ 100	\$ 300	\$ 400
<b>Automobile - Tier 4</b>			
407		\$ 275	\$ 275
411		\$ 275	\$ 275
UNION GARAGE		\$ 240	\$ 240
<b>MOTORHOME</b>			
TV-1	\$ 900	\$ 500	\$ 1,400
TV-2	\$ 650	\$ 500	\$ 1,150
401-RV (LOT B - FRONT ROW)	\$ 2,000	\$ 5,000	\$ 7,000
401-RV (LOT B - BACK ROW)	\$ 2,000	\$ 4,000	\$ 6,000
<b>TOWER DRIVE (EAST CAMPUS)</b>			
	\$ 300	\$ 200	\$ 500
<b>HANDICAP (ADA ACCESSIBLE)</b>			
ALL LOTS	\$ 100	\$ 300	\$ 400

**SCHEDULE D  
BASEBALL AND BASKETBALL PARKING PRICING  
FY - 2017-18**

**BASEBALL**

<b>LOT</b>		<b>Tradition Fund</b>	<b>Cost</b>	<b>Total Price</b>
Hall of Fame		\$ -	\$ 250	\$ 250
Home Run Village		\$ -	\$ 300	\$ 300
Champions		\$ -	\$ 300	\$ 300
Bullpen		\$ -	\$ 250	\$ 250
Handicap		\$ -	\$ 150	\$ 150

**MEN'S BASKETBALL**

<b>LOT</b>		<b>Tradition Fund</b>	<b>Cost</b>	<b>Total Price</b>
101		\$ -	\$ 200	\$ 200
104		\$ -	\$ 200	\$ 200
301		\$ -	\$ 200	\$ 200
201		\$ -	\$ 200	\$ 200
N. Stadium		\$ -	\$ 200	\$ 200
205		\$ -	\$ 200	\$ 200
206	Free Handicap	\$ -	\$ -	\$ -
105		\$ -	\$ 200	\$ 200

**WOMEN'S BASKETBALL**

<b>LOT</b>		<b>Tradition Fund</b>	<b>Cost</b>	<b>Total Price</b>
101		\$ -	\$ 100	\$ 100
301		\$ -	\$ 100	\$ 100
201		\$ -	\$ 100	\$ 100
N. Stadium		\$ -	\$ 100	\$ 100
205		\$ -	\$ 100	\$ 100
206	Free Handicap	\$ -	\$ -	\$ -

## SCHEDULE E- GENERAL TICKET DISTRIBUTION

	Football - Season	Football - Away	Basketball - Season	Baseball - Season
<b>State Officials:</b>				
Office of the Governor	12	12	4	
Office of the Lt. Governor	12	2	2	
Office of the Secretary of State	2	2	2	
Office of the Attorney General	2	2	2	
Office of the Treasurer	2	2	2	
Office of the Commissioner of Agriculture	2	2	2	
Office of the Superintendent of Public Ed.	2	2	2	
Office of the Commissioner of Insurance	2	2	2	
Each Member of LA Congressional Delegation	2	2	2	
Each Member of Legislature	2		2	
Office of the Clerk of House	2			
Office of the Secretary of Senate	2			
Office of Superintendent, LA State Police	2			
Office of Secretary of Public Safety	2			
<b>University Officials:</b>				
Chairman of the Board of Supervisors	12			
Each Member of the Board of Supervisors	10	10	4	4
Office of the President	16	16	8	8
Office of the Vice Presidents (each)	4	4	2	
Office of the Chancellors on each campus (not BR)	4	4	2	
Office of the Director of Athletics	8	8	4	
Each Member of the Athletics Council	2	2	2	
Former Members of Board of Supervisors	4	4	2	2
Former Presidents or their widows	2		2	
Former Director of Athletics or their widows	2		2	
Former Chancellors of LSU, or widows	2		2	
Faculty and Staff	500		100	
<b>City, Parish Officials:</b>				
Office of the Mayor-President	4			
Office of the District Attorney	2			
Office of the Sheriff	2			
<b>Courtesy Car Program:</b>				
TAF/Car Dealers	175		80	40
<b>Athletic Network:</b>				
<b>Athletic Network</b>	325		100	20
<b>Band:</b>				
Full Band		550		
Pep Band		150		
<b>Athletic Department:</b>				
Coaches and Staff	4	4	4	4
Athletic Director	50		30	30

## SCHEDULE G - COMPLIMENTARY TICKET DISTRIBUTION

	Football - Home	Football - Away	M & W Basketball - Home	Baseball - Home	Other Athletic Events - Home	Other Athletic Events - Away *	Post-Season Play	Hosted Post-Season Play
<b>Athletics Department:</b>								
Head Football Coach	12	12	4				12	4
Head Coach - Primary Sport			22	22	22	12	12	22
Assistant Coaches - Primary Sport (each)	4	4	4	4	4	4	6	6
Football Team Doctors	12	12					12	
Team Doctors - Primary Sport (each)			2	2			2	2
Football Trainers	12	12					12	
Head Trainer - Primary Sport			4	4	4		4	4
Football Equipment Staff	12	12					12	
Equipment Staff - Primary Sport								
Football Strength Staff	12	12					12	
Strength Staff - Primary Sport			4	4	4		4	4
Football Video Staff	8	8					8	
Video Staff - Primary Sport			4	4	4		4	4
Primary Team (including mgrs. & trainers)	500	450	64	200				
Primary Team (each)					4		6	6
Primary Team - Student Managers & Trainers (each)					2		4	4
Other LSU Varsity Sports	500							
Recruits-Football	325		150					
Recruits-Other Sports	150		100	50				
Recruits-Primary Sport			100	50	50			
Band	650							
ROTC	50							
Medical Department			12					
Non-Profit Groups (when available)			100	100	100			
Promotional Tickets for Varsity Head Coaches			12	12				
Overflow Media	15							
High School Coaches	500		100	50	50			
<b>University Officials &amp; Guests:</b>								
Office of the Director of Athletics	4	4	4	4	4		4	4
Office of the President	24	8	8	8	8		8	8
Official Guests of Athletic Dept.	125	125	80	80	80	80	125	125
Administrative Team Needs	100		50	50	50			
Faculty Athletics Representative	2	2	2	2	2		2	2
<b>Service Personnel:</b>								
Officials (as per SEC policy)	18		6	6	6			
<b>Press Box Seating:</b>								
Office of the Head Football Coach	24							
Office of the Director of Athletics	24							
Athletics Department	150							
Office of the President	124							
<b>Homecoming Game:</b>								
Homecoming Court	80							

\* Distribution is based upon availability of tickets.

## SCHEDULE F - GENERAL PARKING DISTRIBUTION

	Football	Basketball	Baseball
<b>AVAILABLE TO PURCHASE</b>			
<b>State Officials:</b>			
Governor	4	2	2
Lt. Governor	2	1	1
Secretary of State	1	1	1
Attorney General	1	1	1
Treasurer	1	1	1
Commissioner of Agriculture	1	1	1
Commissioner of Insurance	1	1	1
Each Member of LA Congressional Delegation	1	1	1
Each Member of Legislature	1	1	1
Each Member of Louisiana Supreme Court	1	1	1
Public Service Commissioner	1	1	1
<b>City-Parish Officials:</b>			
Mayor-President, EBR	4	2	2
District Attorney, EBR	1	1	1
Each Member of City-Parish Council	1	1	1
Each City Court Judge	1	1	1
Each Family Court Judge	1	1	1
Each District Court Judge	1	1	1
Sheriff, EBR	1	1	1

## SCHEDULE H - COMPLIMENTARY PARKING DISTRIBUTION

	Football	Basketball	Baseball
<b>University Officials:</b>			
Each Member Board of Supervisors	3	1	1
Former Member Board of Supervisors	1	1	1
Board of Regents, Chairman	1	1	1
Office of the President	70	8	8
Former Presidents, or their Widows	1	1	1
Former Chancellors, or their Widows	1	1	1
Chancellors, Each Campus other than LSU BR	1	1	1
Each Vice-President, LSU BR	1	1	1
Each Dean, LSU BR	1	1	1
Each Member of Athletic Council	1	1	1
Campus Security Personnel	1	1	1
Campus Security Emergency Vehicles	1	1	1
Academic Center Support	14	4	4
<b>Athletics Department:</b>			
Director of Athletics	90	20	2
Former Athletic Directors, or their Widows	1	1	1
Each Associate Director of Athletics	2	1	1
Each Assistant Director of Athletics	2	1	1
Primary Sport Head Coach	10	10	10
Primary Sport Assistant Coach	2	2	2
Primary Sport Graduate Assistants	1	1	1
Players (1 each)	125	pass list	pass list
Each Team Doctor	6	2	2
Each Tiger Transportation Team Member (Courtesy Cars)	1 per car given	1 per car given	1 per car given
Each Member Athletic Department Staff	1	1	1
Each Member Game Management Personnel	1	1	1
Each Ticket Office Employee	1	1	1
Each Member, Working Press Covering Games	1	1	1
Each Head Coach, other than primary sport head coach	2	2	2
Each Assistant Coach, other than primary sport asst. coach	1	1	1
Each Member, Training Staff	1	1	1
Each Support Staff Member(Equipment Room, etc.)	1	1	1
Marketing & Corporate Sponsors (as per contracts)	Open/Contract	Open/Contract	Open/Contract
Game Management	20	10	10
Compliance	14	5	5



**Request from LSU Shreveport to Approve Employment Contracts with Three Head Coaches**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.11.b. Appointments and all other personnel actions relating to Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks approval of the proposed employment contracts for Kyle Blankenship, Head Coach Men’s Basketball; Matthew Cross, Head Coach Women’s Basketball; and Brent Lavallee, Head Coach Baseball. The key terms of the proposed contracts are summarized below:

<u>Coach</u>	<u>Contract Action</u>	<u>Term</u>		<u>Total Certain Compensation</u>			
		<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed Year 1</u>	<u>Proposed Year 2</u>	<u>Overall Increase</u>
Kyle Blankenship	Extension	6/30/2018	6/30/2020	\$57,680	\$70,000	\$72,500	25.7%
Matthew Cross	Extension	6/30/2018	6/30/2020	\$55,550	\$58,000	\$59,250	6.7%
Brent Lavallee	Extension	6/30/2018	6/30/2020	\$51,500	\$54,000	\$55,250	7.3%

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to these employment contracts will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the proposed contracts.

**ATTACHMENTS**

- I. Memorandum of Agreement: Kyle Blankenship, Head Coach Men’s Basketball
- II. Memorandum of Agreement: Matthew Cross, Head Coach Women’s Basketball
- III. Memorandum of Agreement: Brent Lavallee, Head Coach Baseball

**RECOMMENDATION**

Based on the recommendation of the LSUS Chancellor and Athletic Director, it is recommended that the Board authorize the President to sign the proposed contracts with the listed coaches.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contracts with Kyle Blankenship, Matthew Cross, and Brent Lavalley as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

**LOUISIANA STATE UNIVERSITY IN SHREVEPORT**

**CONTRACT OF EMPLOYMENT  
for KYLE BLANKENSHIP**

**STATE OF LOUISIANA**

**PARISH OF CADDO**

THIS AGREEMENT, made and entered into as of this 1<sup>st</sup> day of July, 2018, by and between Louisiana State University in Shreveport (hereinafter "University") represented by Lawrence Clark, Chancellor, the Louisiana State University in Shreveport Foundation (hereinafter "Foundation") and Kyle Blankenship, Head Men's Basketball Coach (hereinafter "COACH") of Louisiana State University in Shreveport. This agreement is subject to the approval of the Board of Supervisors for the Louisiana State University System (hereinafter "Board"), the management board for Louisiana State University in Shreveport and therefore the terms and conditions set forth in this agreement should not be considered a valid contract until approval is provided by the board.

**WITNESSETH:**

WHEREAS, the University requires the services of a Head Men's Basketball Coach and has selected the coach to perform those services,

NOW, THEREFORE, the parties agree as follows:

**1. EMPLOYMENT**

The University does hereby employ Kyle Blankenship as Head Men's Basketball Coach at Louisiana State University in Shreveport, and Kyle Blankenship does hereby accept said employment and agrees to perform all those services pertaining to Head Men's Basketball Coach as prescribed by the University through the Chancellor and the Director of Athletics.

- 1.1. COACH shall be responsible, and shall report, directly to Louisiana State University in Shreveport's Director of Athletics (the "Director") and shall confer with the Director or the Director's designee on all administrative and technical matters. COACH shall also be under the general supervision of Louisiana State University in Shreveport's Chancellor.
- 1.2. COACH shall manage and supervise the team and shall perform such other duties in Louisiana State University in Shreveport's athletic program as the Director may assign.
- 1.3. COACH agrees to represent Louisiana State University in Shreveport positively in public and private forums and shall not engage in conduct that reflects adversely on Louisiana State University in Shreveport or its athletic programs.
- 1.4. COACH agrees to use his position as Head Men's Basketball Coach to assist in external fund/revenue-raising (that can include revenue after expenses from summer camps deposited into the program support fund) with annual goals set forth by the Chancellor through the Director of Athletics for:

Year One: \$15,000

Year Two: \$17,250

2. **TERM**

The employment under the terms of this contract shall be for the period of July 1, 2018 to June 30, 2020, subject to approval of the Board. This agreement is renewable solely upon an offer from the University and an acceptance by COACH, both of which must be in writing and signed by all the parties and approved by the Board. This agreement in no way grants the COACH a claim to tenure in employment, nor shall COACH's service pursuant to this agreement count in any way toward tenure at the University.

3. **UNIVERSITY SALARY**

The University shall pay COACH an annual salary payable in 12 equal installments as follows:

First Year of Contract

Fiscal Year 2019 (starting July 2018, ending June 2019) (\$70,000) Dollars payable in 12 equal installments:

Second Year of Contract

Fiscal Year 2020 (starting July 2019, ending June 2020) (\$72,500) Dollars payable in 12 equal installments:

- 3.1. The University does not guarantee amounts due under this contract beyond the current year of performance. Should the contract be terminated for any reason, amounts due shall be in accordance with Section 9.

4. **EMPLOYEE BENEFITS**

COACH shall participate in the mandatory employee benefit plans and be eligible for optional employee benefit plans as would any other University unclassified employee based upon his annual University salary only.

5. **CAMPS AND CLINICS**

5.1 COACH may operate and receive additional compensation for camps/clinics as outlined in the athletic department's policy regulating camps and clinics.

- a. All revenues from university camps/clinics will be deposited into the men's basketball operating budget or Foundation account. After all expenses are met, COACH may use up to the amount of surplus remaining of the camp funds to pay his assistant coaches at his discretion.
- b. Camps operated through the University budget will not be subject to facility fees.
- c. Conducting camps and clinics is considered a part of COACH's job description related to promoting the University and the athletic department; thus, COACH will not be required to take leave while conducting camps run through the University budget.
- d. COACH's University budget will not be charged for a personal injury insurance policy approved by the University for camp/clinic participants, but instead will fall under the University coverage for camps/clinics.

- e. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of the camps.

#### 5.2 Private Camps

- a. COACH may operate a camp for the teaching of athletic pursuits on University property to the end of better utilization of the facilities and with suitable compensation paid to the University for the use of such facilities. The use of University facilities will be determined by the availability of those facilities as established by University policy.
- b. It is specifically agreed that in the operation of such camps, COACH acts for himself in his private capacity and not as an agent or employee of the University and that this agreement constitutes merely a license to use the property and facilities subject to the conditions hereafter stated.
  - i. Special set-ups or changes in original set-up of facilities will be taken care of by COACH with no cost to the University.
  - ii. COACH agrees to pay the University all out-of-pocket costs incurred by the University in making the facilities available for the camps.
  - iii. COACH agrees to secure a policy of insurance in a company approved by the University's Risk Management Office under which the Board of Supervisors for the Louisiana State University System, the University, and its agents and servants, are named as the insured (or as an additional insured) which provides:
    - o Workers' Compensation and Employers Liability: Workers Compensation limits are required by the Labor Code of the State of Louisiana and Employers Liability coverage if COACH hires any employees to work at such camps and clinics.
    - o Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
  - iv. Annual leave must be requested to cover the dates of the camp operation for all University personnel involved.
  - v. Complete records will be maintained regarding income and expenditures associated with said camp and available for verification by University auditors.
  - vi. COACH agrees to protect, indemnify and save harmless the University from and against any and all expenses, damages, claims, suits, actions, judgments and costs whatsoever, including reasonable attorney's fees, arising out of or in any way connected with any claim or action for property loss, personal injury or death during the operation of said camp activities.
  - vii. COACH is an independent contractor during said camp activities and, as such, is licensed to use certain facilities of the University. COACH, as a University employee, will undertake to observe and require campers and its staff to conform to the general rules applicable to the use of University facilities. This paragraph is designated to assure that nothing be done which is inconsistent with the maintenance of an educational campus environment and the character of a State institution which makes its facilities open to persons without discrimination.

- c. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of summer camps.

## 6. INCENTIVE COMPENSATION

- a. **Post-Season Incentive Compensation.** In the event the Team meets the items outlined below, University agrees to pay COACH for Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play. The additional sum or sums, if payable, shall be considered earned on the dates(s) services are provided for each game at which a post-season goal is attained (or, for RRAC Regular Season Champion, the date of the last RRAC game in Team's sport played by any RRAC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which the Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth below. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSUS as of the date on which the incentives are earned.
  - i. **Red River Athletic Conference Regular Season Championship**  
Five Hundred and No/100 dollars (\$500)
  - ii. **Red River Athletic Conference Tournament Championship**  
Five Hundred and No/100 dollars (\$500)
  - iii. **National Association of Intercollegiate Athletics National Tournament**  
Two Hundred Fifty and No/100 dollars (\$250) per win, maximum of Twelve Hundred Fifty and No/100 dollars (\$1250)
  - iv. **National Association of Intercollegiate Athletics National Championship**  
Fifteen hundred and No/100 dollars (\$1500)
- b. **Academic Incentive Compensation.** In the event the cumulative Grade Point Average (GPA) of all members of the Team meets or exceeds a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay COACH additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year. The additional compensation, if payable, shall be considered earned on the date on which the GPA for the University is released while COACH is employed at the University and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.
- c. **Coach of the Year Compensation.** In the event COACH is named "Coach of the Year" by any of the organizations outlined below, the University agrees to pay COACH for Coach of the Year Compensation. The additional compensation, if payable, shall be considered earned on the date on which the organization naming COACH as "Coach of the Year" announces such while COACH is employed at the University and shall be paid within sixty (60) days of such date. Coach of the Year Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.

- i. **Red River Athletic Conference, Louisiana Sports Writers' Association, Louisiana Basketball Coaches' Association** – Five Hundred and No/100 dollars (\$500)

NOTE: This incentive may be achieved a maximum of one (1) time by receiving award from any one of the three (3) organizations listed. Receiving award from two or more of the organizations listed will result in incentive being payable to COACH only one (1) time.

- ii. **National Association of Intercollegiate Athletics** – One Thousand and No/100 dollars (\$1000)

## 7. **OUTSIDE INCOME**

COACH shall be authorized to earn other revenue while employed by the University but such activities are independent of his University employment and the University shall have no responsibility for any claims arising there from. All outside income will be subject to approval in accordance with the Board of Supervisors for the Louisiana State University System policies.

COACH shall report annually on the PM-11 to the Chancellor through the Athletic Director each year all athletically related income received from sources outside the University. The University shall have reasonable access to all records of COACH to verify this report.

## 8. **STANDARDS OF CONDUCT AND COMPLIANCE WITH NAIA AND CONFERENCE REGULATIONS**

COACH shall abide by the rules and regulations of the NAIA, Conference and University rules. If COACH is personally found to be in violation of NAIA regulations, COACH shall be subject to disciplinary or corrective action as set forth in the NAIA enforcement procedures. COACH may be suspended for a period of time, without pay, or employment of COACH may be terminated if COACH is found to be personally guilty of deliberate and serious violations of NAIA, Conference and University regulations.

COACH shall also abide by the State of Louisiana Code of Government Ethics, University Policy and Regulations, federal laws, other state laws and the policies and regulations of the Louisiana State University System. In public appearances he shall at all times conduct himself in a manner that befits a University official and shall always attempt to create goodwill and a good image for the University.

## 9. **TERMINATION**

**Termination Without Cause:** Either party may terminate this agreement without just cause prior to the expiration of its terms by giving thirty (30) days written notice to the other party. Prior to termination of COACH, the University will obtain approval from the Chancellor of the University. If the University terminates the agreement without cause, the COACH shall be entitled to 50% of the base salary that he would have earned for the second year of this contract, less compensation received by the COACH from any other employment. The University would be responsible for the current fiscal year compensation, through the end of the fiscal year (June 30<sup>th</sup>).

The liquidated damages shall be due and payable in a lump sum within sixty (60) days of COACH's final date of employment at Louisiana State University in Shreveport.

Failure to make reasonable efforts to secure employment shall be cause for termination of this agreement, and release of the University and the LSUS Foundation of any obligations to make further payments.

**Termination For Cause:** Should COACH's contract be terminated for just cause, the University shall not be liable for any payments or benefits specified in this agreement past the effective date of termination. Just cause for termination shall include, but not be limited to, violation or gross disregard of state or federal laws, NAIA or conference regulations or university policies or procedures.

COACH may be terminated by the University for Cause at any time for the following:

- i. Misconduct, including but not limited to: hostile workplace violations, documented acts of moral turpitude, acts of violence and aggression, and insubordination.
- ii. Misconduct that: (1) violates state or university ethics laws, rules or regulations; (2) offends the ethics or traditions of the University; or (3) brings discredit or harm to the reputation of the University.
- iii. Acts of violence or personal conduct or condoning or encouraging employees or student athletes in such conduct, which may not warrant criminal prosecution, but result in public disrepute, contempt, scandal or ridicule that reflects unfavorably upon the reputation or mission of the University.
- iv. Substantial and manifest incompetence.
- v. Gross violation or disregard of state or federal laws (excluding minor traffic offenses or non-criminal offenses).
- vi. Deliberate and serious violations of NAIA, conference, or University rules, regulations, policies or procedures.
- vii. Failure to promote an atmosphere of compliance
- viii. Unethical conduct

The judgment as to whether the conduct of the COACH constitutes cause under this provision shall not be exercised arbitrarily or capriciously by the University.

**Termination for Financial Exigency:** COACH may be terminated at any time due to the financial circumstances in which the University and/or the Louisiana State University System has declaration of financial exigency. Such a termination can be based on consideration of budgetary restrictions, and priorities for maintenance of program and services. In the event of such termination, COACH will receive six (6) months' notice of termination or six (6) months regular pay in lieu of such notice. All compensation, including salary, benefits, and other remuneration incidental to employment, cease upon termination.

#### 10. **ASSOCIATE/ASSISTANT COACHES**

COACH shall have the authority to select the associate and assistant coaches with consent of the Director of Athletics and Chancellor. Associate and assistant coaches shall be appointed as University unclassified employees.

#### 11. **UNIVERSITY FUNDRAISING**

All fundraising activities by COACH must be pre-approved by the Athletic Director, or his designee, to ensure that such activities are in compliance with University policies.

#### 12. **AMENDMENT EXTENSION**

This Contract may be amended and/or extended by the mutual consent of the parties, and approved by the Board.

13. **SEVERABILITY**

If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.

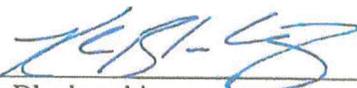
14. **FORCE MAJEURE**

Neither party shall be considered in default performance of her or its obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

The PARTIES hereto, acknowledging that this Agreement is subject to approval from the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, President Date  
Louisiana State University and Agricultural and Mechanical College

By:  \_\_\_\_\_ 8/7/18  
Kyle Blankenship Date

RECOMMENDED:

 \_\_\_\_\_ 8/6/18  
Lucas Morgan, Director of Athletics Date  
Louisiana State University in Shreveport

 \_\_\_\_\_ 8/7/18  
Lawrence Clark, Chancellor Date  
Louisiana State University in Shreveport

**LOUISIANA STATE UNIVERSITY IN SHREVEPORT**

**CONTRACT OF EMPLOYMENT  
for MATTHEW CROSS**

**STATE OF LOUISIANA**

**PARISH OF CADDO**

THIS AGREEMENT, made and entered into as of this 1<sup>st</sup> day of July, 2018, by and between Louisiana State University in Shreveport (hereinafter "University") represented by Lawrence Clark, Chancellor, the Louisiana State University in Shreveport Foundation (hereinafter "Foundation") and Matthew Cross, Head Women's Basketball Coach (hereinafter "COACH") of Louisiana State University in Shreveport . This agreement is subject to the approval of the Board of Supervisors for the Louisiana State University System (hereinafter "Board"), the management board for Louisiana State University in Shreveport and therefore the terms and conditions set forth in this agreement should not be considered a valid contract until approval is provided by the board.

WITNESSETH:

WHEREAS, the University requires the services of a Head Women's Basketball Coach and has selected the coach to perform those services,

NOW, THEREFORE, the parties agree as follows:

**1. EMPLOYMENT**

The University does hereby employ Matthew Cross as Head Women's Basketball Coach at Louisiana State University in Shreveport, and Matthew Cross does hereby accept said employment and agrees to perform all those services pertaining to Head Women's Basketball Coach as prescribed by the University through the Chancellor and the Director of Athletics.

- 1.1. COACH shall be responsible, and shall report, directly to Louisiana State University in Shreveport 's Director of Athletics (the "Director") and shall confer with the Director or the Director's designee on all administrative and technical matters. COACH shall also be under the general supervision of Louisiana State University in Shreveport's Chancellor.
- 1.2. COACH shall manage and supervise the team and shall perform such other duties in Louisiana State University in Shreveport 's athletic program as the Director may assign.
- 1.3. COACH agrees to represent Louisiana State University in Shreveport positively in public and private forums and shall not engage in conduct that reflects adversely on Louisiana State University in Shreveport or its athletic programs.
- 1.4. COACH agrees to use his position as Head Women's Basketball Coach to assist in external fund/revenue-raising (that can include revenue after expenses from summer camps deposited into the program support fund) with annual goals set forth by the Chancellor through the Director of Athletics for:

Year One Goal: \$5,000

Year Two Goal: \$7,500

2. **TERM**

The employment under the terms of this contract shall be for the period of July 1, 2018 to June 30, 2020, subject to approval of the Board. This agreement is renewable solely upon an offer from the University and an acceptance by COACH, both of which must be in writing and signed by all the parties and approved by the Board. This agreement in no way grants the COACH a claim to tenure in employment, nor shall COACH's service pursuant to this agreement count in any way toward tenure at the University.

3. **UNIVERSITY SALARY**

The University shall pay COACH an annual salary payable in 12 equal installments as follows:

First Year of Contract

Fiscal Year 2019 (starting July 2018, ending June 2019) (\$58,000) Dollars payable in 12 equal installments:

Second Year of Contract

Fiscal Year 2020 (starting July 2019, ending June 2020) (\$59,250) Dollars payable in 12 equal installments:

- 3.1. The University does not guarantee amounts due under this contract beyond the current year of performance. Should the contract be terminated for any reason, amounts due shall be in accordance with Section 9.

4. **EMPLOYEE BENEFITS**

COACH shall participate in the mandatory employee benefit plans and be eligible for optional employee benefit plans as would any other University unclassified employee based upon his annual University salary only.

5. **CAMPS AND CLINICS**

5.1 COACH may operate and receive additional compensation for camps/clinics as outlined in the athletic department's policy regulating camps and clinics.

- a. All revenues from university camps/clinics will be deposited into the Women's Basketball operating budget or Foundation account. After all expenses are met, COACH may use up to the amount of surplus remaining of the camp funds to pay his assistant coaches at his discretion.
- b. Camps operated through the University budget will not be subject to facility fees.
- c. Conducting camps and clinics is considered a part of COACH's job description related to promoting the University and the athletic department; thus, COACH will not be required to take leave while conducting camps run through the University budget.
- d. COACH's University budget will not be charged for a personal injury insurance policy approved by the University for camp/clinic participants, but instead will fall under the University coverage for camps/clinics.

- e. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of the camps.

#### 5.2 Private Camps

- a. COACH may operate a camp for the teaching of athletic pursuits on University property to the end of better utilization of the facilities and with suitable compensation paid to the University for the use of such facilities. The use of University facilities will be determined by the availability of those facilities as established by University policy.
- b. It is specifically agreed that in the operation of such camps, COACH acts for himself in his private capacity and not as an agent or employee of the University and that this agreement constitutes merely a license to use the property and facilities subject to the conditions hereafter stated.
  - i. Special set-ups or changes in original set-up of facilities will be taken care of by COACH with no cost to the University.
  - ii. COACH agrees to pay the University all out-of-pocket costs incurred by the University in making the facilities available for the camps.
  - iii. COACH agrees to secure a policy of insurance in a company approved by the University's Risk Management Office under which the Board of Supervisors for the Louisiana State University System, the University, and its agents and servants, are named as the insured (or as an additional insured) which provides:
    - o Workers' Compensation and Employers Liability: Workers Compensation limits are required by the Labor Code of the State of Louisiana and Employers Liability coverage if COACH hires any employees to work at such camps and clinics.
    - o Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
  - iv. Annual leave must be requested to cover the dates of the camp operation for all University personnel involved.
  - v. Complete records will be maintained regarding income and expenditures associated with said camp and available for verification by University auditors.
  - vi. COACH agrees to protect, indemnify and save harmless the University from and against any and all expenses, damages, claims, suits, actions, judgments and costs whatsoever, including reasonable attorney's fees, arising out of or in any way connected with any claim or action for property loss, personal injury or death during the operation of said camp activities.
  - vii. COACH is an independent contractor during said camp activities and, as such, is licensed to use certain facilities of the University. COACH, as a University employee, will undertake to observe and require campers and its staff to conform to the general rules applicable to the use of University facilities. This paragraph is designated to assure that nothing be done which is inconsistent with the maintenance of an educational campus environment and the character of a State institution which makes its facilities open to persons without discrimination.

- c. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of summer camps.

## 6. INCENTIVE COMPENSATION

- a. **Post-Season Incentive Compensation.** In the event the Team meets the items outlined below, University agrees to pay COACH for Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play. The additional sum or sums, if payable, shall be considered earned on the dates(s) services are provided for each game at which a post-season goal is attained (or, for RRAC Regular Season Champion, the date of the last RRAC game in Team's sport played by any RRAC team during the regular season) and shall be paid within sixth (60) days following the final post-season game in which the Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth below. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSUS as of the date on which the incentives are earned.
  - i. **Red River Athletic Conference Regular Season Championship**  
Five Hundred and No/100 dollars (\$500)
  - ii. **Red River Athletic Conference Tournament Championship**  
Five Hundred and No/100 dollars (\$500)
  - iii. **National Association of Intercollegiate Athletics National Tournament**  
Two Hundred Fifty and No/100 dollars (\$250) per win, maximum of Twelve Hundred Fifty and No/100 dollars (\$1250)
  - iv. **National Association of Intercollegiate Athletics National Championship**  
Fifteen Hundred and No/100 dollars (\$1500)
- b. **Academic Incentive Compensation.** In the event the cumulative Grade Point Average (GPA) of all members of the Team meets or exceeds a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay COACH additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year. The additional compensation, if payable, shall be considered earned on the date on which the GPA for the University is released while COACH is employed at the University and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.
- c. **Coach of the Year Compensation.** In the event COACH is named "Coach of the Year" by any of the organizations outlined below, the University agrees to pay COACH for Coach of the Year Compensation. The additional compensation, if payable, shall be considered earned on the date on which the organization naming COACH as "Coach of the Year" announces such while COACH is employed at the University and shall be paid within sixty (60) days of such date. Coach of the Year Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.

- i. **Red River Athletic Conference, Louisiana Sports Writers' Association, Louisiana Basketball Coaches' Association** – Five Hundred and No/100 dollars (\$500)

NOTE: This incentive may be achieved a maximum of one (1) time by receiving award from any one of the three (3) organizations listed. Receiving award from two or more of the organizations listed will result in incentive being payable to COACH only one (1) time.

- ii. **National Association of Intercollegiate Athletics** – One Thousand and No/100 dollars (\$1000)

## 7. **OUTSIDE INCOME**

COACH shall be authorized to earn other revenue while employed by the University but such activities are independent of his University employment and the University shall have no responsibility for any claims arising there from. All outside income will be subject to approval in accordance with the Board of Supervisors for the Louisiana State University System policies.

COACH shall report annually on the PM-11 to the Chancellor through the Athletic Director each year all athletically related income received from sources outside the University. The University shall have reasonable access to all records of COACH to verify this report.

## 8. **STANDARDS OF CONDUCT AND COMPLIANCE WITH NAIA AND CONFERENCE REGULATIONS**

COACH shall abide by the rules and regulations of the NAIA, Conference and University rules. If COACH is personally found to be in violation of NAIA regulations, COACH shall be subject to disciplinary or corrective action as set forth in the NAIA enforcement procedures. COACH may be suspended for a period of time, without pay, or employment of COACH may be terminated if COACH is found to be personally guilty of deliberate and serious violations of NAIA, Conference and University regulations.

COACH shall also abide by the State of Louisiana Code of Government Ethics, University Policy and Regulations, federal laws, other state laws and the policies and regulations of the Louisiana State University System. In public appearances he shall at all times conduct himself in a manner that befits a University official and shall always attempt to create goodwill and a good image for the University.

## 9. **TERMINATION**

**Termination Without Cause:** Either party may terminate this agreement without just cause prior to the expiration of its terms by giving thirty (30) days written notice to the other party. Prior to termination of COACH, the University will obtain approval from the Chancellor of the University. If the University terminates the agreement without cause, the COACH shall be entitled to 50% of the base salary that he would have earned for the second year of this contract, less compensation received by the COACH from any other employment. The University would be responsible for the current fiscal year compensation, through the end of the fiscal year (June 30<sup>th</sup>).

The liquidated damages shall be due and payable in a lump sum within sixty (60) days of COACH's final date of employment at Louisiana State University in Shreveport.

Failure to make reasonable efforts to secure employment shall be cause for termination of this agreement, and release of the University and the LSUS Foundation of any obligations to make further payments.

**Termination For Cause:** Should COACH's contract be terminated for just cause, the University shall not be liable for any payments or benefits specified in this agreement past the effective date of termination. Just cause for termination shall include, but not be limited to, violation or gross disregard of state or federal laws, NAIA or conference regulations or university policies or procedures.

COACH may be terminated by the University for Cause at any time for the following:

- i. Misconduct, including but not limited to: hostile workplace violations, documented acts of moral turpitude, acts of violence and aggression, and insubordination.
- ii. Misconduct that: (1) violates state or university ethics laws, rules or regulations; (2) offends the ethics or traditions of the University; or (3) brings discredit or harm to the reputation of the University.
- iii. Acts of violence or personal conduct or condoning or encouraging employees or student athletes in such conduct, which may not warrant criminal prosecution, but result in public disrepute, contempt, scandal or ridicule that reflects unfavorably upon the reputation or mission of the University.
- iv. Substantial and manifest incompetence.
- v. Gross violation or disregard of state or federal laws (excluding minor traffic offenses or non-criminal offenses).
- vi. Deliberate and serious violations of NAIA, conference, or University rules, regulations, policies or procedures.
- vii. Failure to promote an atmosphere of compliance
- viii. Unethical conduct

The judgment as to whether the conduct of the COACH constitutes cause under this provision shall not be exercised arbitrarily or capriciously by the University.

**Termination for Financial Exigency:** COACH may be terminated at any time due to the financial circumstances in which the University and/or the Louisiana State University System has declaration of financial exigency. Such a termination can be based on consideration of budgetary restrictions, and priorities for maintenance of program and services. In the event of such termination, COACH will receive six (6) months' notice of termination or six (6) months regular pay in lieu of such notice. All compensation, including salary, benefits, and other remuneration incidental to employment, cease upon termination.

#### 10. ASSOCIATE/ASSISTANT COACHES

COACH shall have the authority to select the associate and assistant coaches with consent of the Director of Athletics and Chancellor. Associate and assistant coaches shall be appointed as University unclassified employees.

#### 11. UNIVERSITY FUNDRAISING

All fundraising activities by COACH must be pre-approved by the Athletic Director, or his designee, to ensure that such activities are in compliance with University policies.

#### 12. AMENDMENT EXTENSION

This Contract may be amended and/or extended by the mutual consent of the parties, and approved by the Board.

13. **SEVERABILITY**

If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.

14. **FORCE MAJEURE**

Neither party shall be considered in default performance of her or its obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

The PARTIES hereto, acknowledging that this Agreement is subject to approval from the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, President Date  
Louisiana State University and Agricultural and Mechanical College

By: Matthew Cross 8/7/18  
Matthew Cross Date

RECOMMENDED:

Lucas Morgan 8/7/18  
Lucas Morgan, Director of Athletics Date  
Louisiana State University in Shreveport

Lawrence Clark 8/7/18  
Lawrence Clark, Chancellor Date  
Louisiana State University in Shreveport

**LOUISIANA STATE UNIVERSITY IN SHREVEPORT**

**CONTRACT OF EMPLOYMENT  
for BRENT LAVALLEE**

**STATE OF LOUISIANA**

**PARISH OF CADDO**

THIS AGREEMENT, made and entered into as of this 1<sup>st</sup> day of July, 2018, by and between Louisiana State University in Shreveport (hereinafter "University") represented by Lawrence Clark, Chancellor, the Louisiana State University in Shreveport Foundation (hereinafter "Foundation") and Brent Lavallee, Head Baseball Coach (hereinafter "COACH") of Louisiana State University in Shreveport . This agreement is subject to the approval of the Board of Supervisors for the Louisiana State University System (hereinafter "Board"), the management board for Louisiana State University in Shreveport and therefore the terms and conditions set forth in this agreement should not be considered a valid contract until approval is provided by the board.

WITNESSETH:

WHEREAS, the University requires the services of a Head Baseball Coach and has selected the coach to perform those services,

NOW, THEREFORE, the parties agree as follows:

**1. EMPLOYMENT**

The University does hereby employ Brent Lavallee as Head Baseball Coach at Louisiana State University in Shreveport, and Brent Lavallee does hereby accept said employment and agrees to perform all those services pertaining to Head Baseball Coach as prescribed by the University through the Chancellor and the Director of Athletics.

- 1.1. COACH shall be responsible, and shall report, directly to Louisiana State University in Shreveport's Director of Athletics (the "Director") and shall confer with the Director or the Director's designee on all administrative and technical matters. COACH shall also be under the general supervision of Louisiana State University in Shreveport's Chancellor.
- 1.2. COACH shall manage and supervise the team and shall perform such other duties in Louisiana State University in Shreveport's athletic program as the Director may assign.
- 1.3. COACH agrees to represent Louisiana State University in Shreveport positively in public and private forums and shall not engage in conduct that reflects adversely on Louisiana State University in Shreveport or its athletic programs.
- 1.4. COACH agrees to use his position as Head Baseball Coach to assist in external fund/revenue-raising (that can include revenue after expenses from summer camps deposited into the program support fund) with annual goals set forth by the Chancellor through the Director of Athletics for:

Year One: \$20,000 (to help cover 20% cost of new outfield fence/80% to be paid by the LSUS Athletics Fund)

Year Two: \$20,000

2. **TERM**

The employment under the terms of this contract shall be for the period of July 1, 2018 to June 30, 2020, subject to approval of the Board. This agreement is renewable solely upon an offer from the University and an acceptance by COACH, both of which must be in writing and signed by all the parties and approved by the Board. This agreement in no way grants the COACH a claim to tenure in employment, nor shall COACH's service pursuant to this agreement count in any way toward tenure at the University.

3. **UNIVERSITY SALARY**

The University shall pay COACH an annual salary payable in 12 equal installments as follows:

First Year of Contract

Fiscal Year 2019 (starting July 2018, ending June 2019) (\$54,000) Dollars payable in 12 equal installments:

Second Year of Contract

Fiscal Year 2020 (starting July 2019, ending June 2020) (\$55,250) Dollars payable in 12 equal installments:

- 3.1. The University does not guarantee amounts due under this contract beyond the current year of performance. Should the contract be terminated for any reason, amounts due shall be in accordance with Section 9.

4. **EMPLOYEE BENEFITS**

COACH shall participate in the mandatory employee benefit plans and be eligible for optional employee benefit plans as would any other University unclassified employee based upon his annual University salary only.

5. **CAMPS AND CLINICS**

5.1 COACH may operate and receive additional compensation for camps/clinics as outlined in the athletic department's policy regulating camps and clinics.

- a. All revenues from university camps/clinics will be deposited into the Baseball operating budget or Foundation account. After all expenses are met, COACH may use up to the amount of surplus remaining of the camp funds to pay his assistant coaches at his discretion.
- b. Camps operated through the University budget will not be subject to facility fees.
- c. Conducting camps and clinics is considered a part of COACH's job description related to promoting the University and the athletic department; thus, COACH will not be required to take leave while conducting camps run through the University budget.
- d. COACH's University budget will not be charged for a personal injury insurance policy approved by the University for camp/clinic participants, but instead will fall under the University coverage for camps/clinics.

- e. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of the camps.

#### 5.2 Private Camps

- a. COACH may operate a camp for the teaching of athletic pursuits on University property to the end of better utilization of the facilities and with suitable compensation paid to the University for the use of such facilities. The use of University facilities will be determined by the availability of those facilities as established by University policy.
- b. It is specifically agreed that in the operation of such camps, COACH acts for himself in his private capacity and not as an agent or employee of the University and that this agreement constitutes merely a license to use the property and facilities subject to the conditions hereafter stated.
  - i. Special set-ups or changes in original set-up of facilities will be taken care of by COACH with no cost to the University.
  - ii. COACH agrees to pay the University all out-of-pocket costs incurred by the University in making the facilities available for the camps.
  - iii. COACH agrees to secure a policy of insurance in a company approved by the University's Risk Management Office under which the Board of Supervisors for the Louisiana State University System, the University, and its agents and servants, are named as the insured (or as an additional insured) which provides:
    - o Workers' Compensation and Employers Liability: Workers Compensation limits are required by the Labor Code of the State of Louisiana and Employers Liability coverage if COACH hires any employees to work at such camps and clinics.
    - o Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
  - iv. Annual leave must be requested to cover the dates of the camp operation for all University personnel involved.
  - v. Complete records will be maintained regarding income and expenditures associated with said camp and available for verification by University auditors.
  - vi. COACH agrees to protect, indemnify and save harmless the University from and against any and all expenses, damages, claims, suits, actions, judgments and costs whatsoever, including reasonable attorney's fees, arising out of or in any way connected with any claim or action for property loss, personal injury or death during the operation of said camp activities.
  - vii. COACH is an independent contractor during said camp activities and, as such, is licensed to use certain facilities of the University. COACH, as a University employee, will undertake to observe and require campers and its staff to conform to the general rules applicable to the use of University facilities. This paragraph is designated to assure that nothing be done which is inconsistent with the maintenance of an educational campus environment and the character of a State institution which makes its facilities open to persons without discrimination.

- c. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of summer camps.

## 6. INCENTIVE COMPENSATION

- a. **Post-Season Incentive Compensation.** In the event the Team meets the items outlined below, University agrees to pay COACH for Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for RRAC Regular Season Champion, the date of the last RRAC game in Team's sport played by any RRAC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which the Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth below. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSUS as of the date on which the incentives are earned.
  - i. **Red River Athletic Conference Regular Season Championship**  
Five Hundred and No/100 dollars (\$500)
  - ii. **Red River Athletic Conference Tournament Championship**  
Five Hundred and No/100 dollars (\$500)
  - iii. **National Association of Intercollegiate Athletics National Tournament (Regional/World Series)**  
One Hundred and No/100 dollars (\$100) per win, maximum of One Thousand and No/100 dollars (\$1000)
  - iv. **National Association of Intercollegiate Athletics Regional Tournament Championship**  
Five Hundred and No/100 dollars (\$500)
  - v. **National Association of Intercollegiate Athletics National Championship**  
Fifteen Hundred and No/100 dollars (\$1500)
- b. **Academic Incentive Compensation.** In the event the cumulative Grade Point Average (GPA) of all members of the Team meets or exceeds a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay COACH additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year. The additional compensation, if payable, shall be considered earned on the date on which the GPA for the University is released while COACH is employed at the University and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.
- c. **Coach of the Year Compensation.** In the event COACH is named "Coach of the Year" by either of the organizations listed below, the University agrees to pay COACH for Coach of the Year Compensation. The additional compensation, if payable, shall be considered earned on the date on which the organization naming COACH as "Coach of the Year" announces such while COACH is employed at the University and shall be paid

within sixty (60) days of such date. Coach of the Year Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.

- i. **Red River Athletic Conference** – Five Hundred and No/100 dollars (\$500)
- ii. **National Association of Intercollegiate Athletics** – One Thousand and No/100 dollars (\$1000)

**7. OUTSIDE INCOME**

COACH shall be authorized to earn other revenue while employed by the University but such activities are independent of his University employment and the University shall have no responsibility for any claims arising there from. All outside income will be subject to approval in accordance with the Board of Supervisors for the Louisiana State University System policies.

COACH shall report annually on the PM-11 to the Chancellor through the Athletic Director each year all athletically related income received from sources outside the University. The University shall have reasonable access to all records of COACH to verify this report.

**8. STANDARDS OF CONDUCT AND COMPLIANCE WITH NAIA AND CONFERENCE REGULATIONS**

COACH shall abide by the rules and regulations of the NAIA, Conference and University rules. If COACH is personally found to be in violation of NAIA regulations, COACH shall be subject to disciplinary or corrective action as set forth in the NAIA enforcement procedures. COACH may be suspended for a period of time, without pay, or employment of COACH may be terminated if COACH is found to be personally guilty of deliberate and serious violations of NAIA, Conference and University regulations.

COACH shall also abide by the State of Louisiana Code of Government Ethics, University Policy and Regulations, federal laws, other state laws and the policies and regulations of the Louisiana State University System. In public appearances he shall at all times conduct himself in a manner that befits a University official and shall always attempt to create goodwill and a good image for the University.

**9. TERMINATION**

**Termination Without Cause:** Either party may terminate this agreement without just cause prior to the expiration of its terms by giving thirty (30) days written notice to the other party. Prior to termination of COACH, the University will obtain approval from the Chancellor of the University. If the University terminates the agreement without cause, the COACH shall be entitled to 50% of the base salary that he would have earned for the second year of this contract, less compensation received by the COACH from any other employment. The University would be responsible for the current fiscal year compensation, through the end of the fiscal year (June 30<sup>th</sup>).

The liquidated damages shall be due and payable in a lump sum within sixty (60) days of COACH's final date of employment at Louisiana State University in Shreveport.

Failure to make reasonable efforts to secure employment shall be cause for termination of this agreement, and release of the University and the LSUS Foundation of any obligations to make further payments.

**Termination For Cause:** Should COACH's contract be terminated for just cause, the University shall not be liable for any payments or benefits specified in this agreement past the effective date of termination. Just cause for termination shall include, but not be limited to, violation or gross disregard of state or federal laws, NAIA or conference regulations or university policies or procedures.

COACH may be terminated by the University for Cause at any time for the following:

- i. Misconduct, including but not limited to: hostile workplace violations, documented acts of moral turpitude, acts of violence and aggression, and insubordination.
- ii. Misconduct that: (1) violates state or university ethics laws, rules or regulations; (2) offends the ethics or traditions of the University; or (3) brings discredit or harm to the reputation of the University.
- iii. Acts of violence or personal conduct or condoning or encouraging employees or student athletes in such conduct, which may not warrant criminal prosecution, but result in public disrepute, contempt, scandal or ridicule that reflects unfavorably upon the reputation or mission of the University.
- iv. Substantial and manifest incompetence.
- v. Gross violation or disregard of state or federal laws (excluding minor traffic offenses or non-criminal offenses).
- vi. Deliberate and serious violations of NAIA, conference, or University rules, regulations, policies or procedures.
- vii. Failure to promote an atmosphere of compliance
- viii. Unethical conduct

The judgment as to whether the conduct of the COACH constitutes cause under this provision shall not be exercised arbitrarily or capriciously by the University.

**Termination for Financial Exigency:** COACH may be terminated at any time due to the financial circumstances in which the University and/or the Louisiana State University System has declaration of financial exigency. Such a termination can be based on consideration of budgetary restrictions, and priorities for maintenance of program and services. In the event of such termination, COACH will receive six (6) months' notice of termination or six (6) months regular pay in lieu of such notice. All compensation, including salary, benefits, and other remuneration incidental to employment, cease upon termination.

#### 10. ASSOCIATE/ASSISTANT COACHES

COACH shall have the authority to select the associate and assistant coaches with consent of the Director of Athletics and Chancellor. Associate and assistant coaches shall be appointed as University unclassified employees.

#### 11. UNIVERSITY FUNDRAISING

All fundraising activities by COACH must be pre-approved by the Athletic Director, or his designee, to ensure that such activities are in compliance with University policies.

#### 12. AMENDMENT EXTENSION

This Contract may be amended and/or extended by the mutual consent of the parties, and approved by the Board.

13. **SEVERABILITY**

If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.

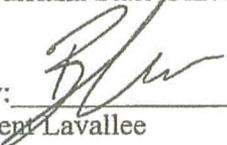
14. **FORCE MAJEURE**

Neither party shall be considered in default performance of her or its obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

The PARTIES hereto, acknowledging that this Agreement is subject to approval from the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, President Date  
Louisiana State University and Agricultural and Mechanical College

By:  \_\_\_\_\_ 8/6/18  
Brent Lavallee Date

RECOMMENDED:

 \_\_\_\_\_ 8/6/18  
Lucas Morgan, Director of Athletics Date  
Louisiana State University in Shreveport

 \_\_\_\_\_ 8/7/18  
Lawrence Clark, Chancellor Date  
Louisiana State University in Shreveport



**Request from LSU Shreveport to Approve an Employment Contract for Athletic Director Lucas Morgan**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.11.b. Appointments and all other personnel actions relating to Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks approval of the proposed employment contract for Athletic Director Lucas Morgan. The key terms of the proposed contracts are summarized below:

<u>Contract Action</u>	<u>Term</u>		<u>Total Certain Compensation</u>				
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed Year 1</u>	<u>Proposed Year 2</u>	<u>Proposed Year 3</u>	<u>Overall Increase</u>
Extension	6/30/2018	6/30/2021	\$76,760	\$81,760	\$83,760	\$88,760	15.6%

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to these employment contracts will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the proposed contracts.

**ATTACHMENTS**

- I. Memorandum of Agreement: Lucas Morgan, Athletic Director

**RECOMMENDATION**

Based on the recommendation of the LSUS Chancellor, it is recommended that the Board authorize the President to sign the proposed contracts with the listed athletic director.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contracts with Lucas Morgan as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

**LOUISIANA STATE UNIVERSITY IN SHREVEPORT**

**CONTRACT OF EMPLOYMENT  
For LUCAS MORGAN**

**STATE OF LOUISIANA**

**PARISH OF CADDO**

THIS AGREEMENT, made and entered into as of this 1<sup>st</sup> day of July, 2018, by and between Louisiana State University in Shreveport (hereinafter "University") represented by Lawrence Clark, Chancellor, the Louisiana State University in Shreveport Foundation (hereinafter "Foundation") and Lucas Morgan, Director of Athletics (hereinafter "AD") of Louisiana State University in Shreveport . This agreement is subject to the approval of the Board of Supervisors for the Louisiana State University System (hereinafter "Board"), the management board for Louisiana State University in Shreveport and therefore the terms and conditions set forth in this agreement should not be considered a valid contract until approval is provided by the board.

WITNESSETH:

WHEREAS, the University requires the services of a Director of Athletics and has selected Lucas Morgan to perform those services,

NOW, THEREFORE, the parties agree as follows:

**1. EMPLOYMENT**

The University does hereby employ Lucas Morgan as Director of Athletics at Louisiana State University in Shreveport, and Lucas Morgan does hereby accept said employment and agrees to perform all those services pertaining to being AD as prescribed by the University through the Chancellor.

- 1.1. AD shall be responsible, and shall report, directly to the Chancellor at Louisiana State University in Shreveport.
- 1.2. AD shall manage and supervise the LSU Shreveport's Department of Athletics, including oversight and responsibility for all coaches, teams, student-athletes and facilities, and shall perform such other duties in Louisiana State University in Shreveport's athletic program as the Chancellor may assign.
- 1.3. AD agrees to assume oversight and coordination of Louisiana State University in Shreveport athletic club sports.
- 1.4. AD agrees to represent Louisiana State University in Shreveport positively in public and private forums and shall not engage in conduct that reflects adversely on Louisiana State University in Shreveport or its athletic programs.

**2. TERM**

The employment under the terms of this contract shall be for the period of July 1, 2018 to June 30, 2021, subject to approval of the Board. This agreement is renewable solely upon an offer from the University and an acceptance by AD, both of which must be in writing and signed by all the parties and approved by the Board. This agreement in no way grants the AD a claim to tenure in employment, nor shall AD's service pursuant to this agreement count in any way toward tenure at the University.

3. **UNIVERSITY SALARY**

The University shall pay AD an annual salary payable in 12 equal installments as follows:

First Year of Contract

Fiscal Year 2019 (starting July 2018, ending June 2019) (\$81,760) Dollars payable in 12 equal installments:

Second Year of Contract

Fiscal Year 2020 (starting July 2019, ending June 2020) (\$83,760) Dollars payable in 12 equal installments:

Third Year of Contract

Fiscal Year 2021 (starting July 2020, ending June 2021) (\$88,760) Dollars payable in 12 equal installments:

- 3.1. The University does not guarantee amounts due under this contract beyond the current year of performance. Should the contract be terminated for any reason, amounts due shall be in accordance with Section 9.

4. **EMPLOYEE BENEFITS**

AD shall participate in the mandatory employee benefit plans and be eligible for optional employee benefit plans as would any other University unclassified employee based upon his annual University salary only.

5. **CAMPS AND CLINICS**

5.1 AD may operate and receive additional compensation for camps/clinics as outlined in the athletic department's policy regulating camps and clinics.

- a. All revenues from university camps/clinics will be deposited into the athletics' department operating budget or Foundation account. After all expenses are met, AD may use up to the amount of surplus remaining of the camp funds to pay assistant coaches at his discretion.
- b. Camps operated through the University budget will not be subject to facility fees.
- c. Conducting camps and clinics is considered a part of AD's job description related to promoting the University and the athletic department; thus, AD will not be required to take leave while conducting camps run through the University budget.
- d. AD's University budget will not be charged for a personal injury insurance policy approved by the University for camp/clinic participants, but instead will fall under the University coverage for camps/clinics.
- e. The Chancellor will be advised by the AD of any problems or questions which may arise out of the operation of the camps.

## 5.2 Private Camps

- a. AD may operate a camp for the teaching of athletic pursuits on University property to the end of better utilization of the facilities and with suitable compensation paid to the University for the use of such facilities. The use of University facilities will be determined by the availability of those facilities as established by University policy.
- b. It is specifically agreed that in the operation of such camps, AD acts for himself in his private capacity and not as an agent or employee of the University and that this agreement constitutes merely a license to use the property and facilities subject to the conditions hereafter stated.
  - i. Special set-ups or changes in original set-up of facilities will be taken care of by AD with no cost to the University.
  - ii. AD agrees to pay the University all out-of-pocket costs incurred by the University in making the facilities available for the camps.
  - iii. AD agrees to secure a policy of insurance in a company approved by the University's Risk Management Office under which the Board of Supervisors for the Louisiana State University System, the University, and its agents and servants, are named as the insured (or as an additional insured) which provides:
    - o Workers' Compensation and Employers Liability: Workers Compensation limits are required by the Labor Code of the State of Louisiana and Employers Liability coverage if AD hires any employees to work at such camps and clinics.
    - o Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
  - iv. Annual leave must be requested to cover the dates of the camp operation for all University personnel involved.
  - v. Complete records will be maintained regarding income and expenditures associated with said camp and available for verification by University auditors.
  - vi. AD agrees to protect, indemnify and save harmless the University from and against any and all expenses, damages, claims, suits, actions, judgments and costs whatsoever, including reasonable attorney's fees, arising out of or in any way connected with any claim or action for property loss, personal injury or death during the operation of said camp activities.
  - vii. AD is an independent contractor during said camp activities and, as such, is licensed to use certain facilities of the University. AD, as a University employee, will undertake to observe and require campers and its staff to conform to the general rules applicable to the use of University facilities. This paragraph is designated to assure that nothing be done which is inconsistent with the maintenance of an educational campus environment and the character of a State institution which makes its facilities open to persons without discrimination.
- c. The Chancellor will be advised of any problems or questions which may arise out of the operation of summer camps.

## 6. INCENTIVE COMPENSATION

- a. **Post-Season Incentive Compensation.** In the event one or more LSUS teams meet the items outlined below, University agrees to pay AD for Post-Season Incentive Compensation as additional compensation for the extra services required of AD in the preparation for and participation in post-season play. The additional sum or sums, if

payable, shall be considered earned on the dates(s) services are provided for each game at which a post-season goal is attained (or, for RRAC Regular Season Champion, the date of the last RRAC game in Team's sport played by any RRAC team during the regular season) and shall be paid within sixth (60) days following the final post-season game in which the Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth below. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, AD must provide additional services required in the preparation for and participation in post-season play and must be employed by LSUS as of the date on which the incentives are earned.

- i. **Red River Athletic Conference Regular Season Championship Per Team**  
Two Hundred Fifty and No/100 dollars (\$250)
  - ii. **Red River Athletic Conference Tournament Championship Per Team**  
Two Hundred Fifty and No/100 dollars (\$250)
  - iii. **National Association of Intercollegiate Athletics National Tournament Per Team**  
Seventy-five and No/100 dollars (\$75) per win, maximum of Five Hundred and No/100 dollars (\$500)
  - iv. **National Association of Intercollegiate Athletics National Championship Per Team**  
One thousand and No/100 dollars (\$1,000)
- b. **Academic Incentive Compensation.** The additional compensation, if payable, shall be considered earned on the date on which the GPA for the University is released while AD is employed at the University and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, AD must be employed by the University as of the date on which the incentives are earned.
- i. In the event the cumulative Grade Point Average (GPA) of all members of three or more Teams meets or exceeds a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay AD additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year.
  - ii. In the event that 50% of all student-athletes meet or exceed a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay AD additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year.
  - iii. In the event that at least 80% of those who complete eligibility graduate within the academic year the University agrees to pay AD additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year.
- c. **AD of the Year Compensation.** In the event AD is named "AD of the Year" by any of the organizations outlined below, the University agrees to pay AD for AD of the Year Compensation. The additional compensation, if payable, shall be considered earned on the date on which the organization naming AD as "AD of the Year" announces such while AD is employed at the University and shall be paid within sixty (60) days of such date. AD of the Year Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such

compensation, AD must be employed by the University as of the date on which the incentives are earned.

- i. **Red River Athletic Conference** – Five Hundred and No/100 dollars (\$500)
  - ii. **National Association of Intercollegiate Athletics** – One Thousand and No/100 dollars (\$1000)
- d. LSUS Athletics Club Sports. In the event that AD is asked by the Chancellor to assume primary responsibility for a LSUS athletics club sport during the academic year then the AD shall be entitled to additional income not to exceed \$2,500, payable by the end of the academic year.
- e. **Fund-Raising Success.** This contract does not include incentives based upon success in raising external funds in support of Athletics. If over the course of this contract future LSU Shreveport contracts for head coaches should include a provision for fund-raising success then the AD shall be eligible to receive a similar incentive based upon an amount established by the Chancellor. The amount shall not exceed \$5,000 per any one year. The additional compensation, if payable, shall be considered earned at the time the incentive amount is reached while the AD is an employee of the University and shall be paid within sixty (60) days of such date. Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, AD must be employed by the University as of the date on which the incentives are earned.

## 7. **OUTSIDE INCOME**

AD shall be authorized to earn other revenue while employed by the University but such activities are independent of his University employment and the University shall have no responsibility for any claims arising there from. All outside income will be subject to approval in accordance with the Board of Supervisors for the Louisiana State University System policies.

AD shall report annually on the PM-11 to the Chancellor each year all athletically related income received from sources outside the University. The University shall have reasonable access to all records of AD to verify this report.

## 8. **STANDARDS OF CONDUCT AND COMPLIANCE WITH NAIA AND CONFERENCE REGULATIONS**

AD shall abide by the rules and regulations of the NAIA, Conference and University rules. If AD is personally found to be in violation of NAIA regulations, AD shall be subject to disciplinary or corrective action as set forth in the NAIA enforcement procedures. AD may be suspended for a period of time, without pay, or employment of AD may be terminated if AD is found to be personally guilty of deliberate and serious violations of NAIA, Conference and University regulations.

AD shall also abide by the State of Louisiana Code of Government Ethics, University Policy and Regulations, federal laws, other state laws and the policies and regulations of the Louisiana State University System. In public appearances he shall at all times conduct himself in a manner that befits a University official and shall always attempt to create goodwill and a good image for the University.

9. **TERMINATION**

**Termination without Cause:** Either party may terminate this agreement without just cause prior to the expiration of its terms by giving thirty (30) days written notice to the other party. Prior to termination of AD, the University will obtain approval from the Chancellor of the University. If the University terminates the agreement without cause, the AD shall be entitled to 50% of the base salary that he would have earned for the second year of this contract, less compensation received by the AD from any other employment. The University would be responsible for the current fiscal year compensation, through the end of the fiscal year (June 30<sup>th</sup>).

The liquidated damages shall be due and payable in a lump sum within sixty (60) days of AD's final date of employment at Louisiana State University in Shreveport.

Failure to make reasonable efforts to secure employment shall be cause for termination of this agreement, and release of the University and the LSUS Foundation of any obligations to make further payments.

**Termination for Cause:** Should AD's contract be terminated for just cause, the University shall not be liable for any payments or benefits specified in this agreement past the effective date of termination. Just cause for termination shall include, but not be limited to, violation or gross disregard of state or federal laws, NAIA or conference regulations or university policies or procedures.

AD may be terminated by the University for Cause at any time for the following:

- i. Misconduct, including but not limited to: hostile workplace violations, documented acts of moral turpitude, acts of violence and aggression, and insubordination.
- ii. Misconduct that: (1) violates state or university ethics laws, rules or regulations; (2) offends the ethics or traditions of the University; or (3) brings discredit or harm to the reputation of the University.
- iii. Acts of violence or personal conduct or condoning or encouraging employees or student athletes in such conduct, which may not warrant criminal prosecution, but result in public disrepute, contempt, scandal or ridicule that reflects unfavorably upon the reputation or mission of the University.
- iv. Substantial and manifest incompetence.
- v. Gross violation or disregard of state or federal laws (excluding minor traffic offenses or non-criminal offenses).
- vi. Deliberate and serious violations of NAIA, conference, or University rules, regulations, policies or procedures.
- vii. Failure to promote an atmosphere of compliance
- viii. Unethical conduct

The judgment as to whether the conduct of the AD constitutes cause under this provision shall not be exercised arbitrarily or capriciously by the University.

**Termination for Financial Exigency:** AD may be terminated at any time due to the financial circumstances in which the University and/or the Louisiana State University System has declaration of financial exigency. Such a termination can be based on consideration of budgetary restrictions, and priorities for maintenance of program and services. In the event of such termination, AD will receive six (6) months' notice of termination or six (6) months regular pay in lieu of such notice. All compensation, including salary, benefits, and other remuneration incidental to employment, cease upon termination.

**10. COACHES**

AD shall have the authority to select coaches with the consent of the Chancellor and approval of the LSU Board of Supervisors. All coaches shall be appointed as University unclassified employees.

**11. UNIVERSITY FUNDRAISING**

1. The AD is responsible for the fundraising activities of the Athletics Department, including oversight of fundraising by coaches and any booster club(s).
2. Proposed fundraising activities of the Athletics Department must be pre-approved by the Chancellor, or his designee, to ensure that such activities are in compliance with University policies.
3. The Chancellor, after consultation with the AD, will provide to the AD an external fundraising goal for each year for the Athletics Department (that may include revenue raised from LSUS sponsored camps). The goal for the first year of this contract is for \$100,000. The new goal for each year under this contract shall not exceed an additional \$50,000/year.

**12. AMENDMENT EXTENSION**

This Contract may be amended and/or extended by the mutual consent of the parties, and approved by the Board.

**13. SEVERABILITY**

If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.

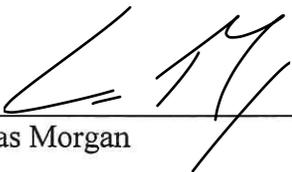
**14. FORCE MAJEURE**

Neither party shall be considered in default performance of her or its obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

The PARTIES hereto, acknowledging that this Agreement is subject to approval from the Board of Supervisors, have executed this Agreement on the day, month and year first above written.

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

By: \_\_\_\_\_  
F. King Alexander, President Date  
Louisiana State University and Agricultural and Mechanical College

By:  \_\_\_\_\_ August 8, 2018  
Lucas Morgan Date

RECOMMENDED:

 \_\_\_\_\_  
Lawrence Clark, Chancellor Date  
Louisiana State University in Shreveport



**Request to Approve a Cooperative Endeavor Agreement with the  
LSU Board of Supervisors, Ochsner Health System, & the State of  
Louisiana Through the Louisiana Division of Administration  
Relating to Management and Operation of Public Hospitals and  
Clinics in Shreveport and Monroe**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors (“the Board”), this is a significant board matter.

A.1. General Rule: Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

**1. Summary of Matter**

**Background**

Beginning in the summer of 2017, LSU held a series of meetings with the to identify potential new partners to operate the former public hospitals in Shreveport and Monroe.

The Ochsner Health System was identified as a viable partner; intense discussions and meetings began with LSU and Ochsner principals to explore a partnership, what it would entail, how it would be structured and governed, etc.

Individuals from the LSU Office of the President, LSU Health Sciences Center Shreveport, the State, the Louisiana Department of Health and the Ochsner Health System have been meeting for over 10 months and have identified and laid out the parameters of a new partnership, the commitment of all parties to quality healthcare in the northern part of the state, and the shared vision for medical education and the health care workforce. LSU and Ochsner, following extensive discussions, decided to utilize a Joint Venture model, to fulfill the public purpose to jointly operate the Hospitals in both Monroe and Shreveport in a manner that promotes, enhances, supports and is consistent with the partnership goals and the State’s and LSU’s historical commitment to providing safety net services to the state’s most vulnerable populations.

A series of documents, which have been shared with the Board, create and describe the operations of the Joint Venture. In addition to presentations on the JV to the Board, briefings were held with legislators, and a hearing before the Joint Legislative Committee on the Budget is scheduled for September 11, 2018. The intent is to close the transactions by September 30, 2018, with the transition of hospital operations from BRF to OLHS-NL to begin October 1.

**2. Review of Documents Related to Referenced Matter**

The following documents, which formally establish and guide the LSU Health Sciences Center Shreveport and Ochsner Health System joint venture, have been reviewed by LSU’s General Counsel, outside counsel for the University, LSU’s President’s Office staff, and LSUHSC-S employees and consultants.

### 3. Attachments

All documents are posted at <https://www.lsu.edu/bos/req-cea-ohs-ladoa/>

#### RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, approves the creation of the LSU Health Sciences Center Shreveport -Ochsner Health System-North Louisiana (OLHS-NL) Joint Venture, with an effective date of October 1, 2018; and for which all documents have been presented to the Board for review prior to execution-

**BE IT FURTHER RESOLVED**, that the President will assure that Louisiana State University Health Sciences Center – Shreveport will maintain its status as a state-owned educational institution following the creation of the OLHS-NL partnership; and

**BE IT FURTHER RESOLVED**, that the President shall upon request and as appropriate provide a periodic report to the Board on the status of the OLHS-NL Joint Venture and its fulfillment of the “public purpose”.

**COOPERATIVE ENDEAVOR AGREEMENT**

THIS COOPERATIVE ENDEAVOR AGREEMENT (“**CEA**”) is made and entered into effective the 1st day of October, 2018 (“**Effective Date**”), by and among the State of Louisiana, (“**State**”), acting by and through the Louisiana Division of Administration (“**DOA**”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“**LSU**”), and Ochsner LSU Health System of North Louisiana (“**OLHS-NL**”), a private Louisiana nonprofit corporation. (The State, LSU and OLHS-NL may be referred to individually as a “**Party**” and collectively as the “**Parties.**”)

WITNESSETH:

WHEREAS, Article VII, Section 14(c) of the Constitution of the State of Louisiana provides that "for a public purpose, the state and its political subdivisions may engage in cooperative endeavors with each other... and with any public or private corporation;" and

WHEREAS, the State and LSU desire to engage OLHS-NL, a private, nonprofit corporation, to operate the hospitals previously operated by LSU in Shreveport and Monroe, Louisiana (“**Hospitals**”), either directly or through one or more of OLHS-NL’s wholly owned subsidiary entities (collectively, OLHS-NL and any wholly owned subsidiary entities are referred to hereinafter as “**OLHS-NL**”), as part of a public/private partnership (“**PPP**”) to operate an academic medical center (“**AMC**”), as hereinafter provided, for the public purpose described and defined in Article I (the “**Public Purpose**”); and

WHEREAS, LSU operates and administers the affairs of Louisiana State University Health Sciences Center at Shreveport, which is comprised of the School of Medicine, School of Allied Health and School of Graduate Studies (“**HSC-S**”); and

WHEREAS, HSC-S’s three part mission is to (a) train Louisiana’s health care workforce through effective and innovative medical education programs, (b) discover new knowledge through scientific research, and (c) provide high quality, patient-centered, cost-effective clinical care (the “**HSC-S Mission**”); and

WHEREAS, the AMC is comprised of three critical components: (a) HSC-S, as the academic institution around which the AMC is centered, (b) HSC-S faculty, including, without limitation, faculty physicians (“**Faculty Physicians**”) who provide education to students, residents and fellows, engage in research, and provide clinical care to patients; and (c) the Hospitals and other clinical sites where clinical care is provided and students, residents and fellows receive first-hand experience, *i.e.*, the AMC’s “clinical classrooms;” and

WHEREAS, the Hospitals, accordingly, are a critical component of the AMC and play a critical role in HSC-S’s ability to achieve the HSC-S Mission; and

WHEREAS, the PPP is governed by an Academic and Clinical Collaboration Agreement (“**ACCA**”) dated October 1, 2018, and attached hereto as Exhibit 1; and

WHEREAS, further as part of the PPP and in connection with this CEA, OLHS-NL or one or more of its affiliates will enter into a Master Hospital Lease Agreement (“**Master Hospital Lease**”) substantially in the form attached hereto as Exhibit 2 and an Equipment Lease Agreement (“**Equipment Lease**”) substantially in the form attached hereto as Exhibit 3 with the State on commercially reasonable terms to occupy the Hospitals’ facilities and utilize the Hospitals’ equipment for the Public Purpose; and

WHEREAS, among the purposes for which OLHS-NL was created is to assume operational control of the Hospitals and to operate them in the manner specifically set forth in Article I of the ACCA (the “**Partnership Goals**”); and

WHEREAS, the State and LSU have a longstanding obligation and commitment to assuring that health care services which are important to the health of the citizens of the State and to which they may not otherwise have access, whether such lack of access is due to the financial resources available to the patient, lack of availability of the service through alternative providers in the community, or other reason, specifically including, without limitation, to the extent applicable, LSU’s current obligations set forth in La. R.S. 17:1519 *et seq.*, or any successor statutes (“**Safety Net Services**”), are available to the citizens of north Louisiana, including the uninsured, medically indigent Medicaid recipients, and other vulnerable populations, with the ultimate goal of improving the overall health of the citizens of north Louisiana; and

WHEREAS, the State has a vital interest in assuring that (a) the Hospitals support the HSC-S Mission as part of an AMC that provides quality patient care and outstanding medical education programs to the citizens of north Louisiana, and (b) the citizens of north Louisiana have access to Safety Net Services.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

**ARTICLE I**  
**PUBLIC PURPOSE AND MONITORING**

**Section 1.1**    Public Purpose.

In accordance with Article VII, Section 14(c) of the Louisiana Constitution, the State and LSU hereby engage OLHS-NL for the Public Purpose of operating the Hospitals in a manner that promotes, enhances, supports and is consistent with (a) the Partnership Goals, and (b) the State’s and LSU’s historical commitment to providing high-quality Safety Net Services to the State’s most vulnerable populations.

**Section 1.2**    Monitoring.

In determining whether this CEA is achieving the Public Purpose for which it is intended, the State and LSU will evaluate, in good faith and on an ongoing, continuous basis: (a) whether OLHS-NL is operating the Hospitals in a manner that is consistent with and promotes the Public Purpose, (b) whether the PPP is making adequate progress toward achieving the Public Purpose, and if not, the reasons therefor, and (c) whether OLHS-NL is fulfilling the State’s and LSU’s commitment to assure that high-quality Safety Net Services are available to the citizens of north

Louisiana, whether the provision of such Safety Net Services is achieving the goal of improving the overall health of the citizens of north Louisiana, and if not, the reasons therefor. If the State or LSU determines in good faith that any aspect of the Public Purpose is not being achieved by this CEA and the reason therefor is attributable to OLHS-NL in any respect, the State, LSU and OLHS-NL will work collaboratively to address such issues. If the Parties are unable to address such issues to their mutual satisfaction, any disputes between or among the State, LSU and OLHS-NL regarding whether this CEA is achieving the Public Purpose will be resolved in accordance with the process outlined in Article IV.

**ARTICLE II**  
**OLHS-NL DUTIES AND OBLIGATIONS**

**Section 2.1**    Commitment to Public Purpose.

Beginning on the Commencement Date and for the remainder of the term of this Agreement as provided in Article V (“**Term**”), OLHS-NL will operate the Hospitals in accordance with, using its best efforts to achieve, the Public Purpose, specifically including, but not in any event limited to, the commitment to academic excellence set forth in Section 1.3 of the ACCA, the commitment to improved financial performance set forth in Section 1.4 of the ACCA, and the commitment to improved clinical performance set forth in Section 1.5 of the ACCA.

**Section 2.2**    Safety Net Services.

Beginning on the Commencement Date and for the remainder of the Term, OLHS-NL will operate the Hospitals in a manner that assures Safety Net Services are available to the citizens of north Louisiana through the Hospitals. Except as may otherwise be provided in this CEA, OLHS-NL will not close either Hospital or either Hospital’s emergency room unless such closure is approved by the Louisiana Legislature. OLHS-NL will not reduce health care services currently provided by the Hospitals in any manner that would cause either Hospital’s expenditures to be reduced on an annualized basis by greater than thirty-five percent (35%) of the previous fiscal year’s actual spending level. If OLHS-NL reduces services at either Hospital by greater than fifteen percent (15%) in any one year, then, subject to its receipt of Adequate State Funding as provided in Article III, OLHS-NL will not reduce services at either Hospital by more than fifteen percent (15%) in any year for the next three (3) years unless such reduction is approved in advance by the Louisiana Legislature.

**ARTICLE III**  
**FUNDING**

**Section 3.1**    LSU Funding.

LSU will support the provision of health care services to low income uninsured and underinsured patients in north Louisiana by contributing an annual amount of Ten Million Two Hundred Fifty-Five Thousand Five Hundred Sixty-Seven Dollars (\$10,255,567) in “Public Funds” as defined in Section 433.51 of Title 42 of the Code of Federal Regulations, as amended, as the non-federal share of Medicaid disproportionate share hospital payments to one or both of the Hospitals, subject to any applicable federal or state limits on uncompensated care payments or

other applicable federal or state limits on payments the Hospitals may receive as Medicaid reimbursement.

**Section 3.2** State Funding Responsibilities.

The Hospitals shall serve as major providers of Safety Net Services in north Louisiana. In order to help compensate OLHS-NL for its role in ensuring the availability of Safety Net Services to Medicaid beneficiaries, including high-risk Medicaid beneficiaries who present for treatment, the State commits to include the amount of Two Hundred Ninety-Four Million Dollars (\$294,000,000) in Schedule 9 of its Executive Budget in state fiscal year 2019-2020 for Total Medicaid payments to the Hospitals. The Commissioner of Administration will direct LDH to include this amount in the Department's initial budget that is sent to the Division of Administration. For the current State Fiscal Year 2018-2019, the State commits the above amount as a maximum allocation for Total Medicaid payments to the Hospitals. Further, the State commits to put forth reasonable good faith efforts to help insure that the Louisiana Legislature approves this amount in the final state fiscal year budget of the Louisiana Department of Health. If the budget approved by the Legislature permits payment of the above amount, payments to the Hospitals may be paid through whatever mechanism LDH deems the most appropriate and cost efficient, subject to any applicable federal or state regulations concerning Medicaid reimbursement.

In state fiscal years subsequent to SFY 2019-20, the Parties agree that the State, as outlined above, will continue to include the above specified amount in its annual budget request and to put forth reasonable good faith efforts to help insure that the Louisiana Legislature approves an appropriation in subsequent fiscal years for which the CEA is effective.

In the event LDH implements and funds a program that increases Medicaid base claims reimbursement to the Hospitals under a diagnosis-related group (“DRG”) reimbursement model, the Parties agree to work together to develop a methodology to include the increase in base claims reimbursement into the Total Medicaid payments provided under this Article.

LDH shall pay any portion of the Total Medicaid payments provided under this Article, that it elects to pay through the Medicaid disproportionate share hospital program, in the following amounts and by the following dates: the first payment of each State fiscal year will be made by October 30 and will be 25 percent of the annual calculated uncompensated care costs, and the remainder of the payment will be made by January 30, April 30 and June 30 of each State fiscal year.

**Section 3.3** Adjustment for State Funding Support.

If the total amount mentioned above is reduced by more than five percent (5%) due to (a) reductions in the federal medical assistance percentage (FMAP), or (b) any factor within the control of the State, then the State will endeavor in good faith to explore ways to increase budgetary support throughout the state fiscal year to the Hospitals.

**Section 3.5** MCPI Adjustment and Base Rates.

The Parties agree that the State, when formulating its annual budget request related to reimbursement for the Hospitals, will utilize the Medical Consumer Price Index (MCPI) to determine if a budget request adjustment is necessary. If the State determines an adjustment is necessary, it may include such a request for adjustment in its yearly budget and, if included, will utilize good faith efforts to obtain legislative approval. The parties agree that Total Medicaid payments to the Hospitals may include, but are not necessarily limited to, Upper Payment Limit reimbursement, Disproportionate Share payments, and the amount of any Medicaid managed care payments above the base rates that the Hospitals negotiate with Medicaid managed care organizations but excludes any Medicaid fee-for-service or Medicaid managed care claims reimbursements. Further, any reimbursement OLHS-NL may receive from the Department of Corrections for the provision of services to person in Department of Corrections custody, or payments received from any other state or federal agency or third-party payer for the provision of health care services will be separate from Medicaid reimbursement. For any transfer of the nonfederal share under this PPP by any governmental entity for Medicaid payments to the Hospitals or to affiliated hospitals or payments to physicians or physician groups under common control with the Hospitals or affiliated hospitals, LDH shall ensure that the hospital, physician, or physician group receives the maximum amount of Medicaid payments it is individually entitled to receive under federal law resulting from such transfer.

**Section 3.6** No Diminution in Budget Request.

The State warrants that it will make reasonable good faith efforts to attempt to insure that the annual budget request set forth in Section 3.2 shall not result in a diminution of any budget requests for funding to the Hospitals, the Hospitals' manager, or any of their affiliates, unless any such diminution in budget request is applicable to all similarly situated non-state owned private hospitals in the State of Louisiana that are parties to a Public Private Partnership with LSU. A violation of this Section shall constitute grounds for termination and OLHS-NL, or LSU, as applicable, will have the option to give notice of its intent to terminate and initiate Wind Down of the CEA in accordance with Article VI.

**ARTICLE IV**  
**DISPUTE RESOLUTION**

**Section 4.1** Dispute Process

All capitalized terms in this Article IV not defined herein are defined in the ACCA. Except with respect to Financial Defaults as provided in Section 4.2, in the event of a dispute, disagreement or claim arising out of or in any way related to this Agreement (a “**Dispute**”), regardless of whether the Dispute would constitute a breach of this Agreement, the Dispute Process below shall be the exclusive means available to the Parties, and the Parties shall follow the Dispute Process in a good faith attempt, to resolve the Dispute:

**Section 4.1.1** Informal Discussions. The Notice Party shall first send the Initial Dispute Notice to the other Parties. Within fifteen (15) days of the other Parties' receipt of the Initial Dispute Notice, the Parties will confer in an effort to resolve the Dispute through informal

negotiation. The Parties shall strive in good faith to resolve all Disputes through the informal process in accordance with this Section 4.1 whenever possible; provided, however, if forty-five (45) days have elapsed since issuance of the Initial Dispute Notice and the Parties have neither resolved the Dispute nor made sufficient progress towards resolving the Dispute, in either instance to the reasonable satisfaction of the Notice Party, then the Notice Party may refer the Dispute for more formal negotiations according to and as set forth in Section 4.1.2 below.

**Section 4.1.2 Executive Discussions.** If the Notice Party desires to refer the Dispute for more formal negotiations according to this Section 4.1.2, the Notice Party shall send a Collaborative Dispute Notice to the other Parties, and the Parties shall follow the procedure set forth below in a good-faith attempt to resolve the Dispute:

(1) If the individuals who participated in the informal negotiations under Section 4.1.1 did not include the Commissioner of Administration, the Chief Executive Officer of Ochsner and the President of LSU, or their designees (“**Party Executives**”), then such Party Executives will have an additional fifteen (15) days to resolve the Dispute.

(2) If the individuals who participated in informal negotiations under Section 4.1.1 included all of the Party Executives and the Notice Party wishes to continue the Dispute Process, the Parties will proceed in accordance with Section 4.1.3 .

**Section 4.1.3 Mediation.** If the Party Executives and/or their designees are unable to resolve the Dispute, the Notice Party may refer the Dispute for non-binding mediation as follows:

(1) The Parties shall identify a Qualified Individual. Upon disclosure of any prior relationships with any Party or any principal of any Party or any other actual or potential conflict of interest and the agreement of the Parties and the Qualified Individual, such Qualified Individual will serve as mediator.

(2) If the Parties are unable to agree on a Qualified Individual to act as the mediator, each Party may name a Qualified Individual, and those Qualified Individuals will select another Qualified Individual who, upon disclosure of any prior relationships with any Party or any principal of any Party or any other actual or potential conflict of interest, will serve as the mediator.

(3) The mediator shall mediate the Dispute for a period of time not to exceed sixty (60) days (unless extended by mutual agreement of the Parties). The Parties will follow such process(es) as the mediator may prescribe, including without limitation submission of written position statements, participation in conference calls, and attendance at meetings. All proceedings in connection with the mediation are for purposes of settlement and shall be confidential and inadmissible as evidence at any trial, hearing, or other legal proceeding. The mediator shall not issue any findings of fact, conclusions of law, or recommendations.

(4) In the event that two (2) material Disputes initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years are not resolved to a Party’s satisfaction at the conclusion of mediation, such Party may elect as a matter of right to issue a Termination Notice and initiate the wind down in accordance with Article VI, subject to Section

4.1.3 (5) below. In accordance with Section 5.5 and except as specifically set forth in Section 4.1.3 (5) below, no Party to this Agreement shall have a right to injunctive or other relief to prevent termination of this Agreement and wind down following such Termination Notice, but shall not be precluded from pursuing a claim for damages for wrongful termination of this Agreement or to enforce any liquidated financial obligation owed to such Party under this Agreement.

(5) If a Party issues a Termination Notice pursuant to Section 4.1.3 (4) above, and if any other Party to this Agreement contests whether the issuing Party had a Good Faith Basis for issuing such Termination Notice, then the contesting Party may initiate an arbitration proceeding pursuant to the AHLA Rules, provided that the arbitration shall be limited solely to the issue of whether the issuing Party had a Good Faith Basis for issuing such notice. For this purpose, “Good Faith Basis” means a reasonable and non-frivolous belief formed after an inquiry reasonable under the circumstances: (a) that there was factual support for the issuing Party’s initiation of each of the material Disputes forming the basis for the Termination Notice, and that none of the material Disputes were initiated for an improper purpose such as to harass, cause unnecessary delay, or needlessly increase the costs to any Party, and (b) that the cumulative effect of the material Disputes forming the basis for the Termination Notice materially impacted the Parties’ ability to cooperate to achieve the Public Purpose. Any arbitration must be initiated by the contesting Party filing a demand for arbitration form with the AHLA Dispute Resolution Service and conducted pursuant to the AHLA Rules within thirty (30) days of the contesting Party’s receipt of the Termination Notice. The arbitration shall be conducted by a single arbitrator selected in accordance with the AHLA Rules, provided that the Parties agree that any arbitrator selected must be a Qualified Individual. Unless the Parties agree otherwise at that time, the Parties agree to expedited review and issuance of a final ruling within ninety (90) days of the appointment of the arbitrator. In the event the arbitrator rules that the terminating Party did not have a Good Faith Basis for issuing a Termination Notice, then the arbitrator shall not have the authority to enjoin or otherwise prevent termination and wind down of the Collaborative, but notwithstanding anything in this Agreement to the contrary, the contesting Party may file suit to enjoin termination and wind down of the Collaborative and the arbitrator’s ruling shall constitute presumptive evidence of wrongful termination in such proceeding. For clarity, the arbitration shall not include, and the arbitrator shall not rule on: (x) the relative merits of the Parties’ positions and arguments in any of the Disputes giving rise to the Termination Notice, (y) the relative merits of the Parties’ positions and arguments regarding the cumulative effect of the Disputes, and (z) whether or not any Party has breached the Agreement; provided, however, that such limitations shall not preclude a Party from introducing or the arbitrator from considering any factual information determined by the arbitrator to be relevant to the issue whether the issuing Party had or did not have a Good Faith Basis for issuing the Termination Notice..

**Section 4.2 Financial Defaults**

In the event of a Financial Default, the Parties are not required to follow the Dispute Process set forth in Section 4.1 above. Instead, the Defaulting Party shall have a Financial Default Cure Period following the provision of notice of Financial Default by the non-Defaulting Party to the Defaulting Party to pay the amount owed in full. If the Defaulting Party: (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term, regardless of

whether cured, the non-Defaulting Party may issue a notice of intent to terminate this Agreement and initiate wind down in accordance with Article VI. In accordance with Section 5.5, neither the Defaulting Party nor any other party to this Agreement shall have a right to injunctive or other relief to prevent termination of this Agreement and wind down under this Section 4.2, but shall not be precluded from pursuing a claim for damages for wrongful termination of this Agreement or to enforce any liquidated financial obligation owed to such Party under this Agreement.

**ARTICLE V**  
**TERM AND TERMINATION**

**Section 5.1** Term.

Unless earlier terminated as provided herein, the initial term of this CEA (the “**Initial Term**”) shall be ten (10) years, beginning on the Commencement Date, and shall automatically renew for two (2) successive five (5) year terms (each a “**Renewal Term**”), for a total term (“**Term**”) of twenty (20) years, unless any Party gives written notice of its intent not to renew the Agreement for a Renewal Term (a “**Non-Renewal Notice**”) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

**Section 5.2** Termination Events.

Any Party may give written notice of its intent to terminate this CEA (a “**Termination Notice**”) prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

**Section 5.2.1** The mutual agreement of the Parties.

**Section 5.2.2** Issuance or receipt of a Termination Notice as defined by and in accordance with the ACCA, or notice to terminate by any Party to the Master Hospital Lease, the Equipment Lease, or any related agreements to which the State and/or LSU and OLHS-NL are parties.

**Section 5.2.3** Failure of the State to comply with its obligations under Article III.

**Section 5.2.4** Failure of the Louisiana Legislature to appropriate the funds necessary for this CEA as provided in Section 8.22.

**Section 5.2.5** The failure or inability of the Hospitals to participate in the Medicaid program.

**Section 5.2.6** The failure of the State to implement a program under Section 438.6(b) of Title 42 of the Code of Federal Regulations.

**Section 5.2.7** OLHS-NL’s failure to comply with the nondiscrimination requirements of Section 8.23.

**Section 5.2.8** Failure to resolve two (2) material Disputes in any State fiscal year or three (3) Disputes in any two consecutive State fiscal years to a Party's satisfaction at the conclusion of mediation as provided in Section 4.3.4.

**Section 5.3** Reimbursement of Working Capital Payments.

Notwithstanding anything herein to the contrary, in the event that this Agreement (a) terminates for a reason other than a termination directly resulting from a material breach by the Hospitals' manager or any of its affiliates or (b) a Party exercises its non-renewal right under Section 5.1 prior to the expiration of the full twenty (20) year Term, DOA shall reimburse (or cause any successor entity to the AMC or the Hospitals to reimburse) the Hospitals' manager or its affiliates, as applicable, an amount equal to any working capital support funding from the Hospitals' manager or its affiliates to OLHS-NL, or any of its subsidiaries from the Commencement Date through the termination date of the CEA to support, among other things, the availability of healthcare services for the low-income patient population in Northern Louisiana (collectively, "**Working Capital Payments**").

**Section 5.4** Effects of Non-Renewal Notice or Termination Notice.

The issuance of a Non-Renewal Notice or a Termination Notice will commence the Wind Down Period as provided in Article VI. The Parties will continue to comply with all terms and conditions of this CEA throughout the Wind-Down Period.

**Section 5.5** Express Waiver of Claims for Injunctive Relief.

No Party shall have a right to injunctive or other relief to prevent termination of this CEA and the Wind Down Period at any time following issuance of a Non-Renewal Notice or the occurrence of any event that could give rise to a Termination Notice under Section 5.2 of this CEA; provided, however, that no Party shall be precluded from pursuing a claim against a Party for money damages for wrongful termination of this CEA.

**ARTICLE VI**  
**WIND DOWN**

The Parties acknowledge and agree that if this CEA is terminated for any reason, it is imperative that the Parties continue to work together in good faith during a transition period (the "**Wind Down Period**") to minimize potential disruption to the education, research and patient care services provided through the AMC, of which the Hospitals are a vital component.

**Section 6.1** Wind Down Period.

The Wind Down Period will commence upon issuance of the Non-Renewal Notice or the Termination Notice, whichever is applicable, and end (a) in the case of a Non-Renewal Notice, upon the expiration of the Initial Term or the Renewal Term then in effect, as applicable, or (b) in the case of a Termination Notice, six (6) months from the date of the Termination Notice (in either case, the "**Termination Date**").

**Section 6.2** Wind Down Process.

Subject to Section 6.3, as soon as practicable following commencement of the Wind Down Period, the Parties shall begin discussions for a replacement for OLHS-NL and the orderly transition of the Hospitals. The Parties will work together in good faith to minimize the costs of the transition to all Parties. Subject to Section 6.3, areas to be addressed and, to the extent possible, concluded during the Wind Down Period to assure the orderly transition of the Hospitals will include, but are not limited to, the following:

**Section 6.2.1** Transfer of the Hospitals' Medicare, Medicaid and other provider numbers to LSU or another entity selected by LSU to partner with HSC-S in the AMC ("**New Partner**") to assure continuing cash flow to the Hospitals and retention of all residency caps associated with such provider numbers in north Louisiana and HSC-S.

**Section 6.2.2** Transfer of any applicable licenses, permits, and similar authorizations needed to do business to LSU or a New Partner.

**Section 6.2.3** Transition of the Hospitals' electronic information systems and data to LSU or a New Partner at no additional charge to LSU or a New Partner.

**Section 6.2.4** Transfer of all patient records to LSU or a New Partner at no additional charge to LSU or a New Partner.

**Section 6.2.5** Retention of employees providing services to the Hospitals and/or the potential transition of such employees to LSU or a New Partner.

**Section 6.2.6** Ongoing compliance with all terms and conditions of this CEA through the Termination Date.

**Section 6.2.7** Termination or assignment to LSU or a New Partner of all contracts to which OLHS-NL or any Subsidiary is a party.

**Section 6.2.8** Such other issues as the Parties may need to address to assure the orderly transition with minimal disruption to the AMC and minimal additional costs to OLHS-NL, LSU and any New Partner.

**Section 6.3** Transition in Lieu of Wind Down.

If the parties to the ACCA agree to restructure OLHS-NL upon issuance of a Non-Renewal Notice or a Termination Notice under the ACCA and OLHS-NL is restructured with a New Partner but is not dissolved as a legal entity, the Parties to this CEA may agree to continue the terms of this CEA in effect with OLHS-NL as restructured.

**ARTICLE VII**  
**INSURANCE AND INDEMNIFICATION**

**Section 7.1** OLHS-NL Insurance.

In addition to any policies of insurance required under the Master Hospital Lease and the Equipment Lease, and any documents required in connection therewith, including, without

limitation, participation as a qualified health care provider in the Louisiana Patients' Compensation Fund, OLHS-NL will maintain such other policies of insurance as are customary for a company of similar size and scope of the operations of OLHS-NL, with such limits and other terms of coverage as are commercially reasonable for companies similar in size and scope to OLHS-NL. Pursuant to the provisions of R.S. 40:1237.1 and to the extent covered thereby, employees and independent contractors of OLHS-NL who are acting in a professional capacity in providing health care services on behalf of the State, and are acting within the course and scope of their engagement with OLHS-NL in providing such healthcare services pursuant to, and within the context of, this CEA, will be provided professional liability insurance coverage by the State through the Office of Risk Management to the extent permitted, and such persons shall be considered as named insureds. Such coverage shall also extend to OLHS-NL.

**Section 7.2** State Indemnification.

To induce OLHS-NL to assume control of operations of the Hospitals from their prior operator, including the Hospitals' Medicare and Medicaid provider numbers, in accordance with this CEA, to the extent permitted by law the State will indemnify OLHS-NL and LSU and their affiliates and subsidiaries, together with their directors, officers, managers and agents, as third-party beneficiaries (individually an **"Indemnified Party"** and collectively the **"Indemnified Parties"**) 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 an Indemnified Party arising prior to the Commencement Date and which implicates any violation of the Health Care Laws, as defined below, and which is directly related to either or both of the Hospitals' participation in the Medicare and Medicaid programs.

**Section 7.2.1** Third Party Claims.

(1) Promptly after an Indemnified Party's receipt of notice from any third-party of a claim against which the Indemnified Party is entitled to indemnification by the State hereunder (a **"Third Party Claim"**), the Indemnified Party shall give notice to the State of the assertion of such Third-Party Claim, provided that the failure to notify the State will not relieve the State of any liability that it may have to the Indemnified Party, except to the extent that the State demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Party's failure to give such notice.

(2) If an Indemnified Party gives notice to the State pursuant hereto of the assertion of a Third-Party Claim, the State shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (a) the Third-Party Claim is also asserted against the State and the Indemnified Party determines in good faith that joint representation would be inappropriate or (b) the State fails to provide reasonable assurance to the Indemnified Party of its willingness to defend 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 Party. After notice from the State to the Indemnified Party of its election to assume the defense of such Third-Party Claim, the State shall not, so long as it diligently conducts such defense, be liable to the Indemnified Party under this Article VII 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 Party in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the State assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the State without the Indemnified Party's written consent unless (x) there is no finding or admission of any violation of 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, any 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-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) (such laws relating to health care regulatory matters collectively referred to as "**Health Care Laws**"), (v) the sole relief provided is monetary damages that are paid in full by the State; and (z) the Indemnified Party shall have no liability and is fully released with respect to any compromise or settlement of such Third-Party Claims effected without its consent.

(3) Notwithstanding the foregoing, if an Indemnified Party 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 CEA, such Indemnified Party may, by notice to the State, assume the exclusive right to defend, compromise, or settle such Third-Party Claim, but the State will not be bound by any determination of any Third-Party Claim so defended for the purposes of this CEA or any compromise or settlement effected without its written consent (which consent may not be unreasonably withheld).

(4) With respect to any Third-Party Claim subject to indemnification under this Article: (a) both the Indemnified Party and the State, as the case may be, shall keep the other Party fully informed of the status of such Third-Party Claim and any related proceedings at all stages thereof unless the other Party is represented by its own counsel, and (b) 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.

(5) 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 proprietary information and the attorney-client and work-product privileges. In connection therewith, each Party agrees that, to the extent allowed by law: (a) 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 proprietary information (consistent with applicable law and rules of procedure), and (b) 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.

**Section 7.2.2 Other Claims.** A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice from the Indemnified Party to the State and shall be paid promptly after such notice.

**ARTICLE VIII**  
**GENERAL PROVISIONS**

**Section 8.1 Interpretation.**

In this Agreement, unless a clear contrary intention appears:

- (1) the singular number includes the plural number and vice versa;
- (2) 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 CEA, and reference to a Person in a particular capacity excludes such person in any other capacity or individually;
- (3) reference to any gender includes the other gender;
- (4) 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;
- (5) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this CEA as a whole and not to any particular Article, Section or other provision hereof;
- (6) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
- (7) "or" is used in the inclusive sense of "and/or";
- (8) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding";
- (9) references to "day" shall mean a business day; and
- (10) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

**Section 8.2 Legal Representation of the Parties.**

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

**Section 8.3 Special Medicaid MCO Contract Provisions.**

Beginning in State Fiscal Year 2019, it is the intent of the State, through LDH, to adopt and implement a Managed Care Incentive Payment program under Section 438.6(b) of Title 42 of the Code of Federal Regulations. It is the intent of the State to begin providing payments to participating Medicaid managed care organizations by January 31, 2019, subject to CMS approval of the program. The Parties understand and agree that the Managed Care Incentive Program, consistent with the parameters LDH has identified to date, is necessary and essential to the success of this CEA. To that end, the State, DOA, and LDH will use their best efforts to support and implement such a Managed Care Incentive Program as expeditiously as possible, to permit meaningful improvements beginning in State Fiscal Year 2019.

**Section 8.4** Expenses.

Except as otherwise provided in this CEA, each Party to this CEA will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution, and performance of this CEA, including all fees and expense of its representatives.

**Section 8.5** Public Announcements.

Any public announcement, press release, or similar publicity with respect to this CEA will be issued, if at all, at such time and in such manner as the Parties shall mutually determine.

**Section 8.6** Notices.

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

**If to LSU:**

Louisiana State University  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808  
Attention: President

With a copy to:

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

**If to the State:**

Division of Administration  
Claiborne Building  
1201 North Third Street  
Baton Rouge, LA 70801  
Attention: Commissioner

**If to OLHS-NL:**

Ochsner LSU Health System of North Louisiana  
1541 Kings Hwy  
Shreveport, LA 71103

Attention: Chief Executive Officer

or to such other address as a 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 (a) if by hand or electronic delivery, when delivered, (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service.

**Section 8.7** Jurisdiction, Venue and Service of Process.

The exclusive venue for any lawsuit filed by any Party to this CEA and arising out of or related to this CEA, the ACCA or any related agreement may be filed only in the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**Section 8.8** Money Damages; Legal Fees and Costs.

The Parties expressly acknowledge and agree that the Dispute Process set forth in Article IV is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, no Party shall be entitled, at law or in equity, to enforce any provision of this CEA by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this CEA, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under this CEA, the prevailing Party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to such other money damages to which such Party shall be entitled.

**Section 8.9** Entire Agreement and Modification.

This CEA supersedes all prior agreements, whether written or oral, among the Parties with respect to its subject matter and, along with the provisions of the ACCA incorporated herein, constitutes a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This CEA may not be amended, supplemented, or otherwise modified except by a written agreement executed by the Parties.

**Section 8.10** Assignments, Successors and Third-Party Rights.

No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Subject to the preceding sentence, this CEA will apply to, be binding in all respects upon and inure to the benefit of the successors

and permitted assigns of the Parties. This provision shall not be construed to prohibit OLHS-NL from assigning its bank, trust company, or other financial institution any money due or to become due under this CEA without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State and the Office of Contractual Review. Nothing expressed or referred to in this CEA will be construed to give any person other than the Parties to this CEA any legal or equitable right, remedy, or claim under or with respect to this CEA or any provision of this CEA, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

**Section 8.11 Severability.**

If any provision of this CEA is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this CEA will remain in full force and effect. Any provision of this CEA 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 8.12 Construction.**

The headings of Articles and Sections in this CEA 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 CEA.

**Section 8.13 Time of Essence.**

With regard to all dates and time periods set forth or referred to in this CEA, time is of the essence.

**Section 8.14 Governing Law.**

This CEA 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 8.15 Execution in Counterparts.**

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

**Section 8.16 Access to Records.**

To the extent that any services provided under this CEA 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

CEA, shall make available, upon written request to the Secretary, the Comptroller, or any of their duly authorized representatives, this CEA, 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 CEA 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 CEA for the purpose of an audit or investigation relating directly to the provision of services under this CEA, 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 CEA.

**Section 8.17 Name and Trademark.**

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 other Party regarding the use of its name, symbol, or trademark.

**Section 8.18 Further Acts and Assurances.**

Each Party shall, at any time and from time to time at and after the execution of this CEA, upon reasonable request of any other Party, take any and all steps reasonably necessary to consummate this CEA, 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 this CEA.

**Section 8.19 Taxes.**

OLHS-NL hereby agrees that the responsibility for payment of taxes from the funds received under this CEA and/or legislative appropriation, if any, shall be OLHS-NL's obligation and identified under Federal tax identification number \_\_\_\_\_.

**Section 8.20 Ownership.**

All records, reports, documents and other material delivered or transmitted to OLHS-NL by the State shall remain the property of State, and shall be returned by OLHS-NL to the State, at Contractor's expense, at termination or expiration of this CEA. All records, reports, documents, or other material related to this contract and/or obtained or prepared by OLHS-NL in connection with the performance of the health care and related services contracted for herein shall become the

property of State, and shall, upon request, be returned by OLHS-NL to the State, at OLHS-NL's expense, at termination or expiration of this CEA.

**Section 8.21 Auditors' Clause.**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or DOA auditors shall have the option of auditing all accounts of OLHS-NL which relate to this CEA.

**Section 8.22 Nonappropriation.**

The continuation of this CEA is contingent upon the appropriation of funds to fulfill the requirements of the CEA by the Louisiana Legislature. If the Louisiana Legislature fails to appropriate sufficient monies to provide for the continuation of the CEA, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the CEA, subject to the terms of Article III, the CEA shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

**Section 8.23 Nondiscrimination Clause.**

OLHS-NL 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 OLHS-NL agrees to abide by the requirements of the Americans with Disabilities Act of 1990. OLHS-NL agrees not to discriminate in its employment practices, and will render services under this CEA without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities. Any act of discrimination committed by OLHS-NL or failure to comply with these statutory obligations when applicable shall be grounds for termination of this CEA.

*[signatures appear on following page]*

THUS DONE AND SIGNED at Baton Rouge, Louisiana, effective on the 1<sup>st</sup> day of October, 2018.

LSU: BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE: STATE OF LOUISIANA THROUGH THE  
DIVISION OF ADMINISTRATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

OLHS-NL: OCHSNER LSU HEALTH SYSTEM OF NORTH  
LOUISIANA

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**ACADEMIC AND CLINICAL  
COLLABORATION AGREEMENT**

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## **ACADEMIC AND CLINICAL COLLABORATION AGREEMENT**

THIS ACADEMIC AND CLINICAL COLLABORATION AGREEMENT is made and entered into as of the Effective Date by and between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“**LSU**”), a Louisiana constitutional corporation, Ochsner Clinic Foundation, d/b/a Ochsner Health System (“**Ochsner**”), a Louisiana nonprofit corporation, and Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation created for the purpose of effecting this Agreement between LSU and Ochsner (“**OLHS-NL**”). LSU, Ochsner and OLHS-NL may hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**.”

### **RECITALS**

#### **WHEREAS:**

- A. LSU is a constitutional corporation and land-grant public university established in 1853 and is tax-exempt as a governmental unit under Section 115 of the Code.
- B. LSU operates and administers the affairs of HSC-S, which is comprised of the Medical School, School of Allied Health and School of Graduate Studies, as educational institution of LSU.
- C. Achievement of the three-part academic, research and clinical HSC-S Mission requires strong clinical and administrative leadership, a committed and engaged faculty and staff, and first-class education, research and clinical facilities all functioning in unison in an academic medical center setting.
- D. Ochsner is a tax-exempt organization within the meaning of Section 501(c)(3) of the Code.
- E. The HSC-S Mission and the Ochsner Mission are both consistent and complementary in their goals of providing high quality medical education, research and clinical care in support of the Shared Mission.
- F. OLPG is a nonprofit corporation that prior to the Commencement Date operated as the practice plan of the Medical School faculty under a Memorandum of Understanding through which the FGP contracted with HSC-S for clinical and other services of HSC-S Physicians and HSC-S Practitioners.
- G. As of the Commencement Date, the governance documents of OLPG will be amended and restated to, among other things, establish OLHS-NL as the sole member of OLPG, the Memorandum of Understanding between HSC-S and OLPG will be terminated, and HSC-S and Ochsner LSU Physician Group will enter into the Faculty Services Agreement, pursuant to which OLPG shall have the rights (a) to all of the time allocated to HSC-S Physicians and HSC-S Practitioners for providing Services that are not Carve-Out Services and (b) to bill and collect, and other contractual rights to reimbursement, for all such Services, all as set forth in detail in the FSA.

- H. LSU, the State, acting through the DOA, BRF and BRFHH entered into the BRF CEA pursuant to which BRFHH, through the Hospital Subsidiaries, leased and assumed the operations of the Hospitals.
- I. Pursuant to the Membership Interest Transfer Agreement, BRF will transfer its membership interests in BRFHH (which will be renamed Ochsner LSU Hospitals L.L.C.) and the Hospital Subsidiaries (which will be renamed OLH Shreveport L.L.C., and OLH Monroe, L.L.C, respectively), to OLHS-NL and, as a result of thereof, OLHS-NL shall indirectly own and operate the Hospitals through the Hospital Subsidiaries.
- J. LSU and Ochsner recognize that that neither the AMC as a whole nor any single AMC Component can achieve its goals without the full support and cooperation of the other AMC Components, and that for both the academic and clinical enterprises to succeed and for the AMC to reach its full potential, it is necessary for LSU and Ochsner to work together in a collaborative and integrated manner.
- K. LSU and Ochsner have agreed to, and the State has approved, a new organizational, governance and financial structure that brings together (a) HSC-S's expertise in education, research and clinical care, and (b) Ochsner's expertise in the management of hospitals and physician practices, in an integrated, cooperative and collaborative partnership to improve the clinical and financial performance of the AMC and each of its Components through a market-competitive health system serving the citizens of north Louisiana. HSC-S is a state-owned educational institution and will remain so following the creation of this partnership. This partnership is not intended to and does not change the ownership or authority of the State or LSU with regard to HSC-S.
- L. BRF, BRFHH, LSU and the State have agreed to terminate the BRF CEA effective[\_\_\_\_\_], 2018, and LSU and Ochsner are committed to implementing a new public/private partnership model to serve the citizens of north Louisiana beginning on the Commencement Date consistent with the Shared Mission.
- M. LSU and Ochsner have agreed to, and the State has approved, a new organizational, governance and financial structure in the form of OLHS-NL, for the operations of the Hospitals and OLPG that is intended to integrate the clinical activity and align the financial incentives of the Hospitals and HSC-S Physicians for the benefit of the AMC, including the Medical School, and to better serve the Shared Mission in the Service Area and the Collaboration Area.
- N. LSU and Ochsner will each appoint an equal number of directors to the OLHS-NL Board to oversee, coordinate, and manage the OLHS-NL's activities. To that end, OLHS-NL will bring together clinical and administrative leadership from LSU and Ochsner to jointly provide oversight and management to OLHS-NL, with the expectation that, among other goals and objectives, the partnership will

lead to improved overall clinical and financial performance and additional financial benefits for the AMC and each AMC Component.

- O. OLHS-NL is or will become a tax-exempt organization within the meaning of Section 501(c)(3) of the Code that will oversee both the clinical activity of HSC-S Physicians and HSC-S Practitioners through OLPG and the operations of the Hospitals through OLH and the Hospital Subsidiaries.
- P. As set forth in the OLHS-NL Governance Documents, OLHS-NL will be managed, pursuant to a delegation by the OLHS-NL Board of certain powers, by a Joint Management Committee and CEO and CMO under the Dyad Model.
- Q. LSU and Ochsner are fully committed to Shreveport and the surrounding area as the primary locations of the Medical School, including its academic programs for medical students, residents and fellows, with additional activity in Monroe and throughout the Service Area.
- R. Ochsner, through its wholly-owned subsidiary Ochsner Clinic LLC, will create the North Louisiana Department to employ or contract with Ochsner Physicians. Ochsner Clinic LLC will bill and collect for the services provided by the Ochsner Physicians within the North Louisiana Department, provided that the revenues and expenses of the Ochsner Physicians within the North Louisiana Department shall be allocated by Ochsner Clinic LLC to OLHS-NL in accordance with Section 2.3.4.
- S. To achieve the Shared Mission, LSU and Ochsner seek to integrate the clinical activity and align the financial incentives of the OLPG, the Hospital Subsidiaries, and Ochsner Physicians, as well as all other associated clinical activities, through joint oversight under the Dyad Model.
- T. Among the purposes of the Collaborative are to improve the clinical and financial performance of all AMC Components in a patient-centered, efficient, cost-effective and market-competitive manner that does not compromise, but rather promotes, the HSC-S Mission, the Ochsner Mission and the Shared Mission.
- U. To further the purposes of the Collaborative, HSC-S, OLHS-NL, the Hospital Subsidiaries, OLPG, and the North Louisiana Department will work together to promote the performance of medical services within OLHS Facilities.
- V. LSU's agreement to participate in the Collaborative is conditioned upon fulfillment of the terms and conditions of this Agreement, including, without limitation, increased roles for HSC-S Physicians in decisions regarding Hospital and associated clinical activity operations and increased financial benefits to HSC-S, consistent with the Shared Mission.
- W. Ochsner's agreement to participate in the Collaborative is also conditioned upon fulfillment of the terms and conditions of this Agreement, including, without limitation, HSC-S's commitment to work with Ochsner to grow the AMC and the

overall clinical enterprise in a patient-centered, efficient, cost-effective and market-competitive manner consistent with the Shared Mission.

- X. LSU, the State, and OLHS-NL are parties to the New CEA for support of the Hospitals and associated outpatient clinical activities and the public purpose set forth therein.
- Y. This Agreement establishes the overall framework for the Collaborative and includes terms and conditions applicable across all of the Collaborative Agreements.

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

### DEFINITIONS

**“Academic Affiliation Agreement”** or **“AAA”** means the Academic Affiliation Agreement between OLHS-NL and HSC-S pursuant to which OLHS-NL will provide financial support for HSC-S Medical Education Programs including, without limitation, resident salaries and benefits, house officer accommodations needed to satisfy ACGME requirements such as a resident lounge, professional, technical and clerical support for graduate medical education, and other items and services required for HSC-S to operate Medical Education Programs at the Hospitals.

**“Academic Medical Center”** or **“AMC”** for purposes of this Agreement means the overall academic and clinical enterprise comprised of HSC-S, HSC-S Physicians and the Hospitals, which are intended to serve as HSC-S’s primary teaching hospitals and the primary sites at which the Parties will work to achieve the HSC-S Mission, the Ochsner Mission and the Shared Mission.

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

**“Adequate Public Funding”** means the amount of annual public funding the parties to the New CEA have agreed pursuant to the New CEA to be adequate for the Collaborative to fulfill the Public Purpose as defined in the New CEA.

**“Adjunct Academic Appointment”** means the appointment of an Ochsner Physician or other non-HSC-S Physician to serve as a member of the HSC-S faculty in accordance with the terms and conditions of Section 5.2 below of this Agreement.

**“Administrative Manager”** means Ochsner or an Affiliate of Ochsner that will provide back-office functions and other administrative support to OLPG pursuant to the Administrative Services Agreement.

**“Administrative Services Agreement”** or **“ASA”** means the Administrative Services Agreement pursuant to which OLPG will contract with Ochsner or an Ochsner affiliate to provide administrative services to OLPG.

**“Affiliate”** means as to any person or entity, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, such person or entity. The term “control” used in the preceding sentence shall mean the possession, directly or indirectly, of the power either to direct or cause the direction of the management and policies or to adopt capital and operating budgets and strategic plans of an entity whether through ownership of voting equity, by contract or otherwise.

**“Agreement”** means this Academic and Clinical Collaboration Agreement.

**“AHLA”** means the American Health Lawyers Association.

**“AHLA Rules”** means the Rules of Procedure for Arbitration of the AHLA.

**“AMC Component”** means the various entities that must function collaboratively and in an integrated manner for the AMC to be successful and achieve the HSC-S Mission, the Ochsner Mission and the Shared Mission, including, without limitation, HSC-S, HSC-S Physicians, and the Hospitals.

**“Base Contract Funding”** means the total amount of payments to be made to HSC-S under the FSA and the AAA but specifically excluding the Supplemental Payments.

**“BRF”** means the Biomedical Research Foundation of Northwest Louisiana.

**“BRFHH”** means BRF Hospital Holdings, LLC, a wholly-owned subsidiary of BRF.

**“BRFHH Monroe”** means BRFHH Monroe, LLC, a direct wholly-owned subsidiary of BRFHH and an indirect wholly-owned subsidiary of BRF.

**“BRFHH Shreveport”** means BRFHH Shreveport, LLC, a direct wholly-owned subsidiary of BRFHH and an indirect wholly-owned subsidiary of BRF.

**“BRF CEA”** means the Amended and Restated Cooperative Endeavor Agreement by and among LSU, the State acting through DOA, BRF and BRFHH effective September 30, 2013.

**“Carve-Out Services”** means the activities and services set forth on Schedule 1.4.4.

**“CEO”** means the Chief Executive Officer of OLHS-NL.

**“Chancellor”** means the individual appointed or acting as the Chancellor of HSC-S.

**“Change of Law”** means changes to any Health Care Law or Tax Exempt Requirement.

**“Change Of Ochsner Control”** means (a) the sale, merger or consolidation of Ochsner, through a transaction or series of related transactions, in which the members of Ochsner immediately prior to such transaction would, following such transaction or series of related transactions, own, in the aggregate, less than fifty percent (50%) of the total combined voting power of the surviving entity normally entitled to select the Ochsner Designated Directors, or (b)

the sale by Ochsner of all or substantially all of its assets in one transaction or in a series of related transactions.

**“Clinical Programs”** means clinical services or programs including, without limitation, any clinical or professional service or clinical program of any type regardless of provider or supplier, medical directorships, and professional administrative services.

**“CMO”** means the Chief Medical Officer of OLHS-NL.

**“CMS”** means the Centers for Medicare and Medicaid Services.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Collaboration Area”** means the geographic area set forth in Exhibit A to Schedule 1.3.4.

**“Collaborative”** means the agreement of the Parties that to further achieve the Shared Mission, HSC-S, OLHS-NL, the Hospital Subsidiaries, OLPG, and the North Louisiana Department (on behalf of the Ochsner Physicians), will coordinate and collaborate on their respective activities to assure alignment and consistency across educational, research and clinical activities by, among other things, providing such activities first and primarily through the OLHS Facilities.

**“Collaborative Agreements”** means all agreements governing the Collaborative, which, in addition to this Agreement, will include, but are not necessarily limited to, the following: the New CEA; the Academic Affiliation Agreement; the Faculty Services Agreement; the Professional Services Agreement; the Master Research Agreement; the Financial Integration Agreement; the Hospital Management Agreement; the Administrative Services Agreement; facility and equipment leases between DOA, as lessor, and OLHS-NL or the Hospital Subsidiaries, as lessee; the Shared Services Agreement; and the License Agreements.

**“Collaborative Dispute Notice”** means a written notice sent by the Notice Party to the other Parties after informal discussions of the Notice Party’s desire to refer a Dispute for more formal executive discussions.

**“Commencement Date”** means September 1, 2018.

**“Community Physicians”** means physicians in private practice in North Louisiana who are not Ochsner Physicians or HSC-S Physicians.

**“Compensation Committee”** means the committee established by the Parties to review and make recommendations regarding compensation to be paid to HSC-S Physicians and Ochsner Physicians for the clinical work in which such HSC-S Physicians and Ochsner Physicians are involved in accordance with Section 7.2.2.

**“Compensation Plans”** means the plans recommended by the Compensation Committee and approved by the OLHS-NL Joint Management Committee for compensating HSC-S

Physicians and Ochsner Physicians for the clinical work in which such HSC-S Physicians and Ochsner Physicians are involved in accordance with Section 7.2.2.

**“Confidential Information”** means information that is deemed confidential or proprietary by a Disclosing Party and provided to a Receiving Party.

**“Dean”** means the individual appointed or acting as the Dean of the Medical School.

**“Defaulting Party”** means a Party that fails to timely pay any Material Amount due under any of the Collaborative Agreements.

**“Department Deficit”** means the extent to which the expenses of the Ochsner Physicians within the North Louisiana Department exceed their revenue within a given fiscal year.

**“Department Excess”** means the extent to which the revenue of the Ochsner Physicians within the North Louisiana Department exceed their expenses within a given fiscal year.

**“Disclosing Party”** means a Party who provides Confidential Information to a Receiving Party as set forth in Section 14.5 below.

**“Dispute”** means a dispute, disagreement or claim arising out of or related to this or any other Collaborative Agreement except for a dispute, disagreement or claim arising under the License Agreements which shall be addressed separately in accordance with the terms and conditions therein.

**“Dispute Process”** means the process for addressing Disputes set forth in Section 9.1.

**“DOA”** means the Division of Administration, an agency within the executive branch of the State.

**“Dyad Model”** means a management model under which the day-to-day operations of OLHS-NL will be co-managed by the CEO, who will be a full-time Ochsner employee, and the CMO, who will be a full-time LSU employee, as described herein and in the OLHS-NL Governance Documents.

**“Effective Date”** means the date on which the Agreement is signed by the Parties.

**“Faculty Services Agreement”** or **“FSA”** means the agreement pursuant to which OLPG will contract with HSC-S for the time of HSC-S Physicians and HSC-S Practitioners necessary for OLPG to provide Practitioner Services and Medical Administrative Services to the Hospitals pursuant to the PSA.

**“Fair Market Value Methodology”** means the process for determining the fair market value (as defined in 42 C.F.R. § 411.351) of compensation to New Physicians and existing Ochsner Physicians and HSC-S Physicians for providing clinical services utilizing standards and methodologies for ACGME-accredited institutions, as applicable.

**“Financial Default”** means a Party’s indebtedness to another Party in an amount in excess of a Material Amount resulting from the indebted Party’s failure to make timely payment(s) to the other Party under one or more Collaborative Agreements for reasons unrelated to Free Cash Flow.

**“Financial Default Cure Period”** means forty-five (45) days following the provision of notice of Financial Default by the non-Defaulting Party to the Defaulting Party to pay the amount owed in full.

**“Financial Integration Agreement”** or **“FIA”** means the Agreement among Ochsner, OLHS-NL and OLPG pursuant to which the revenues and expenses of the Ochsner Physicians are integrated with OLHS-NL through the North Louisiana Department as further described in the terms and conditions thereof.

**“Free Cash Flow”** means OLHS-NL Total Revenue less operating expenses of OLHS-NL before depreciation, interest, and taxes.

**“FSA/AAA Portion”** means the portion of Base Contract Funding to be paid to HSC-S under the FSA and AAA exclusive of OLPG’s Third Party Payer Collections.

**“FSA/AAA Value”** means the value of the items, services and support to be provided to OLHS-NL Entities by HSC-S, HSC-S Physicians and HSC-S Practitioners under the FSA and AAA.

**“Good Faith Basis”** means a reasonable and non-frivolous belief formed after an inquiry reasonable under the circumstances: (a) that there was factual support for the issuing Party’s initiation of each of the material Disputes forming the basis for the Termination Notice, and that none of the material Disputes were initiated for an improper purpose such as to harass, cause unnecessary delay, or needlessly increase the costs to any Party, and (b) that the cumulative effect of the material Disputes forming the basis for the Termination Notice materially impacted the Parties’ ability to cooperate to achieve the Public Purpose.

**“Governing Principles”** means, in addition to the Recitals, the commitments of the Parties set forth in Article 1 of the Agreement.

**“Health Care Laws”** means all applicable statutes, laws, ordinances, rules and regulations of any governmental authority with respect to regulatory or other matters primarily relating to healthcare providers and healthcare services (including, without limitation, Section 1128(b) of the Social Security Act, as amended, 42 U.S.C. § 1320a-7(b) (Criminal Penalties Involving Medicare or State Health Care Programs), commonly referred to as the “Federal Anti-Kickback Statute,” and the Social Security Act, as amended, §§ 1877, 42 U.S.C. §§ 1395nn (Prohibition Against Certain Referrals), commonly referred to as “Stark Statute”).

**“Hospital”** or **“Hospitals,”** as applicable, means the hospitals and other clinical facilities located in Shreveport and Monroe, Louisiana, previously owned and operated by HSC-S and subsequently operated by BRFH through its subsidiaries BRFH Monroe and BRFH Shreveport under the BRF CEA, which will be operated by the Hospital Subsidiaries under the New CEA as of the Commencement Date.

**“Hospital Management Agreement”** or **“HMA”** means the Management Agreement pursuant to which OLH will contract Ochsner or an Ochsner Affiliate to manage the Hospitals.

**“Hospital Manager”** means Ochsner or an Affiliate of Ochsner that will manage the Hospitals pursuant to the Hospital Management Agreement.

**“Hospital Medical Staff Bylaws”** means the medical staff bylaws of the Hospitals.

**“Hospital Net Patient Revenue”** means the total gross revenue accrued in a period by the Hospital Subsidiaries including, without limitation, any supplemental or non-claims based revenue, reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts.

**“Hospital Other Revenue”** means revenue accrued in a period by the Hospital Subsidiaries from retail pharmacy sales, contracts, rebates, and other sources of operating revenue outside of Net Patient Revenue.

**“Hospital Subsidiaries”** means the Louisiana limited liability companies which currently operate as BRFH Monro and BRFH Shreveport, respectively, wholly-owned subsidiaries of BRFH, the direct ownership of which will be transferred to OLH and the indirect ownership of which will be transferred OLHS-NL, and the names of which will be changed to OLH Monro, L.L.C., and O.L.H. Shreveport, L.L.C., respectively, and through which OLH will directly operate and OLHS-NL will indirectly operate the Hospitals effective as of the Commencement Date.

**“Hospital Total Revenue”** means Hospital Net Patient Revenue plus Hospital Other Revenue.

**“HSC-S”** means the LSU Health Sciences Center – Shreveport, an academic institution within LSU.

**“HSC-S Mission”** means HSC-S’s three-part mission to (a) train Louisiana’s health care workforce through effective and innovative medical education programs, (b) discover new knowledge through scientific research, and (c) provide high quality, patient-centered, cost-effective clinical care.

**“HSC-S Physicians”** means physicians licensed to practice medicine in Louisiana who are employed by or under contract to provide health care services to HSC-S.

**“HSC-S Practitioners”** means non-physician health care practitioners who are independently licensed to provide health care services in Louisiana and are employed by or under contract to provide health care services to HSC-S, including, without limitation, dentists, nurse practitioners, physician assistants, physical therapists, occupational therapists and speech-language pathologists.

**“Increased Fee Schedule Amount”** means the share of any Medicaid claims payments for HSC-S Physicians and HSC-S Practitioners under their specific Medicaid fee schedule in

excess of rates in the standard Medicaid fee schedule applicable to practitioners not affiliated with LSU.

**“Initial Dispute Notice”** means the written notice of a Dispute sent by the Notice Party, which notice shall be sufficiently detailed to reasonably inform the other Parties of the nature and underlying facts of the Dispute.

**“Initial Term”** means the initial term of this Agreement, which shall be ten (10) years beginning on the Commencement Date.

**“Joint Logo”** means a new logo for OLHS-NL created jointly by LSU and Ochsner.

**“Joint Management Committee”** means the Joint Management Committee of OLHS-NL as described in the Bylaws of OLHS-NL.

**“LDH”** means the Louisiana Department of Health.

**“License Agreements”** means the agreements between OLHS-NL and LSU, and OLHS-NL and Ochsner, respectively, to address LSU and Ochsner co-branding of clinical locations and activity within the Collaborative.

**“Line of Credit”** has the meaning set forth in the OLH Management Agreement.

**“LSU Designated Directors”** has the meaning in the OLHS-NL Governance Documents.

**“Master Research Agreement”** or **“MRA”** means the Agreement among Ochsner, LSU and OLHS-NL pursuant to which the Parties will collaborate and work to align their research priorities based on their respective strengths.

**“Material Adverse Effect”** means that, with respect to a Medical Education Program, the discontinuation of a Prior Separate Activity would jeopardize the ability of a Party’s Medical Education Program to satisfy a material graduate medical education or other program requirement at OLHS-NL Facilities, or eliminate a material clinical activity that cannot be promptly and substantially replicated within the OLHS-NL Facilities without material interruption.

**“Material Amount”** means, with respect to a Financial Default, an amount of Five Million Dollars (\$5,000,000) or more.

**“Medical Administrative Services”** means the services set forth in Section 2.01 of Exhibit A to the PSA.

**“Medical Education Programs”** means medical education services or programs or teaching services or programs of any type, including without limitation undergraduate and graduate medical and physician education and training, and nursing, allied health, and pharmacy education and training.

**“Medical School”** means the LSU School of Medicine in Shreveport, Louisiana, which along with the School of Graduate Studies and School of Allied Health comprise HSC-S.

**“Medical Staff Membership with Hospital Facility Privileges”** means membership of a physician as a credentialed member of a Hospital’s medical staff with inpatient admitting privileges at the Hospital.

**“Medical Staff Membership with Ambulatory Facility Privileges”** means membership of a physician as a credentialed member of a Hospital’s medical staff with privileges to attend Hospital patients in an ambulatory or outpatient setting including, without limitation, ambulatory surgical centers.

**“Membership Interest Transfer Agreement”** or **“MITA”** means the Agreement pursuant to which BRF will transfer its membership interests in BRFHH, BRFHH Monroe and BRFHH Shreveport to OLHS-NL effective as of the Commencement Date.

**“New CEA”** means the Cooperative Endeavor Agreement to be entered into contemporaneously with this Agreement by and among OLHS-NL, LSU and the State, acting through DOA, for support of the Hospitals and their associated clinical activities for the Public Purpose as defined in the New CEA.

**“New Partner”** means an entity selected by LSU to partner with HSC-S in the AMC after the Termination Date.

**“New Physician”** means any physician recruited, employed or contracted to become an HSC-S Physician or an Ochsner Physician after the Effective Date.

**“Non-Renewal Notice”** means a Party’s written notice of its intent not to renew the Agreement for a Renewal Term.

**“North Louisiana Department”** means a separate department for accounting purposes within Ochsner Clinic LLC that employs or contracts with Ochsner Physicians dedicated to the provision of professional services to north Louisiana through the Collaborative in accordance with the Financial Integration Agreement.

**“Notice Party”** means the Party claiming and initiating a Dispute by sending an Initial Dispute Notice.

**“Ochsner Physician”** means any physician who practices medicine within the Service Area and is affiliated with OLHS-NL either through employment by, or as an independent contractor to, Ochsner, but is not an HSC-S Physician.

**“Ochsner Designated Directors”** has the meaning in the OLHS-NL Governance Documents.

**“Ochsner LSU Hospitals”** or **“OLH”** means the Louisiana limited liability company which currently operates as BRFHH, a wholly-owned subsidiary entity of BRF, the ownership of which will be transferred to OLHS-NL and the name of which will be changed to Ochsner LSU

Hospitals, L.L.C., and through which OLHS-NL will operate the Hospitals effective as of the Commencement Date.

**“Ochsner LSU Physician Group”** or **“OLPG”** means LSU Health Sciences Center-Shreveport Faculty Group Practice d/b/a Ochsner LSU Physician Group, a Louisiana nonprofit corporation whose sole member is OLHS-NL, which operates the clinical practices of HSC-S Physicians and HSC-S Practitioners.

**“Ochsner Mission”** means to serve, heal, lead, educate and innovate through operation of an integrated health care system comprised of hospitals, clinics and other health care facilities offering medical education, research, and a continuum of care to benefit the communities in which it operates throughout Louisiana.

**“OLHS-NL Board”** means the OLHS-NL Board of Directors appointed by Ochsner and LSU.

**“OLHS-NL Entities”** means OLHS-NL, OLH, the Hospital Subsidiaries, OLPG, and North Louisiana Department.

**“OLHS-NL Facilities”** means health care facilities owned and/or operated by OLHS-NL, OLH, the Hospital Subsidiaries, OLPG or the North Louisiana Department.

**“OLHS-NL Governance Documents”** means the organizational documents for OLHS-NL set forth at Schedule 2.1.

**“OLHS-NL Total Revenue”** means Hospital Total Revenue plus Physician Total Revenue.

**“Order”** means an order, injunction, judgment, decree, ruling, assessment or arbitration award of any governmental body or arbitrator.

**“Person”** means an individual or an entity (including but not limited to a corporation, general or limited partnership, a limited liability company, trust or governmental unit) other than a Party or one of its Affiliates.

**“Physician Net Patient Revenue”** means the total gross revenue accrued in a period by OLPG, including, without limitation, any supplemental or non-claims based revenue, reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts.

**“Physician Other Revenue”** means revenue accrued in a period by OLPG from contracts, payments received in exchange for providing professional services, and other sources of operating revenue outside of Net Patient Revenue.

**“Physician Total Revenue”** means Physician Net Patient Revenue plus Physician Other Revenue.

**“Practitioner Services”** means the services set forth in Section 1.01 of Exhibit A to the PSA.

**“Prior Separate Activities”** means those Separate Activities within the Service Area as set forth on Exhibits B and C to Schedule 1.3.4 in which the parties engage through contracts to provide services or established practices at non-OLHS Facilities.

**“Prior Separate Activity Evaluation Criteria”** include, but are not necessarily limited to, (a) the academic benefits of the Prior Separate Activity and the potential academic consequences of terminating the activity, including without limitation any loss of education and training opportunities that would result from such termination, (b) the research benefits of the Prior Separate Activity and the potential consequences to research of terminating the activity, (c) the clinical benefits of the Prior Separate Activity and the potential clinical consequences of terminating the activity including, without limitation, whether it is desirable to continue the same activity at the OLHS Facilities and whether the OLHS Facilities have the infrastructure and other resources in place to promptly resume such activity, and (d) the financial benefits of the Prior Separate Activity and the potential financial consequences of terminating the activity including, without limitation, the extent to which any revenues lost as a result of such termination can be promptly replaced to ensure that Party’s financial stability.

**“Professional Services Agreement”** or **“PSA”** means the Agreement pursuant to which OLH and the Hospital Subsidiaries will contract with OLPG for Practitioner Services and Medical Administrative Services.

**“Public Purpose”** means the public purpose for which the State, LSU and OLHS-NL are entering into the New CEA, as required by the Louisiana Constitution and as defined in the New CEA.

**“Public Records Act”** means Louisiana Revised Statutes 44:1, et seq.

**“Qualified Individual”** means an individual from outside the State of Louisiana with an understanding of academic health care and integrated health care delivery in a system context and significant experience resolving disputes.

**“Receiving Party”** means a Party who receives Confidential Information from a Disclosing Party as set forth in Section 14.5 below.

**“Renewal Term”** means a five (5) year period of time for which this Agreement will be automatically renewed unless any Party gives a Non-Renewal Notice not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

**“Research Programs”** means research related services or programs.

**“Separate Activities”** means Clinical Programs in which LSU or Ochsner wish to engage at non-OLHS-NL Facilities.

**“Separate Activity Evaluation Criteria”** include, but are not necessarily limited to, the academic, research, clinical, and financial benefits that the proposed Separate Activity have in furtherance of the Shared Mission and the Collaborative.

**“Separate Activity Evaluation Procedure”** means the process the Parties shall follow to determine whether a Separate Activity is in the overall best interests of the Collaborative as set forth in Section 1.1.2 (2).

**“Separate Activity Requirements”** means that (a) the Separate Activity shall be subject to annual review in accordance with the Separate Activity Evaluation Procedure applying the Separate Activity Evaluation Criteria; (b) all Separate Activities of the Hospitals shall be performed through the Hospital Subsidiaries, all Separate Activities of the HSC-S Physicians shall be performed through OLPG, and all Separate Activities of the Ochsner Physicians shall be performed through the North Louisiana Department; and (c) all fees and other reimbursement payable to the Hospital Subsidiaries, HSC-S Physicians practicing through OLPG, or Ochsner Physicians practicing through the North Louisiana Department from the Separate Activities will be payable to the Hospital Subsidiaries, OLPG or North Louisiana Department, as applicable, regardless of whether the Separate Activities are provided at an OLHS-NL Facility.

**“Services”** means Practitioner Services and Medical Administrative Services.

**“Service Area”** means the geographic area set forth in Exhibit A to Schedule 1.3.4.

**“Shared Mission”** means the mission of the Collaborative, which is for LSU and Ochsner to work together in a collaborative and integrated manner to improve and expand medical education and research and to improve access to and the provision of quality medical care in north Louisiana by bringing together the best of both organizations.

**“Shared Services Agreement”** or **“SSA”** means the agreement to appropriately allocate operating costs between OLHS-NL and HSC-S.

**“State”** means the State of Louisiana.

**“Strategic Plan”** means the OLHS-NL five-year strategic plan adopted for OLHS-NL and OLH, the Hospital Subsidiaries, OLPG and the North Louisiana Department in accordance with Section 7.1.

**“Subsidiary”** means OLPG, OLH, the Hospital Subsidiaries and any other separate subsidiary corporations or limited liability companies that OLHS-NL owns or controls, either directly or indirectly.

**“Supplemental Payment Cap”** means any Supplemental Payments in excess of Thirteen Million Dollars (\$13,000,000) in any State fiscal year; provided, however, that in the event the total Supplemental Payments exceeds Thirteen Million Dollars (\$13,000,000) in any State fiscal year, then Supplemental Payment Cap shall, for such State fiscal year, mean Thirteen Million Dollars (\$13,000,000) plus an amount equivalent to twenty-five percent (25%) of the amount of Supplemental Payments above Thirteen Million Dollars (\$13,000,000).

**“Supplemental Payments”** mean meaningful use funds, physician UPL, physician FMP and the Increased Fee Schedule Amount.

**“Tax Exempt Requirement”** means requirement(s) applicable to tax-exempt entities under Sections 501(c)(3) or 115 of the Internal Revenue Code.

**“Termination Date”** means the date the Wind Down Period shall end, which shall be (a) in the case of a Non-Renewal Notice, upon the expiration of the Initial Term or the Renewal Term then in effect, as applicable, or (b) in the case of a Termination Notice, six (6) months from the date of the Termination Notice.

**“Termination Notice”** means a Party’s written notice of its intent to terminate this Agreement as well as all other Collaborative Agreements.

**“Third Party Payer Collections”** means OLPG’s collections from patients and third party payers attributable to professional services provided by HSC-S Physicians and HSC-S Practitioners.

**“Third Party Payer Portion”** means the portion of Base Contract Funding to be paid from OLPG’s Third Party Payer Collections.

**“Wind Down Period”** means a transition period upon the termination of the Collaborative to minimize potential disruption to the education, research and patient care services provided through the AMC, all as set forth in ARTICLE 11 below

**ARTICLE 1.**  
**GOVERNING PRINCIPLES AND COMMITMENTS OF THE PARTIES**

In addition to the above Recitals, which are hereby incorporated throughout this Agreement by reference, the Parties expressly acknowledge and agree that to achieve their mutual goals and objectives, the following Governing Principles will at all times guide the governance and decision-making of the Collaborative:

**Section 1.1 Commitment to Enhanced Integration.**

**Section 1.1.1** The Parties intend for OLHS-NL to function as a clinically, financially, and administratively integrated entity so that the clinical activities and financial incentives of OLPG, the Hospital Subsidiaries, Ochsner Physicians, and their associated clinical activities, are aligned to the greatest extent possible for the ultimate benefit of the AMC. At the same time, LSU and Ochsner realistically recognize that, as of the Effective Date, (a) the Hospitals’ infrastructure is not sufficient to fully support either the clinical needs of HSC-S Physicians practicing through OLPG or the education needs of the Medical School, and (b) the OLPG’s infrastructure is not sufficient to fully support the Hospitals as competitive participants in the health care marketplace. The Parties will, therefore, strive to operate and grow the Collaborative in general, and OLHS-NL in particular, as an integrated health care delivery system capable of providing the full range of physician, hospital and ancillary services in a market-competitive manner, but also recognize the

importance of each AMC Component's independent financial viability to the overall financial viability of the AMC.

### **Section 1.1.2**

(1) A goal of the Collaborative is to provide the full range of physician, hospital and ancillary services within the Service Area first and primarily through the OLHS Facilities, and the Parties will assure that OHLS-NL evaluates opportunities that arise at non-OLHS Facilities but within the Service Area in light of that goal, but also with the understanding that improved financial and administrative stability for OLPG and the Hospital Subsidiaries, and enhanced educational opportunities for the faculty, fellows, residents and students of HSC-S, can enhance the Shared Mission and the financial and educational status of the AMC. The Parties further acknowledge and agree that collaboration within the Collaboration Area will also contribute to the success of the Shared Mission and the financial and educational status of the AMC. Accordingly, the Parties will assure that whenever applicable and practical, the OLHS Entities evaluate opportunities within the Service Area and the Collaboration Area and make strategic decisions affecting the OLHS Entities with respect to such opportunities in an integrated manner.

(2) To facilitate integration among the Parties, subject to the Carve-Out Services and the provisions set forth in Section 1.3.4 and Schedule 1.3.4, the preferred option for addressing (a) Clinical Programs, (b) Research Programs, and (c) Medical Education Programs within the Service Area and the Collaboration Area, as applicable, will be for the OLHS Entities, Ochsner, and HSC-S to work together diligently and in good faith through the Collaborative, to the extent practical and financially and/or administratively feasible, to grow activity at the OLHS Facilities and improve financial results. However, if any of the OLH Entities, Ochsner, or HSC-S desire to participate in any Separate Activities – for example, if one or more of HSC-S Physicians or Ochsner Physicians wish to provide clinical or administrative services at a non-OLHS Facility within the Service Area, or the Hospitals wish to pursue relationships with physicians other than through the OLPG or North Louisiana Department – the Parties will pursue the following Separate Activity Evaluation Procedure: The CEO and the Dean will each determine the relative benefits of the proposed Separate Activity in light of the Separate Activity Evaluation Criteria. If the CEO and the Dean cannot agree on such proposed Separate Activity, then they shall present the matter to the HSC-S Chancellor and the Ochsner Chief Administrative Officer for decision in light of the Separate Activity Evaluation Criteria. If the HSC-S Chancellor and the Ochsner Chief Administrative Officer cannot agree on such proposed Separate Activity, then they shall present the matter to the OLHS-NL Joint Management Committee for a final decision in light of the Separate Activity Evaluation Criteria. If the OLHS-NL Joint Management Committee cannot agree at the conclusion of foregoing Separate Activity Evaluation Procedure, the matter may be submitted to the Dispute Process set forth in Article 9; provided, however, that the Parties acknowledge and agree that (y) a Dispute arising out of the Separate Activity Evaluation Procedure under this Section 1.1.2 shall not constitute grounds for termination of this Agreement under Section 9.1.3(4) below, and (z) the remedy for any Dispute arising out of the Separate Activity Evaluation Procedure under this Section 1.1.2 that is not resolved through the Dispute Process in Article 9 shall be that the requesting Party shall not participate in the Separate Activity. The Parties further acknowledge and agree that any Separate Activities approved pursuant to the Separate Activity Evaluation Procedure shall meet the Separate Activity Requirements.

**Section 1.1.3**

(1) Notwithstanding the requirements of Section 1.1.2, the Parties acknowledge and agree that as of the Effective Date, HSC-S and Ochsner engage in Prior Separate Activities and that the revenues and educational opportunities attributable to such Prior Separate Activities are critical to HSC-S and may be critical to OLPG in the short term moving forward. Notwithstanding the foregoing, the continuation of any such Prior Separate Activities shall be subject to (a) the Separate Activity Evaluation Procedure applying the Prior Separate Activity Evaluation Criteria within one hundred twenty (120) days of the Commencement Date and annually thereafter, and (b) the Separate Activity Requirements. The Parties further acknowledge and agree that pursuing opportunities for growth through Separate Activities and Prior Separate Activities as contemplated by Sections 1.1.2 and 1.1.3 is ultimately intended to support the AMC, the Collaborative, and the Shared Mission.

(2) If, after applying the Prior Separate Activity Evaluation Criteria, the OLHS-NL Joint Management Committee is unable to agree on the continuation of a Prior Separate Activity at the conclusion of the Separate Activity Evaluation Procedure, then the Party performing the Prior Separate Activity may continue to perform such Prior Separate Activity; provided, however, that, subject to Paragraph 3 of Section 1.1.3 below, if such Prior Separate Activity has been evaluated under the Separate Activity Evaluation Procedure three (3) or more times and the OLHS-NL Joint Management Committee is unable to agree, then the requesting Party can require the Party engaged in the Prior Separate Activity to discontinue such Prior Separate Activity, provided that the requirements set forth in Paragraph 3 of this Section 1.1.3 below shall apply.

(3) Notwithstanding anything in this Section 1.1.3 to the contrary, in no event shall LSU or Ochsner be required to discontinue performing a Prior Separate Activity if it reasonably determines and demonstrates in writing to the other Parties that termination of the Prior Separate Activity at that time would have a Material Adverse Effect on such Party's Medical Education Program. If there is a Dispute regarding whether discontinuing the Prior Separate Activity would have a Material Adverse Effect on LSU or Ochsner, as applicable, the Dispute Process shall not apply, but instead the Parties shall request that the ACGME evaluate and determine whether discontinuation of the Prior Separate Activity would have a Material Adverse Effect on the requesting Party's Medical Education Program (along with its rationale for such determination including, as applicable, the specific concerns that discontinuation of the Prior Separate Activity would have on the Medical Education Program), which determination shall be binding on the Parties; provided, however, that if the ACGME determines that discontinuation of the Prior Separate Activity would have a Material Adverse Effect on the requesting Party's Medical Education Program, (a) the Parties agree to work together in good faith to address the specific concerns identified by the ACGME, and (b) the Prior Separate Activity shall be discontinued upon the Parties' resolution of such concerns.

**Section 1.1.4** In the event a Prior Separate Activity of HSC-S or Ochsner, as applicable, is terminated by one of the other parties to such activity or in accordance with Section 1.1.3, then OLHS-NL shall take such measures as are reasonably within its authority to assist HSC-S, OLPG or Ochsner, as applicable, in promptly (a) replacing any material revenues lost as a result of the termination of the Prior Separate Activity, and (b)

assisting any HSC-S residents and fellows whose ability to satisfy graduate medical education or other requirements might be jeopardized by such termination; provided, however, that the Parties acknowledge and agree that this Section 1.1.4 shall not be construed as obligating any Party to pay compensation to HSC-S, OLPG or Ochsner that is not consistent with fair market value for the services rendered or in violation of any applicable law.

## **Section 1.2 Shared Vision and Goals.**

The Parties expressly acknowledge and agree that their goals in engaging in the Collaborative include the following:

**Section 1.2.1** Developing a co-management model between HSC-S and Ochsner that supports performance of the Collaborative consistent with the Shared Mission, and that in co-managing the Collaborative, no Party will place its interests over the interests of any other Party or the Collaborative, but will at all times act as a fiduciary in the best interests of the Collaborative.

**Section 1.2.2** Improving performance to enable enhanced investments in clinical programs and the Shared Mission.

**Section 1.2.3** Growing and enhancing the clinical enterprise in order to support medical education, research and the availability of care in the Service Area.

**Section 1.2.4** Promoting and supporting clinical and basic science research.

**Section 1.2.5** Improving the quality and enhancing the patient experience of clinical care provided through the Collaborative.

**Section 1.2.6** Maintaining and improving access to safety net health care services for the vulnerable populations in the Service Area, consistent with the public purpose set forth in the New CEA.

**Section 1.2.7** Raising the stature and reputation of the AMC.

**Section 1.2.8** Becoming a population health leader in the Service Area, including, without limitation, the Shreveport and Monroe communities.

**Section 1.2.9** Improving the quality and safety of the Hospitals' facilities and expanding the facilities to improve access to quality care in the Service Area, including, without limitation, the Shreveport and Monroe communities.

**Section 1.2.10** Growing the AMC to increase access to medical education for physicians in the State.

## **Section 1.3 Commitment to Academic Excellence.**

The Parties expressly acknowledge their commitment to the HSC-S Mission, including the following:

**Section 1.3.1** The Parties, through their individual missions and the Shared Mission, will strive to advance the education and research efforts of the Medical School and the other schools that comprise HSC-S and to improve the quality of care available through the AMC.

**Section 1.3.2** The Parties support the creation of facilities, programs and general operations to advance the HSC-S Mission.

**Section 1.3.3** The clinical programs targeted and developed by the Collaborative and those targeted and developed by HSC-S will be consistent with the Shared Mission.

**Section 1.3.4** If any Party or any of its Affiliates desires to develop a Clinical Program, or Medical Educational Program within the Service Area or Collaboration Area, such Party must comply with the terms and conditions of Schedule 1.3.4. The Parties' duties and responsibilities regarding Research Programs shall be governed by the terms and conditions of the Master Research Agreement.

**Section 1.3.5** The Parties are committed to regular and effective communication and interaction among the leadership of all AMC Components.

**Section 1.3.6** The Parties are committed to support new and emerging clinical care models, particularly multidisciplinary models, and to promote the study of new models.

**Section 1.3.7** The Parties are committed to the AMC:

- (1) Improving clinical outcomes and quality metrics;
- (2) Advancing clinical care by developing and applying breakthrough treatment and technologies often not available elsewhere in the Service Area;
- (3) Delivering exceptional access, service and responsiveness to patients and referring providers across all departments/service lines/ clinical areas;
- (4) Providing patient-centric care supported by state-of-the-art processes and facilities;
- (5) Serving local and regional markets in appropriate primary, secondary, tertiary and quaternary services with broad market demand;
- (6) Developing mechanisms to participate in evolving models of population health management;
- (7) Generating sufficient and sustained financial performance to support the HSC-S Mission and clinical enterprise through strategic growth, process improvement and philanthropic initiatives;

(8) Attracting nationally-recognized and emerging clinical educators and/or physician-scientists to lead Medical Education Programs of distinction;

(9) Valuing and recognizing the HSC-S Mission as essential to the success of each AMC Component;

(10) Increasing the number of licensed physicians in the community to serve the patient care needs of the Collaborative through medical education at the AMC;

(11) Valuing and recognizing the delivery of financially viable, market-competitive clinical care as essential to the success of each AMC Component;

(12) Being aligned culturally, clinically and operationally;

(13) Being preferred by patients and referring providers for primary, secondary, tertiary and quaternary services in the market.

#### **Section 1.4 Commitment to Improved Financial Performance.**

The Parties expressly acknowledge and agree that Adequate Public Funding is critical to fulfilling the HSC-S Mission and growth of the AMC, but that disproportionate reliance on State funding causes instability for the AMC, impairs the ability to plan for the future and adversely affects the ability to fulfill the HSC-S Mission and the Shared Mission.

**Section 1.4.1** The Parties will work together diligently and strategically to secure Adequate Public Funding for the AMC, particularly including, but not limited to, providing data-driven analysis that demonstrates and supports the positive impact of the State's investment in the AMC has on the State's economy, particularly in north Louisiana.

**Section 1.4.2** The Parties will work together to secure other sources of revenue for the AMC in addition to Adequate Public Funding, including, but not limited to, the following: improving OLPG's and the Hospitals' commercial vs. public payer mix; improving billing and collection processes for patients with third-party health benefits coverage and for self-pay patients consistent with a sliding scale policy; increasing the volume of patients seen and treatments rendered within the Collaborative consistent with sound medical practices; improving quality of care and patient outcomes to earn bonus payments and avoid penalties from third-party payers; investing in equipment, hardware, software and other technologies to help increase productivity; and improving patient through-put and other efficiencies in the clinical setting.

**Section 1.4.3** The Parties will work together to reduce expenses and improve efficiency in the inpatient, outpatient, and ambulatory clinical settings, as well as the overall administration of the AMC, including, but not limited to, the following: improving administrative procedures and processes; standardizing materials and supplies; assuring appropriate and effective staffing levels; and better coordination and use of shared space and equipment among the AMC Components.

**Section 1.4.4** Subject to the time allocated by HSC-S to HSC-S Physicians to provide the Carve-Out Services set forth in Schedule 1.4.4, HSC-S will (a) ensure that all of the HSC-S Physicians and HSC-S Practitioners' remaining work-related time will be dedicated to providing Services on behalf of OLPG pursuant to the terms and conditions of the FSA and (b) will work cooperatively with OLHS-NL or OLPG, as applicable, to assure OLPG is able to bill and collect, to the maximum extent allowable and practical, all reimbursements for the Services provided by such HSC-S Physicians and HSC-S Practitioners and billable to patients, third-party payers, or other sources during the term of the FSA. The Parties may periodically adjust and update the list of Carve-Out Services in Schedule 1.4.4 by mutual written agreement signed by all Parties. In furtherance of the foregoing, the FSA shall obligate HSC-S to, among other things, require assignment or reassignment (as applicable and to the extent not already assigned or reassigned) to OLPG of any and all rights of HSC-S, the HSC-S Physicians and the HSC-S Practitioners to reimbursement for Services; provided, however, that HSC-S, FGP, the HSC-S Physicians, and the HSC-S Practitioners are not obligated to so assign any right to reimbursement for any Carve Out Services unless expressly agreed otherwise by the Parties.

**Section 1.5 Commitment to Improved Clinical Performance.**

The Parties expressly acknowledge and agree that HSC-S Physicians serve as the primary teachers and the Hospitals serve as the primary “clinical classrooms” for educating future health care providers and leaders, particularly for north Louisiana and the surrounding area, and that the Collaborative therefore has an obligation to provide patients with outstanding quality health care not only for the patients, but also so that students, residents, and fellows are trained to meet the highest standards of patient care and achieve the best possible outcomes for patients. The Parties will work together to improve the quality of health care services provided by the Collaborative through actions that include, but are not limited to, the following:

**Section 1.5.1** Improving access to primary care clinics and services including, without limitation, decreased wait times for new patient appointments and same day appointments for established patients.

**Section 1.5.2** Improving emergency room services and decreasing the number of patients who leave the emergency room without being seen through increased access to primary care services, improved efficiency in emergency room processes, and patient education on appropriate utilization of emergency room services.

**Section 1.5.3** Increasing the volume of care provided at OLHS-NL Facilities.

**Section 1.5.4** Strengthening relationships with Ochsner Physicians and Community Physicians, subject to such physicians receiving an Adjunct Academic Appointment as provided in Section 5.2, so the Hospitals and clinics become attractive locations for physicians to practice.

**Section 1.5.5** Establishing and meeting quality benchmarks, thereby improving Hospitals' publicly-reported quality ratings.

**Section 1.5.6** Increasing use of innovative digital technology to reduce the number of traditional clinic and emergency room visits and improve post-visit care.

**Section 1.5.7** Increasing and improving patient access to ambulatory surgery and digital imaging services.

**Section 1.5.8** Becoming a leader in population health management by developing a health services research center and physician competencies to practice in a value-based reimbursement environment.

**Section 1.5.9** Strengthening and improving Centers of Excellence within the AMC, including but not limited to the areas of cardiovascular services, cancer services and the neurosciences.

**Section 1.5.10** Strengthening and improving trauma care.

**Section 1.5.11** Improving overall patient satisfaction statistics.

## **Section 1.6 Recognition of Mutual Dependence.**

The Parties are committed to the three-part HSC-S Mission. Each Party recognizes and understands the value of collaboration among the AMC Components to create a functionally integrated academic health system.

**Section 1.6.1** Successful achievement of HSC-S's education and research missions is of utmost importance to the Hospital Subsidiaries, the OLPG and the North Louisiana Department.

**Section 1.6.2** Successful achievement of the Hospital Subsidiaries', OLPG's and the North Louisiana Department's clinical mission is of utmost importance to HSC-S, HSC-S Physicians and HSC-S Practitioners.

## **Section 1.7 Financial Transparency.**

HSC-S and Ochsner will operate the Collaborative with full and complete financial transparency to the other Parties, including:

**Section 1.7.1** Sharing of available financial information of HSC-S and OLHS-NL (including the Hospital Subsidiaries, OLPG and North Louisiana Department) in a format mutually agreeable to the Parties. Without limiting the generality of the foregoing, HSC-S agrees to develop a monthly report of HSC-S financial information in a format mutually agreeable to the Parties within six (6) months of the Commencement Date. Notwithstanding anything herein to the contrary, OLHS-NL shall not be responsible for the finances of HSC-S, and HSC-S shall not be responsible for the finances of OLHS-NL.

**Section 1.7.2** Participating in monthly financial and operational reviews to identify opportunities to improve the performance of the AMC and/or implementation of the Collaborative.

**Section 1.7.3** Aligning the budget preparation and review process for OLHS-NL, the Hospital Subsidiaries, OLPG, North Louisiana Department, and the Medical School consistent with ARTICLE 7.

**Section 1.8 Commitment to Fundraising.**

The Parties shall jointly discuss fundraising opportunities that may be available to OLHS-NL including, without limitation, direct fundraising by OLHS-NL. In addition, Ochsner and OLHS-NL agree to be supportive of HSC-S's fundraising efforts. Ochsner further agrees not to engage in any major fundraising activities or events such as galas, etc., in the Service Area except through OLHS-NL; provided, however, that nothing in this Section 1.8 shall prohibit Ochsner or HSC-S from engaging in fundraising activities in the Service Area focused on individual or family donors.

**ARTICLE 2**  
**STRUCTURE OF THE COLLABORATIVE**

**Section 2.1 In General.**

OLHS-NL has been formed as a nonprofit corporation in accordance with Louisiana nonprofit corporation law, La. R.S. 12:201 *et seq.* The OLHS-NL Governance Documents are set forth at Schedule 2.1. The OLHS-NL Governance Documents set forth, among other things, the composition, voting rights, and powers of the OLHS-NL Board and Joint Management Committee and the duties and responsibilities of the officers of OLHS-NL.

**Section 2.2 OLHS-NL Management.**

**Section 2.2.1** Management of OLHS-NL shall be as set forth in the OLHS-NL Governance Documents and this Agreement.

**Section 2.2.2** Management of any Subsidiary will be appointed by the CEO and CMO, provided that (a) the chief executive or equivalent position of OLPG will be a full-time HSC-S Physician and (b) the CEO shall have sole discretion to appoint the chief executive officers of the Hospital Subsidiaries. Management of OLPG, the Hospital Subsidiaries and North Louisiana Department will interface and consult with OLHS-NL executive management and with each other on a routine basis.

**Section 2.2.3** To further assure collaboration between Ochsner and LSU, Ochsner will create the North Louisiana Department separate and apart from the Subsidiaries. The North Louisiana Department will be a separate department for accounting purposes within Ochsner Clinic LLC, in which Ochsner is the sole member, for the operations of all Ochsner Physicians in the Service Area. Ochsner Physicians who comprise the North Louisiana Department may include both employed physicians and independent contractor physicians; provided, however, that all Ochsner Physicians on the medical staff of and practicing at the Hospitals will be subject to the provisions of Section 5.2 regarding Adjunct Academic Appointments. The Parties understand and agree that (a) the North Louisiana Department will operate as an integral unit of OLHS-NL providing physician services to patients in the Service Area for the benefit of the Collaborative, consistent

with the Shared Mission and this Agreement, and (b) the revenue and expenses of the Ochsner Physicians within the North Louisiana Department shall be allocated to OLHS-NL. In allocating the revenue and expenses of the Ochsner Physicians within the North Louisiana Department to OLHS-NL, Ochsner Clinic LLC shall provide an accounting to OLHS-NL each fiscal year of the revenue and expenses of the Ochsner Physicians. To the extent the Ochsner Physicians within the North Louisiana Department generate Department Excess (taking into account any special accounting requirements for New Physicians hired without mutual consent as provided in Section 2.2.4 below), then such Department Excess shall be reflected on the income statement of OLHS-NL and Ochsner shall contribute the amount of such Department Excess to OLHS-NL. To the extent the Ochsner Physicians within the North Louisiana Department generate a Department Deficit (again taking into account any special accounting requirements for New Physicians hired without mutual consent as provided in Section 2.2.4 below), then subject to Section 7.2.4, such Department Deficit shall be paid by OLHS-NL to Ochsner within \_\_\_\_\_ (\_\_\_) days of OLHS-NL fiscal year end. The Parties acknowledge and agree that, as a separate operating division of Ochsner, the North Louisiana Department shall be managed by Ochsner except where otherwise specifically stated in this Agreement, including without limitation Section 2.2.4 below. Pursuant to the Physician Services Agreement between the North Louisiana Department and OLH or the Hospital Subsidiaries, the Ochsner Physicians will provide clinical and other professional services for the benefit of the Collaborative. The Ochsner Physicians' compensation shall be paid in accordance with the Compensation Plans described in Section 7.2.2 .

**Section 2.2.4** To further assure collaboration between Ochsner and LSU, (a) except as otherwise set forth in this Section 2.2.4, Ochsner will not recruit, employ or contract with any New Physician to serve as an Ochsner Physician without the express written consent of HSC-S, as represented by the Dean, which consent will not be unreasonably withheld, and (b) except as otherwise set forth in this Section 2.2.4, LSU will not recruit, employ or contract with any New Physician as an HSC-S Physician without the express written consent of the OLHS-NL CEO, which consent will not be unreasonably withheld. Before Ochsner or LSU, as applicable, seeks the other's consent to recruit, employ, or contract with a New Physician under the preceding sentence, the CEO of OLHS-NL and Dean shall attempt to reach an agreement upon the compensation that will be paid to that New Physician by HSC-S or Ochsner, as applicable, for the clinical portion of that New Physician's time, in light of the guiding principles set forth in the Compensation Plans recommended by the Compensation Committee and approved by the OLHS-NL Joint Management Committee in accordance with Section 7.2.2 below, (including, without limitation, assurance that the New Physician is paid consistent with fair market value for his or her clinical services utilizing the Fair Market Value Methodology), and any consent given by the other Party under the preceding sentence shall include that Party's consent to any compensation agreed to by the CEO and the Dean. In the event HSC-S, through the Dean, or the OLHS-NL CEO refuses to provide written consent for Ochsner or LSU, as applicable, to recruit, employ or contract with a New Physician (including, for clarity and without limitation, because the CEO and Dean could not agree on the clinical compensation to be paid to such New Physician), then such matter shall be presented to the HSC-S Chancellor and the Ochsner Chief Administrative Officer for decision; and if

the HSC-S Chancellor and the Ochsner Chief Administrative Officer cannot agree, then such matter shall be presented to the OLHS-NL Joint Management Committee for a final decision. In the event the OLHS-NL Joint Management Committee's final decision is to not provide written consent to recruiting, employing or contracting with the New Physician (including for clarity and without limitation because the Board could not agree on the clinical compensation to be paid to such New Physician), then Ochsner or HSC-S, as applicable, may nonetheless recruit, employ or contract with such physician, provided that any revenues associated with such New Physician shall be paid or allocated to OLHS-NL but any incremental costs associated with such New Physician shall be borne exclusively by the hiring Party. For example, if LSU elects to hire a HSC-S Physician for whom the OLHS-NL Joint Management Committee makes a final determination to not provide written consent hereunder, then OLPG shall be entitled to bill and collect for all Services provided by such HSC-Physician in accordance with the FSA, but HSC-S shall not be entitled to receive any payments from OLPG under the FSA related to such HSC-S Physician. Likewise, for purposes of any Ochsner Physician hired by Ochsner to provide services in the Service Area despite the OLHS-NL Joint Management Committee's refusal to provide written consent hereunder, then only the revenues and not the expense of such Ochsner Physician shall be allocated to OLHS-NL in accordance with Section 2.3.4. Further, the Parties acknowledge and agree that any Ochsner Physician hired by Ochsner without the written consent of HSC-S and who will be a credentialed member of the medical staff of one or more of the Hospitals shall be required to obtain an Adjunct Academic Appointment in accordance with Section 5.2, which Community Appointment shall not be unreasonably withheld by HSC-S. The Parties further agree that the fact that the overhead costs of a New Physician's practice may exceed his or her collections from professional services shall not be grounds for HSC-S to withhold consent to Ochsner employing or contracting with such New Physician as an Ochsner Physician or for the OLHS-NL CEO to withhold consent to HSC-S hiring such New Physician as an HSC-S Physician if the hiring Party believes in good faith that (x) retaining the New Physician's services is important to further the hiring Party's interests, and (z) except with respect to any HSC-S Physician needed to satisfy faculty to resident ratios or other applicable graduate medical education requirements, any financial losses attributable to the New Physician are absorbed directly by HSC-S or Ochsner, as applicable, and not by the OLPG under the FSA or OLH or the Hospital Subsidiaries, as applicable, under the Financial Integration Agreement.

**Section 2.2.5** To further assure collaboration between Ochsner and LSU, in the event either intends to amend the compensation for clinical services that it pays to an existing Ochsner Physician or existing HSC-S Physician, respectively, then the CEO of OLHS-NL and the Dean will follow the same process outlined in Section 2.2.4 above to attempt to reach agreement on the new compensation to be paid to that physician in light of the guiding principles set forth in the Compensation Plans recommended by the Compensation Committee and approved by the OLHS-NL Joint Management Committee in accordance with Section 7.2.2 hereof (including, without limitation, assurance that the New Physician is paid consistent with fair market value for his or her clinical services utilizing the Fair Market Value Methodology).

**Section 2.2.6** The medical staff shall create and maintain a set of Hospital Medical Staff Bylaws, rules, regulations, and policies, which shall be submitted to the OLHS-NL Joint Management Committee and OLHS-NL Board for approval in accordance with the OLHS-NL Governance Documents.

**ARTICLE 3**  
**COLLABORATIVE AGREEMENTS**

This Agreement provides the overall framework for the Collaborative, and contemplates the execution of the additional Collaborative Agreements summarized below to address in greater detail specific areas affecting the Collaborative. Unless otherwise expressly agreed by the Parties in writing, execution of each of the additional Collaborative Agreements prior to the Commencement Date is a condition precedent to this Agreement and the failure to execute one or more of the Collaborative Agreements by the Commencement Date shall be cause for termination of this Agreement. Each of the Collaborative Agreements, including, without limitation, the New CEA, will be implemented and administered consistent with the Governing Principles. Subject to the wind down procedures set forth in Article 11, termination or expiration of this Agreement in accordance with its terms will automatically result in termination of all the additional Collaborative Agreements. In case of conflict between the terms of this Agreement and any other Collaborative Agreement, the terms of this Agreement will control.

**Section 3.1 New CEA.**

OLHS-NL, LSU and the State, acting through DOA, will be parties to the New CEA. Key provisions of the New CEA will include, but will not necessarily be limited to, (a) defining the Public Purpose; (b) establishing the level of Adequate Public Funding; (c) the State's and DOA's agreement to fully indemnify OLHS-NL, LSU and Ochsner, as a third-party beneficiary, for any and liabilities associated with the operations of the Hospitals prior to the closing date of the MITA; (d) providing for the ability of the OLHS-NL Board to terminate its participation in the New CEA in accordance with the terms of the New CEA; and (e) providing for the ability of LSU and/or the State to terminate its participation in the New CEA and an appropriate process to be followed upon such termination if LSU and/or the State determines, exercising their discretion reasonably and in good faith, that the Public Purpose is not being served by the New CEA as required by the Louisiana Constitution.

**Section 3.2 Assignment of Membership Interests.**

BRF will transfer its membership interests in BRFHH and the Hospital Subsidiaries to OLHS-NL pursuant to the MITA.

**Section 3.3 Termination and Release Agreement.**

The BRF CEA will be terminated by mutual agreement. The disputes among BRFHH, LSU and the State as set forth in letters from LSU and DOA dated September 11, 2017, and BRFHH's written response dated September 29, 2017, as well as ancillary disputes between LSU and BRFHH that are currently the subject of arbitration proceedings and any other disputes, will be settled with mutual releases of claims that LSU, the State and BRFHH may have against each

other in accordance with a Termination and Release Agreement by and among BRF, BRFHH, LSU and the State.

**Section 3.4 Academic Affiliation Agreement.**

OLH and LSU will be parties to the AAA that governs the resident and graduate medical education services provided at the Hospitals including, without limitation, the costs of certain residents and fellows and other relevant terms and conditions.

**Section 3.5 Faculty Services Agreement.**

HSC-S will enter into the FSA with OLPG to assure that, subject to the time allocated by LSU to HSC-S Physicians to provide the Carve-Out Services, (a) all of the HSC-S Physicians and HSC-S Practitioners' remaining work-related time will be dedicated to providing Services on behalf of OLPG pursuant to the terms and conditions of the FSA and (b) HSC-S will work cooperatively with OLHS-NL or OLPG, as applicable, to assure OLPG is able to bill and collect, to the maximum extent allowable and practical, all reimbursements for the Services provided by such HSC-S Physicians and HSC-S Practitioners and billable to patients, third-party payers, or other sources during the term of the FSA. In furtherance of the foregoing, the FSA shall obligate HSC-S to, among other things, require assignment or reassignment (as applicable) to OLPG of any and all rights of HSC-S, FGP, the HSC-S Physicians and the HSC-S Practitioners to reimbursement for Clinical Services; provided, however, that HSC-S, FGP, the HSC-S Physicians, and the HSC-S Practitioners are not obligated to so assign any right to reimbursement for any Carve Out Services unless expressly agreed otherwise by the Parties. The FSA will also include, among other relevant contractual provisions, (x) assurances that the compensation paid thereunder and the compensation paid to the HSC-S Physicians are consistent with fair market value utilizing the Fair Market Value Methodology, and (y) an expected level of annual compensation to HSC-S provided under the FSA for a two (2) year period (prorated for the first [9-month] period of the Collaborative coinciding with the Effective Date through OLHS-NL's fiscal year end to reflect the prorated amount of compensation for such time period) while HSC-S and HSC-S Physicians transition from the BRF CEA to the New CEA and from the compensation model in effect between HSC-S and BRFHH prior to the Effective Date to a more productivity-based compensation model to be implemented between OLHS-NL and HSC-S in accordance with the Physician Compensation Plans described in Section 7.2.2.

**Section 3.6 Professional Services Agreements.**

OLH and/or the Hospital Subsidiaries will enter into one or more Professional, Teaching, and Medical Administrative Services Agreements with OLPG for the provision of Services by the HSC-S Physicians and HSC-S. The PSA will include, among other relevant contractual provisions, (a) assurances that the compensation paid thereunder is consistent fair market value utilizing the Fair Market Value Methodology and (b) an expected level of annual compensation to OLPG for the Services provided under the PSAs for a two (2) year period while HSC-S and HSC-S Physicians transition from the compensation model in effect between HSC-S and BRFHH prior to the Effective Date to a more productivity-based compensation model to be implemented between the Hospital Subsidiaries and the OLPG in accordance with the Physician Compensation Plans described in Section 7.2.2.

**Section 3.7 Financial Integration Agreement.**

Ochsner and OLHS-NL or a Subsidiary will enter into the Financial Integration Agreement outlining the terms under which the revenue and expenses of Ochsner Physicians in the North Louisiana Department will be integrated into OLHS-NL's finances.

**Section 3.8 Master Research Agreement**

HSC-S will contract with OLHS-NL to establish the scope and parameters for the Parties' collaboration with regard to the design and development of research endeavors that further the Collaborative's efforts to improve Research Programs in the Service Area.

**Section 3.9 Master Hospital Lease**

The State, through DOA, will lease the Hospitals to OLH and the Hospital Subsidiaries pursuant to a long-term Master Hospital Lease containing commercially reasonable landlord/tenant provisions.

**Section 3.10 Equipment Lease**

The State, through DOA, will lease all of the equipment utilized in or by the Hospitals to OLH and the Hospital Subsidiaries pursuant to a long-term Equipment Lease containing commercially reasonable lessor/lessee provisions.

**Section 3.11 Shared Services Agreement**

HSC-S and OLH and/or the Hospital Subsidiaries will equitably allocate and pay the costs of their operations located on the LSU Shreveport Hospital campus pursuant to the SSA.

**Section 3.12 Hospital Management Agreement**

To take advantage of Ochsner's hospital and clinic management expertise and the efficiencies and economies of scale Ochsner can bring to the OLHS-NL, the Hospital Subsidiaries, OLHS-NL, OLH and the Hospital Subsidiaries will enter into the Hospital Management Agreement with the Hospital Manager to provide Hospital Subsidiaries with comprehensive day-to-day management of the Hospital operations. Hospital Manager will be reimbursed (a) its Reimbursable Costs (as defined in the Hospital Management Agreement) of providing the Hospitals with management and other administrative services (including, without limitation, direct pass through costs for certain expenses such as Epic and information technology) plus (b) a Centralized Administrative Support Fee (as defined in the Hospital Management Agreement) equal to three percent (3%) of the Hospital Total Revenue. Hospital Manager may at its sole discretion make available to the OLHS-NL Entities a Line of Credit. The terms and conditions of the Line of Credit shall be subject to the terms and conditions of the Hospital Management Agreement. OLHS-NL, OLH, and the Hospital Subsidiaries' obligation to pay the Hospital Manager the 3% Centralized Administrative Support Fee is subject to the provisions of Section 7.2.4; provided, however, that OLHS-NL, OLH, and the Hospital Subsidiaries' obligation to reimburse the Hospital Manager its Reimbursable Costs under the Hospital

Management Agreement and the OLHS-NL Entities' obligation to repay any outstanding balance under the Line of Credit shall not be subject to the provisions of Section 7.2.4.

### **Section 3.13 OLPG Administrative Support Agreement**

To further take advantage of Ochsner's hospital and clinic management expertise and the efficiencies and economies of scale Ochsner can bring to OLPG, OLPG will enter into the Administrative Support Agreement with the Administrative Manager to provide OLPG with certain back-office functions including, without limitation, workflow diagnostics, internal controls, and billing and collection for physician services. Administrative Manager will be reimbursed (a) its direct and indirect costs of providing OLPG with administrative support services plus (b) a management fee equal to three percent (3%) of the Physician Total Revenue. The Administrative Support Agreement shall include Administrative Manager's commitment that its direct and indirect costs of billing and collection shall be less than the costs currently paid by LSU for those same services (as adjusted annually on each anniversary date of the effective date of the administrative support agreement in accordance with the consumer price index for medical services). OLPG's obligation to pay Administrative Manager the administrative services fee (but not its obligation to reimburse Administrative Manager direct and indirect costs hereunder) is subject to the provisions of Section 7.2.4. Administrative Manager and LSU shall separately enter into an employee lease or services agreement for HSC-S administrative personnel to support Administrative Manager.

### **Section 3.14 License Agreements**

LSU and Ochsner will each enter into a License Agreement with OLHS-NL to address co-branding of the activities of the Collaborative and the use of the LSU and Ochsner brands by OLHS-NL. It is anticipated that the License Agreements will generally provide as follows:

**Section 3.14.1** The Hospitals, as well as ambulatory surgery centers, imaging facilities and other, similar outpatient facilities, will be co-branded with the Joint Logo as primary, and existing "Ochsner" and "LSU Health Shreveport" logos secondary, provided the signage containing the Joint Logo for any provider-based facilities of either Hospital shall comply with the provider-based requirements at 42 C.F.R. §§ 413.65 *et seq.*

**Section 3.14.2** Ambulatory physician clinics and any other locations affiliated with the Collaborative at which HSC-S Physicians and/or Ochsner Physicians practice will be co-branded with the Joint Logo.

## **ARTICLE 4** **BRANDING OF THE COLLABORATIVE**

The Hospitals and other facilities and clinics within the Collaborative will be jointly branded in accordance with Section 3.14 and the License Agreement.

## **ARTICLE 5** **ACADEMIC APPOINTMENTS**

### **Section 5.1 Academic Leadership Appointments**

LSU, through the Chancellor and other academic appointees, will at all times remain solely responsible for and fully in control of HSC-S operations and finances. To facilitate integration of the Collaborative, Ochsner will have representation in the selection of individuals in key HSC-S leadership positions as follows:

**Section 5.1.1** In the event of a vacancy in the Chancellor position, the LSU President retains authority to appoint an interim Chancellor. Ochsner will have a representative on the search committee for the permanent HSC-S Chancellor, and the President of LSU will confer with Ochsner's Chief Executive Officer regarding the candidates under consideration prior to selecting a permanent Chancellor; provided, however, that the LSU Board of Supervisors and the President of LSU will always have the ultimate authority and control to appoint the Chancellor.

**Section 5.1.2** In the event of a vacancy in the Dean position, the HSC-S Chancellor retains authority to appoint an interim Dean, subject to review and consultation with Ochsner. Ochsner will have a representative on the search committee for the permanent Dean, and the Chancellor will confer with Ochsner's Chief Executive Officer regarding the candidates under consideration prior to appointing a permanent Dean; provided, however, that the Chancellor shall have the ultimate authority to select a permanent Dean in accordance with the approval requirements set forth by the LSU President or LSU's Board of Supervisors.

**Section 5.1.3** In the event of a vacancy in any Clinical Department Chair position, the Dean retains authority to appoint an interim Clinical Department Chair. Ochsner will have a representative on the search committee formed to make recommendations regarding candidates for the permanent Clinical Department Chair position, and the Dean will select such Clinical Department Chair from the slate of candidates unanimously recommended by the search committee.

**Section 5.1.4** In the event of a vacancy in the Dean of the School of Allied Health or Dean of the School of Graduate Studies positions, the Chancellor retains authority to appoint an interim Dean to fill such positions. Ochsner will have a representative on the search committee formed to make recommendations regarding candidates for the permanent Dean of the School of Allied Health and Dean of the School of Graduate Studies positions; provided, however, that the Chancellor shall have ultimate authority to select a permanent Dean of the School of Allied Health and a permanent Dean of the School of Graduate Studies.

**Section 5.1.5** Program Directors for each of the HSC-S Graduate Medical Education Programs will be appointed by the applicable Clinical Department Chair. Ochsner will have a representative on the search committee formed to make recommendations regarding candidates for each Program Director position, and the applicable Clinical Department Chair will select such Program Director from the slate of candidates unanimously recommended by the search committee.

## **Section 5.2 Faculty Appointments**

To best maintain the academic focus of the AMC and facilitate the ability of the Collaborative to achieve the HSC-S Mission, the Ochsner Physicians and Community Physicians will need to obtain Medical Staff Membership with Hospital Facility Privileges and/or Medical Staff Membership with Ambulatory Facility Privileges in accordance with Section 5.2.1 or 5.2.2, and LSU will use best efforts to see that the Hospital Medical Staff Bylaws are amended by the medical staff of the Hospitals in accordance with Section 5.2.3.

**Section 5.2.1 Medical Staff Membership with Hospital Facility Privileges.** The Parties acknowledge and agree that Ochsner Physicians and Community Physicians who wish to obtain Medical Staff Membership with Hospital Privileges must be both credentialed members of the Hospitals' medical staff with inpatient admitting privileges and have an Adjunct Academic Appointment to the Medical School. The Parties further acknowledge and agree that Adjunct Academic Appointments are granted by the applicable Clinical Department Chair and approved or disapproved by the HSC-S Chancellor and/or the Dean in accordance with the Appointment Procedures. Within sixty (60) days of the Commencement Date, Ochsner will identify those Ochsner Physicians and Community Physicians who are important to the growth of the Collaborative and interested in having a teaching role at the Hospitals through an Adjunct Academic Appointment and Medical Staff Membership with Hospital Privileges. These Ochsner Physicians and Community Physicians will apply for, meet the criteria for, and receive such Adjunct Academic Appointment in accordance with the Appointment Procedures, which Adjunct Academic Appointment shall not be unreasonably withheld, before being credentialed for Medical Staff Membership with Hospital Privileges. Following the initial appointment and credentialing of this initial group of Ochsner Physicians and Community Physicians, any additional Ochsner Physicians and the Community Physicians wishing to obtain Medical Staff Membership with Hospital Privileges must complete the Medical Staff Membership with Hospital Privileges credentialing and Adjunct Academic Appointment processes as outlined in the Hospital Medical Staff Bylaws credentialing process. Ochsner Physicians who are granted an Adjunct Academic Appointment shall remain subject to, and retention of such Adjunct Academic Appointment shall be conditioned on compliance with, all HSC-S policies and procedures applicable to Adjunct Academic Appointments. Except as required or recommended by ACGME or other applicable oversight body, HSC-S will not amend or revise the Appointment Procedures for or HSC-S policies and procedures applicable to an Adjunct Academic Appointment without prior consent of Ochsner.

**Section 5.2.2 Medical Staff Membership with Ambulatory Facility Privileges.** The Parties acknowledge and agree that the medical staff at the Shreveport Hospital will be asked to amend the Hospital Medical Staff Bylaws in accordance with Section 5.2.3 below to, among other things, enable Ochsner Physicians and Community Physicians to obtain Medical Staff Membership with Ambulatory Facility Privileges without the necessity for having an Adjunct Academic Appointment. Within sixty (60) days of the Commencement Date, Ochsner will identify those Ochsner Physicians and Community Physicians whose practices do not include oversight of residents or fellows but wish to obtain Medical Staff Membership with Ambulatory Facility Privileges. These Ochsner Physicians and Community Physicians will apply for, meet the criteria for, and receive such Medical Staff Membership with Ambulatory Facility Privileges in accordance with the amended Hospital Medical Staff Bylaws. Following the credentialing of the initial

group of such Ochsner Physicians and Community Physicians, any additional Ochsner Physicians and the Community Physicians wishing to obtain Medical Staff Membership with Ambulatory Facility Privileges must complete the credentialing processes as outlined in the Hospital Medical Staff Bylaws.

**Section 5.2.3 Medical Staff Bylaws Amendments.** The Parties acknowledge and agree that amending the Hospital Medical Staff Bylaws to create and/or modify the existing medical staff categories to allow qualified Ochsner Physicians and Community Physicians who do not have an Adjunct Academic Appointment to obtain Medical Staff Membership with Ambulatory Facility Privileges is integral to the patient care services to be provided under the Collaborative and requires immediate consideration so that they can be initiated, reviewed and approved by the Hospitals as soon as practical after the effective date of the Collaborative. In addition, the Parties acknowledge and agree that the Hospital Medical Staff Bylaws should also be amended to:

- (a) Establish medical staff best practices to coordinate patient care with Ochsner Physicians and other physicians engaged in private practice for the Collaborative;
- (b) Provide high quality safe patient care services in the areas of the ambulatory facilities (including ambulatory and outpatient facilities including, without limitation, ambulatory surgical centers);
- (c) Comply with Federal and State Laws governing the ambulatory facilities;
- (d) Develop delineations of Medical Staff privileges to implement practices limited to the ambulatory facilities; and
- (e) Allowing department chairs, on a case-by-case determination and subject to the approval of the Dean, to waive Adjunct Academic Appointment requirements for particular categories of physician specialties.

LSU shall use its best efforts to see that the medical staff amends the Hospital Medical Staff Bylaws as set forth above; provided, however, the Parties acknowledge that LSU has no authority to require such amendment, and that if the Hospital Medical Staff Bylaws are not so amended notwithstanding LSU's best efforts, such will not be considered a breach of this Agreement by LSU. In the event and despite LSU's best efforts the Hospital Medical Staff Bylaws are not amended to allow qualified Ochsner Physicians and Community Physicians who do not have an Adjunct Academic Appointment to obtain Medical Staff Membership with Ambulatory Facility Privileges, then Ochsner Physicians and Community Physicians may apply for and receive Adjunct Academic Appointments in accordance with and provided they satisfy the criteria of the Appointment Procedures, which Adjunct Academic Appointment shall not be unreasonably withheld; and provided further that if a department chair does not recommend approval of an application by an Ochsner Physician or Community Physician for an Adjunct Academic Appointments under this Section 5.2.3 , said physician may appeal to the Chancellor of HSC-S, who can override the department chair and make the

Adjunct Academic Appointment himself in accordance with the Appointment Procedures.

**ARTICLE 6**  
**CAPITAL IMPROVEMENTS**

**Section 6.1 Collaborative Investment**

LSU and Ochsner expressly acknowledge and agree that accomplishing the Shared Mission will require capital investment in infrastructure. Accordingly, the Parties agree, subject to any necessary adjustment based on sound business judgment and prudent business practices to which the Parties may agree, to annually invest, not less than three percent (3%) of OLHS-NL Total Revenue in facilities and/or equipment, intended to improve the Collaborative's clinical and financial performance in accordance with the Strategic Plan and budget more fully described in Article 7. The priorities and timing of such capital investments will be determined by the Parties pursuant to the joint strategic planning and budgeting processes outlined in Article 7 and are subject to the provisions of Section 7.2.4.

**Section 6.2 Capital Outlay**

The Parties will seek capital outlay funding as necessary from the Louisiana Legislature for projects to improve the Hospitals' infrastructure.

**ARTICLE 7**  
**STRATEGIC PLANNING AND BUDGETING**

**Section 7.1 Strategic Planning**

The Parties are committed to participating in ongoing strategic planning for the benefit of the Collaborative. As soon as practicable after the Commencement Date, LSU and Ochsner will appoint a strategic planning committee with equal representation from each Party to establish and adopt the Strategic Plan. The Strategic Plan will be designed to assure alignment between the operations of OLHS-NL and HSC-S for purposes of advancing the Shared Mission and that the Clinical Programs targeted and developed by the Collaborative are consistent with this Agreement. In furtherance of such objective, HSC-S shall (a) allow Ochsner to review any HSC-S strategic plan, and (b) authorize Ochsner to appoint at least (1) one representative to participate in any HSC-S committee that is formed for the establishment and adoption of any HSC-S strategic plans. Also in furtherance of such objective, Ochsner shall authorize HSC-S to appoint at least one (1) representative to participate in any Ochsner committee that is responsible for the establishment and adoption of Ochsner's strategic plans in the Service Area. Following the adoption of the initial Strategic Plan for OLHS-NL, the Parties will engage in a joint annual strategic planning process to review and measure OLHS-NL's performance relative to the Strategic Plan and adjust the Strategic Plan as may be necessary to account for changed or unanticipated circumstances. Not less than one (1) year prior to the expiration of the initial Strategic Plan, the Parties will commence the process of establishing and adopting a new five-year strategic plan designed to further advance the Shared Mission. HSC-S and OLHS-NL will

coordinate and collaborate on any strategic planning in which either may engage independent of the other.

## **Section 7.2 Budgeting**

**Section 7.2.1** The Parties will engage in the budgeting process outlined in Section 7.2.3 below to assure alignment in their operations for the purpose of advancing the Shared Mission. The HSC-S budget will be prepared by HSC-S, and approved by LSU, but will be reviewed by the OLHS-NL Joint Management Committee prior to its submission to LSU to ensure strategic and capital investment alignment with OLHS-NL. OLPG, the Hospital Subsidiaries and North Louisiana Department budgets and strategic plans will be prepared by the OLPG, Hospital Subsidiaries and Ochsner, respectively, and approved by the OLHS-NL Joint Management Committee and OLHS-NL Board in accordance with the OLHS-NL Governance Documents, but will be reviewed by HSC-S prior to submission to the OLHS-NL Joint Management Committee and OLHS-NL Board to ensure strategic and capital investment alignment with HSC-S.

**Section 7.2.2** In accordance with the objective to move to a more productivity-based compensation methodology for the HSC-S Physicians and Ochsner Physicians, as soon as practicable following the Commencement Date, the Parties will establish the Compensation Committee. The Compensation Committee shall be composed of \_\_\_\_ members, including (a) \_\_\_\_ Ochsner representatives, at least \_\_ ( ) of whom shall be duly licensed and practicing physicians; and (b) \_\_\_\_ HSC-S representatives, at least \_\_ ( ) of whom shall be duly licensed and practicing physicians. The Compensation Committee will establish Compensation Plans for compensating HSC-S Physicians and Ochsner Physicians for the clinical work in which they are involved. The Compensation Plans shall be approved by the OLHS-NL Joint Management Committee. The CEO and CMO will consider the approved Compensation Plans as guiding principles when establishing the clinical compensation to be paid to individual physicians under Section 2.2.4 and 2.2.5, as applicable; provided, however, the Parties acknowledge that it will take time to modify compensation structures already in place as of the Effective Date to align with the Compensation Plans and that the CEO and CMO shall have flexibility to address the unique nature of each department and physician. Ochsner and LSU reserve the right to determine what portion of each of their respective physicians' time shall be devoted to non-clinical services (e.g., education and research) and to compensate their physicians for such non-clinical time as they deem appropriate.

**Section 7.2.3** Each calendar year, HSC-S will submit its proposed annual operating budget to the OLHS-NL Joint Management Committee, and OLPG, the Hospital Subsidiaries and the North Louisiana Department will submit their proposed annual operating budgets to HSC-S. The Dean, the CEO, the CMO, and such others as those individuals may engage to provide decision support, will jointly review and work in good faith to agree upon and reconcile the proposed budgets consistent with the goals outlined in Section 7.2.1 above. Upon such agreement and reconciliation, the HSC-S budget will be reviewed by the OLHS-NL Joint Management Committee and submitted to LSU for approval and the OLPG, Hospital Subsidiaries and North Louisiana Department budgets

will be submitted to the OLHS-NL Joint Management Committee and OLHS-NL Board for approval in accordance with the OLHS-NL Governance Documents.

**Section 7.2.4** Except for any reimbursement to the Hospital Manager and Administrative Manager for their direct and indirect costs under the Hospital Management Agreement and Administrative Support Agreement, and any repayment to Ochsner by the OLHS-NL Entities under the Line of Credit, OLHS-NL and its Subsidiaries shall only make payments to HSC-S, OLPG, Ochsner, Hospital Manager, and/or Administrative Manager under the Collaborative Agreements, and shall only invest in capital investments, if and to the extent that OLHS-NL has available Free Cash Flow after accounting for all payments owed to third parties; provided, further, if OLHS-NL's Free Cash Flow in any month is insufficient to pay the full amount due and payable to HSC-S and Ochsner, Hospital Manager, and/or Administrative Manager under the Collaborative Agreements, and to make any capital investment identified in its budget, then OLHS-NL shall reduce proportionately the amounts currently due and payable *(i)* to HSC-S under the Collaborative Agreements; *(ii)* to Ochsner, Hospital Manager and Administrative Manager under the Collaborative Agreements; and *(iii)* for a capital investment in that month to the amount of its available Free Cash Flow; provided, however, that in the event OLHS-NL's Free Cash Flow in a subsequent month exceeds the amount owed and payable to HSC-S and Manager in that month, OLHS-NL shall use the Free Cash Flow to reimburse any deficit owed and payable to HSC-S or Manager for a prior month(s).

## ARTICLE 8

### HSC-S COMPENSATION

**Section 8.1** Faculty Services Agreement and Academic Affiliation Agreement.

**Section 8.1.1** Ochsner and LSU agree that based on current HSC-S operating costs, OLPG's estimated Third-Party Payer Collections, and the FSA/AAA Value, the Base Contract Funding for the current fiscal year is estimated to be One Hundred Seventy Eight Million Dollars (\$178,000,000.00), to be appropriately allocated between the FSA and AAA in accordance with the terms and conditions thereof. Ochsner and LSU further agree that the expected sources of the Base Contract Funding include *(a)* a Third Party Payer Portion of Seventy Million Dollars (\$70,000,000.00) from Third-Party Payer Collections, and *(b)* an FSA/AAA Portion of One Hundred Eight Million Dollars (\$108,000,000.00). Subject to Section 7.2.4 and HSC-S's compliance with all material terms of the FSA and AAA, for the first two (2) years of the Collaborative, *(y)* OLHS-NL, through the FSA and AAA, will guarantee payment to HSC-S of the FSA/AAA Portion (i.e., \$108,000,000) (as prorated in accordance with this Section 8.1.1 for the first year of the Collaborative), and *(z)* OLHS-NL, through the FSA, will guarantee payment to HSC-S of all actual Third-Party Payer Collections, minus any expenses incurred by the OLPG under the Administrative Support Agreement, which payment to HSC-S shall not exceed the Third-Party Payer Portion (i.e., \$70,000,000) (as prorated in accordance with this Section 8.1.1 for the first year of the Collaborative). Any Third-Party Payer Collections (minus any expenses incurred by OLPG under the Administrative

Support Agreement) in excess of the Third-Party Payer Portion (i.e., \$70,000,000) (as prorated in accordance with this Section 8.1.1 for the first year of the Collaborative) will be retained by OLHS-NL to be utilized for purposes of the Shared Mission as the OLHS-NL Joint Management Committee deems advisable. If Third-Party Payer Collections (minus any expenses incurred by OLPG under the Administrative Support Agreement) are less than the Third-Party Payer Portion (i.e., \$70,000,000), then HSC-S shall be paid an amount equal to OLPG's actual Third-Party Collections (minus any expenses incurred by OLPG under the Administrative Support Agreement). Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that the compensation provided hereunder shall be prorated for the first [9-month] period of the Collaborative coinciding with the Effective Date through OLHS-NL's fiscal year end to reflect the prorated amount of compensation for such time period.

**Section 8.1.2** OLHS-NL, through OLPG and OLH, shall (a) make monthly payments to HSC-S under the FSA and AAA in the amount of one-twelfth (1/12) of the FSA/AAA Portion (i.e., \$9,000,000) and (b) quarterly payments in the amount of one-fourth (1/4) of OLPG's actual Third-Party Collections (minus any expenses incurred by OLPG under the Administrative Support Agreement) for the preceding quarter up to one-fourth (1/4) of the Third-Party Payer Portion for such quarter (i.e., \$17,500,000), subject to an annual reconciliation taking into account OLPG's actual Third Party Payer Collections, the annual Third-Party Payer Portion (i.e., \$70,000,000) and the actual amount of Third Party Payer Collections. Notwithstanding anything herein to the contrary, the Parties agree to collaborate in good faith to transition from the compensation methodology described in this Section 8.1 to a more productivity-based compensation model within two (2) years of the Commencement Date. In addition, the Parties agree that the compensation described under this Section 8.1.2 shall be prorated for the first [9-month] period of the Collaborative coinciding with the Effective Date through OLHS-NL's fiscal year end to reflect the prorated amount of compensation for such time period.

**Section 8.2 Additional Payments.** The FSA shall obligate HSC-S to, among other things, (a) require reassignment to OLPG of any and all rights of HSC-S, FGP, the HSC-S Physicians and the HSC-S Practitioners to bill and collect from patients and third-party payors for any clinical services, and (b) require assignment to OLPG of the right of HSC-S, FGP, the HSC-S Physicians, and the HSC-S Practitioners for payment for any clinical services provided by the HSC-S Physicians or HSC-S Practitioners, except for (y) payments for Carve Out Services and (z) Supplemental Payments in an amount not to exceed the Supplemental Payment Cap in any given State fiscal year, it being understood by the Parties that any Increased Fee Schedule Amount in excess of the Supplemental Payment Cap shall be subject to assignment by HSC-S, FGP, the HSC-S Physicians and the HSC-S Practitioners to OLPG.

## **ARTICLE 9** **DISPUTE RESOLUTION**

### **Section 9.1 Dispute Process**

Subject to Section 1.1.3 above regarding Prior Separate Activities and Section 9.2 below regarding Financial Defaults, in the event of a Dispute, regardless of whether the Dispute would

constitute a breach under the applicable Collaborative Agreement, the Dispute Process below shall be the exclusive means available to the Parties, and the Parties shall follow the Dispute Process in a good faith attempt, to resolve the Dispute:

**Section 9.1.1 Informal Discussions.** The Notice Party shall first send the Initial Dispute Notice to the other Parties. Within fifteen (15) days of the other Parties' receipt of the Initial Dispute Notice, the leadership of the Collaborative, including, without limitation, the Chancellor and/or the Dean, the OLPG CEO, the OLHS-NL CEO and/or other HSC-S and OLHS-NL representatives, as appropriate, will confer in an effort to resolve the Dispute through informal negotiation. The Parties shall strive in good faith to resolve all Disputes through the informal process in accordance with this Section 9.1.1 whenever possible; provided, however, if forty-five (45) days have elapsed since issuance of the Initial Dispute Notice and the Parties have neither resolved the Dispute nor made sufficient progress towards resolving the Dispute, in either instance to the reasonable satisfaction of the Notice Party, then the Notice Party may refer the Dispute for more formal negotiations according to and as set forth in Section 9.1.2 below.

**Section 9.1.2 Executive Discussions.** If the Notice Party desires to refer the Dispute for more formal negotiations according to this Section 9.1.2, the Notice Party shall send a Collaborative Dispute Notice to the other Parties, and the Parties shall follow the procedure set forth below in a good-faith attempt to resolve the Dispute:

(1) If the individuals who participated in the informal negotiations under Section 9.1.1 do not include all of the LSU Designated Directors and the Ochsner Designated Directors, the Dispute will be referred to the OLHS-NL Board for discussion and resolution at a regular or special meeting of the OLHS-NL Board held within thirty (30) days of the issuance of the Collaborative Dispute Notice.

(2) If the individuals who participated in informal negotiations under Section 9.1.1 include all of the LSU Designated Directors and Ochsner Designated Directors, or if the OLHS-NL Board is unable to resolve the Dispute in accordance with Section 9.1.2(1) above, then the Ochsner CEO and LSU President and/or their designees shall attempt to resolve the Dispute one-on-one.

**Section 9.1.3 Mediation.** If the Ochsner CEO and the LSU President and/or their designees are unable to resolve the Dispute, the Notice Party may refer the Dispute for non-binding mediation as follows:

(1) The Parties shall identify a Qualified Individual. Upon disclosure of any prior relationships with any Party or any principal of any Party or any other actual or potential conflict of interest and the agreement of the Parties and the Qualified Individual, such Qualified Individual will serve as mediator.

(2) If the Parties are unable to agree on a Qualified Individual to act as the mediator, each Party will name a Qualified Individual, and those two (2) Qualified Individuals will select a third Qualified Individual who, upon disclosure of any prior relationships with any Party or any

principal of any Party or any other actual or potential conflict of interest, will serve as the mediator.

(3) The mediator shall mediate the Dispute for a period of time not to exceed sixty (60) days (unless extended by mutual agreement of the Parties). The Parties will follow such process(es) as the mediator may prescribe, including without limitation submission of written position statements, participation in conference calls, and attendance at meetings. All proceedings in connection with the mediation are for purposes of settlement and shall be confidential and inadmissible as evidence at any trial, hearing, or other legal proceeding. The mediator shall not issue any findings of fact, conclusions of law, or recommendations.

(4) In the event that two (2) material Disputes initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years are not resolved to a Party's satisfaction at the conclusion of mediation, such Party may elect as a matter of right to issue a Termination Notice and initiate the wind down and dissolution of the Collaborative in accordance with Article 11, subject to Section 9.1.3 (5) below. In accordance with Section 10.5 and except as specifically set forth in Section 9.1.3 (5) below, no Party to this Agreement or to any other Collaborative Agreement shall have a right to injunctive or other relief to prevent termination of this or any other Collaborative Agreement and wind down of the Collaborative following such Termination Notice, but shall not be precluded from pursuing a claim for damages for wrongful termination of any or all of the Collaborative Agreements or to enforce any liquidated financial obligation owed to such Party under this Agreement or any Collaborative Agreement.

(5) If a Party issues a Termination Notice pursuant to Section 9.1.3 (4) above, and if any other Party to this Agreement contests whether the issuing Party had a Good Faith Basis for issuing such Termination Notice, then the contesting Party may initiate an arbitration proceeding pursuant to the AHLA Rules, provided that the arbitration shall be limited solely to the issue of whether the issuing Party had a Good Faith Basis for issuing such notice. Any arbitration must be initiated by the contesting Party filing a demand for arbitration form with the AHLA Dispute Resolution Service and conducted pursuant to the AHLA Rules within thirty (30) days of the contesting Party's receipt of the Termination Notice. The arbitrator shall be conducted by a single arbitrator selected in accordance with the AHLA Rules, provided that the Parties agree that any arbitrator selected must be a Qualified Individual. Unless the Parties agree otherwise at that time, the Parties agree to expedited review and issuance of a final ruling within ninety (90) days of the appointment of the arbitrator. In the event the arbitrator rules that the terminating Party did not have a Good Faith Basis for issuing a Termination Notice, then the arbitrator shall not have the authority to enjoin or otherwise prevent termination and wind down of the Collaborative, but notwithstanding anything in this Agreement to the contrary, the contesting Party may file suit to enjoin termination and wind down of the Collaborative and the arbitrator's ruling shall constitute presumptive evidence of wrongful termination in such proceeding. For clarity, the arbitration shall not include, and the arbitrator shall not rule on: (x) the relative merits of the Parties' positions and arguments in any of the Disputes giving rise to the Termination Notice, (y) the relative merits of the Parties' positions and arguments regarding the cumulative effect of the Disputes, and (z) whether or not any Party has breached the Agreement; provided, however, that such limitations shall not preclude a Party from introducing or the arbitrator from considering any factual information determined by the arbitrator to be relevant to the issue

whether the issuing Party had or did not have a Good Faith Basis for issuing the Termination Notice..

**Section 9.1.4** Consent to DOA Participation in Dispute Process. At any point in the Dispute Process, any Party may request that DOA participate in the Dispute Process, and the other Party shall not object to such request. Upon such request, the Commissioner of Administration and/or his or her designee(s) shall be allowed to participate in the Dispute Process to the extent DOA deems advisable.

## **Section 9.2 Financial Defaults**

In the event of a Financial Default, the Parties are not required to follow the Dispute Process set forth in Section 9.1 above. Instead, the Defaulting Party shall have a Financial Default Cure Period following the provision of notice of Financial Default by the non-Defaulting Party to the Defaulting Party to pay the amount owed in full. If the Defaulting Party: (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured, the non-Defaulting Party may issue a notice of intent to terminate the Collaborative Agreement(s) under which the Financial Default arose, as well as all other Collaborative Agreements, and initiate wind down and dissolution of the Collaborative in accordance with Article 11. In accordance with Section 10.5 below, neither the Defaulting Party nor any other party to any Collaborative Agreement shall have a right to injunctive or other relief to prevent termination of this or any other Collaborative Agreement and wind down of the Collaborative under this Section 9.2, but shall not be precluded from pursuing a claim for damages for wrongful termination of any or all of the Collaborative Agreements or to enforce any liquidated financial obligation owed to such Party under this Agreement.

## **ARTICLE 10** **TERM AND TERMINATION**

### **Section 10.1 Term**

The Initial Term of this Agreement shall be ten (10) years, beginning on the Commencement Date, and shall automatically renew for two (2) successive Renewal Terms, for a total Term of twenty (20) years, unless any Party gives a Non-Renewal Notice not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

### **Section 10.2 Termination Events**

Any Party may give a Termination Notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

**Section 10.2.1** The mutual agreement of the Parties.

**Section 10.2.2** Failure of any Party to execute one or more of the Collaborative Agreements by the Commencement Date.

**Section 10.2.3** Termination of any of the Collaborative Agreements (with the exception of the Shared Services Agreement) without the consent of the other parties thereto.

**Section 10.2.4** Any Party has made any representation or warranty in this Agreement or any other Collaborative Agreement which is at any time found to have been inaccurate in any material respect at the time such warranty or representation was made, provided that inaccuracies that are not the result of intentional misrepresentation, are not reasonably anticipated to have a material impact on the Collaboration, or which are corrected on or before the Commencement Date, shall be excused and shall not be grounds for a Termination Notice under Section 10.2.

**Section 10.2.5** In accordance with Section 9.2 above, if a Party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year during the Term, regardless of whether cured.

**Section 10.2.6** Any Change Of Ochsner Control.

**Section 10.2.7** If a Party shall apply for or consent to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

**Section 10.2.8** Failure of the Collaborative to timely receive Adequate Public Funding.

**Section 10.2.9** Failure to resolve to the Disputing Party's satisfaction two (2) material Disputes initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3 (5) above.

Any Dispute regarding a Party's right to terminate this Agreement in accordance with Section 10.2.2 Section 10.2.3 Section 10.2.4 or Section 10.2.6 shall be subject to the Dispute Process in Section 9.1.

### **Section 10.3 Effects of Non-Renewal Notice or Termination Notice**

The issuance of a Non-Renewal Notice or a Termination Notice will commence the Wind Down Period as provided in Article 11. The Parties will continue to comply with all terms and conditions of this Agreement and all other Collaborative Agreements throughout the Wind-Down Period.

#### **Section 10.4 Termination Upon Termination of the CEA**

The normal expiration or early termination of the CEA shall automatically terminate this ACCA subject to the Wind Down Period as provided in Article 11 below.

#### **Section 10.5 Express Waiver of Claims for Injunctive Relief**

Except as otherwise specifically set forth in Section 9.1.3 (5) above, no Party nor any other party to any Collaborative Agreement shall have a right to injunctive or other relief to prevent termination of this or any other Collaborative Agreement and wind down of the Collaborative at any time following issuance of a Non-Renewal Notice or the occurrence of any event that could give rise to a Termination Notice under Section 10.2 of this Agreement; provided, however, that no Party nor any other party to any Collaborative Agreement shall be precluded from pursuing a claim against a Party for money damages for wrongful termination of any or all of the Collaborative Agreements; and provided further that a final ruling by an arbitrator in accordance with Section 9.1.3(5) that the terminating Party did not have a Good Faith Basis for issuing a Termination Notice shall constitute presumptive evidence of wrongful termination in any such proceeding for money damages.

### **ARTICLE 11** **WIND DOWN RESOLUTION**

The Parties acknowledge and agree that LSU is, and will at all times during the Term remain, obligated to continue its pursuit of the HSC-S Mission, and that if the Collaborative is terminated for any reason, it is imperative that the Parties continue to work together in good faith, in accordance with the Governing Principles, and as fiduciaries to OLHS-NL and the Collaborative, during the Wind Down Period to minimize potential disruption to the education, research and patient care services provided through the AMC.

#### **Section 11.1 Wind Down Period**

The Wind Down Period will commence upon issuance of the Non-Renewal Notice or the Termination Notice, whichever is applicable, and end on the Termination Date, which shall be (a) in the case of a Non-Renewal Notice, upon the expiration of the Initial Term or the Renewal Term then in effect, as applicable, or (b) in the case of a Termination Notice, six (6) months from the date of the Termination Notice.

#### **Section 11.2 Wind Down Process**

As soon as practicable following commencement of the Wind Down Period, the Parties shall begin discussions for Ochsner's withdrawal from the Collaborative and the orderly transition of the AMC. The Parties will work together in good faith to minimize the costs of the transition to all Parties. The Hospitals' Medicare, Medicaid, and other provider numbers, as well as all applicable licenses, permits, and similar authorizations needed to do business, shall remain with OLHS-NL. Additional areas to be addressed and, to the extent possible, concluded during the Wind Down Period to assure the orderly transition of the AMC will include, but are not limited to, the following:

**Section 11.2.1** Transition of the Hospitals' and OLPG's electronic information systems and data to LSU or to a New Partner at no additional charge to LSU or a New Partner.

**Section 11.2.2** Ongoing compliance with all terms and conditions of all Collaborative Agreements through the Termination Date (with the exception of the restrictive covenants set forth in Section 1.3.4 and Schedule 1.3.4) including, without limitation, payment of any outstanding amounts due to LSU, HSC-S, or Ochsner or their respective affiliates.

**Section 11.2.3** Such other issues as the Parties may need to address to assure the orderly transition with minimal disruption to the AMC and minimal additional costs to LSU, Ochsner and any New Partner.

### **Section 11.3 Dissolution of OLHS-NL**

Following the Termination Date, the OLHS-NL Board may proceed with the process of dissolving OLHS-NL and its Subsidiaries in accordance with Louisiana law.

## **ARTICLE 12** **REPRESENTATIONS AND WARRANTIES**

### **Section 12.1 LSU Representations and Warranties**

LSU represents and warrants that the statements contained in this Article 12 are correct and complete as of the Effective Date or will be correct and complete as of the Commencement Date.

**Section 12.1.1** LSU is a public constitutional corporation organized under the laws of Louisiana. LSU is validly existing and in good standing under the laws of Louisiana.

**Section 12.1.2** This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms, and any other agreement executed and delivered by LSU in connection with this Agreement will constitute the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms. LSU's Board of Supervisors has authorized the execution and delivery of this Agreement and such other documents to which it is a party and the performance of all of LSU's obligations hereunder and thereunder.

**Section 12.1.3** To LSU's knowledge, neither the execution and delivery of this Agreement nor the consummation or performance of any obligation under any of the Collaborative Agreements will, directly or indirectly (with or without notice or lapse of time):

- (1) Conflict with any resolution adopted by LSU's Board of Supervisors;
- (2) Give any governmental body or other person the right to any successful remedy or relief under any legal requirement to which LSU may be subject;

(3) 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 held by LSU;

(4) Cause Ochsner or OLHS-NL to become subject to, or to become liable for the payment of, any liability of LSU;

(5) To LSU's knowledge, result in any Medical Education Program violating any rules, policies, procedures or ACGME accreditation requirements, or otherwise result in (a) any Medical Education Program ceasing to be accredited by ACGME, (b) any Medical Education Program ceasing to be funded by the State, or (c) LSU ceasing to comply with or satisfy any reimbursement requirements or other regulations of CMS.

**Section 12.1.4** 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 its obligations under this Agreement or any other Collaborative Agreement or otherwise materially and adversely affect any Medical Education Program without Ochsner's prior written consent.

**Section 12.1.5** All corporate actions of LSU necessary for the execution, delivery, and performance of this Agreement and the performance of the Collaborative Agreements and requiring board approvals have been taken pursuant to proper and valid board approval. The execution and delivery of this Agreement and all other documents executed in connection herewith by LSU and the performance of its obligations under the Collaborative Agreements will not result in the creation of any material lien, charge, or encumbrance of any kind or the acceleration of any material indebtedness or other material obligation of LSU and are not and will not be prohibited by, do not and will not materially violate or conflict with any provision of, and do not and will not constitute a material default under or a material breach of the governing documents of LSU, nor will it have a material adverse effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option, or commitment to which LSU is a party or by which LSU is bound.

**Section 12.1.6** All LSU personnel who are medical providers providing services under this Collaborative are participating in or otherwise authorized to receive reimbursement from Medicare and Medicaid. To the extent directly related to this Collaboration, all necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked or assigned, and, to LSU's knowledge, no condition exists or event has occurred which in itself or with the giving of notice or the lapse of time or both would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program, or, except as expressly disclosed by LSU to Ochsner through due diligence, the obligation to make any repayment with respect to any federal health care program. No LSU personnel providing services under the Collaborative are excluded from participation in Medicare, Medicaid or any other federal health care program.

**Section 12.1.7** To LSU's knowledge, except as expressly disclosed by LSU to Ochsner through due diligence, no LSU personnel providing services in under the Collaborative have 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: (a) 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; (b) 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; (c) 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 (d) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or (2) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing, or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare or Medicaid. LSU is not a party to any Corporate Integrity Agreement or similar settlement, compliance, or oversight agreement with any governmental body relating to the Health Care Laws, but only to the extent such agreements are reasonably likely to have a material adverse effect on the Collaboration.

**Section 12.1.8** There is no Order to which LSU is subject that would limit or affect LSU's ability to enter into or perform any obligation under this Agreement or any other Collaborative Agreement.

**Section 12.1.9** All clinical LSU personnel providing services under the Collaborative have been continuously insured for professional malpractice claims during the lesser of (a) the last three (3) years, or (b) the period during which such LSU personnel have 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 DOA's professional liability insurance administered through the Office of Risk Management. To LSU's knowledge, no LSU personnel providing services under the Collaborative is in default with respect to any provision contained in any policy covering the professional acts of such LSU personnel and none of them has failed to give any notice or present any claim under any such policy in a due and timely fashion. LSU has maintained in effect and continues to maintain in effect such other policies of insurance as are customary for a health sciences center offering medical education, research and clinical services of the size and scope of the operations of HSC-S in connection with this Collaborative, with such limits and other terms of coverage as are commercially reasonable for a health sciences center similar in size and scope to HSC-S.

Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that LSU's non-compliance with any of the representations and warranties made under this Section 12.1 that

are not reasonably anticipated to have a material adverse effect on the Collaboration shall not be grounds for a Termination Notice under Section 10.2.

## **Section 12.2 Ochsner Representations and Warranties**

Ochsner represents and warrants that the statements contained in this Article 12 are correct and complete as of the Effective Date or will be correct and complete as of the Commencement Date.

**Section 12.2.1** Ochsner is a nonprofit corporation organized under the laws of Louisiana. Ochsner is validly existing and in good standing under the laws of Louisiana.

**Section 12.2.2** This Agreement constitutes the legal, valid and binding obligation of Ochsner, enforceable against it in accordance with its terms, and any other agreement executed and delivered by Ochsner in connection with this Agreement will constitute the legal, valid and binding obligation of Ochsner, enforceable against it in accordance with its terms. Ochsner's Board of Directors has authorized the execution and delivery of this Agreement and such other documents to which it is a party and the performance of all of Ochsner's obligations hereunder and thereunder.

**Section 12.2.3** To Ochsner's knowledge, neither the execution and delivery of this Agreement nor the consummation or performance of any obligation under any of the Collaborative Agreements will, directly or indirectly (with or without notice or lapse of time):

- (1) Breach any resolution adopted by Ochsner's Board of Directors;
- (2) Give any governmental body or other person the right to any successful remedy or relief under any legal requirement to which Ochsner may be subject;
- (3) 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 held by Ochsner;
- (4) Cause LSU to become subject to, or to become liable for the payment of, any liability of Ochsner;

**Section 12.2.4** Ochsner warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent Ochsner from performing its obligations under this Agreement.

**Section 12.2.5** All corporate actions of Ochsner necessary for the execution, delivery, and performance of this Agreement and the performance of the Collaborative Agreements and requiring board approvals have been taken pursuant to proper and valid board approval. The execution and delivery of this Agreement and all other documents executed in connection herewith by Ochsner and the performance of its obligations under the Collaborative Agreements will not result in the creation of any material lien, charge, or encumbrance of any kind or the acceleration of any material indebtedness or other material obligation of Ochsner and are not and will not be prohibited by, do not and will

not materially violate or conflict with any provision of, and do not and will not constitute a material default under or a material breach of the governing documents of Ochsner, nor will it have a material adverse effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option, or commitment to which Ochsner is a party or by which Ochsner is bound.

**Section 12.2.6** All Ochsner personnel who are medical providers providing services under the Collaborative are participating in or otherwise authorized to receive reimbursement from Medicare and Medicaid. To the extent directly related to the Collaborative, 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 Ochsner's knowledge, no condition exists or event has occurred which in itself or with the giving of notice or the lapse of time or both would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program, or, except as expressly disclosed by Ochsner to LSU through due diligence, the obligation to make any repayment with respect to any federal health care program. No Ochsner personnel providing services under the Collaborative are excluded from participation in Medicare, Medicaid or any other federal health care program.

**Section 12.2.7** To Ochsner's knowledge, except as expressly disclosed by Ochsner to LSU through due diligence, no Ochsner personnel providing services under the Collaborative have 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: (a) 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; (b) 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; (c) 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 (d) 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. Ochsner is not a party to any Corporate Integrity Agreement or similar settlement, compliance, or oversight agreement with any governmental body relating to the Health Care Laws, but only to the extent such agreements are reasonably likely to have a material adverse effect on the Collaboration..

**Section 12.2.8** There is no Order to which Ochsner is subject that would limit or affect Ochsner's ability to enter into or perform any obligation under this Agreement or any other Collaborative Agreement.

**Section 12.2.9** All clinical Ochsner personnel providing services in under this Collaborative have been continuously insured for professional malpractice claims during the lesser of (a) the last three (3) years, or (b) the period during which such Ochsner personnel have been authorized to provide professional medical services on behalf of Ochsner. All clinical LSU personnel providing services under this Collaborative are "qualified state health care providers" as defined in LA R.S. 40:1231.1, et seq. To Ochsner's knowledge, no Ochsner personnel providing services under this Collaborative is in default with respect to any provision contained in any policy covering the professional acts of such Ochsner personnel and none of them has failed to give any notice or present any claim under any such policy in a due and timely fashion. Ochsner has maintained in effect and continues to maintain in effect such other policies of insurance as are customary for a health care delivery system offering medical education, research and clinical services of the size and scope of the operations of Ochsner in connection with this Collaborative, with such limits and other terms of coverage as are commercially reasonable for a health care delivery system similar in size and scope to Ochsner.

Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that Ochsner's non-compliance with any of the representations and warranties made under this Section 12.2 that are not reasonably anticipated to have a material adverse effect on the Collaboration shall not be grounds for a Termination Notice under Section 10.2.

**ARTICLE 13**  
**REGULATORY COMPLIANCE**

This Agreement is intended to comply with all Health Care Laws and all requirements applicable to tax-exempt entities under Sections 501(c)(3) or 115 of the Code, and nothing herein is intended to require, nor shall this Agreement or any other Collaborative 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, jeopardize its tax-exempt status, or impact its ability to receive governmental or private funds for the provision of health care services. If any Party determines in good faith that the terms of this Agreement or any other Collaborative Agreement violate any Health Care Law or Tax Exempt Requirement, or in case of a Change of Law that results in any Party determining in good faith that this Agreement or any Collaborative Agreement would or could potentially violate any Health Care Law in any material respect or jeopardize its tax-exempt status, the Parties will negotiate in good faith to amend this Agreement and/or any other Collaborative Agreement to assure continuing compliance with all Health Care Laws and Tax Exempt Requirements. If the Parties disagree as to the impact of any Health Care Law, Tax Exempt Requirement or Change of Law on this Agreement or any other Collaborative Agreement, or are unable to reach agreement on an amendment to this Agreement or any other Collaborative Agreement to the satisfaction of both Parties, such disagreement will be considered a Dispute subject to resolution in accordance with the Dispute Process under Article 9.

**ARTICLE 14**  
**GENERAL PROVISIONS**

**Section 14.1 Interpretation.** In this Agreement, unless a clear contrary intention appears:

- (1) the singular number includes the plural number and vice versa;
- (2) 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;
- (3) reference to any gender includes the other gender;
- (4) 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;
- (5) 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
- (6) "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;
- (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;
- (8) "or" is used in the inclusive sense of "and/or";
- (9) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding";
- (10) references to "day" shall mean a business day; and
- (11) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

**Section 14.2 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 14.3 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 other Collaborative Agreements, including all fees and expense of its representatives.

#### **Section 14.4 Public Announcements**

Any public announcement, press release, or similar publicity with respect to this Agreement or the Collaborative Agreement will be issued, if at all, at such time and in such manner as the Parties shall mutually determine.

#### **Section 14.5 Confidential Information**

**Section 14.5.1 Restricted Use of Confidential Information.** Subject to Section 14.5.7 below, except as otherwise required by law, a Receiving Party acknowledges the confidential and proprietary nature of Confidential Information received from the Disclosing Party and agrees that such Confidential Information to the extent allowed by law (a) shall be kept confidential by the Receiving Party; (b) shall not be used for any reason or purpose other than to evaluate and perform under the Collaborative Agreements; and (c) without limiting the foregoing, shall not be disclosed by the Receiving Party to any other 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 or Ochsner, as applicable. A Party shall disclose the Confidential Information of the other Party only to its representatives who require such material and are informed of the obligations of this Section. Each Party shall (x) enforce the terms of this Section as to its respective representatives; (y) take such action to the extent necessary to cause its representatives to comply with the terms and conditions of this Section; and (z) be responsible and liable for any breach of the provisions of this Section by it or its representatives.

**Section 14.5.2 Exceptions.** This Section 14.5 does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates (a) was, is, or becomes generally available to the public other than as a result of a breach of this Section 14.5 by the Receiving Party or its representatives; (b) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (c) 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.

**Section 14.5.3 Legal Proceedings.** Subject to Section 14.5.7 below, if a Receiving Party becomes compelled by law or is requested by a governmental body having regulatory jurisdiction over the Collaborative Agreements to make any disclosure that is prohibited or otherwise constrained by this Section, 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 Section. 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 the Dispute Process or any legal proceedings between the Parties related to the Collaborative Agreements.

**Section 14.5.4 Return or Destruction of Confidential Information.** Except as required by law, if this Agreement is terminated, each Receiving Party shall, to the extent allowed by law, (a) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (b) 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 (c) 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.

**Section 14.5.5 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 (a) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (b) are or may become joint defendants in legal proceedings to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should any party become subject to any actual or threatened legal proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the consummation of the Collaborative Agreements the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim, or contend, in proceedings involving any 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.

**Section 14.5.6 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

Section 14.5, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this Section 14.5 to the extent included within the definition. In the case of trade secrets, each Party hereby waives any requirement that the other Party submit proof of the economic value of any trade secret or post a bond or other security.

**Section 14.5.7 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 HITECH Act and the rules and regulations promulgated thereunder, and such provisions, rules, and regulations shall take precedence over any other provisions of this Agreement governing Confidential Information to the extent there is a conflict between the terms of this Agreement and such provisions, rules, and regulations of HIPAA and the HITECH Act and each Party will act in accordance therewith.

**Section 14.5.8 Public Records Request.** The financial and other records created by, for or otherwise belonging to Ochsner and OLSH-NL shall remain in the possession, custody, and control of Ochsner and OLSH-NL, respectively, regardless of whether, or the method by which, LSU reviews and/or audits such records in connection with the rights and obligations of this Agreement. The Parties consider records of Ochsner and OLHS-NL to be proprietary to Ochsner and OLHS-NL, and to the extent that Ochsner or OLHS-NL makes any such records or documents available to LSU, such records shall be clearly marked as confidential and/or proprietary to indicate its or their position that such records or documents are not public records. To the extent LSU receives or learns of a public records request for documents pursuant to the Louisiana Public Records Act which may include documents marked as confidential and/or proprietary to Ochsner or OLHS-NL, LSU will give notice to Ochsner and OLHS-NL that LSU has received or learned of such a public records request prior to producing any documents considered to be proprietary to Ochsner or OLHS-NL. LSU retains the sole discretion to determine whether any such documents are public records that must be produced in response to such request; provided, however, that in the event that Ochsner or OLHS-NL objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, Ochsner or OLHS-NL will immediately so notify LSU and take such action as Ochsner or OLHS-NL deems necessary to protect the disclosure of such records.

## **Section 14.6 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 or electronically delivered to the applicable Party, or if sent by overnight courier or by certified or registered mail, at its address set forth below:

**If to LSU:**

Louisiana State University

With a copy to:

Louisiana State University

Health Sciences Center – Shreveport  
\_\_\_\_\_  
Shreveport, LA \_\_\_\_\_  
Attention: Chancellor

3810 West Lakeshore Drive  
Baton Rouge, LA 70808  
Attention: General Counsel

**If to Ochsner:**  
Ochsner Clinic Foundation  
1514 Jefferson Highway  
New Orleans, LA 70121  
Attention: Chief Executive Officer

With a copy to:  
Office of Legal Affairs  
Ochsner Clinic Foundation  
1450 Poydras Street, Suite 2250  
New Orleans, LA 70112

If to OLHS-NL:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as a Party may from time to time specify by written notice to the other Party. Any such notice shall, for all purposes, be deemed to be given and received (a) if by hand or electronic delivery, when delivered, if by hand or electronic delivery, when delivered (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) Business Days after posted with the United States Postal Service.

**Section 14.7 Jurisdiction, Venue and Service of Process**

The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**Section 14.8 Money Damages; Legal Fees and Costs**

The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise

specifically set forth in Section 9.1.3 (5) above, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

#### **Section 14.9 Entire Agreement and Modification**

This Agreement supersedes all prior agreements, whether written or oral, among the Parties with respect to its subject matter and constitutes (along with the other Collaborative Agreements) 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 the Parties.

#### **Section 14.10 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 Party; provided, however, that Ochsner shall be authorized to assign this Agreement to its affiliates with at least ten (10) days' advance notice to LSU but without requiring LSU's prior written consent. 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 14.11 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 14.12 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 14.13 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 14.14 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 14.15 Execution in Counterparts**

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

#### **Section 14.16 Access to Records**

To the extent that any 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 ten (10) 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 ten (10) 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 Party of the nature and scope of such request and shall make available to the other Party, 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 14.17 Name and Trademark**

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

#### **Section 14.18 Nondiscrimination**

The Parties shall abide by and shall cause OLHS-NL 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 the Americans with Disabilities Act of 1990. The Parties shall not and shall cause OLHS-NL to not discriminate in their employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disability or sexual orientation.

**Section 14.19 Further Acts and Assurances**

Each Party shall, at any time and from time to time at and after the execution of this Agreement, upon reasonable request of the other Party, take any and all steps reasonably necessary to consummate the Collaborative Agreements, 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 Collaborative Agreements.

**Section 14.20 Nonappropriation Clause**

All LSU obligations under this Agreement to make payments of any kind are contingent obligations and shall be subject to appropriation by the Louisiana Legislature of sufficient funds appropriated therefor and the availability of funds following Legislative appropriation. LSU agrees to make good faith best efforts to seek specific appropriation for such funds from the Louisiana Legislature, and LSU shall include in one or more of their annual budget requests, a request for the appropriation of funds for the purpose of making such payments pursuant to this Agreement. Notwithstanding the foregoing, this provision shall in no way limit any Party's right to terminate this Agreement for failure to agree upon or receive Adequate Public Funding under the CEA.

*The rest of this page intentionally left blank.*

*Signature page for Academic And Clinical Collaboration Agreement*

IN WITNESS WHERE, the Parties have caused this Agreement to be duly executed and delivered, as of the date first above written.

**LSU:** **BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND  
AGRICULTURAL AND MECHANICAL  
COLLEGE**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OCHSNER:** **OCHSNER CLINIC FOUNDATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OLHS-NL:** **OCHSNER LSU HEALTH SYSTEM OF  
NORTH LOUISIANA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Schedule 1.3.4**

1. Restrictions Related to Clinical Programs.

- 1.1 Service Area. Neither Ochsner nor LSU nor any Affiliate of such Party may directly or indirectly or through an affiliation with another Person develop a Clinical Program within the Service Area except through the Collaborative.
- 1.2 Collaboration Area. Subject to the exclusions set forth below, if either LSU or its Affiliates or Ochsner or its Affiliates (“First Party”) intends to develop a Clinical Program in the Collaboration Area with another Person (other than through the Collaborative), then prior to the implementation of such Clinical Program, LSU and Ochsner agree to meet with each other in good faith to determine whether the other Party (“Second Party”) may participate in the Clinical Program. If the Parties agree on terms by which the Second Party may participate in the Clinical Program, the Parties shall reasonably and in good faith take steps to develop the Clinical Program together. If the Parties are unable within thirty (30) days to agree on terms by which the Second Party may participate in the Clinical Program for any reason, such failure shall not preclude the First Party from developing the Clinical Program without the involvement of the Second Party.

2. Restrictions Related to Medical Education Programs.

2.1 LSU.

- 2.1.1 Service Area. If LSU or one of its Affiliates intends to develop a Medical Education Program in the Service Area with another health care provider (other than through the Collaborative), LSU shall provide written notice of same to Ochsner in sufficient detail to reasonably describe such program and with such relevant information as it may possess with regard to such program including, but not limited to, all relevant financial information. Ochsner shall have the right of first opportunity to participate in such program and shall exercise such right by providing written notice to LSU within ninety (90) days of receipt of notice from LSU. Upon acceptance, LSU and Ochsner shall reasonably and in good faith take all necessary steps to develop such program. If Ochsner does not desire to participate in such program or does not exercise its right of first opportunity within the ninety (90) day time period set forth above, LSU may develop the program without the participation of Ochsner.
- 2.1.2 Collaboration Area. If LSU or its Affiliates intends to develop a Medical Education in the Collaboration Area with another health care provider (other than through the Collaborative), then prior to the implementation of such Medical Education Program, LSU agrees to meet with Ochsner in good faith to determine whether the Ochsner may participate in the Medical Education Program. If the LSU and Ochsner agree on terms by which Ochsner may participate in the Medical Education Program, LSU and Ochsner shall reasonably and in good faith take steps to develop the Medical Education

Program together. If LSU and Ochsner are unable within ninety (90) days to agree on terms by which Ochsner may participate in the Medical Education Program for any reason, such failure shall not preclude the LSU from developing the Medical Education Program without the involvement of Ochsner.

2.2 Ochsner. Ochsner shall not pursue or engage in Medical Education Programs within either the Service Area and Collaboration Area except as set forth in Sections 2.2.1 and 2.2.2 below.

2.2.1 Exception for New Nursing, Allied Health, and Pharmacy Programs. Notwithstanding anything in this Agreement to the contrary, if Ochsner or one of its Affiliates desires to develop a new allied health, nursing, or pharmacy education or training program in either the Service Area or the Collaboration Area, Ochsner shall provide written notice of same to LSU in sufficient detail to reasonably describe such program and with such relevant information as it may possess with regard to such program, including but not limited to all relevant financial information. LSU shall have the right of first opportunity to participate in such program and shall exercise such right by providing written notice to Ochsner within ninety (90) days of receipt of notice from Ochsner. Upon acceptance, the Parties shall reasonably and in good faith take all necessary steps to develop such program. If LSU does not desire to participate in such program or does not exercise its right of first opportunity within the ninety-day time period set forth above, Ochsner may develop the program without the participation of LSU.

2.2.2 Exception for Ochsner Investment in Existing Nursing, Allied Health, and Pharmacy Programs. If invited by a third-party institution, Ochsner may invest funds in an existing nursing, allied health, or pharmacy program within either the Service Area or the Collaboration Area, provided that (a) Ochsner's participation is strictly limited to investing funds in such program, and (b) to the extent such investment is directed to specific student positions or programs at said institution, students occupying those positions or in those programs benefitting from such investment shall perform rotations at one of the Hospitals, and (c) Ochsner's total financial investment in all such programs throughout the Service Area and Collaborative Area combined does not exceed \$1,000,000.00 in any year.

3. Exclusions. The activities set forth below shall not be subject to the restrictions set forth above in sections 1 and 2 of this Schedule 1.3.4.

3.1.1 Prior HSC-S Separate Activities. The participation by LSU or any of its Affiliates in any of the Clinical Programs listed in Exhibit B.

- 3.1.2 Prior Ochsner Separate Activities. The participation by Ochsner or any of its Affiliates in any of the Clinical Programs and Medical Education Programs listed in Exhibit C.
- 3.1.3 Approved Separate Activities. The participation by any Party or any of their Affiliates in any Separate Activities that are approved in accordance with the Separate Activity Evaluation Procedure set forth in Section 1.1.2 of the Agreement.
- 3.1.4 Portfolio Acquisition Exception. The direct or indirect participation by any Party or any of their Affiliates in the ownership, lease, operation or management of another business enterprise with Clinical Programs, Research Programs, or Medical Education Program within either the Service Area or Collaboration Area (individually or collectively, a “Competing Program”) if (i) such activity arises in connection with the acquisition (in whole or in part) of a business enterprise and (ii) less than twenty-five percent (25%) of the total net revenues of such business enterprise are derived from the combined operations within the Service Area and Collaboration Area (“Portfolio Acquisition”).

**Exhibit A – Definition of Service Area and Collaboration Area**

**Service Area:**

The Service Area is the geographic area consisting of the following Parishes: Webster, Bossier, Caddo, De Soto, Union, Morehouse, Lincoln, and Ouachita.

**Collaboration Area:**

The Collaboration Area is the geographic area consisting of the following Parishes: Claiborne, Bienville, Red River, Jackson, Caldwell, Richland, Franklin, West Carroll, East Carroll, and Madison.

**Exhibit B – Prior HSC-S Separate Activities**

DEPARTMENT	CONTRACTOR	PURPOSE	EFFECTIVE DATES		Reference Number
			beginning	ending	
Chancellor's Office	Willis-Knighton Medical Center	Master Affiliation Agreement	03/01/15	Indefinite	1
Emergency Medicine	Bossier Parish Community College	Physician services	04/01/18	Pending	2
Emergency Medicine	Caddo Parish Fire District No. 5	Medical Directorship	01/01/16	12/31/18	3
Emergency Medicine	City of Shreveport for Shreveport Fire Department	Physician services	01/01/16	12/31/18	4
Emergency Medicine	Med-Trans Corporation	Critical Care Physician Transport Services	02/01/11	Indefinite	5
Emergency Medicine	Texas Tech University Health Sciences Center	Subaward Agreement to Emergency Medicine	11/07/16	09/29/19	6
Emergency Medicine	The Hospitalists, LLC	Physician services	05/01/17	Indefinite	7
Emergency Medicine	Willis-Knighton Medical Center	Provide adult critical care/intensivist coverage	10/16/06	Indefinite	8
Family Medicine	Bossier Parish Police Jury	Provide medical services at Bossier Parish Maximum Security Jail	01/01/18	Indefinite	9
Family Medicine	Bossier Parish Sheriff's Office	Provide medical services to Bossier Parish Maximum Security Jail	01/01/18	Indefinite	10
Family Medicine	Caddo Correctional Institute	Physician Services to CCI	07/01/18	Indefinite	11
Family Medicine	Center for Behavioral Health	Provide physician support and medical director	07/01/18	06/30/21	12
Family Medicine	Webster Parish Sheriff's Office	Physician Services at Bayou Dorcheat Correctional Center	07/01/17	06/30/19	13
Family Medicine - Alexandria	Cenla Medication Access	Provide funding for cancer screening and colonoscopies	09/10/15	12/31/18	14
Family Medicine - Alexandria	Heart of Hospice, LLC	Associate Medical Directorship	05/01/16	Indefinite / Will terminate	15
Family Medicine - Monroe	Franklin Medical Center	OB/Gyn Physician Services	10/01/16	Indefinite	16
Family Medicine - Monroe	GO CARE	Physician services	04/01/18	03/31/19	17
Family Medicine - Monroe	Ouachita Parish Police Jury	Provide medical care to Juveniles at Green Oaks Detention Center	07/01/18	Pending	18
Family Medicine - Monroe	Ouachita Parish Police Jury	Provide medical care to prisoners at Ouachita Parish Jail	07/01/18	Pending	19
Family Medicine - Monroe	Primary Health Services Center	Physician services	07/01/16	Indefinite	20
Medicine	Kathryn Davis Penna	Subcontract - Physician Services - Grant	09/15/14	12/31/18	21
Medicine	Michael Wolf, Ph.D.	Subcontract - Physician Services	03/01/18	11/01/18	22

DEPARTMENT	CONTRACTOR	PURPOSE	EFFECTIVE DATES		Reference Number
Medicine	Northwestern University	Subcontract - Physician Services	01/01/18	12/31/18	23
Medicine - Cardiology	Rapides Regional Medical Center	Provide cardiology coverage	01/01/18	12/31/20	24
Medicine - FWCC	DeSoto Regional Health System	Cancer Center will institute a Cancer Research program	08/01/15	07/31/18	25
Medicine - FWCC	Willis-Knighton Medical Center	Supplement to Master Agreement - Hematology/Oncology Services	03/01/15	Indefinite	26
Medicine - G. I.	Willis-Knighton Medical Center	Transplant Hepatology Physician Services	08/01/16	07/31/21	27
Medicine - Med/Peds	Willis-Knighton Medical Center	Supplement to Master Agreement - Med/Peds Clinic Staffing	03/01/15	Indefinite	28
Medicine - Nephrology	DCI, Inc.	Medical Directorship	09/01/16	Indefinite	29
Medicine - Nephrology	Bio-Medical Applications of Louisiana, LLC dba Fresenius Medical Care	Medical Directorship	01/01/07	12/31/21	30
Medicine - Nephrology	Willis-Knighton Medical Center	Provide Nephrology coverage and Nephrology fellow rotation	07/01/03	Indefinite	31
Medicine - Pulmonary	BreatheAmerica Shreveport, LLC	Pulmonary physician services	07/01/13	Indefinite	32
Medicine - Pulmonary	LifeCare Hospitals of Shreveport	Physician Services and Physician Administrative Services	05/11/15	Indefinite	33
Medicine - Pulmonary	Nexion Health at Minden, Inc. dba Meadowview Health and Rehab Center	Physician Services	07/01/17	06/30/20	34
Medicine - Pulmonary	Promise Hospital of Louisiana, Inc.	Pulmonary physician services	07/01/16	Indefinite	35
Neurology	University of British Columbia	Subcontract - Physician Services	07/15/17	04/30/18	36
Neurology	Willis-Knighton Medical Center	Provide physician support	12/01/10	Indefinite	37
Neurology	Willis-Knighton Medical Center	Supplement to Master Agreement - Physician and Resident Services	03/01/15	Indefinite	38
Neurosurgery	Willis-Knighton Medical Center	Physician Coverage	07/01/13	Indefinite	39
Oral Surgery	Southern University	Teach dental hygiene course	03/01/18	06/30/18	40
Oral Surgery	Willis-Knighton Medical Center	Physician Support	07/01/10	Indefinite	41
Oral Surgery	Willis-Knighton Medical Center	Supplement to Master Agreement - Physician Support and Resident Rotation	03/01/15	Indefinite	42
Otolaryngology	BreatheAmerica Shreveport, LLC	Physician Services	06/01/13	Amendment Pending - Indefinite	43
Otolaryngology	Caddo Parish School Board	Provide otolaryngological services	08/17/17	06/30/18	44

DEPARTMENT	CONTRACTOR	PURPOSE	EFFECTIVE DATES		Reference Number
Otolaryngology	The University of Texas at Austin	Research Subaward Agreement - Physician Services	01/15/18	12/31/18	45
Otolaryngology	Willis-Knighton Medical Center	Supplement to Master Agreement - Physician Services and Resident Rotation	03/01/15	Indefinite	46
Pathology	Abbeville General Hospital	Testing services	07/01/17	06/30/20	47
Pathology	Advanced Pathology Solutions, Inc.	Testing services	08/01/17	06/20/20	48
Pathology	Adventist Health System Sunbelt, Inc. dba Florida Hospital Heatland Medical Center	Testing services	07/01/17	06/30/20	49
Pathology	Atlantic Health System	Testing services	09/15/17	Pending	50
Pathology	Bienville Parish Coroner	Autopsy Services	07/01/16	06/30/19	51
Pathology	Bon Secours Richmond Health System	Testing services	08/15/13	Indefinite	52
Pathology	Caddo Coroner's Office	Autopsy Services	03/27/17	03/22/20	53
Pathology	Capital Choice Pathology Laboratory	Testing services	07/01/16	06/30/19	54
Pathology	CHG Cornerstone Healthcare Group	Autopsy Services	02/16/10	Indefinite	55
Pathology	Christus Health N. La.	Testing Services	10/01/16	06/30/19	56
Pathology	Christus Health N. La.	Autopsy Services	05/01/18	Pending	57
Pathology	Clinical Pathology Laboratories, Inc. DBA DRL Labs - Corporate Agreement	Cytology and anatomical pathology services	06/01/15	Indefinite	58
Pathology	Clinical Pathology Laboratories, Inc. DBA DRL Labs - Local Agreement	Provide testing services	07/01/17	06/30/20	59
Pathology	Desoto Parish Coroner	Perform autopsies	07/01/16	06/30/19	60
Pathology	Diagnostic Laboratories dba Kandiki LLC	Testing services	06/01/17	06/30/19	61
Pathology	Gamma Healthcare, Inc.	Testing services	04/25/16	06/30/19	62
Pathology	Gastroenterology Associates, LLC	Testing services	07/01/18	Pending	63
Pathology	Gastrointestinal Specialists	Testing services	04/18/16	06/30/19	64
Pathology	Good Samaritan Medical Center	Provide testing services	07/01/18	Pending	65
Pathology	Halifax Health Medical Center	Provide Anatomic Pathology testing services	07/01/17	06/30/20	66
Pathology	Health Network Laboratories	Testing services	07/01/18	Pending	67
Pathology	Health Trust PG	Testing services	05/25/17	05/24/20	68
Pathology	Iberia Medical Center	Pathology testing services	07/01/18	06/30/21	69
Pathology	LabCorp of America	Directorship services to W. Monroe Lab	05/04/14	Indefinite	70
Pathology	LabCorp of America	Stat testing of samples	05/22/07	Indefinite	71
Pathology	Lifeshare Blood Center	Resident Rotation	07/01/11	Indefinite	72
Pathology	Lodestar Diagnostic Laboratory	Medical Directorship	02/15/16	Indefinite	73

DEPARTMENT	CONTRACTOR	PURPOSE	EFFECTIVE DATES		Reference Number
Pathology	LOPA	Perform serologic testing	07/01/09	Indefinite	74
Pathology	MedStar Health dba MedStar Georgetown	They provide professional testing	02/02/17	02/01/18	75
Pathology	Memorial Healthcare System	Providing testing services	07/01/18	Pending	76
Pathology	Minden Medical Center	Provide testing services	10/22/15	Indefinite	77
Pathology	Natchitoches Parish Coroner	Perform autopsies	07/01/17	06/30/20	78
Pathology	North Oaks Medical Center	Provide testing services	07/01/18	06/30/21	79
Pathology	Oklahoma University	Lab Testing	03/10/04	Indefinite	80
Pathology	Palm Beach Gardens Medical Center	Provide testing services	07/12/16	07/11/19	81
Pathology	Raritan Bay Medical Center	Provide testing services	11/20/14	Indefinite	82
Pathology	Red River Parish Coroner	Perform autopsies	07/01/17	06/30/20	83
Pathology	Regional Urology, LLC	Provide professional pathology services	07/01/17	06/30/20	84
Pathology	Sabine Parish Coroner's Office	Autopsy Services	07/01/16	06/30/19	85
Pathology	Sentara Healthcare	Testing services	10/20/14	Indefinite	86
Pathology	St. Francis Medical Center	Provide autopsy services	03/01/11	Indefinite	87
Pathology	The Pathology Laboratory	Testing services	07/01/16	06/30/19	88
Pathology	University of Cincinnati Physicians Company, LLC	Testing services	04/01/17	06/30/19	89
Pathology	VCU Health Systems	Lab Services	07/01/18	Pending	90
Pathology	Wade Correctional Institute	Lab Services	07/01/18	Pending	91
Pathology	Willis-Knighton Medical Center	Autopsy Services	07/01/07	Indefinite	92
Pathology	Winnie Community Hospital	Medical Directorship	05/16/16	Indefinite	93
Pediatrics	Caddo/Bossier Children's Advocacy Center	Interagency Agreement for Protection of Children	10/09/97	Indefinite	94
Pediatrics	Christus Health Northern Louisiana	Cara Center- Physician Services	11/01/17	Indefinite	95
Pediatrics	MD Anderson Cancer Center	NIH Study Agreement	03/01/17	02/28/19	96
Pediatrics	MD Anderson Cancer Center	Scientific research agreement	05/03/17	05/02/20	97
Pediatrics	MD Anderson Cancer Center	Subcontract - Physician Services	04/01/16	12/31/18	98
Pediatrics	Pediatrica Healthcare	Physician Services	11/01/14	Indefinite	99
Pediatrics	Philadelphia Center	Subcontract - Physician Services	05/01/14	04/30/18	100
Pediatrics	Southeast AHEC	Provide Breastfeeding Peer Counselors in the WIC Clinic	04/01/16	Indefinite	101
Pediatrics	St. Jude Medical Center	Joint collaboration for cancer service	02/15/15	Indefinite	102
Pediatrics	University of Louisiana at Monroe	Physician Services	11/01/15	06/30/18	103
Pediatrics	Willis-Knighton Medical Center	Provide Pediatric intensivist/critical care	04/01/06	Indefinite	104
Pediatrics	Willis-Knighton Medical Center	Subcontract - Physician Services	05/01/14	04/30/18	105

DEPARTMENT	CONTRACTOR	PURPOSE	EFFECTIVE DATES		Reference Number
Pediatrics	Willis-Knighton Medical Center	Supplement to Master Agreement - Pediatric Call Coverage	03/01/15	Indefinite	106
Pharmacology	Guildford Pharmaceuticals	Consulting Services	04/02/02	Indefinite	107
Psychiatry	Arc of Sabine	Consultations to Clients at Psychiatry Faculty Clinic, 820 Jordan St.	07/01/18	06/30/20	108
Psychiatry	Seedlinks Behavior Management, LLC	Physician Services	09/01/16	Indefinite	109
Psychiatry	Willis-Knighton Medical Center	Supplement to Master Agreement - Physician Services and Resident Rotation	03/01/15	Indefinite	110
Radiology	American Institute for Radiologic Pathology	Radiology educational course	11/10/15	11/09/18	111
Radiology	Biomedical Research Foundation of NW Louisiana	Physician Services to CMIT Center	07/01/17	06/30/20	112
Surgery	Johnson Burn Foundation	Physician Services at Burn Camp	07/01/14	06/03/19	113
Surgery	St. Francis Medical Center	On-Call Coverage	11/10/16	Indefinite	114
Surgery	Willis-Knighton Medical Center	Provide Pediatric Surgeons	07/01/17	Amendment Pending	115
Urology	ThreeWire, Inc./American Medical Systems, Inc.	Pilot Program - Physician Services	02/26/10	Indefinite	116

**Exhibit C – Prior Ochsner Separate Activities**

None

**Schedule 1.4.4**

**Carve-Out Services**

Carve-out activities by LSU faculty shall include:

1. Academic activity not associated with clinical teaching and supervision, such as classroom lectures for undergraduate medical education (UGME), teaching clinical skills to medical students, and precepting small group learning activities. Such Academic activity shall not be less than 10% nor more than 20% of a full-time HSC-S Physician's time.
2. Research activity paid for through federal or other grants, such as NIH or industry sponsored when a portion of the faculty effort is paid by through the grant.
3. Activities for which the HSC-S Physicians and HSC-S Practitioners have an approved Permanent Memorandum (PM)-11; provided, however, that HSC-S shall not approve any new PM-11 requests for a HSC-S Physician or HSC-S Practitioner to perform clinical services during the Term of this Agreement except with the approval of the OLHS-NL Joint Management Committee. The Parties also agree that the Joint Management Committee will initiate a review within 180 days of the Commencement Date of all pre-existing PM-11 approvals for HSC-S Physicians and HSC-S Practitioners to perform clinical services to assure that such clinical activities do not conflict with the Parties' objective under the Collaborative to provide the full range of physician, hospital and ancillary services within the Service Area first and primarily through the OLHS Facilities. In addition, the Parties agree that any approved PM-11 Request to perform clinical services in connection with a Separate Activity or Prior Separate Activity shall be construed as a Separate Activity or Prior Separate Activity and not a Carve-Out Service.
4. Nationally appointed positions, such as serving as the President of a national professional organization, where the faculty member receives compensation for serving in the role.

**Schedule 2.1**

**OLHS-NL Governance Documents**

**Schedule 5.2**

**Appointment Procedure Applicable to Adjunct Academic Appointment**

## LSUHSC-S PROMOTION AND TENURE POLICY

An individual who is to receive an initial appointment at any given rank shall have credentials and experience equivalent to individuals already promoted to that same rank from within the School's faculty. Before the time of initial appointment, the appointing Department Chair in the SOM or Program Director in the SAHP, after careful review of the individual's credentials and qualifications, will meet with the faculty candidate to determine and record his or her work responsibilities, expectations, and career goals, as well as the individual's initial time and effort distribution. These deliberations will determine the Chair (SOM) or Program Director's (SAHP) request to the Dean for the appropriate appointment at a specific rank on one of the designated academic pathways. Requests for initial appointment at the rank of Associate Professor and Professor must also be reviewed and approved by the appropriate School's Promotion and Tenure Committee. In the SOM, the documentation required for review by the School's Promotion and Tenure Committee includes the individual's current curriculum vitae, a letter of request/justification for the requested rank from the department chair, and three letters of recommendation from individuals outside of LSUHSC-S who hold an academic rank at or above that requested for the individual. In the SAHP, the documentation that must be submitted to the School's Promotion and Tenure Committee includes the individual's CV and a letter of justification from the Program Director. Accepted titles for faculty members appointed to all seven compensated pathways in the SOM and three compensated pathways in the SAHP shall be Assistant Professor, Associate Professor and Professor. Instructors play important roles as faculty members. Individuals appointed at the rank and with the title of Instructor are not assigned to a specific academic pathway until a time after promotion to Assistant Professor.

**AGREEMENT FOR RIGHT OF USE AND OCCUPANCY**

This Agreement for Right of Use and Occupancy (the “Agreement”) is made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 2018 (the “Effective Date”) by and between:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, President of Louisiana State University, duly authorized by virtue of a Resolution of the Board of Supervisors, adopted \_\_\_\_\_, 2018, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as “LSU” or “Grantor”); and

**THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION**, herein represented and appearing through Jay Dardenne, Commissioner of Administration, Division of Administration, Office of the Governor, State of Louisiana, under the authority granted pursuant to La. R.S. 39:11 and other applicable law, whose mailing address is 1201 N. Third Street, Suite 7-210, Baton Rouge, Louisiana 70802 (hereinafter referred to as “DOA” or “Grantee”).

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

WHEREAS, DOA is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

WHEREAS, LSU, through the LSU Health Sciences Center – Shreveport (“HSC-S”), owns certain hospital facilities and associated outpatient clinic facilities known as LSU Medical Center Shreveport in Shreveport, Louisiana (the “Shreveport Hospital Facility”) as described in Exhibit A hereto, and E.A. Conway in Monroe, Louisiana (the “Conway Facility” and

collectively with the Shreveport Hospital Facility, referred to herein as the “Hospital Facilities”), as described in Exhibit B hereto; and,

WHEREAS, LSU, through HSC-S, owns certain furniture, fixtures, medical and other equipment, and personal property (the “Equipment”) located in and about the Hospital Facilities as described in Exhibit C hereto; and,

WHEREAS, LSU has statutory obligations to maintain and operate the Hospital Facilities and to use the Equipment for the reception and medical and surgical treatment and care of the indigent and medically underserved populations in North Louisiana; and,

WHEREAS, DOA has the resources and desires to undertake a role in the provision of patient services to the population of North Louisiana, including the low-income, indigent, and medically underserved populations in the community, through operation of the Hospital Facilities and use of the Equipment; and,

WHEREAS, LSU’s grant to DOA of a right to use the Hospital Facilities and the Equipment is consistent with LSU’s statutory obligations and its obligation to serve the population of North Louisiana, including the low-income, indigent, and medically underserved populations, and

WHEREAS, DOA, not LSU, retains any rent or lease payments paid by any third party that rents, leases or is assigned any rights in the Hospital Facilities or Equipment.

NOW, THEREFORE, in consideration of LSU’s grant of this Right of Use and Occupancy and the mutual benefits accruing to the parties under this Agreement (the “Consideration”), the parties do enter into this Agreement, on the following terms and conditions:

**ARTICLE I.**  
**USE OF HOSPITAL FACILITIES AND EQUIPMENT**

For the Consideration and upon the terms and conditions hereinafter expressed, LSU grants to DOA, here present and accepting same, the exclusive right to use and occupy the Hospital Facilities and to use the Equipment, commencing on the Effective Date, for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein. DOA shall ensure that the Hospital Facilities and Equipment are used solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations or any other medical, educational or hospital use or uses (including, without limitation, surgical, research and laboratory facilities) together with any uses that are accessory to any of the foregoing (“Permitted Use”), and in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees applicable to operations at the Hospital Facilities and use of the Equipment.

In carrying out its authority hereunder, DOA may lease or sublease any or all of the Equipment and/or Hospital Facilities to one or more third parties, subject to the Permitted Uses and other limitations set forth herein. DOA shall use the Hospital Facilities and Equipment as a reasonable, prudent administrator and shall use its best efforts to ensure the Hospital Facilities (including without limitation the heating, ventilating, air conditioning, electrical, elevators, and other mechanical systems) and Equipment are maintained and repaired as needed to keep them in at least the same condition as they were in as of the Effective Date, ordinary wear and tear excepted, all at no cost to LSU.

**ARTICLE II.**  
**TERM**

**Section 2.1. Term.** Subject to Section 2.2 below, unless earlier terminated as provided herein, the initial term of this Agreement (the “Initial Term”) shall be ten (10) years, beginning on the Effective Date, and shall automatically renew for two (2) successive five (5) year terms (each a “Renewal Term”), for a total term (“Term”) of twenty (20) years, unless either party gives written notice of its intent not to renew the Agreement for a Renewal Term (a “Non-Renewal Notice”) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

**Section 2.2. Early Termination.** In the event that any Equipment or Hospital Facilities lease or sublease described in Article I between DOA and any third party or parties expires or is terminated prior to the expiration of the Term of this Agreement, then LSU shall have the right but not the obligation to terminate this Agreement early upon at least sixty (60) days’ written notice to DOA; provided, however, that LSU’s early termination of this Agreement shall not be effective until the conclusion of any wind down period applicable to any such lease or sublease described in Article I.

**ARTICLE III.**  
**INSURANCE**

DOA shall ensure that commercially reasonable insurance is maintained on the Hospital Facilities and Equipment and that such insurance shall be of types and in amounts that provide at least as much coverage as have been historically maintained on the Hospital Facilities and Equipment and were in effect immediately prior to the Effective Date. Any insurance policy covering the Hospital Facilities or Equipment shall name LSU as an additional insured party and/or loss payee, as applicable, in addition to DOA.

**ARTICLE IV.**  
**NOTICES**

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

**DOA:** Commissioner of Administration  
Division of Administration  
Claiborne Building  
1201 North Third Street  
Baton Rouge, Louisiana 70801

**With a copy to:** Director  
Office of Facility Planning and Control  
Division of Administration  
Claiborne Building  
1201 North Third Street  
Baton Rouge, Louisiana 70801

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

**With a copy to:** Board of Supervisors of Louisiana State University and  
Agricultural and Mechanical College  
3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808  
Attn: General Counsel

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

Each party shall promptly inform all other parties in accordance with the Notice procedures set forth above of any changes in personnel or address for the purpose of sending required notices.

**ARTICLE V.  
MISCELLANEOUS**

**Section 5.1. Grantor's Right to Enter Property**LSU directly and/or through its agents reserves the right to enter the Hospital Facilities at any time to inspect the Hospital Facilities and the Equipment, as long as LSU's inspection does not unreasonably interfere with the operation of the Hospitals. Grantor shall attempt to provide Grantee with reasonable advance notice of its intent to inspect the Hospital Facilities and Equipment, unless notice is impossible or impractical. Grantee shall have the right to have a representative accompany Grantor during such entry and inspection. Grantee shall not deny Grantor access to the Hospital Facilities or Equipment.

**Section 5.2. Waiver**The Grantor and Grantee agree that either party's failure to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it.

**Section 5.3. Severability**The provisions of this Agreement are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Agreement.

**Section 5.4. Counterparts**This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

**Section 5.5. Entire Agreement**This Agreement defines the relationship of the parties with respect to the matters set forth herein. Any amendments to this Agreement must be reduced to writing and signed by both parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed,  
as of the Effective Date.

**Grantee:**

**DIVISION OF ADMINISTRATION**

By: \_\_\_\_\_

Name: Jay Dardenne

Title: Commissioner of Administration

**Grantor:**

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

By: \_\_\_\_\_

Name: F. King Alexander

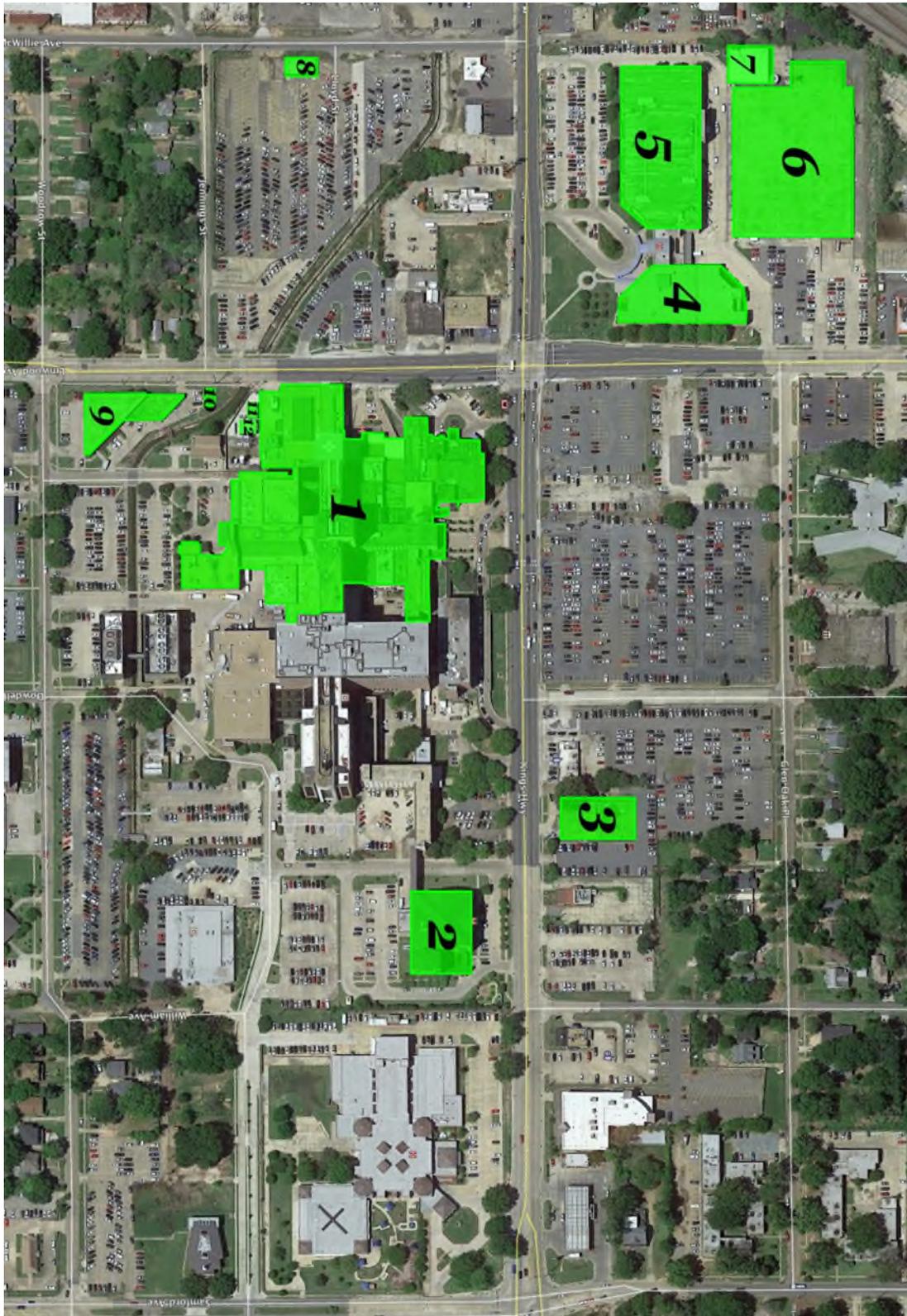
Title: President of Louisiana State University

**EXHIBIT A : SHREVEPORT HOSPITAL FACILITY**

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land and grounds appurtenant thereto, are included with and part of the “Shreveport Hospital Facility.” The buildings are identified on the satellite images attached hereto as part of this Exhibit A and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Hospital, including A Wing, B Wing, C Wing, D Wing, E Wing, F Wing, G Wing, H Wing, J Wing, K Wing, N Wing, O Wing, R Wing, S Wing, Laundry and Therapeutic Radiology
2	Feist Weiller Cancer Center
3	Eye Clinic
4	Women & Children’s Center
5	Ambulatory Care Center
6	Spartan Building / Warehouse
7	WCC Powerhouse
8	Grounds Crew Building 2
9	Physical Plant
10	Grounds Crew Shop
11	Old Power Distribution
12	New Power Distribution
13	Kirby Street / Billing (see separate legal description attached hereto)
14	St. Vincent Ave. / Viral Disease Clinic (see separate legal description attached hereto )
	Comprehensive Care Building

MAIN CAMPUS MAP

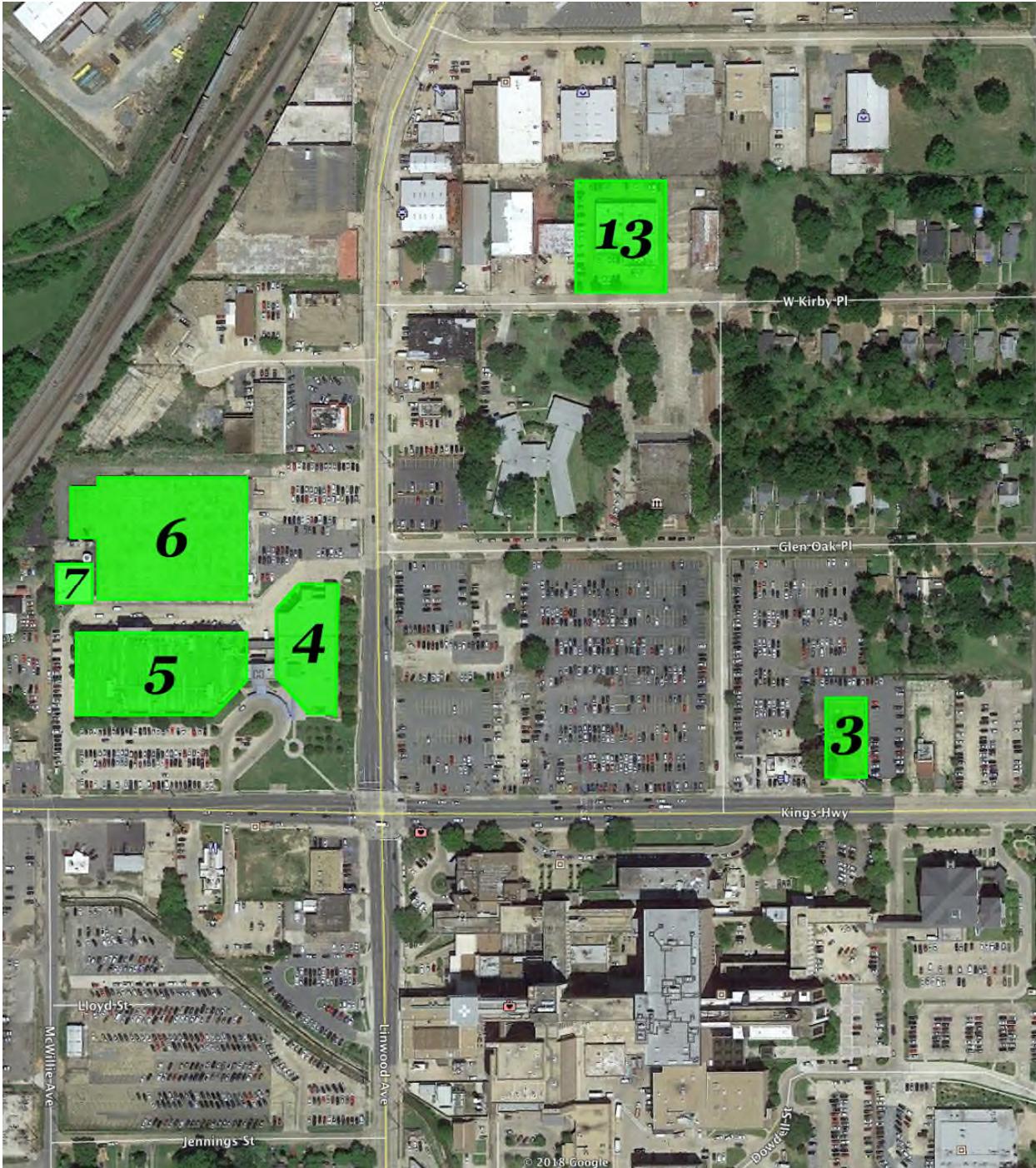


**KIRBY STREET / BILLING OFFICE : LEGAL DESCRIPTION**

TRACT I: The East 10 feet of Lots 110, 111, 112, 113 and 114; the East 10 feet of the South 2.8 feet of Lot 109; the West 65 feet of Lots 115, 116, 117, 118 and 119, and the West 65 feet of the South 2.8 feet of Lot 120; in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat of re-subdivision recorded in Conveyance Book 150, Page 76, Caddo Parish Records; said described property being the West 75 feet of the property acquired by Robert A. Mackey from Agora Corporation as per deed recorded April 26, 1960, Conveyance Book 892, Page 665, Caddo Parish Records, together with all buildings and improvements thereon.

TRACT II: The East 100 feet of the West 140 feet of Lots 110 through 114, both inclusive, and the South 2.8 feet of the East 100 feet of the West 140 feet of Lot 109, all in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat thereof recorded in Conveyance Book 150, Page 76, Caddo Parish Records, together with all buildings and improvements located thereon.

**KIRBY STREET / BILLING OFFICE : MAP**



**ST. VINCENT AVENUE / VIRAL DISEASE CLINIC**

Lot 1, FHT Subdivision, Unit No. 2, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per that plat recorded in Book 1800 at Page 432 of the records of Caddo Parish, Louisiana, lying in the Southwest (SW) Quarter of the Southwest (SW) Quarter of Section 24, T17N, R14W, Shreveport, Caddo Parish, Louisiana, together with all building and improvements located thereon.



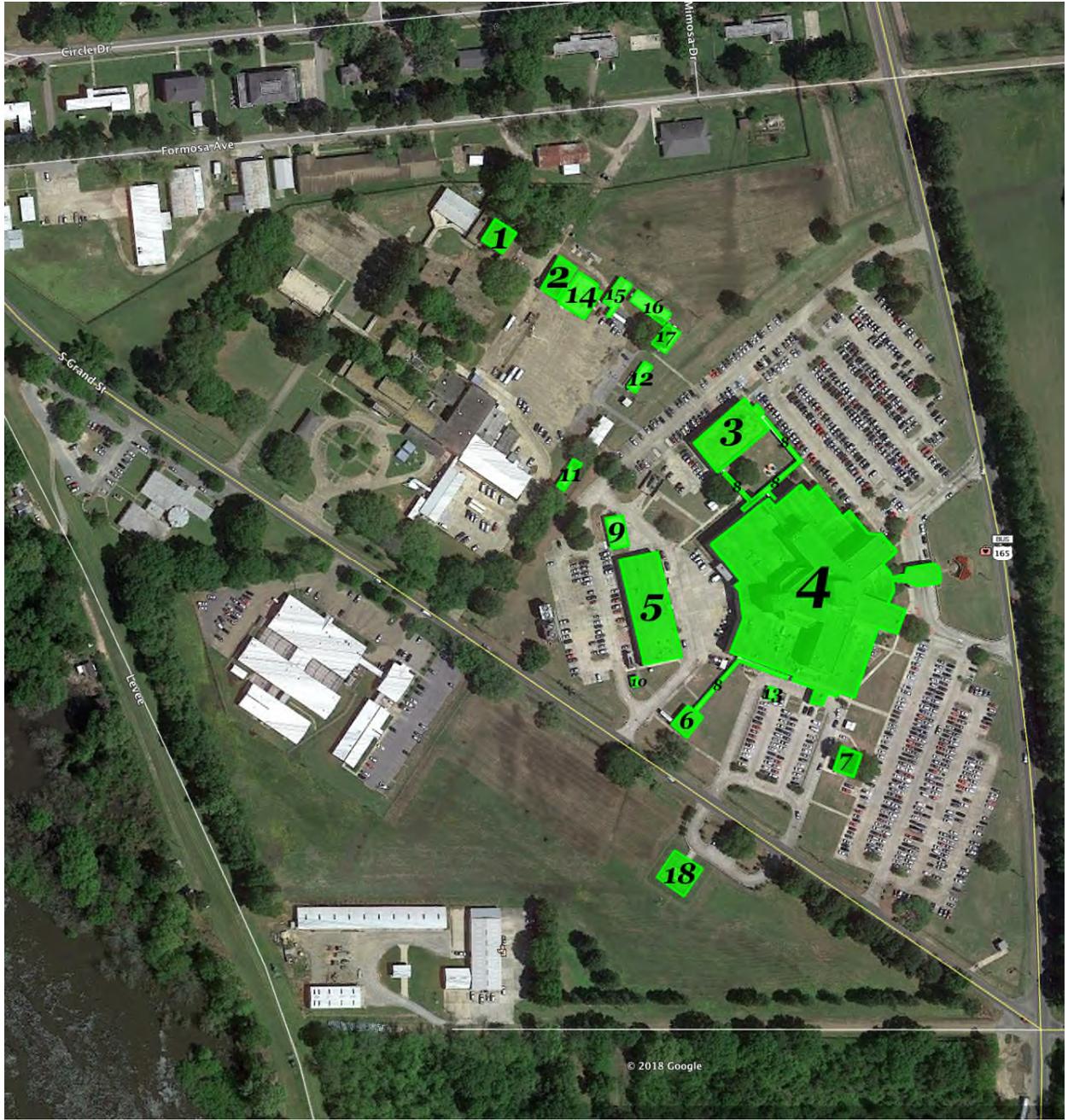
**COMPREHENSIVE CARE BUILDING**



**EXHIBIT B : CONWAY FACILITY**

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land, grounds, and parking areas appurtenant thereto, are included with and part of the "Conway Facility." The buildings are identified on the satellite images attached hereto as part of this Exhibit B and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Morgue Ambulance Building
2	Maintenance Building
3	Family Practice Building
4	Main Hospital Building
5	Power & Maintenance Building
6	Med II Clinic Building
7	Security / Medical Records Building
8	Covered Walkways
9	Storage Enclosure Building
10	Switchgear Building
11	TMP Building 1
12	TMP Building 2
13	Emergency Preparedness Building
14	Maintenance / Surplus Storage Building (see note below)
15	Electronic Medical Records
16	Maps
17	Physicians Building
18	Helipad



Conway Facility - 2

**MASTER HOSPITAL LEASE AGREEMENT**

This Master Hospital Lease Agreement (the “Lease”) is made and entered into effective the 1st day of October, 2018 by and among:

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

**OCHSNER LSU HOSPITALS, L.L.C.**, a Louisiana limited liability company, represented herein by \_\_\_\_\_, its \_\_\_\_\_, duly authorized by virtue of a resolution adopted \_\_\_\_\_, with a mailing address of \_\_\_\_\_, (Federal I.D. No. XX-XXX \_\_\_\_\_) (“Lessee”);

and provides as follows:

**WITNESSETH**

**WHEREAS**, Lessor is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

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

**WHEREAS**, Lessor has the right to lease and grant a right of use in the Hospitals to Lessee pursuant to a Right Of Use Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”); and,

**WHEREAS**, Lessee is a single member limited liability company whose member is Ochsner LSU Health System of North Louisiana (“OLHS-NL”), a non-profit corporation organized and existing under the laws of the State of Louisiana including without limitation La.

R.S. 12:201, et seq., who is committed to and whose principal purpose is to provide healthcare and hospital services to patients in the State of Louisiana, including to Louisiana's indigent and medically underserved, and to serve as a site for graduate medical education for the training and further development of medical and clinical professionals in the State of Louisiana; and,

**WHEREAS**, Lessor and OLHS-NL are parties to a Cooperative Endeavor Agreement dated October 1, 2018 (as the same may be amended from time to time, the "CEA"), pursuant to which they will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

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

**WHEREAS**, the Shreveport Hospital includes the premises described in Exhibit A-1 hereto (the "Shreveport Premises"); and,

**WHEREAS**, E.A. Conway includes the premises described in Exhibit A-2 hereto (the "Monroe Premises," collectively with the Shreveport Premises the "Leased Premises"); and,

**WHEREAS**, Lessee desires to lease the Leased Premises.

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

**I. LEASED PREMISES; TERM**

A. Leased Premises. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below),

unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Lease or in the CEA. Lessee or Lessee's agent has had an opportunity to visually inspect the Leased Premises and acknowledges that the Leased Premises appear in good and acceptable condition as of the execution of this Lease.

B. Term. The Term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Article XII below, shall continue for an initial term of ten (10) years (the "Initial Term") , and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term"), for a total term ("Term") of twenty (20) years, unless any Party gives written notice of its intent not to renew the Lease for a Renewal Term (a "Non-Renewal Notice") not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable. Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the normal expiration of the CEA shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to any applicable Wind Down Period (as defined and described in the CEA).

C. Commencement Date. For purposes of this Lease, the term "Commencement Date" shall mean 12:00 a.m. on [\_\_\_\_\_, \_\_, 2018], unless otherwise mutually agreed upon by the parties in writing, which agreement not to be unreasonably withheld, conditioned or delayed.

D. Limited Waiver of Warranties. Except as otherwise expressly provided in this Lease, Lessor makes no warranty of fitness, condition, or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that Lessor is not, directly or indirectly, making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by, a person who successfully obtains pursuant to final, definitive judgment the ownership or a right to possession of the Leased Premises, in whole or in material part, which adversely and materially affects the operations of the Hospitals. Notwithstanding the

foregoing, and to the extent allowed by law, Lessor hereby agrees that it, at its sole cost, shall defend and indemnify Lessee against any and all claims and lawsuits challenging the right of Lessee to lease and occupy, or otherwise materially disturbing Lessee's actual physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospitals.

## **II. RENT**

A. Base Rent. During the Term, the annual base rent for the Leased Premises (the "Leased Premises Rent") shall be \$41,827,876.35. If the Commencement Date is prior to [\_\_\_\_\_, 2018], then the Leased Premises Rent shall accrue starting \_\_\_\_\_, 2018]. The Leased Premises Rent shall be payable by Lessee to Lessor in two (2) equal installments, with the first installment being due and payable on January 1, and the second installment being due and payable on June 30. In the event this Lease is terminated prior to its normal expiration, the Leased Premises Rent payment for that Lease year shall be prorated based on the actual number of days in that Lease year this Lease is in effect.

B. Additional Rent. In addition to the Leased Premises Rent, Lessee shall also pay any and all other charges or payments which Lessee is or becomes obligated to pay pursuant to this Lease (collectively, the "Additional Rent" and together with the Leased Premises Rent, the "Rent"). Except as otherwise set forth herein, any Additional Rent owed to Lessor shall be due within thirty (30) days after receipt of any invoice therefor from Lessor, which invoice shall include a description and itemization of such Additional Rent due.

C. Adjustments to Leased Premises Rent. Adjustments to the Leased Premises Rent shall be based on the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor (the "Index"). Commencing with the

first anniversary of the Commencement Date and annually on each anniversary of the Commencement Date thereafter, the Leased Premises Rent for the new Lease year shall be adjusted upward or downward by dividing the Index currently in effect as of such respective anniversary by the Index in effect as of the Commencement Date and multiplying the resulting quotient by the annual Leased Premises Rent payable under Paragraph II.A above; provided, however, that the Leased Premises Rent shall never be adjusted downward to an amount that is less than the initial Leased Premises Rent amount. If the Index is no longer available or is no longer published at a frequency needed to calculate said adjustment, then the parties shall use the current equivalent of the Index.

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

E. Off-Set of Rent for Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due Lessee as a result of any overpayment while another party was responsible for the Hospitals' Medicare and Medicaid Provider Numbers, Lessor will seek an immediate appropriation to reimburse Lessee, and Lessee will assign to Lessor any rights to negotiate, contest, settle or otherwise resolve such recoupment

action. Notwithstanding the foregoing, Lessee shall have an immediate right of set-off against Rent due under this Lease to compensate Lessee in an amount consistent with the amount withheld under the recoupment action; provided, however, that within thirty (30) days of receipt by Lessee of invoices, Lessee shall pay to Lessor any and all such invoices for amounts that Lessee receives as repayment of any sums which were withheld from reimbursement due Lessee to the extent so set off.

### **III. USE**

The Leased Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, research and laboratory facilities, and any uses that are accessory to any of the foregoing (each of such uses, individually or collectively, a "Permitted Use"), and for no other purposes without the prior written consent of Lessor. Lessee will conduct the operations of the Hospitals on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the "Law") and in accordance with the provisions of the CEA. Except as may otherwise be expressly provided for in this Lease, Lessee has no right and shall not attempt to sell, exchange, transfer, alienate, and/or dispose of the Leased Premises (including any interest therein) in any way. Lessee shall ensure that the Leased Premises remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Commencement Date, unless approved in advance and in writing by Lessor.

### **IV. ASSIGNMENT : SUBLEASE**

A. No Assignment. Lessee may not, without the prior written consent of Lessor, assign or

otherwise encumber in whole or in part this Lease or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, assign its interest under this Lease to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the assignee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

B. No Subletting. Lessee may not, without the prior written consent of Lessor, sublet in whole or in part the Leased Premises or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, sublease the Leased Premises to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the sublessee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

C. Lessee Remains Liable. In no event shall any assignment or subletting of all or any portion of the Leased Premises release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor's express written agreement given in advance of such assignment or subletting, which agreement may be granted or withheld in Lessor's sole discretion. Lessee shall not permit any act or omission with respect to the Leased Premises that would adversely affect Lessor's title and rights thereto.

**V. IMPROVEMENTS AND ALTERATIONS BY LESSEE**

A. Lessee's Improvements and Alterations. Alterations and improvements to the Leased Premises shall be made according to the following procedure:

1. Lessee shall not make any alterations and improvements (collectively "Improvements") to the Leased Premises without the advance written consent of Lessor.

2. All Improvements, including but not limited to "Major Alterations" (defined as any Improvement or other change to the Leased Premises which is estimated in good faith to cost in excess of Five Hundred Thousand Dollars (\$500,000.00) and which: (i) is structural in nature; or (ii) would materially change the Leased Premises exterior appearance; or (iii) would materially change or affect the electrical, mechanical, life/safety, heating, ventilating and air conditioning or utilities systems or routing servicing of the Leased Premises), shall be made subject to design and construction oversight by Lessor and Lessor's Office of Facility Planning and Control ("OFPC"), including without limitation the right of Lessor and OFPC to review and approve plans and specifications prior to the commencement of construction, to require such changes as may be necessary to comply with applicable building codes, space standards, and standards ensuring quality of construction, to conduct periodic inspections during construction to ensure that work is being performed in compliance with the approved plans and specifications, and to ensure compliance with all applicable federal, state, and local laws and ordinances, including without limitation La. R.S. 40:1724. Such Improvements shall not reduce the then fair market value of the Leased Premises and shall not adversely impact the structural integrity of the Leased Premises. Approval by Lessor of any Improvements shall not constitute any warranty by Lessor to Lessee of the adequacy of the design for Lessee's intended use of the Leased Premises. All work performed for or by Lessee shall be subject to and in accordance with all federal, state, parish and city building and/or fire department codes and ordinances, and any required alterations performed in

connection with such Improvements to meet said codes and ordinances shall be performed by Lessee, at Lessee's expense. All work shall be performed for or by Lessee in a good and workmanlike manner, and Lessee shall prosecute the same to completion with reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's leasehold interest or any of Lessor's property, and Lessee shall furnish: (i) a clear lien certificate for any Major Alterations to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Major Alterations.

3. Before the commencement of any work in excess of Five Hundred Thousand Dollars (\$500,000.00) for construction of Improvements, Lessee shall supply Lessor with appropriate performance and payment bonds. These bonds are at Lessee's expense and shall be issued in a form satisfactory to Lessor and in such a manner as to protect the Lessor's interest in the Leased Premises. Any requirement of this Paragraph V.A.3 may be waived with the consent of Lessor.

4. The rights, responsibilities and obligations of OFPC shall be governed by the provisions of La. R.S. 40:1724, all other regulatory and statutory authority granted to FP&C with respect to maintenance, repair and/or improvements to public buildings and property, and this Lease. This Lease is not intended and shall not be interpreted to derogate from any of FP&C's rights, responsibilities, and obligations.

5. Upon the early termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section \_\_\_\_\_), Lessor shall pay to Lessee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by Lessee to the Leased Premises that were approved by Lessor in accordance with this Paragraph V.A above, computed on a GAAP basis (herein "Unamortized Improvements"), but

only to the extent such payment is expressly funded by the State for such specific purpose in accordance with Section XIV.K below; provided, however, any such obligation to pay pursuant to this Paragraph V.A.5, shall be reduced on a dollar-for-dollar basis to the extent any Lessor funds or other funds of the State of Louisiana are expended to improve the Leased Premises subsequent to the Commencement Date because of Lessee's failure to satisfy its obligations hereunder.

B. Cost of Lessee's Improvements. Lessee shall be solely responsible for all costs incurred in connection with any Improvements to the Leased Premises undertaken by Lessee. Following completion of any Improvements, Lessee shall provide to Lessor a lien waiver from Lessee's contractor covering the cost of work, materials, and equipment supplied by the contractor and all subcontractors and materialmen. All Improvements made to the Leased Premises by Lessee shall become and remain the property of Lessor at the normal expiration or early termination of this Lease without any cost to Lessor, subject to Lessor's conditional obligation to pay for Unamortized Improvements as set forth in Paragraph V.A.5 above. Notwithstanding the foregoing, if Lessee performs a Major Alteration without obtaining Lessor's prior written consent, in addition to any other remedy available for such violation, Lessor may, at its option, by written notice to Lessee require that Lessee remove the Major Alteration specified in such notice at Lessee's sole cost and return the Leased Premises to their condition prior to the unauthorized performance of the Major Alteration. If Lessee fails to remove such a Major Alteration and restore the Leased Premises to its original condition within sixty (60) days of the above-described written notice, or if such removal and restoration cannot be completed in sixty (60) days and Lessee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, Lessee shall promptly reimburse, as Additional Rent, the Lessor for any expense that Lessor incurs in performing such removal and restoration. Lessee may purchase such additional personal property, fixtures, equipment, furniture and other unattached

items of personal property which Lessee may like to place in the Leased Premises including, but not limited to, counters, shelving, chairs and other unattached movable machinery, equipment and inventory (collectively, the "Lessee Personal Property"), and the Lessee Personal Property shall be owned by Lessee and may be removed from the Leased Premises by Lessee at the end of this Lease; provided, however, that Lessee shall repair any damage to the Leased Premises caused by such removal. Lessee's Personal Property shall not include the equipment leased by Lessor to Lessee pursuant to that certain Equipment Lease between Lessor and Lessee dated as of \_\_\_\_\_ (the "Equipment Lease").

**VI. OPERATION, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES**

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

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

C. Maintenance and Repair.

1. Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, boilers, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, life/safety, sprinkler, lock and security, computer service, public address, air and water pollution control, and waste disposal systems, facilities, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good a working condition and repair (ordinary wear and tear and casualty excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or

replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable and regardless of by whom such items were placed in the Leased Premises. All maintenance, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Leased Premises. Lessee shall ensure that routine preventive maintenance and repairs are performed in accordance with manufacturer-recommended schedules by an authorized maintenance/repair contractor. Lessee shall be responsible for ensuring that all necessary certifications are maintained on any and all such equipment and machinery, including but not limited to certifications required by the State Fire Marshal and Louisiana Department of Health. If Lessee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of Lessor's notice that such maintenance repairs, restoration, or replacements are necessary (or within such longer period of time as may reasonably be required to commence such work), Lessor may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of Lessee, and shall be entitled to collect the same from Lessee as Additional Rental due hereunder within thirty (30) days of written demand by the Lessor.

2. It is understood and agreed that Lessor shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Leased Premises during the Term, that Lessor shall not be obligated at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises, and that Lessor shall not be obligated to maintain the Leased Premises in any respect whatsoever, whether at the expense of Lessor, Lessee or otherwise.

3. Lessee agrees that all Improvements to the Leased Premises constructed by Lessee pursuant to this Lease shall comply with the requirements of Title 40, Chapter 8, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC

FACILITIES FOR THE DISABLED COMMUNITY,” more specifically, sections La. R.S. 40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

4. Lessee further agrees to make, at its own expense and subject to obtaining any Lessor and other approvals that may be required by this Lease, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date, including the furnishing of required sanitary facilities and fire protection facilities, and Lessee shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with the order of the Louisiana State Fire Marshal. Lessee shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other safety equipment or devices, or any licenses or permits required by the State Fire Marshal’s office. At no expense to Lessor, Lessee agrees to comply with any order issued during the Term by the State Fire Marshal’s Office within the timeframe mandated by that Office.

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

6. Lessee further agrees to periodically paint the exterior and interior of the Leased Premises as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition, at Lessee’s sole cost.

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

knowledge and belief, has maintained the Leased Premises in accordance with the Maintenance Standards.

D. Security and Other Services. Lessee shall at its sole cost provide or cause to be provided all security service, custodial service, janitorial service, medical waste disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and maintenance of the Leased Premises. Lessee acknowledges that Lessor has made no representation or warranty with respect to systems and/or procedures for the security of the Leased Premises, any persons occupying, using or entering the Leased Premises or any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises.

## **VII. UTILITIES**

Lessee shall arrange and timely pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Hospitals and the Leased Premises (individually or collectively, the “Utility Service”), and all Utility Service shall be obtained in or transferred to Lessee’s name as of the Commencement Date and maintained in Lessee’s name throughout the Term. Such payments shall be made by Lessee directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as Lessee may make. Lessor shall have no responsibility to Lessee for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service. Lessor shall not be in default under this Lease or be liable to Lessee or any other person

for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service by the provider of any Utility Service. All future telephone and other communications lines which are an addition to those already present shall be installed at the expense of the Lessee. Lessee shall be responsible for providing entrance cable and facilities into the building(s) to the extent not in place as of the Commencement Date to accommodate the telephone, computer and other electronic needs of the Leased Premises. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

### **VIII. INSURANCE**

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

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

2. A policy of commercial general liability insurance with respect to the Leased Premises and Lessee's operations, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement or repair of the Leased Premises of not less than \$5,000,000 combined

single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and contractual liability covering Lessee's indemnification obligations under this Lease;

3. A policy of motor vehicle liability insurance for all owned and non-owned vehicles, including rented or leased vehicles with coverage of not less than \$5,000,000 combined single limit per occurrence;

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

5. Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Premises, in an amount not less than \$5,000,000 with deductible provisions reasonably acceptable to Lessor;

6. Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State of Louisiana, or any act hereafter enacted as an amendment thereto or in lieu thereof, sufficient to cover all persons employed by Lessee in connection with its use of the Leased Premises; and

7. Pursuant to the provisions of La. R.S. 40:1299.39, et seq., medical malpractice liability insurance insuring claims arising out of malpractice or negligence occurring at or related to the operations of the Hospitals on the Leased Premises in an amount not less than \$1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to Lessor and

Lessee if Louisiana law limiting the amount of such claims is repealed or amended to raise the limits on such claims.

B. Additional Requirements.

1. All insurance required in this Article VIII and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana, and rated at least A- Class VII by Best's Insurance Reports or as otherwise approved by Lessor. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days' prior written notice to Lessor and the State.

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

3. Lessee shall deliver to Lessor upon occupancy of the Leased Premises certificates of insurance and declaration pages for each policy required by this Lease. Upon request by Lessor, Lessee shall promptly provide copies of original policies and all endorsements thereto.

4. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the Lessor Insured Parties.

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

6. All insurance required hereby shall provide that the insurance companies issuing such required policies shall have no recourse against Lessor and LSU for payment of premiums or for assessments under any form of the policies.

7. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the Lessor Insured Parties.

8. All insurance required hereunder shall be occurrence coverage. Claims made policies are not allowed.

9. Any deductibles or self-insured retentions must be approved in writing by Lessor. Lessee shall be responsible for deductibles and self-insured retentions.

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

C. Condemnation, Casualty and Other Damage. During the Term, the risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (individually or collectively, the "Casualty"), or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings or a conveyance in lieu thereof

(individually or collectively, the “Expropriation”) is expressly assumed by Lessee. None of the foregoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its Rent, or any other obligation hereunder, except as specifically set forth below. Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises caused as a result of a Casualty or an Expropriation.

D. Restoration Obligations.

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

2. During the Term, if all or any portion of the Leased Premises is damaged or destroyed by a Casualty and Lessee is not reasonably able under the circumstances to repair, restore or replace the Leased Premises, all insurance proceeds received or payable as a result of such Casualty shall be paid to Lessor and shall be retained by Lessor, and Lessee shall pay to Lessor the amount of any unpaid deductible.

E. Compensation Award. If either the Shreveport Premises or the Monroe Premises (or both) shall be taken by Expropriation, this Lease shall terminate as of the date of such taking and

Lessor shall be entitled to the entirety of all compensation awarded or paid as result of taking of the Leased Premises, and Lessee shall promptly pay to Lessor any such compensation received. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Lessee, Lessee shall have the option to terminate this Lease. If this Lease is not terminated as provided in this Paragraph VIII.E, then the Rent shall be abated for the balance of the Term remaining in proportion to the market value of the Leased Premises so taken, unless Lessor, at its sole option, restores the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial Expropriation of the Leased Premises shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award in proportion to the value of any Unamortized Improvements made by Lessee to the Leased Premises and approved by Lessor and the State in accordance with this Paragraph V.A above. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense, if a separate award can be made to Lessee. Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award; provided, however, that no such separate claim by Lessee shall reduce any compensation or award to be made to Lessor.

## **IX. HAZARDOUS MATERIALS**

### **A. Hazardous Materials.**

1. Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, release, transported, stored, but not including materials existing in or about the Leased Premises prior to

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

2. Notwithstanding Paragraph IX.A.1 above, Lessee shall have the right to continue to lawfully use and store certain Hazardous Materials as a “Large Quantity Generator” (collectively, “Permitted Excess”) directly related to the provision of medical services within the Leased Premises (collectively, “Permitted Excess Use”); provided, however, Lessee shall at all times fully comply with all applicable Laws and the provisions set forth in this Lease.

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

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

b) apply for and maintain all required licenses, approvals, and other authorizations (including, without limitation, obtaining and maintaining for any Permitted Excess

a Hazardous Waste Generator Identification Number from the U.S. Environmental Protection Agency or any successor thereto); and

c) accurately mark and label all Hazardous Materials in or about the Leased Premises in accordance with applicable Laws; and

d) maintain at all times an accurate inventory of any Permitted Excess of Hazardous Materials in or about the Leased Premises (including, without limitation, the quantities all such Permitted Excess as well as the length of time such Permitted Excess is stored in or about the Leased Premises; and

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

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

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

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

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

j) designate in accordance with applicable Laws and have available at all times such personnel and resources to respond to any emergency associated with Hazardous Materials; and

k) timely submit copies of all required reports, applications, inspections, renewals, updates, and other submittals to the appropriate authorities with copies simultaneously sent to Lessor and the State; and

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

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

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

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

4. Lessor shall have access to, and a right to perform inspections and tests of, the Leased Premises as it may desire to determine Lessee's compliance with Laws and Lessee's obligations under this Article IX. Access shall be granted to Lessor upon Lessor's reasonable prior notice to Lessee and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Lessee's operations. Lessee shall reimburse Lessor for the costs and expenses incurred by Lessor for any such inspections and tests, and such amounts shall be

deemed Additional Rent payable in accordance with Paragraph II.B above. From time to time (including, without limitation, upon the expiration or earlier termination of this Lease), Lessor shall have the right, at its option and at Lessor's sole cost and expense, to undertake an environmental assessment of the Leased Premises to determine Lessee's compliance with all Laws and Lessee's obligations under this Article IX. Lessor and Lessee agree that Lessor's receipt of or satisfaction with any environmental assessment in no way waives any rights that Lessor holds against Lessee or affects any liabilities of Lessee under this Lease in any manner.

**B. Indemnification for Environmental Liabilities.**

1. Lessee agrees at its sole cost to indemnify, defend (with counsel reasonably acceptable to Lessor) and hold Lessor and the Lessor Indemnitees (as defined below) harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages except as set forth below), disbursements or expenses of any kind (including attorneys' and experts fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any of Lessor Indemnitees in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Paragraph IX.A above; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Lessor or Lessor's employees.

2. Nothing herein shall require Lessee to indemnify, defend and hold harmless Lessor or its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Leased Premises prior to the execution of this

Lease, except to the extent Lessee or its employees, agents, or contractors exacerbates or mishandles the same in violation of applicable Law.

C. Survival. The provisions of Paragraph IX.B above will survive the normal expiration or earlier termination of this Lease for a period of five (5) years; provided, however, the aforementioned five (5) year period shall not apply to limit any claim, investigation, or other proceeding that is pending at the time of such expiration/termination.

## **X. INDEMNIFICATION**

### **A. Lessee's Indemnification to Lessor and to LSU.**

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

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

3. Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under this Article X.A shall not extend to any loss, damages or other claims to the extent proven to have arisen out of the gross negligence or willful misconduct of any Lessor Indemnitees arising out of Lessor's performance of its obligations under this Lease.

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

## **XI. TAXES, FEES AND LICENSES**

A. Payment of Taxes. Lessee shall collect (as applicable) and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which accrue during the Term on or against or with respect to the Leased Premises, Lessee's Improvements or the business conducted by Lessee on the Leased Premises, if any (together with any related interest and penalties but excluding any taxes on the net income of Lessor), which may be payable or determined to be payable in connection with this Lease or the Leased Premises.

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

**XII. EVENT OF DEFAULT; REMEDIES**

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

1. failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within seven (7) calendar days after the date of written notice to Lessee of such failure; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph XII.A.1 in any calendar year, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any calendar year;

2. failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within seven (7) calendar days after the date of written notice to Lessee of such violation; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph XII.A.2 in any five-year period, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any five-year period;

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

4. commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

5. any failure by Lessee to comply with any material obligations of this Lease (other than those failures described in Paragraphs XII.A.1 - XII.A.4 above), if such failure is not cured within fifteen (15) calendar days after the date of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence.

B. Lessor Event of Default. A default by Lessor (a “Lessor Event of Default”) will occur under this Lease if Lessor fails to perform any of its material obligations or covenants under this Lease, and such failure is not cured within fifteen (15) calendar days after Lessor’s receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within fifteen (15) calendar days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

C. Remedies.

1. In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to, terminate this Lease upon written notice to Lessee (a “Termination Notice”); provided, however, that any early termination of this Lease and any vacation and surrender of the Leased Premises by Lessee in connection therewith shall be subject to any wind-down provisions in the CEA.

2. At the normal expiration of the Term or on the earlier termination of this Lease for any reason (subject to any applicable wind-down provisions as set forth in Paragraph XII.C.1

above), Lessee shall vacate the Leased Premises and shall surrender the same to Lessor in good order and condition, ordinary wear and tear excepted.

3. Except as otherwise expressly provided in this Lease, all rights and remedies of the parties provided for herein 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.

D. Termination of the CEA. The normal expiration or early termination of either the CEA for any reason shall result in the concurrent termination of this Lease subject to any applicable wind-down provisions in the CEA.

**XIII. NOTICES**

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

**If to Lessor:**

Division of Administration  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: Commissioner

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If to OLH:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or to such other address as a 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 (a) if by hand or electronic delivery, when delivered, (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service.

**XIV. MISCELLANEOUS**

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

B. Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA.

C. Waiver. Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of such term or

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

D. Severability. The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of this Lease or the CEA.

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

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

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

H. Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the

entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by all of the parties hereto.

I. Choice of Law; Venue. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. The parties agree that the exclusive venue for any court proceeding arising under this Lease is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

J. Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the Commissioner of Administration or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

K. Appropriation of Funds. All State and Lessor obligations under this Lease to make payments of any kind in any fiscal year shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, all as determined in their sole discretion by, respectively, the State and by Lessor.

IN WITNESS WHERE, the Parties have caused this Lease to be duly executed and delivered, as of the date first above written.

**LESSOR:**

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**LESSEE:**

**OCHSNER LSU HOSPITALS, L.L.C**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A-1 : SHREVEPORT PREMISES**

**BUILDINGS**

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land and grounds appurtenant thereto, are included with and part of the “Shreveport Premises.” The buildings are identified on the satellite images attached hereto as part of this Exhibit A-1 and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Hospital, including A Wing, B Wing, C Wing, D Wing, E Wing, F Wing, G Wing, H Wing, J Wing, K Wing, N Wing, O Wing, R Wing, S Wing, Laundry and Therapeutic Radiology
2	Feist Weiller Cancer Center
3	Eye Clinic
4	Women & Children’s Center
5	Ambulatory Care Center
6	Spartan Building / Warehouse
7	WCC Powerhouse
8	Grounds Crew Building 2
9	Physical Plant
10	Grounds Crew Shop
11	Old Power Distribution
12	New Power Distribution
13	Kirby Street / Billing (see separate legal description attached hereto)
14	St. Vincent Ave. / Viral Disease Clinic (see separate legal description attached hereto )

Special Considerations:

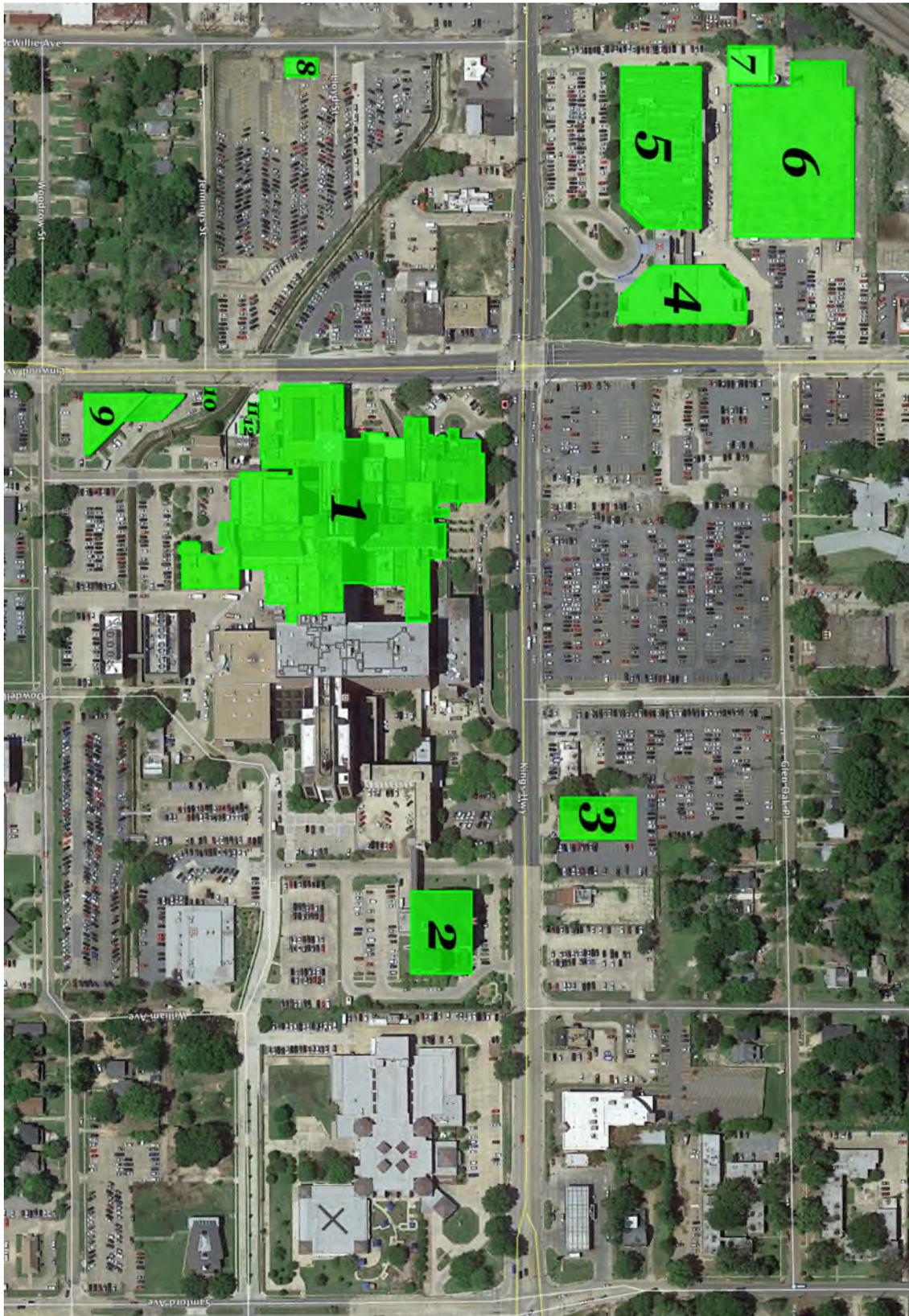
1. The Comprehensive Care Building. The Comprehensive Care Building is not considered part of the Shreveport Premises under this Lease, is not listed in the table above, and is not highlighted on the attached satellite image. However, that building is leased to Lessee pursuant to a separate lease agreement executed contemporaneously with this Lease at the rate of \$13.50 / square foot.

## 2. Additional Space:

- 2.1. Lessor Reserved Space. As of the Effective Date, Lessor and/or Lessor's permittees occupy and use the office, clinical, and lab space set forth in the attached table that is part of this Exhibit A-1 (the "Lessor Reserved Space"), and Lessee hereby subleases and assigns to Lessor and Lessor's permittees its right to occupy and use the Lessor Reserved Space for the Term of this Lease or until Lessor notifies Lessee that it no longer needs the Lessor Reserved Space. The Lessor Reserved Space is valued at \$13.50 per square foot, and Lessor shall, on a monthly basis, cause the payment to Lessee of the sum of EIGHTEEN THOUSAND TWENTY-EIGHT AND 13/100 DOLLARS (\$18,028.13) (being the total square footage of the Lessor Reserved Space (16,025 sq. ft.) multiplied by \$13.50 and divided into twelve equal installments), said payments being due and payable to Lessee on the first day of each month. Notwithstanding anything in this Lease to the contrary, and further notwithstanding any argument that Lessee's sublease and assignment of the Lessor Reserved Space to Lessor extinguishes by operation of law any remaining obligations that Lessee has regarding the Lessor Reserved Space (including without limitation by operation of the legal principle of confusion), Lessee's sublease and assignment to Lessor of the Lessor Reserved Space shall not release Lessee from and shall not otherwise operate to waive or extinguish any of Lessee's obligations regarding the Lessor Reserved Space under the Lease, it being the express intent and agreement of all of the Parties hereto that Lessee shall remain bound by and shall continue to perform all of its obligations regarding the Lessor Reserved Space under the Lease; by way of example only and without in any way limiting the generality of the foregoing, (a) Lessee shall continue to be liable for the full amount of the Rent under Article II of the Lease without any diminution or offset thereof for Lessor's occupancy and use of the Lessor Reserved Space, (b) Lessee shall continue to provide all services to the Lessor Reserved Space as set forth in Article VI of the Lease, (c) Lessee shall continue to provide all utilities to the Lessor Reserved Space as set forth in Article VII of the Lease, and (d) Lessee shall continue to maintain all insurance coverage for the Lessor Reserved Space as set forth in Article VIII of the Lease.
- 2.2. Additional Lessee Space. In addition to the buildings and facilities included in the table above, the office, clinical, and lab space set forth in the attached table that is part of this Exhibit A-1 (the "Additional Lessee Space") shall be included with and part of the Shreveport Premises and shall be subject to all of the terms of the Lease pertaining thereto. The Additional Lessee Space is valued at \$13.50 per square foot, and Lessee shall, on a monthly basis, pay to Lessor the sum of ELEVEN THOUSAND FOUR HUNDRED SIXTY-NINE AND 38/100 DOLLARS (\$11,469.38) (being the total square footage of the Additional Lessee Space (10,195 sq. ft.) multiplied by \$13.50 and divided into twelve equal installments), said payments being due and payable to Lessor on the first day of each month.

- 2.3. Lessee Storage Space. In addition to the buildings and facilities included in the table above, the storage space set forth in the attached table that is part of this Exhibit A-1 (the "Lessee Storage Space") shall be included with and part of the Shreveport Premises and shall be subject to all of the terms of the Lease pertaining thereto. The Lessee Storage Space is valued at \$6.00 per square foot, and Lessee shall, on a monthly basis, pay to Lessor the sum of EIGHT THOUSAND THREE HUNDRED SEVENTY-THREE AND 50/100 DOLLARS (\$8,373.50) (being the total square footage of the Lessee Storage Space (16,747 sq. ft.) multiplied by \$6.00 and divided into twelve equal installments), said payments being due and payable to Lessor on the first day of each month.
- 2.4. Adjustments. Lessor shall have the right (but not the obligation) on thirty (30) days' notice to cancel its sublease of all or any part of the Lessor Reserved Space, and Lessee shall have the right (but not the obligation) on thirty (30) days' notice to release back to Lessor all or any part of the Additional Lessee Space and Lessee Storage Space. Furthermore, Lessor shall have the right on ninety (90) days' notice to require Lessee to release all or any part of the Additional Lessee Space and all or any part of the Lessee Storage Space, and Lessee shall have the right on ninety (90) days' notice to cancel Lessor's sublease of all or any part of the Lessor Reserved Space. Notice under this Subsection 2.4 shall be given pursuant to Article XIII of the Lease and shall specify the date on which the cancellation/release (as applicable) shall be effective (the "Return Date"). Effective upon the Return Date, the subject space shall be returned to the other Party reasonably clean and ready for use and occupancy, and effective upon the first day of the calendar month immediately following the Return Date, a corresponding adjustment (calculated using the square footage values set forth hereinabove) shall be made to the monthly payments owed by the returning Party hereunder.

MAIN CAMPUS MAP



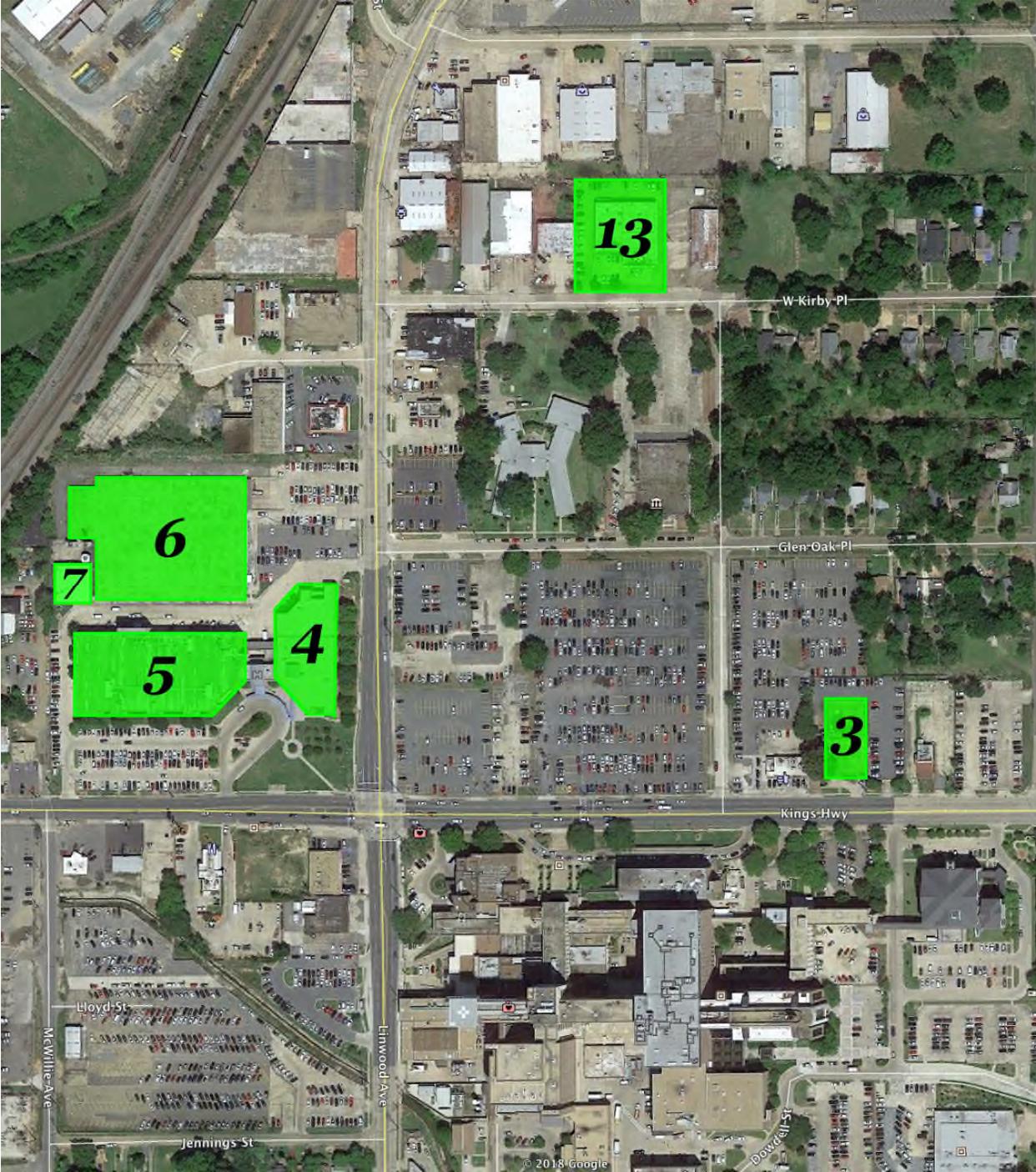
Buildings-4

**KIRBY STREET / BILLING OFFICE : LEGAL DESCRIPTION**

TRACT I: The East 10 feet of Lots 110, 111, 112, 113 and 114; the East 10 feet of the South 2.8 feet of Lot 109; the West 65 feet of Lots 115, 116, 117, 118 and 119, and the West 65 feet of the South 2.8 feet of Lot 120; in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat of re-subdivision recorded in Conveyance Book 150, Page 76, Caddo Parish Records; said described property being the West 75 feet of the property acquired by Robert A. Mackey from Agora Corporation as per deed recorded April 26, 1960, Conveyance Book 892, Page 665, Caddo Parish Records, together with all buildings and improvements thereon.

TRACT II: The East 100 feet of the West 140 feet of Lots 110 through 114, both inclusive, and the South 2.8 feet of the East 100 feet of the West 140 feet of Lot 109, all in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat thereof recorded in Conveyance Book 150, Page 76, Caddo Parish Records, together with all buildings and improvements located thereon.

**KIRBY STREET / BILLING OFFICE : MAP**



Buildings-6

**ST. VINCENT AVENUE / VIRAL DISEASE CLINIC**

Lot 1, FHT Subdivision, Unit No. 2, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per that plat recorded in Book 1800 at Page 432 of the records of Caddo Parish, Louisiana, lying in the Southwest (SW) Quarter of the Southwest (SW) Quarter of Section 24, T17N, R14W, Shreveport, Caddo Parish, Louisiana, together with all building and improvements located thereon.



Buildings-7

## PARKING

The following parking lots are included with and part of the “Shreveport Premises.” The lots are identified on the attached satellite images and are shaded in blue with white numerals designating the lot numbers.

<b>Lot No.</b>	<b>Lot Name</b>	<b>Approx. Capacity</b>
1	X Lot	125
2	Ambulatory Care	165
3	J Lot	452
4	T Lot	53
5	N Lot	61
6	Feist Weiller Cancer Center	65
7	K Lot	17
8	Building C	25
9	Patient / Visitor Lots	329
10	P Lot	206
11	G Lot	13
12	Physical Plant	4
13	K Wing / Print Shop	7
14	H Lot	38
15	F Lot	74
16	Emergency Department	12
17	M1 South	312
18	MS South	249
	Kirby Street Billing Office / all on-site parking	
	St. Vincent Ave. Viral Disease Clinic / all on-site parking	

The parking capacity listed for each lot is approximate and no guarantee is made as to actual capacity.

Lessee shall be responsible at its sole cost and expense to maintain the parking lots listed above and all appurtenant walkways, lighting, and grounds and to perform all maintenance, repairs, restorations, and replacements thereto, and to maintain them in as good a working condition and repair as existed as of the Effective Date of the Master Hospital Lease, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable.

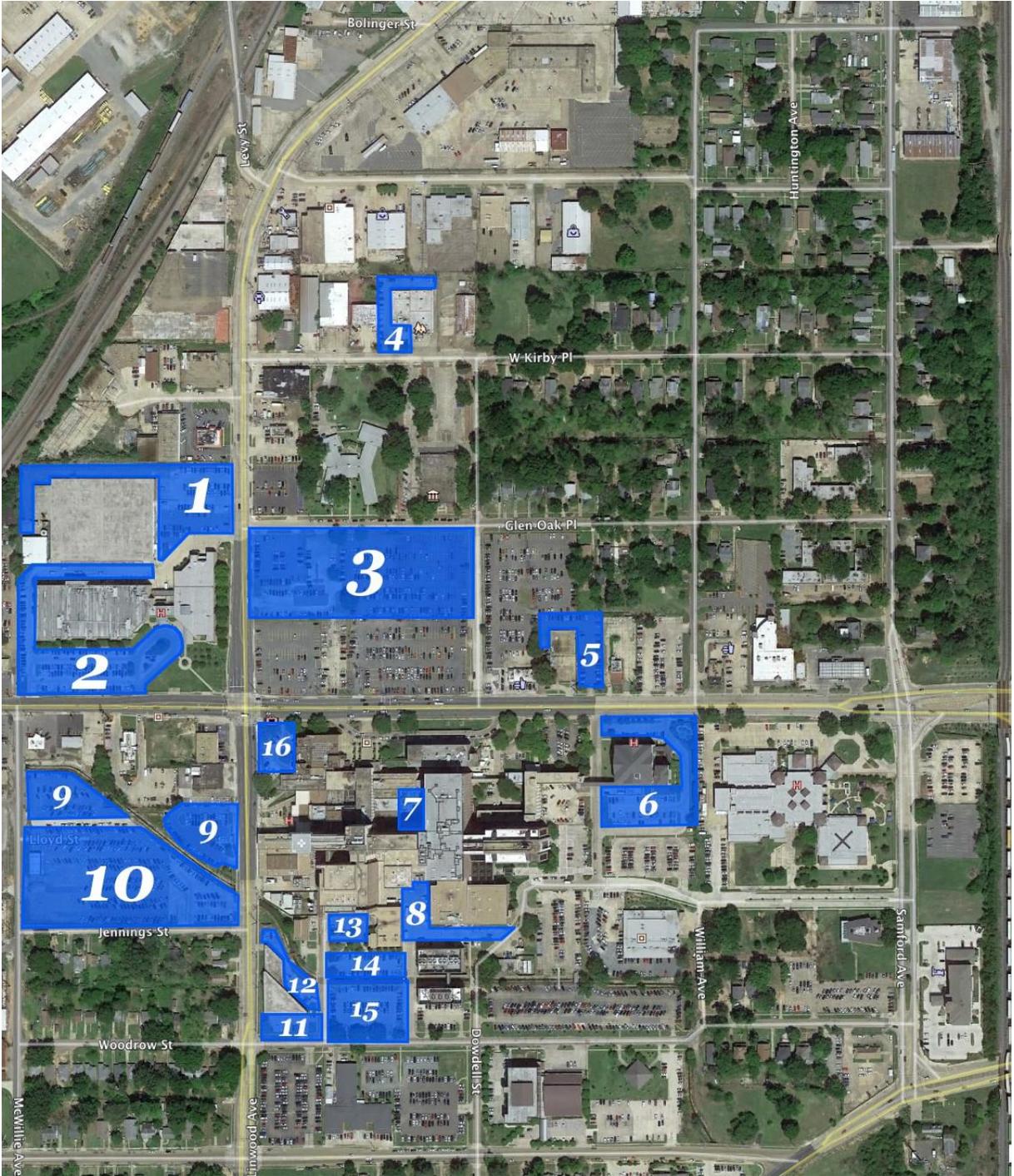
### Special Considerations:

1. As of the Effective Date of this Lease, an undetermined number of employees and permittees of Lessee’s predecessor are parking in lots that are reserved to Lessor, and an undetermined number of employees and permittees of Lessor’s

predecessor are parking in lots that are reserved to Lessee. Lessor and Lessee agree that subject to Section 2 below, no later than the first anniversary of the Effective Date of this Lease, each shall have moved all of their respective employees and permittees out of the other's parking lots, and that after the first anniversary of the Effective Date, both Parties will ensure that their employees and permittees are not parking in lots reserved for the other's use.

2. Notwithstanding Section 1 above:

- 2.1. Lessee agrees to reserve during the Term of this Lease the use of ten (10) parking spaces within N Lot (Lot No. 5) for use by Lessor and Lessor's permittees at no additional cost or consideration to Lessor.
- 2.2. Lessee agrees to reserve during the Term of this Lease the use of four (4) parking spaces within the Feist Weiller Cancer Center Lot (Lot No. 6) for use by Lessor and Lessor's permittees at no additional cost or consideration to Lessor.
- 2.3. Lessee agrees to allow during the Term of this Lease interns, residents, and fellows working in the Shreveport Hospital to park in Lot P (Lot No. 10) and Lot F (Lot No. 15) at no additional cost or consideration to Lessor.



Parking-3



Parking-4

**EXHIBIT A-2 : MONROE PREMISES**

## BUILDINGS

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land, grounds, and parking areas appurtenant thereto, are included with and part of the "Monroe Premises." The buildings are identified on the satellite images attached hereto as part of this Exhibit B and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Morgue Ambulance Building
2	Maintenance Building
3	Family Practice Building
4	Main Hospital Building
5	Power & Maintenance Building
6	Med II Clinic Building
7	Security / Medical Records Building
8	Covered Walkways
9	Storage Enclosure Building
10	Switchgear Building
11	TMP Building 1
12	TMP Building 2
13	Emergency Preparedness Building
14	Maintenance / Surplus Storage Building (see note below)
15	Electronic Medical Records
16	Maps
17	Physicians Building
18	Helipad

Special Considerations:

1. Maintenance & Surplus Storage Building. The Maintenance & Surplus Storage Building burned prior to the Effective Date and is currently being rebuilt by the State of Louisiana. Once the building is complete it will become part of the Monroe Premises.
2. Parking. LSU faculty, physicians, and staff will be allowed to park in parking areas of the Monroe Premises at no additional cost or consideration to LSU.



Formosa Ave

Mimosas Dr

Levee

**EQUIPMENT LEASE**

This Equipment Lease (the "Equipment Lease") is made and entered into effective the 1st day of October, 2018 by and among:

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

**OCHSNER LSU HOSPITALS, L.L.C.**, a Louisiana limited liability company, represented herein by \_\_\_\_\_, its \_\_\_\_\_, duly authorized by virtue of a resolution adopted \_\_\_\_\_, with a mailing address of \_\_\_\_\_, (Federal I.D. No. XX-XXX \_\_\_\_\_) ("Lessee");

and provides as follows:

**WITNESSETH**

**WHEREAS**, Lessor is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

**WHEREAS**, Lessor has legal custody of certain furniture, fixtures, equipment and other personal property located within the hospital facilities and associated outpatient clinics known as LSU Medical Center Shreveport in Shreveport, Louisiana (the "Shreveport Hospital") and E.A. Conway Medical Center in Monroe, Louisiana ("E.A. Conway Hospital") and together with the Shreveport Hospital, referred to herein as the "Hospitals"; and,

**WHEREAS**, Lessor has the right to lease and grant a right of use in the aforementioned furniture, fixtures, equipment and other personal property located within the Hospitals pursuant to a Right of Use Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"); and;

**WHEREAS**, Lessee is a single member limited liability company whose member is Ochsner LSU Health System of North Louisiana (“OLHS-NL”), a non-profit corporation organized and existing under the laws of the State of Louisiana including without limitation La. R.S. 12:201, et seq., who is committed to and whose principal purpose is to provide healthcare and hospital services to patients in the State of Louisiana, including to Louisiana’s indigent and medically underserved, and to serve as a site for graduate medical education for the training and further development of medical and clinical professionals in the State of Louisiana; and,

**WHEREAS**, Lessor and OLHS-NL are parties to a Cooperative Endeavor Agreement dated October 1, 2018 (as the same may be amended from time to time, the “CEA”), pursuant to which they will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

**WHEREAS**, pursuant to the CEA, Lessor and Lessee have this same date entered into that certain Master Hospital Lease pursuant to which Lessee will lease the Hospitals (as defined and described more particularly in said Master Hospital Lease); and,

**WHEREAS**, Lessor desires to lease the aforementioned furniture, fixtures, equipment and other personal property to Lessee pursuant to this Equipment Lease; and

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

**NOW, THEREFORE**, in consideration of Lessor's obligation to lease the Leased Equipment (as defined below) to Lessee, Lessee's obligation to pay rent to Lessor for the Leased Equipment during the term of this Equipment Lease, and the mutual benefits accruing to the parties under this Equipment Lease, the CEA, and the other contemplated transactions, the parties do hereby enter into this Equipment Lease on the following terms and conditions:

**I. LEASED EQUIPMENT; TERM**

A. Leased Equipment. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Equipment Lease or in the CEA, all of the furniture, fixtures, equipment and personal property of Lessor identified in Exhibit B-1 with respect to the Shreveport Hospital (the "Shreveport Leased Equipment"), as amended from time to time pursuant to this Equipment Lease, and in Exhibit B-2 with respect to E.A. Conway Hospital (the "Monroe Leased Equipment"), as amended from time to time pursuant to this Equipment Lease (collectively, the "Leased Equipment"). Lessee or Lessee's agent has had an opportunity to visually inspect the Leased Equipment and acknowledges that the Leased Equipment appears in good and acceptable condition as of the execution of this Lease.

B. Term. The term of this Equipment Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Article VIII below, shall continue for an initial term of ten (10) years (the "Initial Term"), and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term"), for a total term ("Term") of twenty (20) years, unless any

Party gives written notice of its intent not to renew the Equipment Lease for a Renewal Term (a “Non-Renewal Notice”) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable. Notwithstanding anything in this Equipment Lease to the contrary, the parties acknowledge that any early termination or the normal expiration of the CEA or the Master Hospital Lease shall cause this Equipment Lease to simultaneously terminate; provided, however, any such termination of this Equipment Lease shall be subject to any applicable Wind Down Period (as defined and described in the CEA).

C. Commencement Date. For purposes of this Equipment Lease, the term “Commencement Date” shall mean 12:00 a.m. on [\_\_\_\_\_, \_\_ 2018], unless otherwise mutually agreed upon by the parties in writing.

D. No Warranty. Lessee accepts the Leased Equipment in “as is, where is, with all faults” condition, without any representation or warranty, express or implied, in fact or in Law, oral or written, by Lessor. Lessee acknowledges it has had adequate opportunity to inspect the Leased Equipment prior to the Commencement Date.

## **II. LEASE PAYMENTS**

A. Lease Payment. As of the Commencement Date, and subject to later adjustment as set forth in Paragraph II.B below, the annual lease payment for the Leased Equipment (the “Equipment Rent”) shall be \$6,405,311.97. If the Commencement Date is prior to [\_\_\_\_\_ 1, 2018], then the Equipment Rent shall accrue starting [\_\_\_\_\_, 2018]. The Equipment Rent shall be payable by Lessee to Lessor in two (2) equal installments, with the first installment being due and payable on January 1, and the second installment being due and payable on June 30. In the event this Equipment

Lease is terminated prior to its normal expiration, the Equipment Rent payment for that Equipment Lease year shall be prorated based on the actual number of days in that Equipment Lease year that this Equipment Lease is in effect.

B. Adjustments to Equipment Rent. Adjustments to the Equipment Rent shall be based on the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) published monthly in the “Monthly Labor Review” of the Bureau of Labor Statistics of the United States Department of Labor (the “Index”). Commencing with the first anniversary of the Commencement Date and annually on each anniversary of the Commencement Date thereafter, the Equipment Rent for the new Equipment Lease year shall be adjusted upward or downward by dividing the Index currently in effect as of such respective anniversary by the Index in effect as of the Commencement Date and multiplying the resulting quotient by the annual Equipment Rent payable under Paragraph II.A above; provided, however, that the Equipment Rent shall never be adjusted downward to an amount that is less than the initial Equipment Rent amount. If the Index is no longer available or is no longer published at a frequency needed to calculate said adjustment, then the parties shall use the current equivalent of the Index.

C. Triple Net Lease. This Equipment Lease is intended to be a triple net lease. Lessee agrees that the Rent provided for herein shall be an absolute net return to Lessor free and clear of any expenses, charges, insurance or taxes whatsoever of any kind, character or nature (except as otherwise, if any, provided herein); it being understood and agreed to by Lessee that Lessee shall bear responsibility during the Term for the payment of all costs and expenses associated with the management, operation, and maintenance of the Leased Equipment, including without limitation all costs and expenses described in Article III below. Except as may be expressly

provided otherwise in this Equipment Lease or the CEA, Lessor will not be required to make any payment on Lessee's behalf or for Lessee's benefit under this Equipment Lease, or assume any monetary obligation of Lessee under this Equipment Lease, or with respect to the Leased Equipment.

D. Off-Set of Rent for Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due Lessee as a result of any overpayment while another party was responsible for the Hospitals' Medicare and Medicaid Provider Numbers, Lessor will seek an immediate appropriation to reimburse Lessee, and Lessee will assign to Lessor any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, Lessee shall have an immediate right of set-off against Rent due under this Equipment Lease to compensate Lessee in an amount consistent with the amount withheld under the recoupment action; provided, however, that within thirty (30) days of receipt by Lessee of invoices, Lessee shall pay to Lessor any and all such invoices for amounts that Lessee receives as repayment of any sums which were withheld from reimbursement due Lessee to the extent so set off.

### **III. USE, MAINTENANCE, AND REPAIR**

A. Permitted Use. The Leased Equipment shall be used, maintained, and stored by Lessee in a careful and proper manner and solely in support of the Public Purpose of the CEA and the operation of the Hospitals, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, research and laboratory facilities, and any uses that are accessory to any of the foregoing (each of such uses, individually or collectively, a

“Permitted Use”), and for no other purposes without the prior written consent of Lessor. Lessee will use the Leased Equipment in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA and all manufacturer or vendor guidelines and specifications. Except as may otherwise be expressly provided for in this Equipment Lease, Lessee has no right and shall not attempt to sell, exchange, transfer, alienate, and/or dispose of the Leased Equipment (including any interest therein) in any way. Lessee shall ensure that the Leased Equipment remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Commencement Date, unless approved in advance and in writing by Lessor.

B. Relocation of Leased Equipment. Lessee shall not move any Leased Equipment to another location without the express written consent of Lessor. In no event shall Lessee move Leased Equipment to any site other than the “Leased Premises” (as that term is defined in the Master Hospital Lease).

C. Maintenance and Repair. Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Equipment in good working order and repair regardless of whether any maintenance and repairs are ordinary or extraordinary, routine or major, foreseeable or unforeseeable. All maintenance and repairs shall be sufficient to maintain the Leased Equipment in at least as good condition as existed at the Commencement Date, ordinary wear and tear excepted, and shall comply with all manufacturer or vendor guidelines and specifications. Any parts, accessories, hardware, or other items that are used to maintain and/or repair the Leased Equipment and that become a component part thereof as a result of such maintenance / repair shall be owned

by Lessor without any cost to Lessor and without any diminution in Equipment Rent to Lessee. If Lessee fails to commence any maintenance or repairs to Leased Equipment within thirty (30) days of receipt of Lessor's notice that such maintenance and/or repairs is necessary, Lessor may, but shall not be obligated to, perform or cause to be performed such maintenance or repairs at Lessee's expense, unless Lessee provides evidence in the form of a qualified technician's report or comparable report that the maintenance / repair is unnecessary. Lessee shall be required to pay any such amounts to Lessor within thirty (30) days of the date of a written demand therefor by the Lessor. The exercise of any rights under this Paragraph III.C by Lessor does and shall not be deemed to waive, reduce or remove any liability Lessee may have to Lessor for failing to perform its obligations under this Equipment Lease.

D. Lost, Stolen, and Destroyed Equipment. If any piece of Leased Equipment is lost, stolen, destroyed, confiscated or damaged beyond repair, Lessee shall promptly notify Lessor in writing of such event and shall, at its sole cost and expense, replace such piece with equipment of at least equivalent capability and of similar make, model, quality and function. The replacement equipment shall be owned by Lessor, shall be deemed to have been added to Exhibit B-1 or B-2 as appropriate, and shall be subject to all of the terms of this Equipment Lease. Lessee shall not be entitled to any diminution of Equipment Rent that is lost, stolen, destroyed, confiscated, or damaged beyond repair unless occurring as a result of Lessor's fault.

E. Return of Unneeded Equipment. Throughout the Term, Lessee may remove specific items of Leased Equipment from this Equipment Lease if Lessee determines in its sole discretion that it no longer needs said item(s) for the purposes set forth in the CEA. If Lessee makes such a determination, it shall so notify Lessor in writing and identify (by, at a minimum, description

sufficient to reasonably identify the item of equipment, inventory number, and location) the specific item(s) of Leased Equipment being removed from the Equipment Lease. Lessee shall take all steps necessary to decommission said item(s) and prepare them for removal from the Hospital, including without limitation removing and disposing of any hazardous substances and protected health information in accordance with law. Lessor shall take and remove such item(s) of Leased Equipment from the Hospital no later than one hundred eighty (180) days after receiving such notice or after Lessee has decommissioned such items, whichever comes last. Lessee shall not be entitled to any diminution of Equipment Rent as a result of returning unneeded Leased Equipment.

F. Insurance Proceeds. Lessee shall be entitled to receive all amounts which are payable by an insurer or other person as a result of an event described in III.D above, provided that Lessee shall apply such amounts against costs incurred in repairing or replacing the affected Leased Equipment.

G. Lessee Personal Property. Lessee may place its own equipment, fixtures, furnishings, movable machinery, inventory, and other property in the Hospitals as Lessee desires (collectively, the "Lessee Personal Property"), and the Lessee Personal Property shall be owned by Lessee and may be removed from the Hospitals by Lessee at any time; provided, however, that Lessee shall repair any damage to the Hospitals caused by such removal. The Lessee Personal Property shall not include the original equipment leased by Lessor to Lessee pursuant to this Equipment Lease or any replacements parts for such original equipment.

H. Compliance. With respect to the Leased Equipment, Lessee shall perform and comply with all of the procedures, processes, policies and protocols established for property control by the Louisiana Commissioner of Administration (the "Commissioner") and the Louisiana Property

Assistance Agency (the “LPAA”), in the manner provided by the Commissioner and the LPAA, including but not limited to the following:

1. Lessee shall designate one of its officers or employees as property manager for the Leased Equipment and shall notify Lessor and the LPAA in writing of the designation. Lessee shall ensure that the property manager has the necessary time, supplies, support and assistance for performance of his/her duties hereunder.

2. Lessee and Lessee’s property manager shall maintain uniform State of Louisiana identification tags approved by the Commissioner on all items of Leased Equipment.

3. Lessee and Lessee’s property manager shall maintain the property location index for all Leased Equipment and shall submit to the LPAA an up-to-date index each time a permitted change or modification is made.

4. Lessee and Lessee’s property manager shall submit monthly Louisiana Property Control Transmittal Forms to the LPAA listing all Leased Equipment transactions for the month.

5. Lessee and Lessee’s property manager shall make a complete physical inventory of the Leased Equipment once for each fiscal year of the State of Louisiana and not more than twelve (12) calendar months since the last physical inventory, shall notify the LPAA in writing not later than thirty (30) days prior to the date the inventory is to begin and shall follow the inventory procedures prescribed by the Commissioner and the LPAA. Lessee and Lessee’s property manager shall submit an inventory report to the LPAA and the Legislative Auditor for the State of Louisiana (the “Legislative Auditor”) which contains a

list of all Leased Equipment in Lessee's custody, together with descriptive information as set forth in Paragraph III.H.6 below. Upon completion of each annual inventory, Lessee and Lessee's property manager shall submit to the LPAA and the Legislative Auditor a certified report containing all exceptions or discrepancies found in relating physical inventory records with the State master file listing. The annual report also shall include a listing of idle or surplus items of Leased Equipment available for transfer or disposition.

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

7. Lessee and Lessee's property manager shall keep the Leased Equipment master file updated by submitting to the LPAA monthly all Leased Equipment transactions.

8. Lessee and Lessee's property manager shall make all Leased Equipment records and reports and the invoices, receipts and other supporting documents therefor in their possession available for examination by the LPAA and the Legislative Auditor, and by their representatives, at reasonable times and upon reasonable advance notice to Lessee.

9. Lessee's property manager shall file with the Commissioner a bond furnished by a bonding company approved by the Commissioner and paid for by Lessee in an amount to be determined by the Legislative Auditor payable to the State of Louisiana, which bond shall serve as a guarantee or indemnity that Lessee's property manager will faithfully perform his duties.

10. Whenever Lessee's property manager ceases for any reason to be the property manager for the Leased Equipment, Lessee shall immediately notify the LPAA and Lessor in writing. The Leased Equipment and the receipts held by the outgoing property manager shall be transferred to the new property manager, who shall execute his written receipt for all Leased Equipment received by him or coming into his custody, and the new property manager shall be the custodian of all of the Leased Equipment.

11. Whenever Lessee's property manager has knowledge or reason to believe that any Leased Equipment is lost, stolen or otherwise unaccounted for or is damaged or destroyed, Lessee's property manager shall report such knowledge or reason to Lessee, and Lessee shall immediately notify the LPAA.

12. Lessee and Lessee's property manager shall maintain for three (3) years all inventories, forms, transmittals, letters of certification / acceptance / rejection, sequentially dated copies of all Leased Equipment transaction listings, sequential BF-11s submitted and responses received, and other records and documents regarding the Leased Equipment created after the Commencement Date.

#### **IV. ASSIGNMENT; SUBLEASE**

A. No Assignment. Lessee may not, without the prior written consent of Lessor, assign or otherwise encumber in whole or in part this Equipment Lease or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, assign its interest under this Equipment Lease to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability

company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the assignee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

B. No Subletting. Lessee may not, without the prior written consent of Lessor, sublet in whole or in part the Leased Equipment or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, sublease Leased Equipment to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the sublessee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

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

## V. INSURANCE

A. Lessee Responsibility for Insurance Coverage. Throughout the Term of this Equipment

Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Leased Equipment, the following insurance (or, in each case and with Lessor's advance written approval, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

1. Property insurance against loss and/or damage to the Leased Equipment, including but not limited to loss or damage caused by fire, lightning, earthquake, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for property of similar character and location, which insurance shall be in an amount not less than the actual cash value (full replacement cost less depreciation) of the Leased Equipment.

2. A policy of commercial general liability insurance against liability for personal injury (including bodily injury and death) and property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement or repair of the Leased Equipment, and for injuries to persons and/or property occurring in our about the Leased Equipment, of not less than \$5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and contractual liability covering Lessee's indemnification obligations under this Lease.

B. Additional Requirements.

1. All insurance required by Paragraph V.A above and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana and rated at least A- Class VII by Best's Insurance Reports or as may otherwise be approved by Lessor. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days prior written notice to Lessor.

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

3. Lessee shall deliver to Lessor upon the Commencement Date certificates of insurance and declaration pages for each policy required by this Equipment Lease. Upon request by Lessor, Lessee shall promptly provide copies of original policies and all endorsements thereto.

4. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the Lessor Insured Parties.

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

6. All insurance required hereby shall provide that the insurance companies issuing such required policies shall have no recourse against Lessor or LSU for payment of premiums or for assessments under any form of the policies.

7. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the Lessor Insured Parties.

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

9. Any deductibles or self-insured retentions must be approved in writing by Lessor. Lessee shall be responsible for deductibles and self-insured retentions.

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

## **VI. INDEMNIFICATION**

### **A. Lessee's Indemnification to Lessor.**

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

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

3. Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under Paragraph VI.A shall not extend to any loss, damages or other claims to the extent proven to have arisen out of the negligence or willful misconduct of any Lessor Indemnitees arising out of Lessor's performance of its obligations under this Equipment Lease.

**B. Lessor's Indemnification.** To the extent authorized by Law, Lessor will indemnify,

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

## **VII. TAXES AND FEES**

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

## **VIII. EVENTS OF DEFAULT; REMEDIES**

A. Lessee Events of Default. Each of the following shall be an Event of Default by Lessee (each, a "Lessee Event of Default") under the terms of this Equipment Lease:

1. failure by Lessee to make any Equipment Rent payment to Lessor on any date on which the same is due under this Equipment Lease, and this failure shall not be cured within seven (7) calendar days after the date of written notice to Lessee of such failure; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one

(1) such cure period under this Paragraph VIII.A.1 in any calendar year, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any calendar year;

2. failure by Lessee to obtain and maintain all insurance as required under this Equipment Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within seven (7) calendar days after the date of written notice to Lessee of such violation; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph VIII.A.2 in any five-year period, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any five-year period;

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

4. commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted; or

5. any failure by Lessee to comply with any of the obligations of this Equipment Lease (other than those failures described in Paragraphs VIII.A.1 - VIII.A.4

above), if such failure is not cured within fifteen (15) calendar days after the date of written notice to Lessee of such Equipment Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence.

B. Lessor Events of Default. A default by Lessor (a “Lessor Event of Default”) will occur under this Equipment Lease if Lessor fails to perform any of its material obligations or covenants under this Equipment Lease, and such failure is not cured within fifteen (15) calendar days after Lessor’s receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within fifteen (15) calendar days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary, as agreed to by Lessee, to cure the failure.

C. Remedies.

1. In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to, terminate this Equipment Lease upon written notice to Lessee (a “Termination Notice”); provided, however, that any early termination of this Equipment Lease and surrender of the Leased Equipment by Lessee in connection therewith shall be subject to any wind-down provisions in the CEA.

2. At the normal expiration of the Term or on the earlier termination of this Equipment Lease for any reason (subject to any applicable wind-down provisions as set forth in Section VIII.C.1 above, Lessee shall deliver and return the Leased Equipment to Lessor,

including any spare parts and accessories associated with the Leased Equipment, and any and all associated documents, including without limitation manuals, maintenance records, associated software, software licenses, keys and certificates of registration and warranty, all of which shall be in good working order and condition, ordinary wear and tear excepted.

3. Except as otherwise expressly provided in this Equipment Lease, all rights and remedies of the parties provided for herein 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.

D. Termination of the CEA. The normal expiration of early termination of either the CEA for any reason shall result in the concurrent termination of this Equipment Lease subject to any applicable wind-down provisions in the CEA.

**IX. NOTICES**

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

**If to Lessor:**

Division of Administration  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: Commissioner

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If to Lessee:**

**With a copy to:**

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or to such other address as a 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 (a) if by hand or electronic delivery, when delivered, (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service.

**X. MISCELLANEOUS**

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

B. Relationship of Parties. Nothing contained herein shall be deemed or construed by the

parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA.

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

D. Severability. The provisions of this Equipment Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of this Equipment Lease or the CEA.

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

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

G. Entire Agreement. This Equipment Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Equipment Lease or the CEA, have any binding effect. Any amendments to this Equipment Lease must be reduced to writing and signed by all of the parties hereto.

H. Choice of Law; Venue. This Equipment Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. The parties agree that the exclusive venues for any court proceeding arising under this Equipment Lease is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

I. Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the Commissioner of Administration or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

J. Appropriation of Funds. All Lessor obligations under this Equipment Lease to make payments of any kind in any fiscal year shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, all as determined by Lessor in its sole discretion.

**[Separate Signature Page to Immediately Follow.]**

IN WITNESS WHEREOF, the Parties have caused this Equipment Lease to be duly executed, as of the date first above written.

**LESSOR:**

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

By: \_\_\_\_\_  
Name: Jay Dardenne

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Title: Commissioner of Administration

**LESSEE:**

**OCHSNER LSU HOSPITALS, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit B-1

Shreveport Leased Equipment

Exhibit B-2

Monroe Leased Equipment

**OFFICE SPACE LEASE AGREEMENT**

This Office Space Lease Agreement (this "Lease") is made and entered into effective as of \_\_\_\_\_, 2018 (the "Effective Date"), by and between **THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION** ("Lessor"), and **OCHSNER LSU HOSPITALS, L.L.C.**, a Louisiana limited liability company ("Lessee").

**WITNESSETH**

**WHEREAS**, Lessor is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

**WHEREAS**, Lessor has legal custody of the hospital facilities and associated outpatient clinics known as LSU Medical Center Shreveport in Shreveport, Louisiana (the "Shreveport Hospital"); and,

**WHEREAS**, Lessor has the right to lease and grant a right of use in the Shreveport Hospital to Lessee pursuant to a Right Of Use Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"); and,

**WHEREAS**, Lessee is a single member limited liability company whose sole member is Ochsner LSU Health System of North Louisiana ("OLHS-NL"), a non-profit corporation organized and existing under the laws of the State of Louisiana including without limitation La. R.S. 12:201, et seq., who is committed to and whose principal purpose is to provide healthcare and hospital services to patients in the State of Louisiana, including to Louisiana's indigent and medically underserved, and to serve as a site for graduate medical education for the training and

further development of medical and clinical professionals in the State of Louisiana; and,

**WHEREAS**, Lessor and OLHS-NL are parties to a Cooperative Endeavor Agreement dated \_\_\_\_\_ (as the same may be amended from time to time, the “CEA”), pursuant to which they will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

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

**WHEREAS**, Lessee desires to lease the Leased Space (as defined below).

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

1. **LEASED SPACE.**

1.1. Leased Space. In consideration of the rents, mutual covenants and agreements set forth herein, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor for the Term, unless otherwise terminated pursuant to the provisions herein, certain office space (the “Leased Space”), totaling twenty-three thousand three hundred forty-seven (23,347) square feet and located in that medical office building (the “Building”) that is sometimes referred to as “A Building” or “the Comprehensive Care Building” with street address

1501 Kings Highway, Shreveport, Louisiana 71130, on the campus of the Shreveport Hospital. The Building is more particularly described in the attached Exhibit A, and the Leased Space is more particularly described in the floor plan attached hereto as Exhibit B.

1.2. Reduction of Leased Space. During the Term, Lessee may request of Lessor to have certain portions of the Leased Space removed from the Lease and returned to Lessor and to have the annualized Base Rent (as defined in Section 3 below) due and payable for the remainder of the Term equitably adjusted to account for any such change(s) in the Leased Space. Upon receipt of such a request from Lessee, Lessor and Lessee shall negotiate in good faith as to whether the requested portion of the Leased Space should be removed from this Lease. Should LSU at any time cease to provide physicians to provide services in any of the clinics located in the Leased Space, then Lessee shall have the right to terminate this Lease with regard to the portion of the Leased Space in which those clinics were operating and the annualized Base Rent due and payable for the remainder of the Term shall be equitably adjusted to account for any such change(s) in the Leased Space.

2. **TERM.** The Term of this Lease shall begin on the Effective Date, and, unless earlier terminated, shall continue for an initial term of ten (10) years (the "Initial Term"), and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term"), for a total term ("Term") of twenty (20) years, unless any party gives written notice of its intent not to

renew the Lease for a Renewal Term (a “Non-Renewal Notice”) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable. Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the normal expiration of the CEA during the Term of this Lease shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to any applicable Wind Down Period (as defined and described in the CEA).

3. **RENT.**

3.1. **Base Rent.** Each twelve (12) month period commencing on the Effective Date or any anniversary thereof is referred to herein as a “Lease Year.” During the initial Lease Year, Lessee shall pay Lessor annual rent in the amount of Three Hundred Fifteen Thousand One Hundred Eighty-Four and 50/100 dollars (\$315,184.50) (“Base Rent”), which is computed at the rate of \$13.50 / square foot. Base Rent shall be adjusted in subsequent Lease Years in accordance with Subsection 3.2 below. Lessee shall pay Base Rent to Lessee monthly, in twelve (12) equal monthly installments in advance on the first day of each and every calendar month during the Term; provided, however, that in the event the Term commences on a day other than the first day of a calendar month, then upon the Effective Date Lessee shall pay to Lessor a pro-rata portion of Base Rent for that portion of the calendar month remaining from the Effective Date to the first day of the next following calendar month.

3.2. Adjustments. Adjustments to Base Rent shall be based on the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) published monthly in the “Monthly Labor Review” of the Bureau of Labor Statistics of the United States Department of Labor (the “Index”). Commencing with the first anniversary of the Effective Date and annually on each anniversary of the Effective Date thereafter, the Base Rent for the new Lease Year shall be adjusted upward or downward by dividing the Index currently in effect as of such respective anniversary by the Index in effect as of the Effective Date and multiplying the resulting quotient by the Base Rent for in the initial Lease Year; provided, however, that the Base Rent shall never be adjusted downward to an amount that is less than the initial Base Rent amount. If the Index is no longer available or is no longer published at a frequency needed to calculate said adjustment, then the parties shall use the current equivalent of the Index.

3.3. Payment of Rent. Except as may otherwise be expressly provided for in this Lease, Lessee shall pay the Rent and all other payments provided for herein to Lessor without deduction and/or set-off for any amounts owed or claimed to be owed by Lessor to Lessee, regardless of whether such amounts arise under this Lease or from some other source.

3.4. Additional Rent. In addition to the Base Rent as set forth in Subsection 3.1 above, Lessee shall pay to Lessor any other sums owed by Lessee pursuant to the terms of this Lease or otherwise arising in connection with Lessee’s occupancy of the Leased Space (“Additional Rent,” collectively with Base Rent the “Rent”). Any Additional Rent

owed to Lessor shall be due within forty-five (45) days after receipt of any invoice therefor from Lessor, which invoice shall include a description and itemization of such Additional Rent due.

4. **DELIVERY AND ACCEPTANCE OF LEASED SPACE.**

4.1. Delivery. If Lessor shall be unable, for any reason whatsoever or any cause beyond Lessor's control, to deliver possession of the Leased Space on the Effective Date, Lessor shall not be liable to Lessee for any damage caused thereby, nor shall this Lease thereby become void or voidable, nor shall the Term hereof in any way be extended, but in such event Lessee shall not be liable for any Rent until such time as Lessor can and does deliver possession.

4.2. Acceptance. Lessee's occupancy of the Leased Space shall constitute Lessee's inspection and acceptance of the Leased Space in their condition, "as-is, where-is," as of the Effective Date. Lessor makes no warranty of fitness, condition, or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that Lessor is not, directly or indirectly, making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by, a person who successfully obtains pursuant to final, definitive judgment the ownership or a right to possession of the Leased Space, in whole or in material part, which adversely and materially affects Lessor's Permitted Use thereof. Lessor will have no obligation to make

any improvements or changes to the Leased Space except as may expressly be set forth in this Lease.

5. **PERMITTED USE.** Lessee shall use and occupy the Leased Space throughout the Term to operate clinics that provide professional services to patients (the “Permitted Use”), and for no other purpose whatsoever without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Lessee will operate such clinics in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA. Except as may otherwise be expressly provided for in this Lease, Lessee has no right and shall not attempt to sell, exchange, transfer, alienate, and/or dispose of the Leased Space (including any interest therein) in any way. Lessee shall ensure that the Leased Space remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Effective Date, unless approved in advance and in writing by Lessor.

6. **ASSIGNMENT AND SUBLEASE.** Lessee may not, without the prior written consent of Lessor, sublease, assign, or otherwise encumber in whole or in part this Lease or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, assign its interest under this Lease to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity for tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax

purposes, provided that the assignee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor. In no event shall any assignment or subletting of all or any portion of the Leased Space release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor's express written agreement given in advance of such assignment or subletting, which agreement may be granted or withheld in Lessor's sole discretion. Lessee shall not permit any act or omission with respect to the Leased Space that would adversely affect Lessor's title and rights thereto.

7. **UTILITIES, MAINTENANCE AND SERVICES.**

7.1. Utilities and Services. Lessor agrees to furnish the Leased Space with heat, air conditioning, water, gas, and normal electric current for lighting, ordinary medical equipment and business appliances, trash removal, janitorial services, and elevator service subject to the terms and conditions of this Lease and the regulations of the Building wherein the Leased Space is situated.

7.2. Maintenance and Repair. Lessor shall maintain and repair the various systems as set forth below at Lessor's cost, except where such maintenance or repair is needed as a result of Lessee's, its employees' or invitees' negligence or misuse, in which case Lessee shall be responsible for such maintenance and repair:

7.2.1. Lessor shall maintain and repair any lighting fixtures/systems which are physically located within the Leased Space and shall replace all light bulbs/tubes in the Leased Space;

7.2.2. Lessor shall maintain and repair the plumbing lines (including water heaters) serving the Leased Space to the point of entry into the Leased Space, as well as any plumbing fixtures/systems physically within the Leased Space;

7.2.3. Lessor shall, subject to Section 7.4 below, maintain and repair heating and air conditioning systems, Building standard lighting, and mechanical systems serving the Leased Space and/or in public common areas of the Building;

7.2.4. Lessor shall maintain and repair Building standard ceiling tiles in the Leased Space;

7.2.5. Lessor shall be responsible for the removal of Lessee's trash (excluding red bag service and the removal of medical waste or hazardous materials), but said trash shall be placed by Lessee in its containers which shall be located on the Leased Space. Notwithstanding the foregoing, Lessee shall be responsible for the lawful removal and cost of removing medical, special or infectious wastes from the Leased Space;

7.2.6. Lessor shall maintain in good order and repair and in a clean and orderly condition the roof, exterior walls and public areas in the Building of which the Leased Space are a part, together with any parking area owned or leased by Lessor which is adjacent to the Building;

7.2.7. Lessor shall provide general janitorial services to the Leased Space five days per week (Monday through Friday, exclusive of the state-observed holidays) between 5:00PM and 3:00AM.

7.3. Failure to Furnish. Notwithstanding anything in this Lease to the contrary, Lessor shall not be liable under any circumstances for failure to furnish, or the stoppage or interruption of any of the utilities and services list above when such failure, or stoppage or interruption of services is caused by conditions beyond the control of Lessor, or by accidents, repairs or strikes; nor shall such failure, or stoppage or interruption of such services constitute an eviction of Lessee; nor work an abatement of Rent.

7.4. Lessee Installed Systems. If Lessee installs any special lighting system, special heating or air conditioning (such as for the purpose of maintaining a temperature controlled environment for computer systems and/or medical equipment), or other systems, then Lessee shall be responsible to maintain and/or replace such system(s) at Lessee's sole cost.

7.5. Paper products. Lessor shall not be responsible to provide or supply any toiletry items, paper products, examination table paper, soap or other hygiene materials to the Leased Space for Lessee's use in the Leased Space; provided, however, Lessor shall supply toilet paper, paper towels and soap to all public restrooms in public common areas in the Building.

7.6. Communications Equipment. In no event shall Lessee use or install in the Leased Space any wireless communications equipment (other than the use of wireless telephones) or any telecommunications equipment (including wireless communications equipment, antennae, and/or satellite equipment) or associated cabling and conduit in the Leased Space, the Building or on the roof or façade of the Building except through the Building's central telecommunications cabling distribution system (if such a central telecommunications cabling system has been provided by Lessor) without the prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. If Lessee installs or causes to be installed any electronic cabling, telecommunication (including telephone and data transmission lines) cabling or computer cabling (collectively "Cabling") within the Leased Space, Lessee shall remove all Cabling, at Lessee's sole cost and expense, at the expiration or earlier termination of this Lease, unless Lessor gives Lessee written consent stating that removal of Cabling is not required. In the event Lessor consents to Lessee's non-removal of Cabling, all Cabling shall become the property of Lessor at no cost to Lessor. Upon the expiration or earlier termination of this Lease, Lessor shall have the right to remove any Cabling that Lessee was obligated to remove and failed to remove from the Leased Space without Lessor's written consent. Lessee shall reimburse Lessor, as Additional Rent, for the costs of removing such Cabling and said obligation to reimburse Lessor shall survive the expiration or earlier termination of this Lease.

7.7. Lessee's Obligation to Maintain Leased Space. Lessee shall maintain and keep the interior of the Leased Space in good repair and condition at Lessee's expense. Lessee agrees at the normal expiration or early termination of this Lease to promptly deliver up the Leased Space to Lessor in as good condition as it existed on the date of possession by Lessee, ordinary wear and tear alone excepted, and Lessor shall have the right to re-enter and resume possession of the Leased Space upon termination or expiration whether or not the Leased Space is vacated by Lessee.

7.8. Lessee's Damage. Lessee agrees to pay for all damages to the Building and Leased Space and for all injury to occupants thereof caused by the negligence, misuse, or neglect of Lessee or Lessee's employees, agents, contractors and/or invitees. Lessor may, at its option and at the sole cost and expense of Lessee or from proceeds of Lessee's insurance, repair or replace any damage or injury done to the Building or any part thereof, caused by Lessee, Lessee's agents, employees, licensees, invitees or visitors.

8. **ALTERATION OF LEASED SPACE.** The terms and conditions upon which Lessee may alter or improve the Leased Space shall be as set forth in Article V of that Master Hospital Lease Agreement effective \_\_\_\_\_ between the same Parties to this Lease (the "Master Hospital Lease").

9. **INSURANCE.** Throughout the Term of this Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Leased Space, insurance in the same coverages and amounts as set forth in Article VIII of the Master Hospital Lease Agreement.

10. **MECHANIC'S LIENS.** Lessee shall not suffer or permit any mechanic's liens or materialman's liens to be filed against the real property of which the Leased Space form a part nor against the Lessee's leasehold interest in the Leased Space. In the event that such a lien or privilege is filed against the Leased Space and/or Lessee's leasehold interest in the Leased Space: (a) Lessee shall discharge or bond said lien within ten (10) days after the filing thereof; and (b) Lessee shall indemnify Lessor for any costs, losses and/or expenses (including reasonable attorneys' fees) arising from said lien.

11. **ABANDONMENT OF LEASED SPACE.** If Lessee abandons, vacates, or surrenders the Leased Space for a period greater than sixty (60) days during the Term of this Lease, or be dispossessed by process of law, then:

11.1. Lessor shall have the right, but not the obligation, to terminate this Lease upon written notice to Lessee effective immediately or as of any date that Lessor may select, after which Lessor shall have the right, but not the obligation, to re-let the Leased Space to a new lessee at such rentals and upon such other terms and conditions as Lessor in its sole discretion deems advisable. Prior to re-letting, Lessor may make such alterations and repairs as it deems advisable to re-let the Leased Space. Upon each such re-letting, all rentals received by Lessor therefrom shall be applied, first, to any indebtedness other than Rent due hereunder from Lessee to Lessor; second, to pay any reasonable costs and expenses of re-letting, including brokers and attorneys' fees and costs of alterations and repairs; third, to Rent due hereunder; and the residue, if any, shall be held by Lessor and applied in payment of future Rent as it becomes due hereunder; AND

11.2. Any personal property belonging to the Lessee and left on the Leased Space shall be deemed abandoned and shall become the property of Lessor at no cost to Lessor.

12. **LESSOR'S RIGHT OF ENTRY.** Lessor or its agents shall have the right to enter the Leased Space at reasonable times in order to examine it, to show it to prospective Lessees, lenders, ground lessors, and purchasers, or to make such decorations, repairs, alterations, improvements or additions as Lessor shall deem necessary or desirable; provided such decorations, repairs, alterations, improvements or additions do not materially and/or unreasonably interfere with Lessee's use of the Leased Space. Lessor will give Lessee reasonable notice of its requirements and entries and permit Lessee to witness all entries (excluding emergencies during hours beyond normal hours of operation for the Building), and will be responsible for conducting such work so as not to unreasonably impair Lessee's use and enjoyment of the Leased Space.

13. **CONDEMNATION, CASUALTY, AND EXPRPRIATION.**

13.1. Condemnation, Casualty and Other Damage. During the Term, the risk of loss or decrease in the enjoyment and beneficial use of the Leased Space due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (individually or collectively, the "Casualty"), or by the taking of all or any portion of the Leased Space by condemnation, expropriation, or eminent domain proceedings or a conveyance in lieu thereof (individually or collectively, the

“Expropriation”) is expressly assumed by Lessee. None of the foregoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its Rent, or any other obligation hereunder, except as may be specifically set forth below. Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Space or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Space caused as a result of a Casualty or an Expropriation. During the Term, if all or any portion of the Leased Space is damaged or destroyed by a Casualty and Lessee is not reasonably able under the circumstances to repair, restore or replace the Leased Space, all insurance proceeds received or payable as a result of such Casualty shall be paid to Lessor and shall be retained by Lessor, and Lessee shall pay to Lessor the amount of any unpaid deductible.

13.2. Expropriation. If the Building shall be taken by Expropriation, this Lease shall terminate as of the date of such taking and Lessor shall be entitled to the entirety of all compensation awarded or paid as result of taking of the Leased Space, and Lessee shall promptly pay to Lessor any such compensation received. If any part of the Building shall be taken by Expropriation, rendering the Leased Space unsuitable for the business of Lessee, Lessee shall have the option to terminate this Lease. If this Lease is not terminated as provided in this Subsection 13.2, then the Rent shall be abated for the balance of the Term remaining in proportion to the market value of the Leased Space so taken, unless Lessor, at its sole option, restores the remaining portion of the Leased Space

to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial Expropriation of the Leased Space shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award in proportion to the value of any Unamortized Improvements made by Lessee to the Leased Space and approved by Lessor and the State in accordance with Section 8 above. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense, if a separate award can be made to Lessee. Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award; provided, however, that no such separate claim by Lessee shall reduce any compensation or award to be made to Lessor.

14. **ENVIRONMENTAL COMPLIANCE.**

14.1. Lessee warrants that it shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought, kept or used in or about the Leased Space by Lessee, its sublessees, agents, employees, contractors, or invitees except in commercial quantities similar to those quantities usually kept on similar Leased Space by others in the same business or profession. Lessee shall cause all such materials to be stored, used and disposed of in compliance with all applicable federal, state and local laws, including, without limitation, Laws and Environmental Laws (as defined below) governing

Hazardous Materials. If the presence of any Hazardous Materials on, in or under the Leased Space caused or permitted by Lessee, its sublessees, agents, employees, contractors or invitees results in any contamination of the Leased Space, Lessee shall promptly notify the Lessor and take all actions, at its sole expense, as are necessary and are approved by the Lessor to return the affected area to the condition existing prior to the introduction of any such Hazardous Materials, including, without limitation, any investigation or monitoring of site conditions or any clean up, remediation, response, removal, encapsulation, containment or restoration work required because of the presence of any such Hazardous Materials on, in or under the Leased Space or any release or suspected release or threat of release of any such Hazardous Materials in the air, soil, surface water or ground water. “Hazardous Materials” as such term is used in this Lease means any hazardous or toxic substances, material or waste, regulated or listed pursuant to any federal, state or local environmental law, including without limitation, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act as such Acts have been or are hereafter amended from time to time (“Environmental Laws”).

14.2. Lessor shall have access to, and a right to perform inspections and tests of, the Leased Space as it may desire to determine Lessee’s compliance with the Environmental Laws and Lessee’s obligations under this Section 14. Access shall be granted to Lessor

upon Lessor's reasonable prior notice to Lessee and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Lessee's operations. From time to time (including, without limitation, upon the expiration or earlier termination of this Lease), Lessor shall have the right, at its option and at Lessor's sole cost and expense, to undertake an environmental assessment of the Leased Space to determine Lessee's compliance with all Environmental Laws and Lessee's obligations under this Section 14. Lessor and Lessee agree that Lessor's receipt of or satisfaction with any environmental assessment in no way waives any rights that Lessor holds against Lessee or affects any liabilities of Lessee under this Lease in any manner.

14.3. Environmental Indemnities.

14.3.1. Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee's sole cost) and hold Lessor and its employees, directors, administrators, officers, agents, representatives, and permittees (collectively the "Lessor Indemnitees") harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages, disbursements or expenses of any kind (including attorneys' and experts fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any Lessor Indemnitee in connection with or arising from or out of Lessee's violation of any of its obligations set forth in this Section 14.

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

14.3.3. The provisions of Section 14.3 will survive the expiration or earlier termination of this Lease for a period of five (5) years; provided, however, the aforementioned five (5) year period shall not apply to any claim, investigation, or other proceeding that is pending.

15. **DEFAULT.**

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

15.1.1. Failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within seven (7) calendar days after the date of written notice to Lessee of such failure; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Subsection 15.1.1 in any calendar year, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any calendar year;

15.1.2. Failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within seven (7) calendar days after the date of written notice to Lessee of such violation; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Subsection 15.1.2 in any five-year period, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any five-year period;

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

15.1.4. Commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

15.1.5. Any failure by Lessee to perform any material obligations or covenants of this Lease (other than those failures described in Subsections 15.1.1 - 15.1.4 above (inclusive)), and such failure is not cured within thirty (30) calendar days after Lessee's receipt of written notice from Lessor of this failure; provided, however, that no Lessee Event of Default will occur if Lessee begins to cure the failure forming the basis of the Lessee Event of Default within thirty (30) calendar days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

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

15.3. Remedies Upon Lessee Event of Default. In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to terminate this Lease upon written notice to Lessee effective immediately or as of any date that Lessor may select.

15.4. Remedies Upon Lessor Event of Default. In the event Lessor defaults, beyond any applicable cure period, in the performance of any of its obligations hereunder, Lessee shall have the right, but not the obligation, to terminate this Lease immediately upon Notice to Lessor.

15.5. Rights and Remedies Cumulative. Except as otherwise expressly provided in this Lease, all rights and remedies of the parties provided for herein 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.

16. **NOTICE.** All notices or consents required or permitted under this Lease shall be given in writing and delivered (i) in person, (ii) by United States mail, by certified or registered mail, return receipt requested, or (iii) by recognized overnight courier service (e.g., UPS Next Day or FedEx). If sent by certified or registered mail, such notice shall be deemed delivered two (2) days after deposit in the U.S. mail. If sent by hand delivery or overnight courier service, such notice shall be deemed delivered on the date the notice is received. Notice may also be sent by electronic mail and shall be deemed delivered immediately upon sending, provided that the noticing party contemporaneously sends notice by one of the means identified above in (i), (ii), or (iii) above. Notice to the Lessor and Lessee shall be delivered or sent to the addresses set forth below:

**Lessor's address:**

**Lessee's address:**

with a copy to:

17. **GOVERNING LAW; JURISDICTION; VENUE.** This Lease shall be governed by the laws of the State of Louisiana, without regard to that state's choice of law provisions. The exclusive venue for any litigation arising out of this Lease shall be the Louisiana Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

18. **SIGNS.** Lessee shall put no signs of any kind or nature, symbol or identifying mark in or on the Building or the property on which the Building is located, without prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. All signs and lettering shall conform in all respects to the sign and/or lettering standards established by Lessor. Lessor shall provide and install, at Lessee's cost, all letters, numerals or Lessee suite plaques at doors to the Leased Space. Lessor shall also include Lessee's name on the Building directory. Any changes requested by Lessee to suite plaque or the Building directory shall be at Lessee's cost.

19. **WAIVER.** Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of such term or condition, even if the party accepting or acquiescing in the non-conforming performance knows

of the nature of the non-performance and fails to object to it. No waiver or breach shall affect or alter this Lease but each of the terms of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by either party shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

20. **SEVERABILITY.** The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of this Lease or the CEA.

21. **SUCCESSORS AND ASSIGNS.** This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with terms of this Lease.

22. **SURRENDER OF LEASED SPACE.** Lessee shall, upon the expiration or earlier termination of this Lease, surrender all keys to the Leased Space to Lessor at the place then fixed for the payment of Rent, inform Lessor of all combinations on locks, safes, and vaults, if any, in the Leased Space, and surrender the Leased Space to Lessor in as good condition as the Leased Space were in as of the Effective Date, ordinary wear and tear excepted. All alterations,

additions, and improvements made to or fixtures or improvements placed in or upon the Leased Space by either party (excepting only moveable partitions, office furniture, trade fixtures, office equipment and personal property of Lessee) shall be deemed a part of the Building and the property of Lessor at the time they are placed in the Leased Space and, except as provided in the next grammatical sentence, such alterations, additions, improvements or fixtures shall remain in the Leased Space and be surrendered with the Leased Space to Lessor upon the expiration or earlier termination of this Lease. Upon Lessor's written request prior to the expiration or earlier termination of the Lease Term, Lessee shall remove alterations or additions that have been constructed and installed in the Leased Space at Lessee's request or for Lessee's benefit and return the Leased Space to its original condition as of the Effective Date, ordinary wear and tear excepted.

23. **INDEMNIFICATION.**

23.1. Lessee's Indemnification to Lessor and to LSU.

23.1.1. Lessee shall indemnify, defend and hold harmless Lessor and LSU and all of their administrators, board members, officers, agents, and employees, together with any of their respective successors and assigns (collectively, the "Lessor Indemnitees"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to,

bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is attributable to the acts, omissions, use of the Leased Space, and/or activities of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors. Lessee shall further indemnify, defend and hold harmless the Lessor Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Space and any violation of any Law, but solely to the extent any of the foregoing is due to the acts or omissions of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors occurring after the Effective Date.

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

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

**24. COUNTERPARTS.** This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Lease and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Lease as to the Parties and may be used in lieu of the original Lease for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

**25. TAXES AND ASSESSMENTS.** Lessor shall pay at its costs and expense all taxes, assessments (including special assessments), and charges of a similar nature which may be levied by any governmental entity with respect to the Building. Lessee shall pay at its cost and expense all personal property taxes and assessments which may be levied by any governmental entity with respect to Lessee's merchandise inventory, trade fixtures, or business operation. If applicable, Lessee shall pay and be liable for all rental, sales and use taxes or other similar taxes, if any, levied or imposed on Rent payments by any city, parish, state or other governmental body having authority.

**26. HEADINGS.** The headings of the various Sections and Exhibits of this Lease have been inserted for reference only and shall not to any extent have the effect of modifying, amending or changing the expressed terms and provisions of this Lease.

**27. INTERPRETATION.** No provision of this Lease shall be construed against or interpreted to the disadvantage of any party by any court or other governmental, judicial or arbitral authority by reason of such party having or being deemed to have drafted, devised or imposed such provision.

**28. ENTIRE AGREEMENT.** This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect. Any amendment, extension, expansion, cancellation (in whole or in part), renewal, modification, or any other matter or circumstance relating to this Lease must be agreed to, in writing, by Lessor and Lessee.

**29. RECORDATION OF LEASE.** It shall be the responsibility of Lessee to prepare notice of this Lease, which each party agrees to execute and to record in the Office of the Parish Recorder of the Parish of Caddo. The form of such notice shall require the written approval of Lessor prior to recording. Lessee shall provide Lessor with a certified copy of the recorded notice. Recordation of the notice shall be at Lessee's expense.

**30. APPROPRIATION OF FUNDS.** All Lessor obligations under this Lease shall be subject to appropriation by the Louisiana Legislature of sufficient funds for the performance thereof and the availability of funds following Legislative appropriation, all as determined by Lessor in Lessor's sole discretion.

IN WITNESS WHEREOF, the parties have executed this Lease as of the dates written below and agree that this e Space Lease Agreement shall be effective as of the Effective Date.

**DIVISION OF ADMINISTRATION**

**OCHSNER LOUISIANA STATE  
UNIVERSITY HOSPITALS, L.L.C.**

By: \_\_\_\_\_  
Jay Dardenne  
Commissioner of Administration

By: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

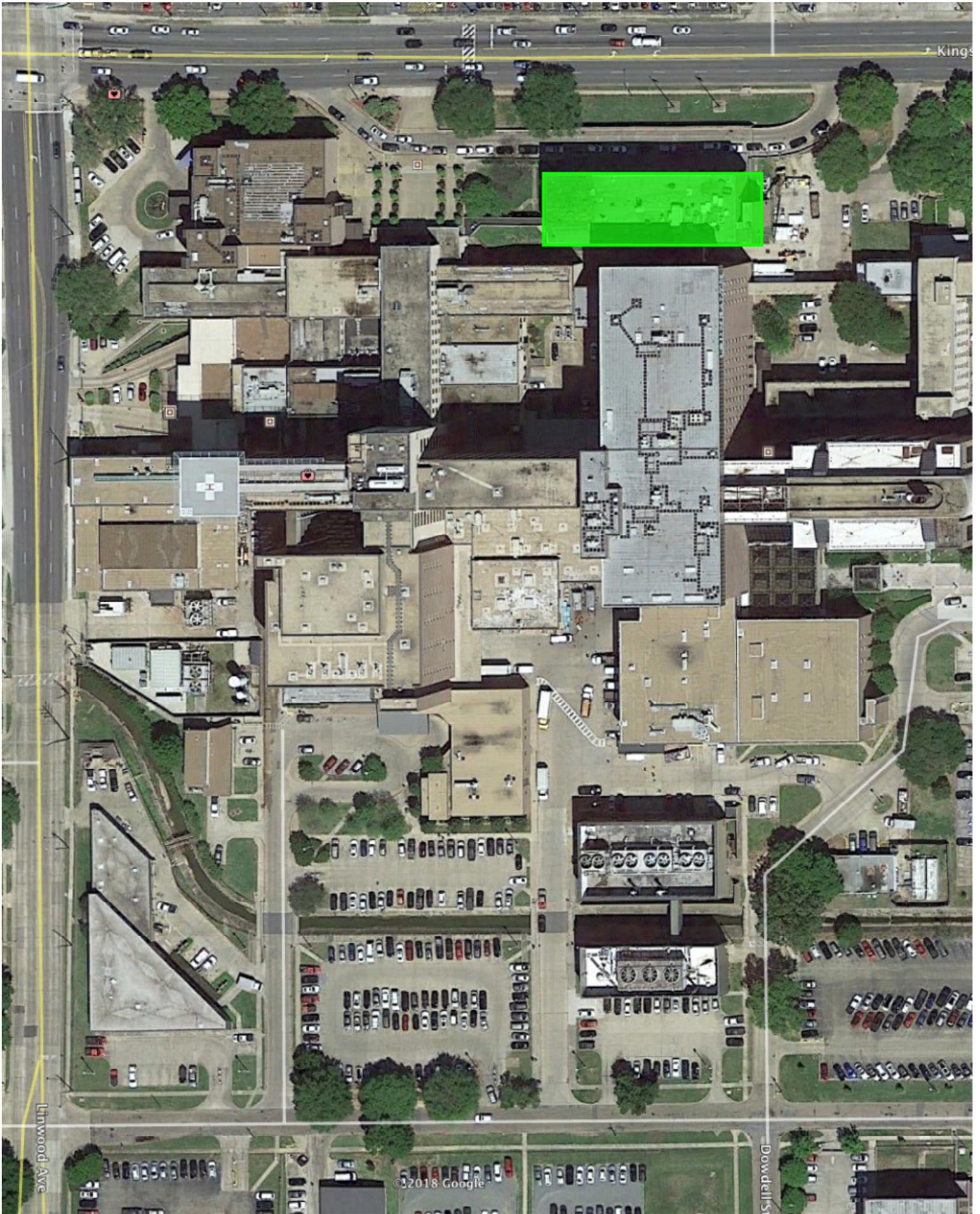
Date: \_\_\_\_\_

**Exhibit "A"**

Legal Description of the Land

Louisiana State University Medical Center, Unit One, in the NW/4 of Section 12, T17 – R14W, a resubdivision of Part of Lots 7, 8, 9, 13 and 14, Fairfield, Louisiana, as recorded in Book "N", Page 643, Records of Caddo Parish, Louisiana and Lots 1 through 24, Foster Terrace Subdivision, as recorded in Book 100, Page 312, Records of Caddo Parish, Louisiana.

The Building (of which the Leased Space are a part) is located on a portion of the former Lot 7, Fairfield, Louisiana.



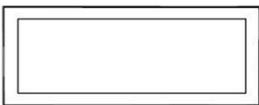
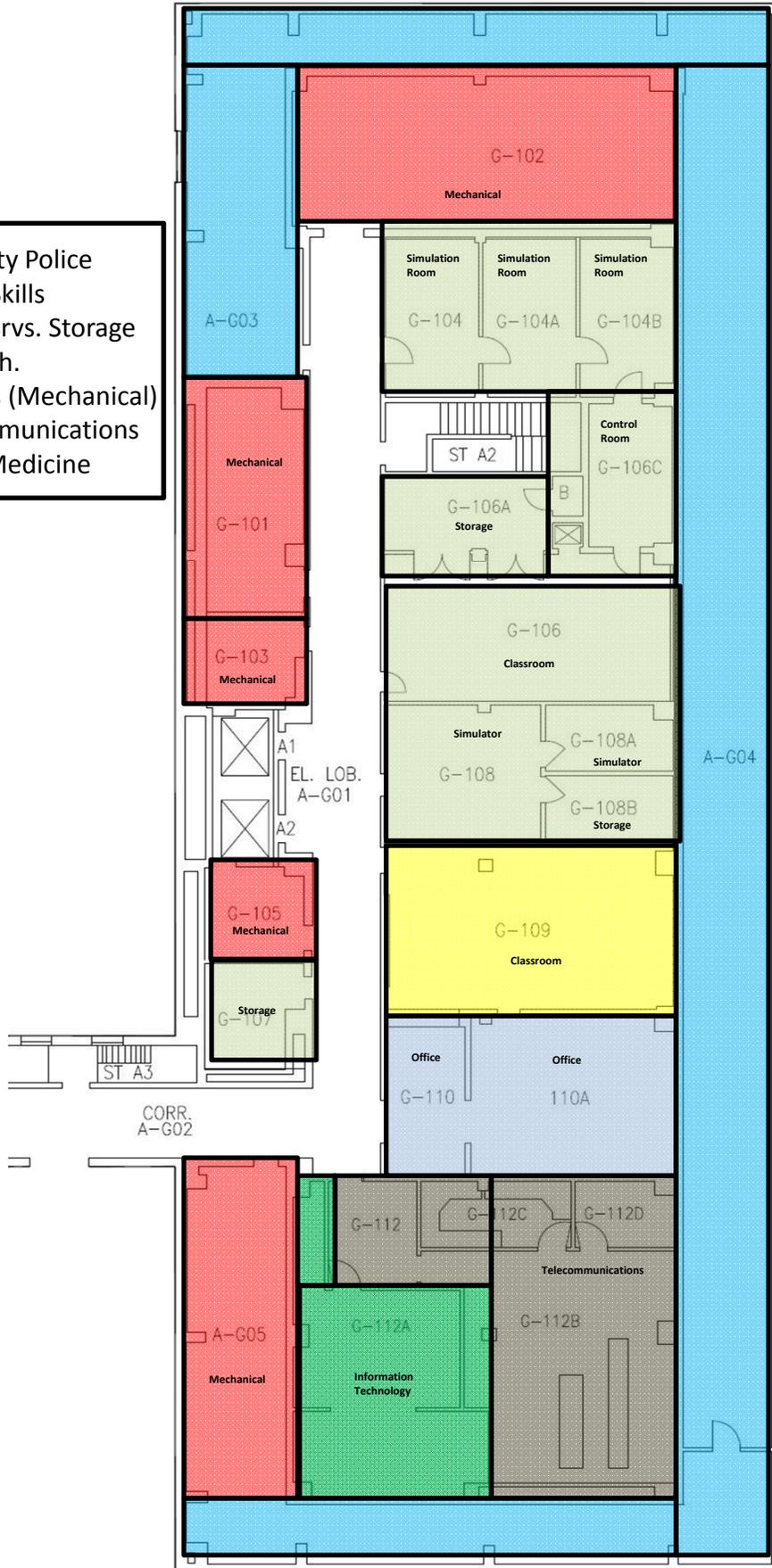
**Exhibit "B"**

Floor Plan of Leased Space

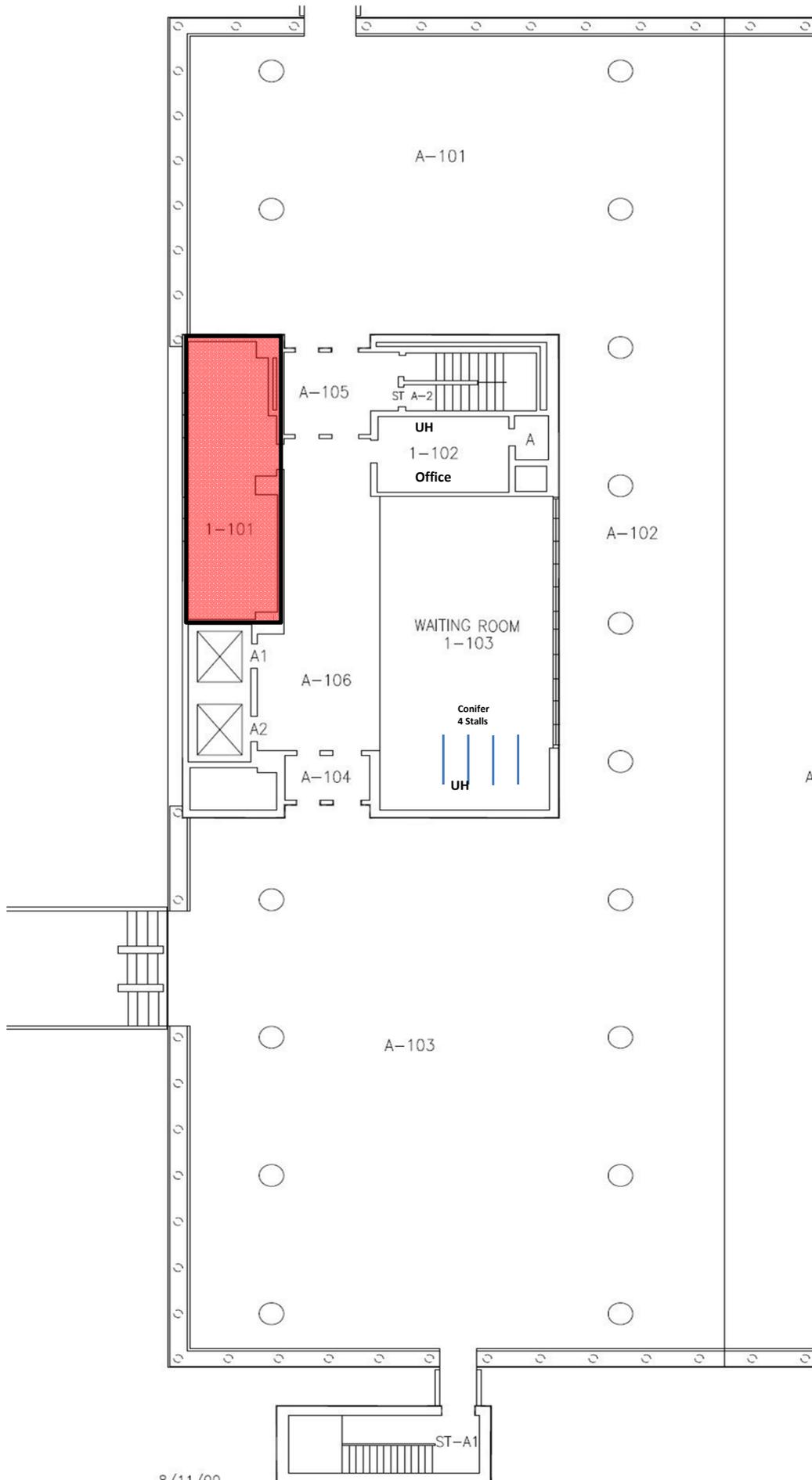
[see attached]

# Ground Floor

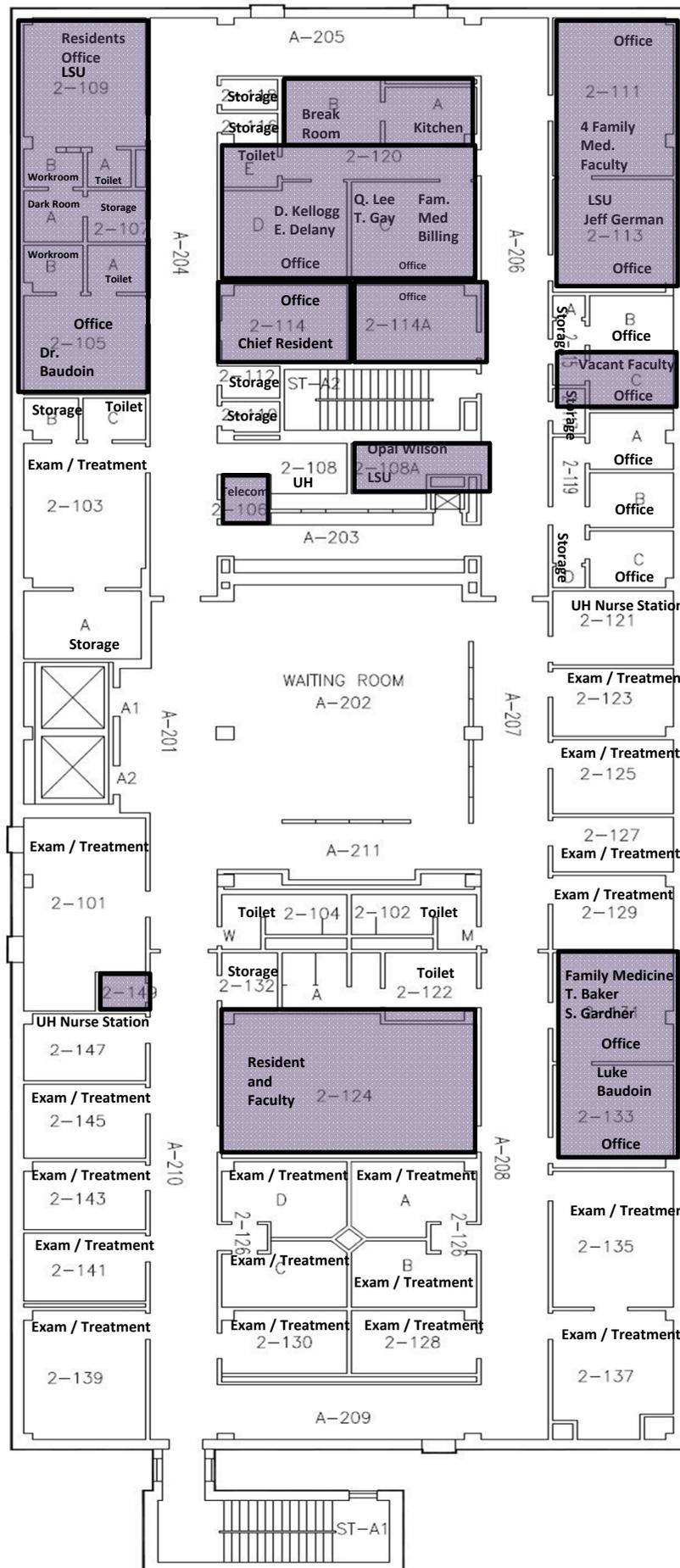
	University Police
	Critical Skills
	Enviro. Srvs. Storage
	Info. Tech.
	Facilities (Mechanical)
	Telecommunications
	Family Medicine



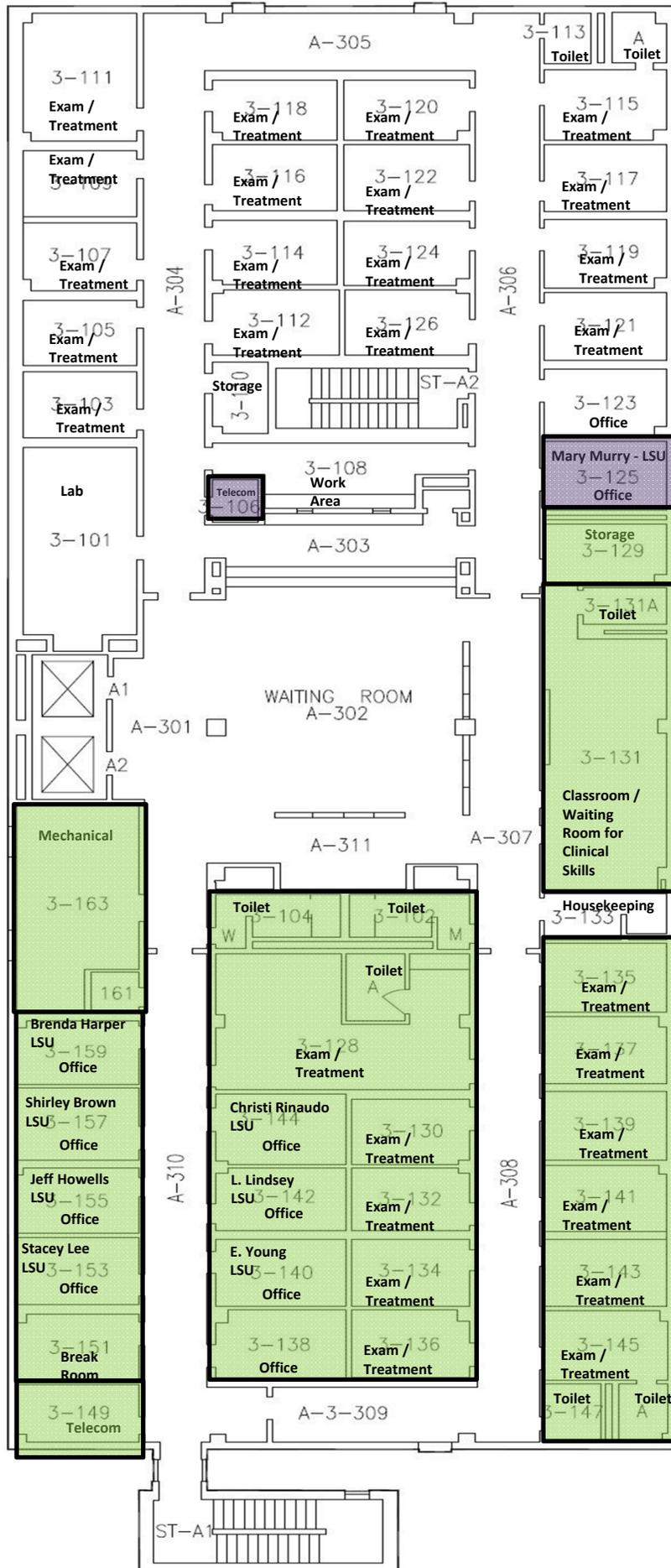
**Lobby**



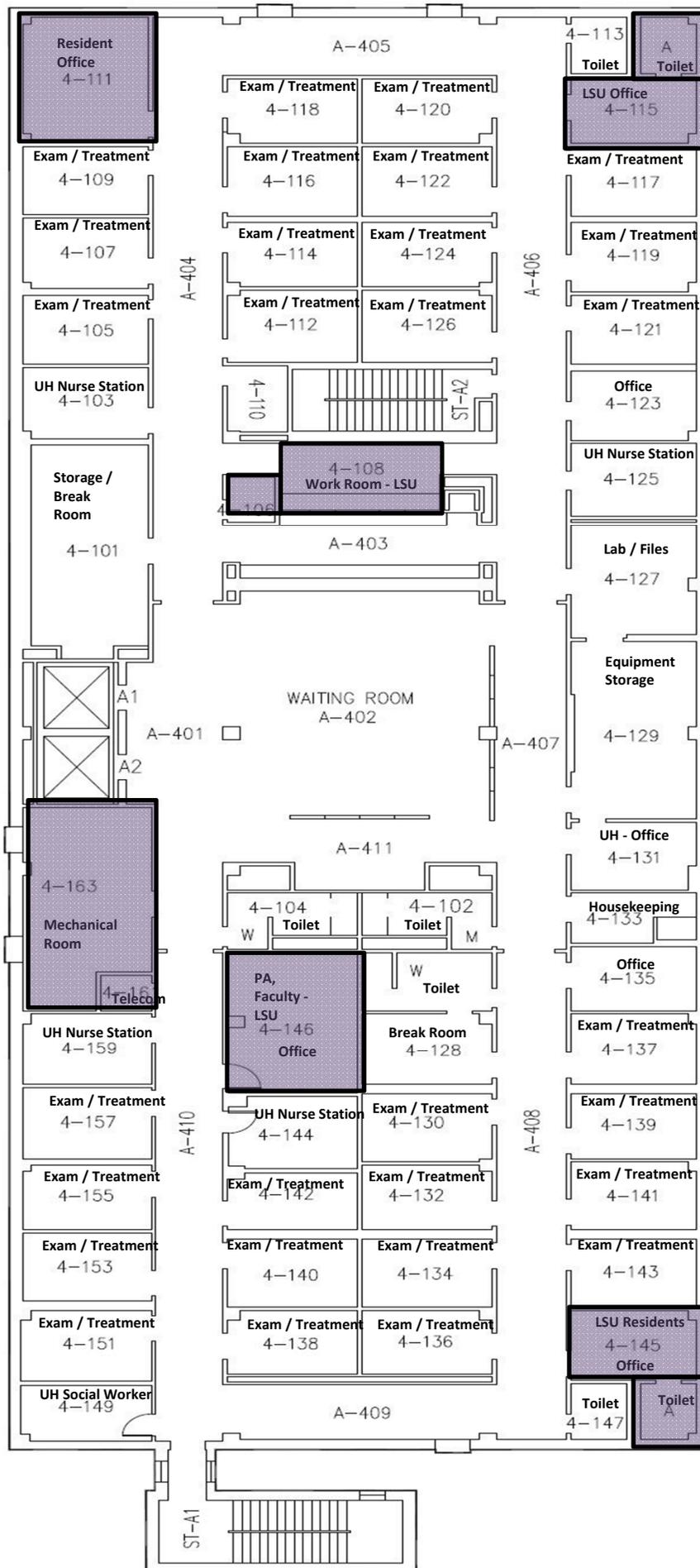
# Family Medicine / Family Practice



# Family Medicine FACULTY / Clinical Skills



**CCC / PCF  
(Comprehensive  
Care-Student's  
Clinic / Primary  
Care Family  
Medicine)**



**LSUHSC - "A" Building Space Analysis**

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	101	MS	A	G	260	
0043	102	MS	A	G	706	
0043	103	MS	A	G	103	
0043	104	MS	A	G	182	
0043	105	MS	A	G	111	
0043	106	MS	A	G	517	
0043	107	MS	A	G	114	
0043	108	MS	A	G	254	
0043	109	MS	A	G	576	
0043	110	MS	A	G	143	
0043	112	MS	A	G	114	
0043	104A	MS	A	G	181	
0043	104B	MS	A	G	177	
0043	106A	MS	A	G	147	
0043	106B	MS	A	G	15	
0043	106C	MS	A	G	146	
0043	108A	MS	A	G	101	
0043	108B	MS	A	G	99	
0043	110A	MS	A	G	400	
0043	112A	MS	A	G	482	
0043	112B	MS	A	G	585	
0043	112C	MS	A	G	121	
0043	112D	MS	A	G	78	
0043	A1-2	MS	A	G	123	
0043	AG01	MS	A	G	849	
0043	AG02	MS	A	G	268	
0043	AG03	MS	A	G	711	
0043	AG04	MS	A	G	1541	
0043	AG05	MS	A	G	875	
0043	ST A2	MS	A	G	159	
0043	ST A3	MS	A	G	88	
		<b>Total Net Sq. Ft. =</b>			<b>10,224</b>	

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	101	MS	A	1	352	
0043	102	MS	A	1	149	149
0043	103	MS	A	1	810	810
0043	104	MS	A	1	57	57
0043	105	MS	A	1	130	130
0043	106	MS	A	1	488	488
0043	102A	MS	A	1	22	22
0043	A1A2	MS	A	1	129	129
0043	ST A1	MS	A	1	200	200
0043	ST A2	MS	A	1	109	109
		<b>Total Net Sq. Ft. =</b>			<b>2,446</b>	<b>2,095</b>

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	101	MS	A	2	106	106
0043	102	MS	A	2	65	65
0043	103	MS	A	2	93	93
0043	104	MS	A	2	65	65
0043	105	MS	A	2	141	
0043	106	MS	A	2	24	
0043	107	MS	A	2	38	
0043	108	MS	A	2	63	63
0043	109	MS	A	2	176	
0043	110	MS	A	2	21	21
0043	111	MS	A	2	221	
0043	112	MS	A	2	23	23
0043	113	MS	A	2	158	
0043	114	MS	A	2	111	
0043	115	MS	A	2	25	25
0043	116	MS	A	2	20	20
0043	117	MS	A	2	18	18
0043	118	MS	A	2	20	20
0043	119	MS	A	2	50	50
0043	120	MS	A	2	73	
0043	121	MS	A	2	104	104
0043	122	MS	A	2	71	71
0043	123	MS	A	2	94	94
0043	124	MS	A	2	417	
0043	125	MS	A	2	104	104
0043	126	MS	A	2	30	30
0043	127	MS	A	2	76	76
0043	128	MS	A	2	90	90
0043	129	MS	A	2	104	104
0043	130	MS	A	2	90	90
0043	131	MS	A	2	153	
0043	132	MS	A	2	38	38
0043	133	MS	A	2	144	
0043	135	MS	A	2	191	191
0043	137	MS	A	2	87	87
0043	138	MS	A	2	74	74
0043	139	MS	A	2	87	87
0043	140	MS	A	2	88	88
0043	141	MS	A	2	95	95
0043	143	MS	A	2	94	94
0043	145	MS	A	2	104	104
0043	147	MS	A	2	94	94
0043	149	MS	A	2	19	
0043	151	MS	A	2	248	
0043	101A	MS	A	2	92	92

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	103B	MS	A	2	26	26
0043	103C	MS	A	2	31	31
0043	105A	MS	A	2	34	
0043	105B	MS	A	2	29	
0043	107A	MS	A	2	33	
0043	108A	MS	A	2	63	
0043	109A	MS	A	2	21	
0043	109B	MS	A	2	25	
0043	114A	MS	A	2	111	
0043	115A	MS	A	2	9	9
0043	115B	MS	A	2	53	53
0043	115C	MS	A	2	55	
0043	119A	MS	A	2	54	54
0043	119B	MS	A	2	55	55
0043	119C	MS	A	2	54	54
0043	119D	MS	A	2	8	8
0043	120A	MS	A	2	59	
0043	120B	MS	A	2	74	
0043	120C	MS	A	2	146	
0043	120D	MS	A	2	140	
0043	120E	MS	A	2	26	
0043	126A	MS	A	2	99	99
0043	126B	MS	A	2	88	88
0043	126C	MS	A	2	88	88
0043	126D	MS	A	2	99	99
0043	132A	MS	A	2	65	65
0043	A1A2	MS	A	2	144	144
0043	A201	MS	A	2	319	319
0043	A202	MS	A	2	683	683
0043	A203	MS	A	2	185	185
0043	A204	MS	A	2	453	453
0043	A205	MS	A	2	175	175
0043	A206	MS	A	2	453	453
0043	A207	MS	A	2	293	293
0043	A208	MS	A	2	378	378
0043	A209	MS	A	2	165	165
0043	A210	MS	A	2	387	387
0043	A211	MS	A	2	151	151
0043	ST A1	MS	A	2	192	192
0043	ST A2	MS	A	2	131	131
		<b>Total Net Sq. Ft.</b>	<b>=</b>		<b>9,777</b>	<b>7,212</b>

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	101	MS	A	3	257	257
0043	102	MS	A	3	63	
0043	103	MS	A	3	87	87
0043	104	MS	A	3	65	
0043	105	MS	A	3	86	86
0043	106	MS	A	3	22	
0043	107	MS	A	3	88	88
0043	108	MS	A	3	153	153
0043	109	MS	A	3	86	86
0043	110	MS	A	3	45	45
0043	111	MS	A	3	166	166
0043	112	MS	A	3	95	95
0043	113	MS	A	3	27	27
0043	114	MS	A	3	92	92
0043	115	MS	A	3	98	98
0043	116	MS	A	3	96	96
0043	117	MS	A	3	96	96
0043	118	MS	A	3	87	87
0043	119	MS	A	3	95	95
0043	120	MS	A	3	88	88
0043	121	MS	A	3	97	97
0043	122	MS	A	3	97	97
0043	123	MS	A	3	95	95
0043	124	MS	A	3	93	93
0043	125	MS	A	3	98	
0043	126	MS	A	3	93	93
0043	128	MS	A	3	345	
0043	129	MS	A	3	84	
0043	130	MS	A	3	89	
0043	131	MS	A	3	369	
0043	132	MS	A	3	86	
0043	133	MS	A	3	60	60
0043	134	MS	A	3	92	
0043	135	MS	A	3	98	
0043	136	MS	A	3	91	
0043	137	MS	A	3	96	
0043	138	MS	A	3	102	
0043	139	MS	A	3	97	
0043	140	MS	A	3	101	
0043	141	MS	A	3	94	
0043	142	MS	A	3	94	
0043	143	MS	A	3	95	
0043	144	MS	A	3	106	
0043	145	MS	A	3	98	
0043	147	MS	A	3	38	
0043	149	MS	A	3	80	

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	151	MS	A	3	94	
0043	153	MS	A	3	95	
0043	155	MS	A	3	92	
0043	157	MS	A	3	102	
0043	159	MS	A	3	92	
0043	161	MS	A	3	20	20
0043	163	MS	A	3	267	
0043	115A	MS	A	3	30	30
0043	128A	MS	A	3	46	
0043	131A	MS	A	3	36	
0043	145A	MS	A	3	33	
0043	A1-2	MS	A	3	127	127
0043	A301	MS	A	3	306	306
0043	A302	MS	A	3	695	695
0043	A303	MS	A	3	193	193
0043	A304	MS	A	3	411	411
0043	A305	MS	A	3	174	174
0043	A306	MS	A	3	436	436
0043	A307	MS	A	3	277	277
0043	A308	MS	A	3	356	
0043	A309	MS	A	3	166	
0043	A310	MS	A	3	360	
0043	A311	MS	A	3	180	180
0043	ST A1	MS	A	3	198	198
0043	ST A2	MS	A	3	130	130
		<b>Total Net Sq. Ft. =</b>			<b>9,693</b>	<b>5,454</b>

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	101	MS	A	4	272	272
0043	102	MS	A	4	67	67
0043	103	MS	A	4	99	99
0043	104	MS	A	4	67	67
0043	105	MS	A	4	98	98
0043	106	MS	A	4	24	
0043	107	MS	A	4	99	99
0043	108	MS	A	4	157	
0043	109	MS	A	4	95	95
0043	110	MS	A	4	46	46
0043	111	MS	A	4	171	
0043	112	MS	A	4	105	105
0043	113	MS	A	4	36	36
0043	114	MS	A	4	93	93
0043	115	MS	A	4	92	
0043	116	MS	A	4	101	101
0043	117	MS	A	4	98	98
0043	118	MS	A	4	93	93

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	119	MS	A	4	97	97
0043	120	MS	A	4	93	93
0043	121	MS	A	4	98	98
0043	122	MS	A	4	101	101
0043	123	MS	A	4	97	97
0043	124	MS	A	4	93	93
0043	125	MS	A	4	102	102
0043	126	MS	A	4	105	105
0043	127	MS	A	4	155	155
0043	128	MS	A	4	102	102
0043	129	MS	A	4	245	245
0043	130	MS	A	4	98	98
0043	131	MS	A	4	93	93
0043	132	MS	A	4	93	93
0043	133	MS	A	4	68	68
0043	134	MS	A	4	99	99
0043	135	MS	A	4	91	91
0043	136	MS	A	4	90	90
0043	137	MS	A	4	99	99
0043	138	MS	A	4	90	90
0043	139	MS	A	4	91	91
0043	140	MS	A	4	99	99
0043	141	MS	A	4	94	94
0043	142	MS	A	4	82	82
0043	143	MS	A	4	95	95
0043	144	MS	A	4	101	101
0043	145	MS	A	4	97	
0043	146	MS	A	4	199	
0043	147	MS	A	4	36	36
0043	149	MS	A	4	81	81
0043	151	MS	A	4	101	101
0043	153	MS	A	4	98	98
0043	155	MS	A	4	92	92
0043	157	MS	A	4	102	102
0043	159	MS	A	4	101	101
0043	161	MS	A	4	20	
0043	163	MS	A	4	268	
0043	145A	MS	A	4	35	
0043	A1A2	MS	A	4	127	127
0043	A401	MS	A	4	304	304
0043	A402	MS	A	4	698	698
0043	A403	MS	A	4	185	185
0043	A404	MS	A	4	453	453
0043	A405	MS	A	4	175	175
0043	A406	MS	A	4	453	453
0043	A407	MS	A	4	268	268

BLDG NO	RM	COMPLEX	WING	FLR	NETSQFT	UH Leased SqFt
0043	A408	MS	A	4	378	378
0043	A409	MS	A	4	165	165
0043	A410	MS	A	4	363	363
0043	A411	MS	A	4	177	177
0043	ST A1	MS	A	4	192	192
0043	ST A2	MS	A	4	131	131
<b>Total Net</b>					<b>9,780</b>	<b>8,586</b>
<b>Bldg Net Sq. Ft. =</b>					<b>42,103</b>	<b>-</b>
<b>Bldg Gross Sq. Ft. =</b>					<b>49,162</b>	<b>23,347</b>

**FIRST AMENDED AND RESTATED ARTICLES OF  
INCORPORATION**

**OF**

**OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**

**FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**

**ARTICLE I  
NAME**

The name of this corporation (the “Corporation”) is Ochsner LSU Health System of North Louisiana.

**ARTICLE II  
NONPROFIT CORPORATION; REGISTERED OFFICE**

Section 1. Nonprofit Corporation. The Corporation is a nonprofit corporation organized pursuant to the Nonprofit Corporation Law of Louisiana (as amended from time to time or any successor statute, the “Act”). The Corporation is organized exclusively on a non-stock basis and shall have no members. In accordance with La. R.S. 12:217(C), the individuals serving as the Corporation’s Board of Directors shall be taken to be the members of the Corporation and shall exercise all of the rights and powers of the members.

Section 2. Registered Office. Until changed in accordance with the Act, the registered office of the Corporation is CT Corporation System, located at 1541 Kings Highway, Shreveport, LA 71103.

**ARTICLE III  
PURPOSE**

Section 1. Purpose. The Corporation is organized and shall be operated exclusively for charitable, educational and scientific purposes, all as contemplated and permitted by Sections 170(c)(2) and 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). Within the framework and limitations of the foregoing, the general purpose of the Corporation shall be to serve as a health resource center through scientific, educational, literary, and charitable means. The Corporation shall have no power to act in a manner that is not exclusively within the contemplation of Section 501(c)(3) of the Code, and the Corporation shall not engage directly or indirectly in any activity that would prevent it from qualifying, and continuing to qualify, as a corporation as described in Section 501(c)(3) of the Code. Without limiting the generality of the foregoing, the specific purposes of the Corporation shall include the following:

- (a) promote the delivery of patient care services in a manner both efficient and compassionate;
- (b) promote access to safety net services to all citizens of the State of Louisiana;
- (c) promote the education, learning, and skill of physicians, scientists, and allied health professionals;

(d) promote the conduct of clinical and basic research studies into the prevention, causes, treatment, relief, and cure of certain human illnesses and injuries;

(e) carry out the collaborative purposes described in the Academic and Clinical Collaboration Agreement among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a Louisiana constitutional corporation, Ochsner Clinic Foundation doing business as Ochsner Health System, and Corporation, as may be amended from time to time (“ACCA”); and

(f) do any and all other acts, things, business, or businesses in any matter connected with or necessary, incidental, convenient or auxiliary to any of the purposes set forth above directly or indirectly to promote the charitable purposes of the Corporation.

Section 2. Additional Purpose Provisions.

(a) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III, Section 1.

(b) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.

(c) It is intended that the Corporation shall have the status of an organization: (i) that is exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and that is other than a private foundation by qualifying as an organization described in Section 509(a) of the Code; (ii) to which contributions are deductible for federal income tax purposes under Section 170(c)(2) of the Code; and (iii) to which bequests and gifts are deductible for federal estate and gift tax purposes so long as such taxes shall apply. These Articles of Incorporation shall be construed, and all authority and activities of the Corporation shall be limited, accordingly.

**ARTICLE IV  
DIRECTORS**

The number, qualification, appointment, terms, and replacement of the Directors shall be as set forth in the Bylaws. Below are the current members of the Board of Directors as of the effective date of these Articles of Incorporation:

[Director names to be inserted]

ARTICLE V  
DURATION

The duration of the Corporation shall be perpetual. A voluntary proceeding for dissolution may be commenced only upon the vote of the Directors in accordance with the Bylaws. Upon liquidation or dissolution, the property of the Corporation shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the parish in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI  
BYLAWS

The Bylaws must be consistent with these Articles of Incorporation, with Louisiana law, and with federal statutes and regulations applicable to organizations exempt from federal income taxation. The Bylaws may be adopted amended, repealed, or supplemented in accordance with the Bylaws.

ARTICLE VII  
AMENDMENTS

These Articles of Incorporation may be amended only upon a vote of the Directors in accordance with the Bylaws. Amendment of these Articles of Incorporation shall be effective only if the amendment:

(a) does not cause any provision of these Articles of Incorporation to violate Louisiana law or federal statutes and regulations applicable to organizations exempt from federal income taxation; and

(b) would not result in the loss of the Corporation's tax-exempt status.

ARTICLE VIII  
REGISTERED AGENT

Until changed in accordance with the Act, the full name and post office address of the Corporation's registered agent is:

C T Corporation System  
3867 Plaza Tower Drive  
Baton Rouge, Louisiana 70816

ARTICLE IX  
MAILING ADDRESS

The mailing address for the Corporation is 1514 Jefferson Highway, New Orleans, LA 70121.

ARTICLE X  
TAXPAYER IDENTIFICATION NUMBER

The Corporation's taxpayer identification number is 83-1605004.

These Articles of Incorporation have been unanimously approved and duly adopted by the Directors to be effective as of [\_\_\_\_\_, \_\_ 2018].

**DRAFT 08/30/2018**

**BYLAWS  
OF  
OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**

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**BYLAWS**  
**OF**  
**OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**

Article I.  
**PURPOSE**

The purpose and corporate powers of Ochsner LSU Health System of North Louisiana (the “Corporation”) is as provided in the Corporation’s articles of incorporation, as amended from time to time (the “Articles of Incorporation”). In addition to the purpose and corporate powers set forth in the Articles of Incorporation, the following shall apply to the Corporation:

Section 1.1 Earnings.

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and/or these Bylaws.

Section 1.2 Activities of the Corporation.

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or the corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code, or the corresponding section of any future federal tax code.

Section 1.3 Tax Exempt Status.

It is intended that the Corporation shall have the status of an organization: (i) that is exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and that is other than a private foundation by qualifying as an organization described in Section 509(a) of the Code; (ii) to which contributions are deductible for federal income tax purposes under Section 170(c)(2) of the Code; and (iii) to which bequests and gifts are deductible for federal estate and gift tax purposes so long as such taxes shall apply. The Articles and these Bylaws shall be construed, and all authority and activities of the Corporation shall be limited, accordingly.

Article II.  
**OFFICES**

Until otherwise determined by the Board of Directors, the Corporation will have and continuously maintain its principal offices in Caddo Parish, Louisiana. The Corporation may have other offices within or without the State of Louisiana as the Board of Directors may from time to time determine.

Article III.  
**BOARD OF DIRECTORS**

Section 3.1 Duties and Powers of the Board of Directors.

Except as may be otherwise set forth in the Articles of Incorporation or in these Bylaws, the powers of the Corporation will be vested in, and the business, affairs, property, and funds of the Corporation will be managed by, the Board of Directors (the “Board” or “Board of Directors” or collectively “Directors” or individually “Director”). Except as may be expressly limited by applicable law, the Articles of Incorporation, or these Bylaws, the Board will have and is vested with the full power and authority of the Corporation, and the Board will have the power to do or cause to be done by delegation to the officers of the Corporation or others any and all lawful and ethical things for and on behalf of the Corporation.

Any action by the Board to transfer, assign, and convey any or all assets or property of the Corporation to other non-profit corporations or organizations created and functioning for similar scientific, educational, charitable, or literary purposes must be structured to assure that no part of the net earnings of such assignee or assignees shall inure to the benefit of any private individual and no substantial part of its activities shall consist of carrying on propaganda, or otherwise attempting to influence legislation, except to the extent permitted under the Code. The Board may delegate to the Joint Management Committee of the Corporation the power to sell, lease or otherwise enter into transactions relating to real property or immovable property.

In accordance with the voting requirements set forth in these Bylaws, the Board of Directors shall be responsible for directing and overseeing the business and affairs of the Corporation that come before the Board in accordance with Section 3.14 below in a manner that contributes to the accomplishment of the Corporation’s purpose set forth in the Articles of Incorporation and the Bylaws. The Board will at all times exercise its authority, and assure that the Corporation’s Joint Management Committee and officers at all times exercise their authority, consistent with the Corporation’s tax-exempt purposes and the Academic and Clinical Collaboration Agreement among LSU, Ochsner, and Corporation (“ACCA”).

No contributions to the Corporation shall be required of the Directors.

Section 3.2 Board Composition.

The Board shall have ten (10) Directors, until changed by amendment to these Bylaws. Five (5) Directors (the “LSU Appointees”) shall be appointed by the President of Louisiana State University and Agricultural and Mechanical College (“LSU”), and five (5) Directors (the “Ochsner Appointees”) shall be appointed by the Chief Executive Officer of Ochsner Clinic

Foundation doing business as Ochsner Health System (“Ochsner”). Two (2) of the LSU Appointees and two (2) of the Ochsner Appointees (collectively the “Community Directors”) will be community members who are (i) residents of north Louisiana, (ii) not an officer, director, employee, agent or independent contractor of (a) LSU, Ochsner or the Corporation, or (b) any entity with which LSU, Ochsner or the Corporation does business, unless otherwise approved by the Board of Directors pursuant to Section 3.14 on a case-by-case basis after a determination by the Board that such is in the best interest of the Corporation, and (iii) acceptable to the other appointing individual (i.e., the President of LSU or the Chief Executive Officer of Ochsner, as applicable). The composition of the Board shall at all times satisfy the community benefit requirements of Section 501(c)(3) of the Code.

Each Community Director will serve a two (2)-year term. The initial Community Directors shall be appointed by LSU and Ochsner on or before the Commencement Date (as such term is defined in the ACCA). In all cases, successor Community Directors appointed by LSU and Ochsner shall also serve two (2)-year terms and shall be appointed in accordance with the provisions of the preceding paragraph. Of the three (3) remaining LSU Appointees (“LSU Designated Directors”) and three (3) remaining Ochsner Appointees (“Ochsner Designated Directors”), initially two (2) shall serve a one (1)-year term and one (1) shall serve a two (2)-year term, as the President of LSU and Chief Executive Officer of Ochsner, as applicable, shall appoint. Thereafter, each LSU Designated Director and each Ochsner Designated Director shall serve two (2) year terms. LSU Designated Directors and Ochsner Designated Directors will continue to serve in office until a successor for such Director has been appointed in accordance with the provisions of these Bylaws. No Director will be subject to limitation in the number of consecutive terms such Director may serve.

Section 3.3 Board Chair.

The Chair of the Board will serve a two (2)-year term. The initial Chair of the Board will be selected by the Ochsner Appointees from among the Ochsner Designated Directors. Upon expiration of the two (2)-year term of the initial Chair, the second Chair of the Board will be selected by the LSU Appointees from among the LSU Designated Directors and serve a two (2)-year term. Thereafter, the Chair of the Board will rotate every two (2) years between a Director selected by the Ochsner Appointees from among the Ochsner Designated Directors and a Director selected by the LSU Appointees from among the LSU Designated Directors.

Section 3.4 Resignation.

A Director may resign at any time by tendering his or her resignation in writing to the Board at the principal place of business of the Corporation. A Director’s resignation will be effective upon receipt by the Board.

Section 3.5 Removal.

An LSU Appointee may be removed, with or without cause, only by LSU and an Ochsner Appointee may be removed, with or without cause, only by Ochsner.

Section 3.6 Vacancies.

A position on the Board of Directors held by an LSU Appointee may only be declared vacant by LSU (and not the Board). A position on the Board of Directors held by an Ochsner Appointee may only be declared vacant by Ochsner (and not the Board).

If a position on the Board of Directors previously held by an LSU Appointee is or becomes vacant for any reason, the vacancy may be filled only by LSU. If a position on the Board of Directors previously held by an Ochsner Appointee is or becomes vacant for any reason, the vacancy may be filled only by Ochsner. All appointments of Community Directors shall be acceptable to the non-appointing party.

In case of a vacancy on the Board that has not been filled by LSU's or Ochsner's appointment, as applicable, the then-serving LSU Designated Directors or then-serving Ochsner Designated Appointees, as applicable, shall be entitled to cast the vote of the vacant Director, as the then-serving LSU Designated Directors or then-serving Ochsner Designated Directors shall agree. In all cases there will be an equal number of votes between LSU Appointees and Ochsner Appointees.

Section 3.7 Compensation of Directors.

At the discretion of the Board, Directors may be reimbursed for out-of-pocket expenses incurred on behalf of the Corporation, but otherwise Directors will not receive compensation for services rendered in their capacity as Directors. Directors who are not Community Directors may receive reasonable compensation for services rendered to the Corporation in other capacities.

Section 3.8 Regular Meetings of the Board.

The Board will hold regular meetings no less than annually but not more frequently than each calendar quarter at such time and place as the Board may from time to time designate. Each Director will be notified of the time and place of a regular meeting of the Board at least ten (10) and not more than sixty (60) days prior to the date fixed for the holding of such meeting.

Directors will be designated as set forth in the Articles of Incorporation at the first regular Board meeting during each calendar year, which will take place on a date fixed by the Board.

Section 3.9 Special Meetings of the Board.

Special meetings of the Board may be called at any time by at least four (4) LSU Designated Directors or four (4) Ochsner Designated Directors. The business to be transacted at any special meeting will be limited to those items of business set forth in the notice of the meeting. At least two (2) days (or seven (7) days, if notification is made by United States mail), prior to the date fixed for the holding of any special meeting, each Director will be notified of the time, place and purpose of such meeting. Upon certification to the Secretary by the Board and President that a state of emergency or matter of extreme urgency in connection with the affairs of the Corporation exists, said notice may be given to each Director twenty-four (24) hours prior to the meeting.

Section 3.10 Notices and Mailing.

All notices required to be given to Directors pursuant to these Bylaws will state the authority pursuant to which they are issued and will bear the written, stamped, typewritten or printed signature of the Secretary or Assistant Secretary. Except as these Bylaws otherwise provide, notice of a meeting of the Board need not state the purpose thereof. Every notice will be deemed to have been given to a Director when the same has been deposited in the United States mail, with postage fully prepaid, addressed to such Director at his or her last address appearing upon the records of the Corporation, hand delivered to such Director at his or her last address appearing upon the records of the Corporation, or dispatched by electronic mail (“email”), facsimile transmission, or other recognized electronic means to such Director at his or her last applicable facsimile number or physical or email address, as applicable, appearing upon the records of the Corporation.

Section 3.11 Waiver of Notice.

Notice of the time, place and purpose of any meeting of the Board may be waived by email, telex, telegraph, facsimile transmission, or other recognized electronic means, or in writing, by any Director, either before or after such meeting has been held. Attendance at a meeting will constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not properly called or convened.

Section 3.12 Voting.

Subject to the provisions of the Articles of Incorporation, these Bylaws, the Act, and the ACCA, the Board may initiate any corporate action set forth in Section 3.14 deemed to be in the best interest of the Corporation, and each Director will be entitled to one (1) vote upon each matter properly submitted to a vote of the Board.

Except as otherwise provided in these Bylaws, no vote, either in person or by proxy, shall be valid unless a quorum of the Board is present at the meeting of the Board. The physical presence or participation by means available under Section 3.16 of at least six (6) Directors including at least two (2) LSU Designated Directors and at least two (2) Ochsner Designated Directors shall constitute a quorum. All matters discussed and considered by the Board will be discussed in a forum in which all Directors who are present can participate.

Section 3.13 Proxies.

Any LSU Appointee absent from a meeting of the Board or any committee thereof may be represented by another LSU Appointee, who may cast the vote of the absent LSU Appointee according to written instructions, general or special, of the absent LSU Appointee. Any Ochsner Appointee absent from a meeting of the Board or any committee thereof may be represented by another Ochsner Appointee, who may cast the vote of the absent Ochsner Appointee according to written instructions, general or special, of the absent Ochsner Appointee.

Section 3.14 Reserved Powers.

The Board of Directors reserves to itself the following powers and acts (“Reserved Powers”), all of which will require majority approval of the Board including approval of at least two (2) LSU Designated Directors and at least two (2) Ochsner Designated Directors. Stated differently, an act of the Board of Directors with respect to any Reserved Powers shall be determined through “block voting,” such that, in order to have been approved by the Board of Directors, the action must have received the vote of a majority of the LSU Designated Directors and a majority of the Ochsner Designated Directors, either in person or by proxy. Subject to these Bylaws, any power or act not specifically reserved to the Board of Directors and set forth below is hereby delegated to, and shall be vested exclusively with, the Joint Management Committee in accordance with Article IV of these Bylaws:

- (A) Amendment of the Corporation’s Articles of Incorporation or these Bylaws;
- (B) Resolution of any Dispute (as defined in the ACCA);
- (C) Any decision to sell, merge or consolidate the Corporation or any other of the OLHS Entities (as defined in the ACCA) with a party or entity not affiliated with or otherwise under the control of the Corporation;
- (D) Any decision to initiate an action for voluntary or involuntary dissolution of the Corporation or any other of the OLHS Entities (as defined in the ACCA);
- (E) The filing of a voluntary petition for bankruptcy, reorganization, receivership, or protection from creditors generally by the Corporation or any other of the OLHS Entities (as defined in the ACCA), or an involuntary filing against the Corporation or any other OLHS Entity (as defined in the ACCA) that is not resolved by dismissal after ninety (90) days from the filing date;
- (F) Any decision to sell or otherwise dispose of a material portion of the assets of the Corporation or any other of the OLHS Entities (as defined in the ACCA);
- (G) Any decision by the Corporation or any other of the OLHS Entities (as defined in the ACCA) to incur indebtedness or otherwise assume a liability in excess of Two Million Dollars (\$2,000,000.00) that was not part of an approved budget or capital budget;
- (H) Any decision by the Corporation to terminate its participation in the New CEA in accordance with the terms of the New CEA (as defined in the ACCA);
- (I) Any distributions made by the Corporation;
- (J) Any proposal submitted to the Board of Directors for approval that is materially inconsistent with any provision of the ACCA;
- (K) Following the initial approval of the Joint Management Committee pursuant to Section 4.2, approval or revision of a budget or capital budget for any or all of the

OLHS Entities (including, for clarity and without limitation, the budgets of the North Louisiana Department);

- (L) Following the initial approval of the Joint Management Committee pursuant to Section 4.2, approval or revision of a strategic plan for any or all of the OLHS Entities;
- (M) Following the initial approval of the Joint Management Committee pursuant to Section 4.2, any amendments or other material modification to any Collaborative Agreement (as defined in the ACCA);
- (N) Final decision on any matter or action on which the Joint Management Committee cannot agree after taking a final vote on the matter or action;
- (O) Any decision under Article VIII by the Corporation to indemnify any Director, Officer, Joint Management Committee Member, employee or agent or to select special counsel to make such decision;
- (P) Following the initial approval by the Joint Management Committee pursuant to Section 4.2, any decision by any OLHS-NL Entity to either enter any new contracts or to amend or modify any existing contracts with Biomedical Research Foundation of Northwest Louisiana (“BRF”), with any affiliate of BRF, with any person who is a current or former officer, board member, or principal of BRF or of any affiliate of BRF, or with any entity in which a current or former officer, board member, or principal of BRF or of any affiliate of BRF: (i) is an officer, board member, or principal of BRF, or (ii) has an ownership interest in BRF;
- (Q) Following the initial approval by the Joint Management Committee pursuant to Section 4.2, approval of medical staff bylaws on behalf of the Hospitals (as defined in the ACCA); and
- (R) Approval of any Community Director pursuant to Section 3.2 who is an officer, director, employee, agent or independent contractor of any entity with which LSU, Ochsner or the Corporation does business and who otherwise satisfies all of the requirements of Section 3.2 above.

Section 3.15 Action by Unanimous Written Consent.

Any action that may be taken at any meeting of the Board or any committee thereof may be taken without a meeting if a consent in writing setting forth the action is signed by all of the Directors, whether collectively or severally, and filed with the records of proceedings of the Board.

Section 3.16 Telephonic Meetings.

Unless otherwise prohibited by statute, Directors may participate in any meeting of the Board by means of (a) a telephone conference or similar communications equipment by means of which all persons participating in such meeting can hear each other, or (b) another suitable

electronic communications system, including videoconferencing technology or the Internet. Such participation in a meeting will constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 3.17 Fiduciary Duties.

Directors shall have and owe a fiduciary duty to the Corporation to (1) carry out their duties within the scope of their authority under the Articles of Incorporation, these Bylaws, and the ACCA; (2) be loyal to the Corporation, placing its interests above their own personal or other business interests; (3) use appropriate care and diligence when acting on behalf of the Corporation, exercising reasonable prudence to achieve the best interests of the Corporation; (4) act with honesty, good faith, and fairness in discharging their duties on behalf of the Corporation; and (5) make immediate full disclosure of any potential or actual conflict of interest as provided for in Article XVIII.

Each Director shall sign a statement acknowledging, accepting, and agreeing to fulfill his or her fiduciary duty to the Corporation.

Article IV.

**JOINT MANAGEMENT COMMITTEE**

Section 4.1 Appointment and Composition.

The Joint Management Committee is hereby established as a permanent management committee of the Corporation. The President of LSU and Chief Executive Officer of Ochsner shall appoint the Joint Management Committee, which shall be comprised, in addition to the Corporation's Chief Executive Officer ("CEO") and Corporation's Chief Medical Officer ("CMO"), of an even number between four (4) and eight (8) additional members (collectively, the "JMC Members"), an equal number of which will be (a) LSU employees appointed by the President of LSU ("LSU JMC Members"), and (b) Ochsner employees appointed by the Chief Executive Officer of Ochsner ("Ochsner JMC Members"); provided, however, that no more than one (1) of the LSU JMC Members may be a non-HSC-S employee and no more than one (1) of the Ochsner JMC Members may be a person who neither is employed by nor works full-time on behalf of the Corporation, unless there are ten (10) JMC Members, in which case no more than two (2) of the LSU JMC Members may be non-HSC-S employees and no more than two (2) of the Ochsner JMC Members may be persons who neither are employed by nor work full-time on behalf of the Corporation. A primary purpose of the Joint Management Committee is to promote essential communication between the Corporation and HSC-S and Ochsner and to assure continuing collaboration, alignment and coordination of the day-to-day activities of the Corporation and HSC-S and Ochsner in the best interests of the AMC (as defined in the ACCA) consistent with the ACCA. Subject to these Bylaws and, where not inconsistent, the ACCA, the Joint Management Committee shall have power and authority to act on any matter not a Reserved Power, including, without limitation, the authority expressly delegated to the Joint Management Committee as provided in Section 4.2. Except for the authority expressly delegated to the Joint Management Committee by the Board as provided in Section 4.2, the Joint Management Committee shall delegate such other authority to the officers of the Corporation as

the Joint Management Committee deems appropriate including, without limitation, the day-to-day operations of the Corporation which shall be delegated to the CEO and CMO according to a dyad model of management. The Joint Management Committee will at all times exercise its authority, and assure that the Corporation's officers at all times exercise their authority, consistent with the Corporation's tax-exempt purposes, the Bylaws, and the ACCA.

Section 4.2 Expressly Delegated Authority.

Notwithstanding anything in these Bylaws to the contrary, authority to take the following actions on behalf of the Corporation is hereby expressly delegated to the Joint Management Committee, which shall take such action only by unanimous agreement of the JMC Members:

A. Subject to final approval by the Board of Directors in accordance with Section 3.14, approval or revision of a budget or capital budget for any or all of the OLHS Entities (including, for clarity and without limitation, the budgets of the North Louisiana Department);

B. Subject to final approval by the Board of Directors in accordance with Section 3.14, approval or revision of a strategic plan for any or all of the OLHS Entities;

C. Approval of the OLHS-NL Chief Quality Officer appointed by the CMO;

D. Approval of the CEO for OLPG selected by HSC-S;

E. Approval of a Separate Activity or Prior Separate Activity as part of the Separate Activity Evaluation Procedure (all as defined in the ACCA);

F. Any final decision whether to consent to the recruiting, employing, or contracting with a New Physician (as defined in the ACCA) at a set compensation amount and model in the event that both the HSC-S Dean and OLHS-NL CEO and HSC-S Chancellor and Ochsner Chief Administrative Officer are unable to agree on such consent;

G. Approval of the amounts payable to HSC-S, Ochsner, by any of the OLHS Entities or by any OLHS Entity to any other OLHS Entity under the Collaborative Agreements;

H. Approval of the Physician Compensation Plans applicable to the Ochsner Physicians and HSC-S Physicians (all as defined in the ACCA);

I. Subject to final approval by the Board of Directors in accordance with Section 3.14, any amendment or other material modification to any of the Collaborative Agreements;

J. Subject to final approval of the Board of Directors in accordance with Section 3.14, any decision by any OLHS-NL Entity to either enter any new contracts or to amend or modify any existing contracts with BRF, with any Affiliate of BRF, with any Person who is a current or former officer, board member, or principal of BRF or of any Affiliate of BRF, or with any entity in which a current or former officer, board member, or principal of BRF or of any

Affiliate of BRF: (i) is an officer, board member, or principal, or (ii) has an ownership interest (all as defined in the ACCA);

K. The acceptance of any Grant Payment (as defined in the ACCA);

L. Any decision to draw funds on the Line of Credit (as defined in the ACCA) in excess of Five Million Dollars (\$5,000,000.00) without the express approval of (a) either the HSC-S Vice Chancellor of Administration and Finance or the LSU Chief Financial Officer, and (b) either the CEO or the Ochsner Chief Financial Officer;

M. Selection of the Corporation's Chief Medical Officer ("CMO") from a slate of HSC-S employees identified by LSU; and

N. Any other matter or proposed action that is materially inconsistent with any provision of the ACCA.

**Section 4.3 Regular Meetings of the Joint Management Committee.**

The Joint Management Committee will hold regular meetings as needed, but on no less than a monthly basis, at such time and place as the JMC Members designate. The Corporation's Chief Executive Officer will assure that each JMC Member is duly notified as much in advance as possible of the time, place and agenda of any meeting of the Joint Management Committee.

**Section 4.4 Voting.**

Subject to the provisions of these Bylaws and (where not inconsistent) the ACCA, the Joint Management Committee may initiate any corporate action deemed to be in the best interest of the Corporation, unless such action is reserved to the Board as a Reserved Power. Each JMC Member will be entitled to one (1) vote upon each matter submitted to a vote of the Joint Management Committee. Subject to Section 4.2 (which require unanimous agreement of the JMC Members), the act of a supermajority of the JMC Members will be the act of the Joint Management Committee. For purposes of this Section 4.4, a supermajority act requires the approval, either in person or by proxy, of at least two-thirds (2/3) of the LSU JMC Members and two-thirds (2/3) of the Ochsner JMC Members present at the meeting. Except as otherwise provided in these Bylaws, no vote shall be valid unless a quorum of the Joint Management Committee is present, either in person or by proxy, at the meeting of the Joint Management Committee. The physical presence or participation by means available under Section 4.7 of a majority of the LSU JMC Members and a majority of the Ochsner JMC Members shall constitute a quorum. All matters discussed and considered by the Joint Management Committee will be discussed in a forum in which all JMC Members who are present can participate by any means available pursuant to the provisions of these Bylaws.

In the event of a final vote that results in a deadlock, the Joint Management Committee may bring the matter before the Board of Directors, and the Board will make the final determination on the matter, as set forth in Section 3.14(N).

All matters discussed and considered by the Joint Management Committee will be discussed in a forum in which all JMC Members who are present can participate by any means available pursuant to the provisions of these Bylaws.

Section 4.5 Proxies.

Any LSU JMC Member absent from a meeting of the Joint Management Committee or any sub-committee thereof may be represented by another LSU JMC Member, who may cast the vote of the absent LSU JMC Member according to written instructions, general or special, of the absent LSU JMC Member. Any Ochsner JMC Member absent from a meeting of the Joint Management Committee or any sub-committee thereof may be represented by another Ochsner JMC Member, who may cast the vote of the absent Ochsner JMC Member according to written instructions, general or special, of the absent Ochsner JMC Member.

Section 4.6 Action by Unanimous Written Consent.

Any action that may be taken at any meeting of the Joint Management Committee may be taken without a meeting if the action is taken by unanimous consent.

Section 4.7 Telephonic Meetings.

Members may participate in any meeting of the Joint Management Committee by means of (a) a telephone conference or similar communications equipment by means of which all persons participating in such meeting can hear each other, or (b) another suitable electronic communications system, including videoconferencing technology or the Internet. Such participation in a meeting will constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Article V.  
**OFFICERS**

Section 5.1 Terms of Office; Appointment.

The officers of the Corporation will be a CEO, a CMO, a Secretary, a Treasurer, and such other officers, with such titles, if any, as the CEO and CMO designate, consistent with Louisiana law and laws applicable to tax-exempt organizations, the ACCA, and these Bylaws. Except as may be prescribed otherwise by the Board, the Articles of Incorporation, these Bylaws, or the ACCA, all such officers will hold their offices for an unlimited term and need not be reappointed annually or at any other periodic interval, and such officers (other than the CEO and CMO) will hold their offices at the pleasure of the CEO and CMO. Any action taken by an officer of the Corporation pursuant to appropriate authorization of the Board or the Joint Management Committee will constitute the act of and serve to bind the Corporation.

Section 5.2 Vacancies.

Any vacancy occurring in an officer position (other than the position of CEO and CMO) may be filled by the CEO and CMO, subject to the Articles of Incorporation, these Bylaws, and

the ACCA. Any vacancy occurring in the position of CEO shall be filled in accordance with Section 5.4 and the ACCA. Any vacancy in the position of CMO shall be filled in accordance with Section 5.5 and the ACCA.

Section 5.3 Resignation or Removal of Officers.

An officer of the Corporation may resign, effective immediately, at any time by tendering his or her resignation in writing to the Board. Such resignation will be effective upon receipt. Subject to the Articles of Incorporation, these Bylaws, and the ACCA, the CEO and CMO may remove any officer (other than the positions of CEO and CMO) at any time, with or without cause, whenever in the judgment of the CEO and CMO the best interests of the Corporation will be served thereby, subject to the provisions of a written employment agreement between the Corporation and the officer, if any.

Section 5.4 Chief Executive Officer.

The CEO shall perform duties prescribed by the ACCA and the Board of Directors and all duties incident to the office of CEO / President, including executing any contracts or other instruments on behalf of the Corporation, subject to any limitations imposed by the Board of Directors or Joint Management Committee. The CEO shall be a full-time Ochsner employee selected by Ochsner consistent with the terms of this Section 5.4 and the ACCA and removed at the discretion of Ochsner. The initial CEO will be Charles D. “Chuck” Daigle. In the event of a vacancy in the CEO position, Ochsner has the authority to appoint an interim CEO, subject to review and consultation with LSU. LSU will have a representative on the search committee for any permanent subsequent CEO, and Ochsner will confer with LSU regarding the candidates under consideration prior to appointing any permanent subsequent CEO; provided, however, that the final decision for the selection of any permanent subsequent CEO shall be within the sole discretion of Ochsner.

Section 5.5 Chief Medical Officer.

The CMO shall perform duties prescribed by the ACCA and the Board of Directors or the Joint Management Committee, including executing any contracts or other instruments on behalf of the Corporation, subject to any limitations imposed by the Board of Directors or Joint Management Committee. The CMO shall be a full-time HSC-S employee selected by LSU consistent with the terms of this Section 5.5 and the ACCA and removed at the discretion of LSU. The initial Chief Medical Officer will be David Lewis, M.D. In the event of a vacancy in the CMO position, an interim and/or permanent Chief Medical Officer shall be selected by the Board of Directors in accordance with Section 3.14 from a slate of HSC-S employees identified by HSC-S.

Section 5.6 Secretary.

The Corporation’s Secretary will be appointed by the CEO and the Chief Medical Officer. The Secretary will attend all meetings of the Board of Directors. The Secretary will keep or cause to be kept all of the non-financial records of the Corporation, record the minutes of the meetings of the Board of Directors, send out all notices of meetings, attest to the seal of the Corporation where necessary or required, and perform such other duties as may be prescribed by

the Board. The Secretary will also keep or cause to be kept a register of the names and addresses of each Director and of the dates of expiration of their respective terms of office. The Secretary may be assisted in any of these duties by one or more Assistant Secretaries as provided herein.

Section 5.7 Treasurer.

The Corporation's Treasurer will be appointed by the CEO and the Chief Medical Officer. The Treasurer will have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and will report to, and will perform such duties as may be assigned by, the CEO and Chief Medical Officer, or another officer designated by the CEO and the Chief Medical Officer.

Section 5.8 Other Officers.

The CEO and Chief Medical Officer may appoint one or more Vice Presidents and Executive Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers having such duties and responsibilities as the CEO and Chief Medical Officer deem advisable, consistent with Section 5.1 of this Article IV. Notwithstanding anything herein to the contrary, the (i) the CEO shall have sole discretion to appoint the chief executive officers of the Hospitals (as defined in the ACCA) and (b) the Chief Quality Officer of OLHS-NL shall be a HSC-S Physician appointed by the CMO subject to approval of the JMC in accordance with Section 4.2C

Article VI.

**COMMITTEES OF THE BOARD**

In addition to the Joint Management Committee, the Board may establish and organize itself into committees in such manner as it deems appropriate from time to time.

Article VII.

**RECORDS AND PROPERTY**

Section 7.1 Certain Records.

The Corporation will maintain at its principal place of business a record of the name and address of each Director. Whenever membership on the Board of Directors is terminated, this fact will be recorded in the membership record together with the date on which the membership ceased.

Section 7.2 Purchase, Sale and Disposition of Property.

A resolution of the Board may authorize the purchase, sale or other disposition of property, or the investment or other disposition of trust funds that are subject to the control of the Corporation.

Article VIII.  
**INDEMNIFICATION**

Section 8.1 Indemnification of the Board of Directors, Members and Others.

Subject to the further provisions of this ARTICLE VIII, the Corporation shall hold harmless and indemnify the following as set forth in Paragraphs A and B of this Section 8.1 (individually, an “Indemnified Person, and collectively, “Indemnified Persons”):

A. any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, whether formal or informal, and whether arising out of conduct in such person’s official capacity with the Corporation or otherwise (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a Director, Executive Committee Member, or officer of the Corporation, or is or was serving at the request of the CEO/CMO as an advisor to the CEO/CFO or other executive officer of the Corporation, against expenses (including attorneys’ fees), judgments, fines, and (subject to Section 8.9 of this ARTICLE VIII) amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct was unlawful; and

B. any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a Director, Executive Committee Member, or officer of the Corporation, or is or was serving at the request of the CEO/CMO as an advisor to the CEO/CMO or other executive officer of the Corporation, against expenses (including (1) attorneys’ fees, and (2) subject to Section 8.9 of this ARTICLE VIII, amounts paid in settlement not exceeding, in the judgment of the Board, the estimated expense of litigating the action or suit to conclusion) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if the Director, Executive Committee Member, officer or advisor to one of the foregoing acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct unlawful, except that no indemnification under this Section 8.1 B shall be made in respect to any claim, issue, or matter as to which such person shall have been adjudged liable to the Corporation unless and only to the extent that a court of competent jurisdiction shall determine upon application that, despite the adjudication of liability but in view of all of the relevant circumstances, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 8.2 Method of Determining Eligibility or Indemnification.

Any indemnification under this ARTICLE VIII, unless ordered by a court of competent jurisdiction, shall be made by the Corporation only as authorized in a specific case upon a

determination that the applicable standard of conduct has been met, and such determination shall be made:

A. by the Board of Directors in accordance with Section 3.14(O), by a quorum consisting of Directors who are not at the time parties to or threatened to be made a party to such action, suit, or proceeding, or

B. by special legal counsel selected by the Board in accordance with Section 3.14(O) by a quorum consisting of Directors who are not at the time parties to or threatened to be made a party to such action, suit, or proceeding.

Section 8.3 Limitations on Indemnification.

Anything elsewhere in this ARTICLE VIII to the contrary notwithstanding, no indemnity pursuant to this ARTICLE VIII (and, with respect to matters described in Section 8.3A, no advancement of expenses under paragraph (a)(1) of Section 8.7) shall be paid by the Corporation to an Indemnified Person:

A. on account of any action, suit, proceeding, cross-claim, or counterclaim initiated by such Indemnified Person against the Corporation itself (except to enforce this ARTICLE VIII) or against a third party, unless the Board has authorized such action, suit, proceeding, cross-claim, or counterclaim to be initiated by the Indemnified Person;

B. in respect of any claim, issue, or matter involving remuneration or other personal benefit paid to or received by such Indemnified Person if it shall be determined by a final judgment of a court of competent jurisdiction or other final adjudication that the payment or receipt of such remuneration or other personal benefit was in violation of applicable law;

C. if a final decision by a court of competent jurisdiction shall determine that such indemnification is not lawful; or

D. on account of any tax imposed by the IRS upon an Indemnified Person under Section 4958 of the Code and the Treasury Regulations promulgated thereunder or any successor or similar provision.

Section 8.4 Effect of Indemnitee Success in Defending Suits.

To the extent that a an Indemnified Person has been successful, on the merits or otherwise, including the dismissal of an action without prejudice, in defense of any action, suit, or proceeding of the character described in Section 1 or Section 8.2 of this ARTICLE VIII, or in defense of any claim, issue, or matter therein, it shall be conclusively presumed that the applicable standard of conduct has been met by such Indemnified Person with respect to such action, suit, proceeding, claim, issue, or matter.

Section 8.5 Right of Indemnity as a Contract Right.

The obligations of the Corporation to indemnify and hold harmless an Indemnified Person as set forth in this ARTICLE VIII (including, without limitation, the obligation under

Section 8.7 to advance the cost of defense to or on behalf of the Indemnified Person) shall be a contract right and shall continue during the period such person is a Director, Executive Committee Member, Officer, or advisor of the Corporation and shall continue thereafter so long as the Indemnified Person shall be subject to any possible claim or threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person was a Director, Executive Committee Member, Officer or advisor of the Corporation or was serving in any other capacity referred to in Section 8.1, notwithstanding that at the time when such indemnification is claimed, the Indemnified Person has ceased to serve in any of the capacities referred to in Section 8.1.

Section 8.6 Notification by Indemnitee to Corporation of Suit.

Promptly after receipt by an Indemnified Person of notice of the commencement of any action, suit, or proceeding with respect to which an indemnification claim is to be made against the Corporation as set forth in this ARTICLE VIII, such Indemnified Person shall notify the Corporation of the commencement thereof, but the omission to so notify the Corporation will not relieve it from any liability it may have to such Indemnified Person otherwise as set forth in this ARTICLE VIII.

Section 8.7 Advancement of Expenses and Conduct of Litigation.

With respect to any action, suit, or proceeding as to which an Indemnified Person notifies the Corporation pursuant to Section 8.6 of such person's intention to seek indemnity under this ARTICLE VIII:

A. Such Indemnified Person's right to indemnification shall include:

- (i) the right (subject to Section 8.3 and Section 8.7 B and E and to below) to be paid by the Corporation all expenses incurred in defending any such action, suit, or proceeding in advance of its final disposition; and
- (ii) a presumption (in the absence of a good-faith determination in writing to the contrary) that the Board has made an affirmative determination that the facts then known to it would not preclude the indemnification of such Indemnified Person under the applicable standard of conduct specified in Section 8.1;

B. advance payment as described in Section 8.7 A of expenses incurred by the Indemnified Person shall be made only upon delivery to the Corporation of:

- (i) a written affirmation of such Indemnified Person's good faith belief that he or she has met the applicable standard of conduct specified in Section 8.1; and
- (ii) a written undertaking, executed personally or by such Indemnified Person's duly authorized mandatary, to repay the advance of expenses if it is ultimately determined that he or she did not meet the applicable standard of conduct specified in Section 8.1;

C. the Corporation shall be entitled to participate therein at its own expense;

D. except as otherwise provided below, to the extent that it may wish, the Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel reasonably satisfactory to the Indemnified Person;

E. the Indemnified Person shall have the right to employ counsel in such action, suit, or proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of the Indemnified Person unless:

(i) the employment of separate counsel by the Indemnified Person has been authorized by the Corporation;

(ii) the Indemnified Person shall have reasonably concluded based on the advice of counsel that there may be a conflict of interest between the Corporation and him or her in the conduct of the defense of such action; or

(iii) the Corporation shall not in fact have employed counsel to assume the defense of such action; in each of which cases the reasonable fees and expenses of counsel shall be at the cost of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit, or proceeding:

(a) brought by or on behalf of the Corporation as described in Section 8.1B; or

(b) as to which the applicable Indemnified Person shall have made the conclusion provided for in Section 8.7 E (ii); and

F. the Indemnified Person will reimburse the Corporation for all reasonable expenses paid by the Corporation in defending any civil or criminal action, suit, or proceeding against the Indemnified Person in the event and only to the extent that it shall be ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Corporation for such expenses as authorized in this Article VIII.

Section 8.8 Enforcement of Indemnity Claim Against Corporation.

If a claim for indemnification under Section 8.1 or for the advance of expenses under Section 8.7 is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any action (including an action brought to enforce a claim under Section 8.7 for expenses incurred in defending any proceeding in advance of its final disposition where the requirements described in Section 8.7 have been satisfied) that the claimant has failed to meet a standard of conduct that makes it permissible under Louisiana or other applicable law for the Corporation to advance to or indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither:

A. the failure of the Board or independent legal counsel to have made a determination prior to the commencement of the claimant's action that indemnification of the claimant is permissible in the circumstances because he or she has met the required standard of conduct;

B. an actual determination by the Board or independent legal counsel that the claimant has not met such standard of conduct; nor

C. the termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall be a defense to the claimant's action for indemnification under Section 8.1 or for the advance of expenses under Section 8.7 or create a presumption that the claimant has failed to meet the required standard of conduct.

Section 8.9 Settlements.

The Corporation shall not be liable to indemnify a an Indemnified Party as provided in this ARTICLE VIII for any amount paid in settlement of any action or claim effected without its written consent, which shall not be unreasonably delayed or withheld, and the Corporation shall not be obligated to indemnify any Indemnified Party as provided in this ARTICLE VIII who unreasonably withholds his or her consent to any proposed settlement that is recommended to him or her in writing by the Corporation.

Section 8.10 Indemnification Rights Under ARTICLE VIII Not Exclusive.

The rights to indemnification and advancement of expenses provided by or granted pursuant to this ARTICLE VIII shall:

A. be subject to any applicable limitations of state or federal law, but they shall not be deemed exclusive of any other rights to which the person seeking indemnification or obtaining advancement of expenses is entitled under any applicable law, bylaw, contract, or authorization of the Board regardless of whether Directors authorizing such indemnification are beneficiaries thereof, or otherwise, both as to action in their official capacity, and as to action in another capacity while holding such office; and

B. continue as to a person who has ceased to be a Indemnified Person and shall inure to the benefit of such person's heirs, legal representatives and assigns; provided, however, that no such other indemnification measure shall permit indemnification of any person for the results of such person's willful or intentional misconduct.

Section 8.11 Corporation's Additional Rights to Indemnify.

The express indemnification and advancement of expenses provided by or granted pursuant to this ARTICLE VIII shall not exhaust, reduce, or impair the Corporation's discretionary right to indemnify its officers, employees, or agents in accordance with §227 of the Louisiana Nonprofit Corporation Law, as it now exists or may hereafter be amended.

Section 8.12 D&O Insurance.

The Board shall purchase and maintain Directors' and officers' insurance in such amount as the Board may deem prudent, but in no event less than \$1 million per occurrence and \$3 million in the aggregate, at the expense of the Corporation, on behalf of any past, present, or future Director, Executive Committee Member, or officer of the Corporation, and may purchase and maintain insurance, at the expense of the Corporation, on behalf of any employee or agent of the Corporation, insuring against liabilities asserted against or incurred by any such person in any such capacity or arising from such person's status or former status as a Director, Executive Committee Member, Officer, employee, or agent, whether or not the Corporation would have the power or right to indemnify him against the same liability, all as provided in Louisiana Revised Statutes 12:227(F).

Section 8.13 Definition of Applicable Law.

The term "applicable law," as used throughout this ARTICLE VIII, shall (to the fullest extent allowed by the law under which this ARTICLE VIII is from time-to-time construed) be taken to mean the most generous (from the standpoint of an indemnification claimant) of the laws in effect:

- A. during any part of the period of time within which the acts or omissions alleged in the action, suit, or proceeding in question as the basis for liability of the indemnification claimant occurred;
- B. on the date when such action, suit, or proceeding was commenced; or
- C. on the date when the validity of the indemnification claim asserted by the indemnification claimant against the Corporation is finally determined or adjudicated.

Section 8.14 Severability.

Each and every provision of this ARTICLE VIII shall be considered severable, and to the extent any part or all of this ARTICLE VIII shall be held by a court of competent jurisdiction to be invalid, void, or unenforceable in whole or in part in any particular case or generally, the remainder of this ARTICLE VIII shall nevertheless be treated as valid and enforceable to the fullest extent permitted by applicable law

Section 8.15 Gender.

All references in this ARTICLE VIII to the masculine gender shall be considered as references to the feminine gender as well.

Article IX.  
**LIMITATION OF LIABILITY**

No person serving as a Director, Executive Committee Member, or Officer of the Corporation shall be individually liable for any act or omission, including, but not limited to, any breach of such person's fiduciary duty of care, resulting in damage or injury, if such person was acting in good faith and within the scope of such person's official functions and duties, provided that nothing contained in this ARTICLE IX shall limit the liability of a Director, Executive Committee Member, or Officer of the Corporation for:

- A. any breach of duty of loyalty to the Corporation;
- B. acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- C. any transaction from which such person derived an improper personal benefit; or
- D. any action that would result in any tax imposed by the IRS upon such Director, Joint Management Committee Member or Officer under Section 4958 of the Code and the Treasury Regulations promulgated thereunder, or any successor or similar provision.

This ARTICLE IX shall not limit or restrict the effect of any limitation of the liability of Directors, Executive Committee members, or officers of the Corporation provided by Louisiana or other applicable law.

Article X.  
**DISSOLUTION**

A voluntary proceeding for dissolution may be commenced only upon the vote of the Directors in accordance with the Bylaws. Upon liquidation or dissolution, the property of the Corporation shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the parish in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

Article XI.  
**EXECUTION OF INSTRUMENTS**

The Joint Management Committee will have the power to designate one or more officers or agents who will have the power to execute checks, notes, and other instruments on behalf of the Corporation. When the execution of any conveyance, check, note, or other instrument has been authorized without specifying the officers or agents authorized to execute the instrument, the President, Secretary, Treasurer and any Executive Vice President will be authorized to do so.

Article XII.  
**DEPOSITORIES**

All funds of the Corporation shall be deposited in the name of the Corporation in such bank, banks, or other financial institutions as the Joint Management Committee may from time to time designate and shall be drawn out on checks, drafts, or other orders signed on behalf of the Corporation by such person or persons as the Joint Management Committee may from time to time designate.

Article XIII.  
**FISCAL YEAR**

The fiscal year of the Corporation will begin on the first day of July of each year and end on the last day of June of the following year consistent with the state fiscal year for the State of Louisiana.

Article XIV.  
**SEAL**

The seal of the Corporation will have the name of the Corporation and the words “Non-Profit Corporation” together with the year and state of incorporation.

Article XV.  
**AMENDMENT TO THE BYLAWS OR ARTICLES**

Amendments to these Bylaws or the Articles of Incorporation must be approved by the Board of Directors in accordance with Section 3.14. An Amendment shall be effective only if the Amendment:

- A. does not cause any provision of the Corporation’s Articles of Incorporation to violate Louisiana law or federal statutes and regulations applicable to organizations exempt from federal income taxation; and
- B. would not result in the loss of the Corporation’s tax-exempt status.

Article XVI.  
**INCONSISTENCY**

In the event of any inconsistency or differences between the ACCA and any provision of these Bylaws, the ACCA shall prevail and control.

Article XVII.  
**SEVERABILITY**

In the event that any court of competent jurisdiction should find or hold any section or sections of these Bylaws null, void or unenforceable for any reason, then that section or sections will be considered deleted from these Bylaws and the remaining section or sections will continue in full force and effect.

Article XVIII.

**CONFLICTS OF INTEREST POLICY**

The Board has adopted a Conflicts of Interest Policy governing all Directors of the Corporation. The current effective Conflicts of Interest Policy is attached as Exhibit A to these Bylaws. Each Director of the Corporation shall sign a statement acknowledging and agreeing that he or she (a) will abide by the Conflict of Interest Policy; (b) has no conflict of interest at the time of his or her appointment; and (c) will immediately notify the Board of Directors and the Joint Management Committee if he or she believes, in good faith, that a potential or actual Conflict of Interest may exist. Notwithstanding anything herein to the contrary, all parties recognize and acknowledge that some Directors, JMC Members, and officers may have employment or other relationships with Ochsner, LSU, or an affiliate of Ochsner or LSU, and may be appointed to serve on the Board or as an officer based upon these relationships. The Directors, JMC Members, and officers shall, in the exercise of their overall duties and responsibilities, take such steps as it deems appropriate to avoid and resolve potential conflicts of interest between the personal, employment, and other interests of Directors, JMC Members, officers, and their respective employers, and the activities and interests of the Corporation. Such steps shall include adopting and requiring compliance with Conflicts of Interest Policy attached as Exhibit A.

Article XIX.

**CAPITALIZED TERMS**

Capitalized terms used in these Bylaws and not otherwise defined have the meanings given to those terms in the ACCA.

*The rest of this page intentionally left blank.*

*Signature page for Bylaws Of Ochsner LSU Health System Of North Louisiana*

IN WITNESS WHERE, the Parties have caused this Agreement to be duly executed and delivered, as of the date first above written.

**LSU:**

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OCHSNER:**

**OCHSNER CLINIC FOUNDATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**

**OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA  
CONFLICTS OF INTEREST POLICY**

# OCBSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA

## CONFLICTS OF INTEREST POLICY

### **ARTICLE I** **PURPOSE**

The purpose of this conflicts of interest policy is to protect the interests of Ochsner LSU Health System of North Louisiana and its subsidiary entity(ies) (together, the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **ARTICLE II** **DEFINITIONS**

#### **1. Interested Person**

Any director, officer, or member of a committee or governing board, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**ARTICLE III**  
**PROCEDURES**

**1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose both the existence of the financial interest and all material facts to the directors and members of the committee or governing board considering the proposed transaction or arrangement.

**2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the committee or governing board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

**3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the committee or governing board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The committee or governing board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the committee or governing board shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the committee or governing board shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**4. Violations of the Conflicts of Interest Policy**

a. If the committee or governing board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it may inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

b. If the committee or governing board determines an interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **ARTICLE IV** **RECORDS OF PROCEEDINGS**

The minutes of the board and all committees established by the board shall contain:

a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **ARTICLE V** **ANNUAL STATEMENTS**

Each director, officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands that the Corporation is charitable and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **ARTICLE VI** **PERIODIC REVIEWS**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect

reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**ARTICLE VII**  
**USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VI, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is effective October 1, 2018 (“Effective Date”) and is by and among **Ochsner LSU Health System of North Louisiana**, a Louisiana nonprofit corporation (“OLHS-NL”) and its directly or indirectly wholly owned subsidiary entities: **Ochsner LSU Hospitals, L.L.C.** (“OLH”), **OLH Shreveport, L.L.C.** (“OLH Shreveport”), **OLH Monroe, L.L.C.** (“OLH Monroe”), each a Louisiana limited liability company (OLH, OLH Shreveport and OLH Monroe, collectively, the “Hospital Entities”), and LSU Health Sciences Center – Shreveport Faculty Group Practice, a Louisiana Nonprofit Corporation, d/b/a **Ochsner LSU Physician Group**, (“OLPG”). OLHS-NL, OLH, OLH Shreveport, OLH Monroe, and OLPG are sometimes individually referred to herein as “Party” and collectively as the “Parties.”

### RECITALS OF FACTS AND PURPOSE

- A. The State of Louisiana (the “State”) acting through the Division of Administration, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”), and OLHS-NL are parties to that certain Cooperative Endeavor Agreement, effective October 1, 2018 (the “CEA”);
- B. In accordance with the CEA, OLHS-NL, through OLH Shreveport and OLH Monroe, operates the hospital facilities and associated outpatient clinics known as Ochsner LSU Health Shreveport in Shreveport, Louisiana and Ochsner LSU Health Monroe in Monroe, Louisiana (each a “Hospital” and collectively the “Hospitals”);
- C. OLPG and Louisiana State University Health Sciences Center at Shreveport (“LSUHSC-S”) (an academic institution operated and administered by LSU), are parties to a Faculty Services Agreement (“FSA”), pursuant to which LSUHSC-S will provide to OLPG the services of HSC-S Faculty members (as defined below) to enable OLPG to provide professional clinical and medical administrative services to Hospitals consistent with the terms of the FSA and this Agreement; and
- D. The Hospital Entities desire to enter into an agreement with OLPG, whereby OLPG will provide physician and non-physician practitioner services and medical administrative services at the Hospitals by and through the HSC-S Faculty, as further described herein.

**NOW, THEREFORE**, in consideration of the foregoing and the promises and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree to be legally bound as follows:

## DEFINITIONS

Capitalized terms in this Agreement, not defined elsewhere within the Agreement, shall have the following meanings:

- A. ACCA:** The term “ACCA” shall refer to the Academic and Clinical Collaboration Agreement among LSU, Ochsner Clinic Foundation d/b/a Ochsner Health System, and OLHS-NL.
- B. Clinical Personnel:** The term “Clinical Personnel” shall include but not necessarily be limited to nurses and technicians employed or contracted by Hospital.
- C. CMS:** The term “CMS” shall refer to the Centers for Medicare & Medicaid Services
- D. Compensation:** The term “Compensation” shall mean the consideration payable to OLPG under this Agreement for Practitioner Services and Medical Administrative Services as set forth on **Exhibit A**.
- E. Fiscal Year:** The term “Fiscal Year” shall mean July 1<sup>st</sup> through June 30<sup>th</sup>.
- F. Hospital Policies:** The term “Hospital Policies” shall mean and include the Bylaws and any policies and procedures of the Hospitals; Bylaws and rules and regulations of the Medical Staff of the Hospitals; and other policies, practices and procedures of Hospitals as are from time to time adopted, authorized and approved.
- G. HSC-S Faculty:** The term “HSC-S Faculty” shall mean qualified physicians licensed to practice medicine in the State of Louisiana and who are members of one or more Hospital Medical Staffs with clinical privileges to provide all or some of the Services required under this Agreement and who are members of the faculty at LSUHSC-S. The term “HSC-S Faculty” shall also include non-physician practitioners (i.e., advanced practice registered nurses and physician assistants) who are licensed/permitted to practice in their respective profession in the State of Louisiana, are employed by LSUHSC-S, and qualified to provide the Services to be rendered by such practitioner.
- H. Immaterial Amount:** The term “Immaterial Amount” means either an upward or downward adjustment in Practitioner Services or Medical Administrative Services that in the aggregate would affect the total Compensation payable under this Agreement by no more than five percent (5%).
- I. Joint Management Committee:** The term “Joint Management Committee” means the management committee established in accordance with the OLHS-NL Bylaws.

- J. Medical Administrative Services:** “Medical Administrative Services” are those administrative services requiring the expertise of qualified HSC-S Faculty as more fully described in this Agreement and Exhibit A.
- K. Medical Staff:** “Medical Staff” means the organized medical staff of the Hospital in accordance with the Medical Staff Bylaws.
- L. Medical Staff Bylaws:** “Medical Staff Bylaws” means the bylaws adopted by the Hospital and its Medical Staff to govern the relationship between the Hospital and the Medical Staff.
- M. Practitioner Services:** “Practitioner Services” shall have the meaning set forth in Section 1.01 of **Exhibit A** to this Agreement.
- N. Services:** The term “Services” shall include those Practitioner Services and Medical Administrative Services as more fully described in this Agreement and Exhibit A.

## ARTICLE ONE

### REPRESENTATIONS AND WARRANTIES

#### **Section 1.01.** Eligibility for Government Programs.

(a) Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“LEIE”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department as debarred, excluded or otherwise ineligible for participation in federal programs and/or federally funded health care programs including Medicare and Medicaid (collectively, “Excluded”).

(b) Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the Eligibility Status representation of (a); (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Party immediately, in writing, of any change in circumstances related to its representations made in this Section 1.01.

**Section 1.02.** Legal Compliance. Each Party represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered, or will be paid or distributed, by or on behalf of such Party and/or the physicians, non-physician practitioners, officers, or directors of such Party, or to any other person, Party or entity affiliated with such Party, as an inducement to refer or purchase or to influence the referral or purchase of items paid by a federal or state health care program. Further, each Party agrees that it is not obligated by the terms hereof to refer patients to a Party, that the compensation paid hereunder is consistent with Fair Market Value of the goods and

services provided hereunder, and that no part of the consideration paid and received hereunder is in exchange for the referral of patients or services or the promise to make such referrals.

## ARTICLE TWO

### TERM

Unless earlier terminated as provided herein, the initial term of this Agreement (the “Initial Term”) shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a “Renewal Term”) for a total term (“Term”) of twenty (20) years, unless a party gives written notice of its intent not to renew the Agreement for a Renewal Term not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

## ARTICLE THREE

### DUTIES OF OLPG

**Section 3.01.** OLPG Duties. OLPG shall, throughout the Term of this Agreement:

- (a) provide directly the Services listed in **Exhibit A** to this Agreement;
- (b) assure each physician HSC-S Faculty member providing Services under this Agreement is a member in good standing of the Medical Staff of the Hospital(s) with clinical privileges necessary to perform such Services;
- (c) assure each HSC-S Faculty member providing Services under this Agreement holds a valid and current license, permit, and/or certification, as applicable, to practice in their respective profession (i.e., as a physician, advanced practice registered nurse, or physician assistant) in the State of Louisiana without restrictions or limitations imposed by the Louisiana State Board of Medical Examiners or the Louisiana State Board of Nursing, as applicable;
- (d) assure each HSC-S Faculty member successfully completes the credentialing process for the Hospital(s) and maintains such credentials as necessary to perform the Services;
- (e) agree, and ensure each HSC-S Faculty member complies with the applicable provisions of the following: the Federal Criminal False Claims Act (18 U.S.C. § 287 et seq.), the Federal Civil False Claims Act (31 U.S.C. § 3729 et seq.), the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the Federal Physician Self-Referral Law (42 U.S.C. § 1395rm) (“Stark II”), the Louisiana Medical Assistance Programs Integrity Law (La. R.S. 46:437.1 et seq.) and other applicable Federal and Louisiana statutes and regulations relating to health care;
- (f) assure each HSC-S Faculty member agrees to comply with the Hospital

Policies;

(g) assure that each HSC-S Faculty member completes time studies as requested by OLH, OLH Shreveport, or OLH Monroe with sufficient detail, to enable the Hospitals to prepare accurate cost reports and determine the level of Services provided hereunder by the HSC-S Faculty;

(h) require LSU to provide compensation and benefits information for each HSC-S Faculty member to OLH, OLH Shreveport, and OLH Monroe, with sufficient detail to enable the Hospitals to include such actual costs in their cost reports;

(i) require LSU to notify the Hospital Entities in writing within ten (10) calendar days of any of the following:

(i) receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals, the Hospital Entities, OLPG, any HSC-S Faculty providing Services under this Agreement, or concerning an HSC-S Faculty member's license to practice their profession. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals, the Hospital Entities, OLPG, any HSC-S Faculty providing Services under this Agreement, or concerning a HSC-S Faculty member's license to practice their profession; and

(ii) the breach, lapse or inaccuracy of any duty of OLPG listed in this ARTICLE Three;

(j) require LSU to provide timely notice to the Hospitals' Medical Staff offices of HSC-S Faculty information relevant to the provision of Services and necessary for the Medical Staff Offices to carry out its functions. Such notice includes, but is not limited to, notification of all types of leaves of absences, suspensions, resignations, new hires and appropriate claims histories. Documentation necessary to confirm these events will also be provided to the Medical Staff offices in a timely manner;

(k) assure all Services are performed in accordance with the applicable standard of care and in conformance with the standards for performance of such Services established by accrediting entities and CMS, it being understood that the HSC-S Faculty shall exercise independent medical/professional judgment in providing Services. The Hospitals shall not interfere with the independent medical/professional judgment of the HSC-S Faculty other than when they exercise their duties in accordance with the Hospital

Policies;

(l) act consistently and assure compliance with any actions taken by the Medical Staff with respect to any HSC-S Faculty member and comply with ARTICLE Eleven related to any “material issues” (as defined in ARTICLE Eleven) concerning the professional qualifications, clinical performance or interpersonal problems associated with a HSC-S Faculty member in his or her performance of duties and responsibilities under this Agreement;

(m) assure HSC-S Faculty only use the premises of the Hospital(s), and any part thereof, for the performance of the Services unless otherwise mutually agreed to by the Parties in writing;

(n) assure all HSC-S Faculty providing Services timely and accurately complete patient medical records, files and records of such Services rendered under this Agreement in accordance with applicable CMS guidelines, third party payer reimbursement requirements, Hospital Policies and Louisiana and Federal laws;

(o) negotiate, along with the Hospital Entities as part of the OLHS-NL integrated health system, with third party payers and related managed care organizations such as networks, etc., and participate in such third party payment programs, including without limitation, Medicare and Medicaid, with the understanding any global or bundled reimbursements will be negotiated mutually and in good faith among OLPG, the Hospital Entities and payers or related managed care organizations; and

(p) assure the HSC-S Faculty participate in the Hospitals’ quality improvement initiatives.

## ARTICLE FOUR

### DUTIES OF HOSPITAL ENTITIES

**Section 4.01.** Policies and Procedures. OLH, directly or through OLH Shreveport and/or OLH Monroe, agrees to make available to OLPG and HSC-S Faculty, upon request, copies of all Hospital Policies.

**Section 4.02.** Support Provided by OLH Shreveport and OLH Monroe. To facilitate the efficient and effective provision of the Services, OLH Shreveport and OLH Monroe shall make the following available to HSC-S Faculty, at the sole cost and expense of OLH Shreveport and OLH Monroe, with such costs and expenses allocated between the entities in accordance with generally accepted accounting principles:

(a) Clinical Personnel. OLH Shreveport and OLH Monroe shall provide qualified Clinical Personnel to assist the HSC-S Faculty in the performance and provision of Services at the Hospitals as determined necessary by OLHS-NL. Such Clinical Personnel shall be performing the nursing and other technical services customarily provided for hospital inpatients and outpatients. The HSC-S Faculty shall utilize Clinical

Personnel solely to render Services pursuant to this Agreement. All services performed by such Clinical Personnel shall, if applicable, be billed by the Hospitals, and OLPG shall not bill any patient or third party for any services rendered by Clinical Personnel unless otherwise agreed in writing by OLH and OLPG.

(b) Clerical Personnel. OLH Shreveport and OLH Monroe shall provide qualified clerical personnel to assist the HSC-S Faculty in the performance and provision of Services at the Hospitals as determined necessary by OLHS-NL. Such clerical personnel shall perform the non-clinical services customarily provided for hospital inpatients and outpatients. HSC-S Faculty shall utilize the clerical personnel solely to render Services pursuant to this Agreement.

(c) Medical Equipment. OLH Shreveport and OLH Monroe shall provide equipment for use by the HSC-S Faculty in the performance and provision of Services at the Hospitals as determined reasonable and necessary by OLHS-NL.

(d) Medical Records. OLH Shreveport and OLH Monroe shall provide OLPG and HSC-S Faculty access to patient records in compliance with applicable state and federal law regarding confidentiality and disclosure of individually identifiable medical information, to support and document the provision of patient care and Services under this Agreement.

**Section 4.03. Non-Physician Practitioners.** The Parties acknowledge and agree that the Hospital Entities may from time to time directly employ or contract for the services of non-physician practitioners (i.e., advanced practice registered nurses and physician assistants who are not HSC-S Faculty members). The Program Budget may include payment for the supervision of such non-physician practitioners only if and to the extent the services provided by such supervised non-physician practitioner are billed under the non-physician practitioner's National Provider Identifier ("NPI") number (and not under the supervising physician's NPI number).

**Section 4.04. Third Party Payment Programs.** The Hospital Entities will negotiate, along with OLPG as part of the OLHS-NL integrated health system, with third party payers and related managed care organizations such as networks, etc., and participate in such third party payment programs, including without limitation, Medicare and Medicaid, with the understanding any global or bundled reimbursements will be negotiated mutually and in good faith by among OLPG, the Hospital Entities and payers or related managed care organizations.

**Section 4.05. Notice to OLPG.** OLH and/or Hospital Subsidiaries shall notify OLPG in writing within ten (10) calendar days of any of the following:

(a) receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals, OLH, or any HSC-S Faculty providing Services under this Agreement, or concerning a HSC-S Faculty member's license to practice their profession. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of

Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals, OLH, any HSC-S Faculty providing Services under this Agreement, or concerning a HSC-S Faculty's license to practice their profession; and

(b) the breach, lapse or inaccuracy of any duty of OLH listed in this Section 4.05.

## ARTICLE FIVE

### COMPENSATION

**Section 5.01.** Compensation. In consideration for the Services performed by OLPG by and through the HSC-S Faculty consistent with the terms of this Agreement, OLH Shreveport and OLH Monroe (directly or through OLH) shall compensate OLPG as follows:

(a) Startup Period Payments. During the period following the Effective Date of this Agreement through June 30, 2020 (the "Startup Period"), OLH Shreveport and OLH Monroe (directly or through OLH) shall, subject to Section 5.01(c), pay OLPG an annual compensation amount of Twenty-two Million Dollars (\$22,000,000.00) for providing the Services to the Hospitals ("PSA Startup Payments"). The PSA Startup Payments will be pro-rated to reflect the 9-month period from the Effective Date to the beginning of the next Fiscal Year on July 1, 2019. The PSA Startup Payments shall be reflected in the initial two Program Budgets, with the initial Program Budget covering the first (pro-rated) Fiscal Year (the "Initial Program Budget") and the second Program Budget covering the second Fiscal Year (the "Second Program Budget"), respectively, following the Effective Date of this Agreement. The PSA Startup Payments shall be invoiced and paid consistent with Section 5.05 and Section 5.06.

(b) Collections. OLPG shall retain the right to bill and collect for all Professional Services provided by OLPG through HSC-S Faculty under this Agreement and shall be entitled to retain all such collections.

(c) Adjustment to Compensation. If at any time after the period covered by the Second Program Budget OLPG does not furnish the full range of the Services set forth in this Agreement including, without limitation, the expected number of physician full time equivalents (FTEs) set forth in **Exhibit A** and the Schedules thereto, then the amount of the Compensation to be paid to OLPG pursuant to this Agreement shall be reduced on a prorated basis based on the level of such reduction in Services. Such reductions shall be addressed during the TrueUp/Settlement Process described in Section 5.04. If the needs of OLH Shreveport or OLH Monroe change such that OLPG is asked to provide additional services beyond those set forth in this Agreement, then the PSA Startup Payments and the Program Budget shall be amended consistent with Section 5.04.

Notwithstanding anything herein to the contrary, the Compensation to be paid under this Agreement prior to the expiration of the period covered by the Second Program Budget shall not be adjusted for any Immaterial Amount.

(d) Compensation Based on Program Budget. Beginning on July 1, 2020, the special provisions regarding PSA Startup Payments shall no longer apply and OLH Shreveport and OLH Monroe shall, subject to Section 5.01(c), compensate OLPG consistent with the Program Budget and True-up/Settlement Process described in Section 5.02 and Section 5.04, respectively, incorporating the Fair Market Value process described in Section 5.02 into the Program Budget.

The Parties hereby acknowledge and agree that the compensation arrangements set forth in this Agreement were negotiated at arms' length and are consistent with Fair Market Value.

**Section 5.02. Program Budget.** The financial obligations under this Agreement (including those set forth in **Exhibit A** attached hereto and incorporated herein by reference) shall, consistent with Section 5.01(a) addressing the Initial Program Budget and Second Program Budget, be included within an annual capital and operating budget (each a "Program Budget") annually agreed upon by OLH Shreveport and OLH Monroe and OLPG for the next Fiscal Year and submitted to OLHS-NL for final approval. Pursuant to this Agreement, the Program Budget (including the Initial Program Budget and Second Program Budget) shall (i) provide for all revenue sources and funding uses and obligations under the Agreement, (ii) include any Compensation to be paid and, if applicable, costs and expenses to be reimbursed pursuant to this Agreement, and (iii) specify income and expense allocations between the Parties and net amounts due to or from one Party to or from the other Party for each Fiscal Year (or prorated portion thereof) consistent with the terms of this Agreement. The Program Budget shall, subject to Section 5.01(a), include the compensation terms for the Services set forth on **Exhibit A**. The Program Budget shall also be consistent with spending and reimbursement policies adopted by the Joint Management Committee.

When developing the Program Budget and the amount of compensation to be paid by OLH Shreveport and OLH Monroe to OLPG for the Services provided after the periods covered by the Initial Program Budget and Second Program Budget, the Parties acknowledge and agree that the financial obligations in **Exhibit A** and in the Program Budget shall be based on the fair market value assessment of the Services as described in this Section 5.02 ("Fair Market Value"). The Fair Market Value of the Services shall be determined using the process agreed upon by the Joint Management Committee for determining Fair Market Value (as defined in 42 C.F.R. § 411.351) utilizing generally accepted standards and methodologies in determining Fair Market Value for institutions accredited by the ACGME or CODA. The Program Budget and the financial obligations in **Exhibit A** shall be adjusted, as determined by the Joint Management Committee to align with the Fair Market Value process agreed upon by the Joint Management Committee. OLPG agrees to (i) ensure the work relative value units (wRVU) data for each HSC-S Faculty member providing Practitioner Services under this Agreement is tracked and (ii) share such data with the Hospital Entities to inform the Program Budget Process described in Section 5.03 and the Fair Market Value assessment of Services described in this Section 5.02.

**Section 5.03.** Program Budget Process. The process to develop and adopt the Program Budget (“Program Budget Process”) shall be as follows: The Parties shall work together in good faith to promptly finalize the Program Budget and Development Plans (as defined below) to be in effect during the initial Fiscal Year. The Parties shall use their best efforts to finalize such Program Budget and Development Plans before October 1, 2018. The Program Budget and Development Plans must be approved by the Joint Management Committee before such plans may be considered “final.” Thereafter, no later than January 1 of each Fiscal Year during the Term of this Agreement, the Parties will commence discussions regarding a proposed Program Budget for the subsequent Fiscal Year and rolling five-year capital and operating plans relating to the Practitioner Services and Medical Administrative Services and other operational components of this Agreement (individually or collectively “Development Plans”) and will make reasonable and good faith efforts to complete and agree upon the Program Budget and Development Plans by April 1 of each subsequent Fiscal Year during the Term of this Agreement. As part of the Program Budget Process, each Party shall independently develop a proposed annual budget for the subject Fiscal Year. The Parties’ proposed annual budgets will then undergo a budget reconciliation and consolidation process whereby the Parties will use their respective individual proposed annual budgets to develop a consolidated annual budget for the subject Fiscal Year. Each Party’s designees shall be involved and work collaboratively in such annual budget reconciliation and consolidation process. The consolidated annual budget shall then be submitted to each Party for consideration and approval, subject to final approval by OLHS-NL. If the Parties cannot agree upon the Program Budget and Development Plans and obtain final approval by OLHS-NL prior to the July 1 commencement date of the next Fiscal Year, the Parties will continue to operate under the provisions of the prior Fiscal Year Program Budget and Development Plans on an interim cash flow basis until the Parties agree on new Program Budget and Development Plans for such Fiscal Year that is approved by OLHS-NL. After such approval occurs, the Parties shall perform a financial reconciliation of Fiscal Year-to-date payments to reflect the new Program Budget and Development Plans for the interim time period in which the Parties operated under the provisions of the prior Fiscal Year Annual Budget and Development Plans.

**Section 5.04.** True Up/Settlement Process. The Parties will reasonably and in good faith participate together in a true-up and settlement process (“True Up/Settlement Process”) following the completion of each Fiscal Year quarter during the Term of this Agreement. As part of the True Up/Settlement Process, the Parties will agree upon the final net amounts due to or from one another and, as applicable, remit undisputed payments that are consistent with the Program Budget and this Agreement, as either may be from time-to-time amended by the Parties, to the other Party within ten (10) days of completion of the True Up/Settlement Process. If the net amount due exceeds or is expected to exceed the budgeted amount set forth in the Program Budget, as may be from time-to-time amended by the Parties, the Party seeking payment for such excess amount may request an amendment to the Program Budget. Such requests shall be reviewed by OLHS-NL and, if approved, shall become part of the Program Budget. The Parties will commence discussions regarding the True Up/Settlement Process within thirty (30) days of the end of each [Fiscal Year] quarter and will make good faith efforts to complete the True Up/Settlement Process within ninety (90) days of the end of such Fiscal Year quarter. Notwithstanding anything herein to the contrary, the Compensation to be paid under this Agreement prior to the expiration of the period covered by the Second Program

Budget shall not be adjusted for any Immaterial Amount.

**Section 5.05.** Payment Upon Invoice. OLPG shall submit invoices to OLH Shreveport and OLH Monroe based on the Program Budget, as may be from time-to-time amended consistent with the terms of this Agreement, by the 20<sup>th</sup> of the following month in which the Services were rendered and in a format that conforms to Section 5.06. In response to such invoices, OLH Shreveport and OLH Monroe shall pay such invoices by the latter of the last day of the month in which OLH Shreveport and OLH Monroe received the invoice or within twenty (20) days of receipt of the invoice. Unless otherwise specified and agreed to by the Parties, such monthly payments will be invoiced and paid at a rate equivalent to one divided by the number of months covered in the Program Budget as may be from time-to-time amended.

On a quarterly basis consistent with the Program Budget and True Up/Settlement Process described in Section 5.04, but subject to the special provisions of this ARTICLE Five regarding an Immaterial Amount, such monthly payment amounts will be reconciled against the actual amounts owed under this Agreement. Any amounts due to either Party as a result of such reconciliation shall be paid by the applicable Party consistent with the True Up/Settlement Process described in Section 5.04. All billing disputes will be submitted in writing to the other Parties no later than sixty (60) days after the due date of any disputed invoice. The Hospital Entities and OLPG shall resolve any disputed amounts within thirty (30) days of notification of the dispute.

**Section 5.06.** Form of Invoice. OLPG shall provide OLH Shreveport and OLH Monroe with a monthly invoice, the form of which shall be mutually agreed upon between OLPG and the Hospital Entities. At the request of an OLH Entity, OLPG shall provide such OLH Entity with reasonably sufficient documentation of the Services supporting the invoices.

**Section 5.07.** Representation Regarding Payment. OLPG represents and warrants that the compensation paid to each HSC-S Faculty providing Services pursuant to this Agreement (i) is and shall remain set in advance and consistent with Fair Market Value as defined in 42 C.F.R. § 411.351 utilizing generally accepted standards and methodologies utilized for determining Fair Market Value for institutions accredited by the ACGME or CODA and (ii) that the aggregate compensation paid to such HSC-S Faculty does not exceed Fair Market Value and does not vary with or take into account the volume or value of referrals or other business generated by the HSC-S Faculty members for the Hospitals or other facilities owned or operated by OLH, OLHS-NL, or any other facility to which OLPG provides Services.

## ARTICLE SIX

### RELATIONSHIP OF THE PARTIES/PERFORMANCE OF SERVICES BY LSU

**Section 6.01.** Independent Contractors. The Parties agree that each HSC-S Faculty member providing Services at the Hospitals is and shall be a faculty member of LSU and/or an employee of LSU and shall not, for any purpose whatsoever, be or be considered an employee, representative or agent of a Hospital Entity unless otherwise specifically agreed to by the Parties in writing. In providing the Services to the Hospitals, each HSC-S Faculty will be acting in the

course and scope of his or her employment, appointment, or assignment for or on behalf of LSU and/or OLPG and shall not be entitled to receive or accept from a Hospital Entity any remuneration or other compensation whatsoever for the Services provided hereunder. In all instances where LSU's employees (including direct, borrowed, special, or statutory employees) are performing the Services and covered by the Louisiana Workers' Compensation Act, La. R.S. 23:1021 et seq., the Parties agree that all Services performed by LSU and its employees pursuant to this Agreement are an integral part of OLPG's trade or business, and are an integral part of and essential to the ability of OLPG to generate OLPG's goods, products, and services. Furthermore, the Parties agree that, for the purposes of La. R.S. 23:1061(A)(3), LSU's employees are the statutory employees of OLPG. Irrespective of OLPG's status as the statutory employer or special employer (as defined in La. R.S. 23:1031(C)) of LSU's employees, LSU shall remain solely and primarily responsible for the payment of any Louisiana Workers' Compensation benefits to its employees, and LSU shall not be entitled to seek contribution for, and shall indemnify and hold harmless OLPG from and against, any such payments, and all such employees shall remain employees of LSU, not OLPG, for all other purposes, including the indemnity and insurance provisions of this Agreement.

**Section 6.02.** No Employer/Employee Relationship. The Parties agree that OLPG, OLH Shreveport, and OLH Monroe are all wholly-owned subsidiaries of OLHS-NL, but nothing in this Agreement is intended, and nothing in the Agreement shall be construed, to create an employer/employee relationship between the Parties. The provisions set forth in this ARTICLE SIX shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

**Section 6.03.** Tax Treatment. The Parties agree that HSC-S Faculty will not be treated as employees of the Hospital Entities for tax purposes. No Hospital Entity will withhold on behalf of HSC-S Faculty any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law, or make available to HSC-S Faculty any of the benefits afforded to employees of the Hospital(s).

**Section 6.04.** Incurring Liabilities. No Party shall have the authority to bind any other Party under any contract or agreement or incur any debts or other obligations on behalf of any other Party.

## ARTICLE SEVEN

### INSURANCE

**Section 7.01.** OLPG Insurance. OLPG (directly and/or through an agreement with LSU) shall require that OLPG and the HSC-S Faculty providing Practitioner Services shall be provided professional liability coverage through the Office of Risk Management in accordance with the provisions of Louisiana Medical Malpractice Act (La. R.S. 40:1235.1 and La. R.S. 40:1237.1, *et seq.*). For purposes of liability arising out of medical malpractice for professional services provided by HSC-S Faculty, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1237.1, *et seq.* OLPG shall also maintain or ensure the

maintenance of comprehensive general liability insurance covering OLPG and HSC-S Faculty with minimum coverage of not less than one million dollars (\$1,000,000.00) per occurrence and three million dollars (\$3,000,000) in the aggregate.

**Section 7.02. OLH and Hospital Insurance.** OLH and each Hospital Subsidiary, at each entity's sole expense, will maintain or ensure the maintenance of a policy or program of (a) professional liability coverage or insurance covering OLH and each Hospital Subsidiary with minimum coverage of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, and (b) comprehensive general liability insurance coverage covering OLH and each Hospital Subsidiary with minimum coverage of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate. Such coverage shall be secured and maintained with a program of self-insurance, a carrier licensed to do business in the State, or an approved, non-admitted carrier in the State.

## ARTICLE EIGHT

### INDEMNITY

**Section 8.01. Indemnification by OLPG.** OLPG hereby agrees to protect, defend, and indemnify the Hospital Entities/OLH/OLHS-NL, and their affiliates and their respective officers, directors, members, managers, agents and employees (collectively, "Hospital Indemnitees") against, and hold the same harmless from any and all liability, losses, damages, obligations, judgment, claims, causes of action and expenses associated therewith (including reasonable attorney fees) (collectively, "Losses") which the Hospital Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by OLPG or its employees, employed or contracted physicians or agents, or (b) a breach of its obligations hereunder.

**Section 8.02. Indemnification by Hospital Entities/OLH/OLHS-NL.** The Hospital Entities/OLH/OLHS-NL hereby agree to protect, defend, and indemnify OLPG and its affiliates and their respective officers, directors, managers, agents and employees (specifically including, without limitation, HSC-S Faculty) (collectively, "OLPG Indemnitees") against, and hold the same harmless from any and all Losses which the OLPG Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by the Hospital Entities/OLH/OLHS-NL or their employees, or agents, or (b) a breach of its obligations hereunder.

**Section 8.03. Indemnification Notice.** If any Hospital Indemnitee or OLPG Indemnitee receives notice of a claim or event which it believes in good faith may result in a claim for indemnity hereunder (a "Potentially Indemnified Claim"), the Party receiving notice of the Potentially Indemnified Claim and seeking indemnity (the "Indemnified Party") shall give written notice of the Potentially Indemnified Claim to the Party from which the Indemnified Party is seeking indemnification (the "Indemnifying Party"). The Indemnified Party shall give written notice of the Potentially Indemnified Claim to the Indemnifying Party as promptly as possible, provided that any delay or failure of notice shall not relieve Indemnifying Party of the obligations within its scope of responsibility hereunder except to the extent such delay has

materially prejudiced the Indemnifying Party.

**Section 8.04. Claims by Third Parties and Defenses.** If the Potentially Indemnified Claim is brought against the Indemnified Party by a third party, the Indemnified Party may, but shall not be obligated to, tender the Potentially Indemnified Claim to the Indemnifying Party's insurer or self-insurance fund for defense, and the Indemnifying Party's insurer or self-insurance fund may, but shall not be obligated to, provide the Indemnified Party with a defense to such Potentially Indemnified Claim. For this purpose it is agreed and understood that, with respect to Potentially Indemnified Claims alleging professional liability, the insurer for OLPG is the State of Louisiana, Office of Risk Management, and the Hospital Entities/OLH/OLHS-NL are self-insured. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party or the Indemnifying Party elects not to provide the Indemnified Party with a defense, then the Indemnified Party and the Indemnifying Party shall each vigorously defend the Potentially Indemnified Claim. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party, or the Indemnifying Party elects not to provide the Indemnified Party with a defense, and in either case the Indemnified Party is ultimately held liable or otherwise incurs Losses solely as a result of, or arising out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall reimburse the Indemnified Party for the amount of its Losses, subject to this Section 8.04 (a) and (b) below.

(a) If the Indemnified Party elected not to tender the Potentially Indemnified Claim to the Indemnifying Party's insurer or self-insurance fund for defense promptly upon receiving notice of such Potentially Indemnified Claim, then the Indemnified Party's right to reimbursement of fees and expenses for attorneys, consultants, experts, and others engaged by the Indemnified Party in connection with its defense of the Potentially Indemnified Claim shall be limited as follows:

- (i) If the Indemnifying Party was named by the third party along with the Indemnified Party as potentially liable for Potentially Indemnified Claim, the Indemnified Party's right to reimbursement for such fees and expenses shall be limited to the rates paid by the Indemnifying Party's insurer or self-insurance fund for attorneys, consultants, experts and others engaged by the Indemnifying Party in its own defense.
- (ii) If the Indemnifying Party was not named by the third party as potentially liable for the Potentially Indemnified Claim, the Indemnified Party's right to reimbursement for such fees and expenses shall be limited to the rates the Indemnifying Party's insurer or self-insurance fund would have paid for attorneys, consultants, experts and others it would have engaged to defend the Indemnifying Party.

(b) If the Indemnifying Party's insurer or self-insurance fund provides a defense to the Indemnified Party and it is ultimately determined that any Losses incurred

by the Indemnified Party were not solely the result of, or did not arise out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall be entitled to reimbursement of the reasonable fees and expenses incurred by the Indemnifying Party's insurer or self-insurance fund in defense of the Indemnified Party.

## ARTICLE NINE

### MEDICAL RECORDS

**Section 9.01.** Preparation and Completion of Medical Records. OLPG shall ensure that HSC-S Faculty complete medical records in a timely manner pursuant to the terms of this Agreement and Hospital Policies.

**Section 9.02.** Ownership of Records. The ownership and right of control of all reports, records and supporting documents prepared in connection with the delivery of the Services shall vest exclusively in the Hospitals and shall not be removed or transferred from the Hospitals except in accordance with applicable state and federal laws and regulations, Hospital Policies, and/or the terms of this Agreement; provided, however, that Hospitals and/or OLPG and/or HSC-S Faculty shall have the right to access, inspect or obtain copies of such reports, records and supporting documents in accordance with Hospital Policies including policies addressing protected health information and the handling of confidential information.

## ARTICLE TEN

### ACCESS TO RECORDS AND RECORD RETENTION

**Section 10.01.** Records Retention. The Parties agree to retain this Agreement (including all amendments and supplements hereto) and any of their books, documents, and records which may serve to verify the costs of this Agreement for a period of ten (10) years after the provision of any Services, or as otherwise required by law. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General to access this Agreement, as well as the books, documents and records kept in connection with the Services in the event that such access is requested in writing and is made in accordance with applicable federal regulations. The auditors of the Hospital Entities, the Louisiana Legislative Auditor's Office, and the Office of the Governor - Division of Administration shall have the right upon reasonable written notice to inspect and audit, during Hospitals' regular business hours and at no expense to OLPG, the books and records of Hospitals and OLPG pertaining to this Agreement. This section shall survive the termination of the Agreement.

## ARTICLE ELEVEN

## PHYSICIAN PERFORMANCE ISSUES

The Hospitals shall promptly advise OLPG of any “material issues” (as defined below) which arise concerning the professional qualifications, clinical performance or interpersonal problems associated with any HSC-S Faculty. OLPG agrees to promptly review the issue and use its reasonable efforts to attempt to resolve any such material issues promptly to the satisfaction of the Hospitals including, without limitation, meeting and/or counseling with the HSC-S Faculty. If OLPG is unable to resolve such material issues to the satisfaction of the Hospitals and the Hospitals determine that the underlying material issues are sufficiently serious to warrant disciplinary action, OLPG shall require that such HSC-S Faculty refrain from providing Services under this Agreement for a period of two (2) weeks or more as mutually agreed upon by the Parties to permit OLPG to investigate and evaluate the material issues further. Following such investigation and evaluation, OLPG shall discuss the material issues with the Hospitals. If the material issues have not been resolved to the satisfaction of the Hospitals, the Hospitals reserve the right to require the removal of the subject HSC-S Faculty from providing Services under this Agreement. Such removal shall be administrative in nature and shall not be considered a denial or revocation of Medical Staff Privileges which is subject to hearing and appellate review under the Medical Staff Bylaws. For purposes of this ARTICLE Eleven, the term “material issues” shall mean conduct or other issue on the part of or related to the that a Hospital Entity reasonably deems to be detrimental to the health or safety of a Hospital’s patients or materially disruptive to Hospital staff and operations, or not consistent with standards of employee competence or conduct applicable to employees of OLHS-NL and its subsidiaries.

## ARTICLE TWELVE

### DEFAULT AND TERMINATION

**Section 12.01.** Events of Default. It shall be an event of default (“Event of Default”) hereunder:

(a) If the Hospital Entities/OLH/OLHS-NL (i) fails to cure a Financial Default (as defined in the ACCA in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured.

(b) If a party fails to perform any material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. Notwithstanding the foregoing, this subsection (b) does not address a failure to make payment as required by ARTICLE Five of this Agreement, which is addressed in subsection (a), above, addressing Financial Default.

**Section 12.02. Termination Events.** Any party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

(a) **Termination by Mutual Consent.** This Agreement may be terminated by the mutual, written consent of the Parties.

(b) **Federal Healthcare Program Exclusion.** If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.

**Section 12.03. Termination for Bankruptcy; Receivership.** This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

**Section 12.04. Termination for Financial Default.** In accordance with Section 12.01 above, the non-defaulting Party may terminate this Agreement if the defaulting party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured.

**Section 12.05. Termination for Failure to Resolve Disputes.** This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

**Section 12.06. Termination of Collaborative.** Upon termination of the ACCA, CEA or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

**Section 12.07. Wind Down Activities.** Upon termination of this Agreement for any reason, OLPG's obligations to perform services hereunder shall completely cease; provided, however, that the Parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned through the date of termination and through the Wind Down Period shall remain due and owing notwithstanding the termination of the Agreement.

**ARTICLE THIRTEEN**  
**GENERAL PROVISIONS**

**Section 13.01. Parties Bound.** This Agreement shall bind and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

**Section 13.02. Governing Law.** This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

**Section 13.03. Jurisdiction, Venue and Service of Process.** The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**Section 13.04. Rule of Construction.** The Parties acknowledge and agree that this is a negotiated agreement, in which all Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

**Section 13.05. Severability.** If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

**Section 13.06. Integration.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior physician clinical and medical administrative service agreements and understandings, oral or written, between the Parties.

**Section 13.07. Non-Waiver.** No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

**Section 13.08. Notices.** All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the Parties shall, unless another

address is specified in writing, be sent to the addresses indicated below:

**If to OLH / the Hospital Entities:**

Ochsner LSU Hospitals, L.L.C.  
1541 Kings Highway  
Shreveport, Louisiana 71103

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Joint Management Committee

**If to OLPG:**

Ochsner LSU Physician Group, LLC  
1501 Kings Highway  
Shreveport, Louisiana 71103  
Attn: President

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Joint Management Committee

**If to OLHS-NL:**

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Chief Executive Officer

with a required copy to:

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

And

Ochsner Health System  
1450 Poydras St. Ste 2250  
New Orleans, Louisiana 70112  
Attn: General Counsel

**Section 13.09. Form of the Agreement.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

**Section 13.10. Amendment.** This Agreement may be amended or modified only in writing signed by the Parties.

**Section 13.11. Further Cooperation.** In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

**Section 13.12. Assignability.** No Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Parties.

**Section 13.13. No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

**Section 13.14. Referrals.** The Parties acknowledge that none of the benefits granted OLHS-NL, OLH, the Hospital Entities, OLPG, HSC-S Faculty or any individual physician hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, the Hospital Entities.

**Section 13.15. Force Majeure.** No Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from Acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by a Party's employees, or any similar or dissimilar cause beyond the reasonable control of a Party.

**Section 13.16. Additional Instruments.** Each of the Parties shall, from time to time, at the request of any other Party, execute, acknowledge and deliver to the other Parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

**Section 13.17. Headings.** All section and part headings are inserted for convenience.

Such headings shall not affect the construction or interpretation of this Agreement.

**Section 13.18. Multiple Counterparts.** Provided all Parties execute an identical copy of this Agreement, including Exhibits, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

**Section 13.19. Time Periods.** Time periods expressed by a specified number of days shall be based on calendar days.

**Section 13.20. Claims for Monetary Damages.** The Parties expressly acknowledge and agree that the Dispute Process set forth in Article **Error! Reference source not found.** of the ACCA is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

## ARTICLE FOURTEEN

### COMPLIANCE WITH FEDERAL AND STATE REGULATIONS

**Section 14.01. Compliance with HIPAA.** OLPG agrees and shall ensure that each HSC-S Faculty physician or other LSU employee providing Services under this Agreement complies with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. 1320d and any current and future regulation promulgated thereunder including, but without limitation, the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164, the federal security standards contained in 45 C.F.R. Part 142, and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162 ("HIPAA"), to the extent applicable. The Parties agree not to use or further disclose any Protected Health Information or Individually Identifiable Health Information (both as defined in HIPAA and/or the HIPAA Requirements), other than as permitted by HIPAA and the terms of this Agreement. To the extent applicable under HIPAA, the Hospital Entities and OLPG shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with Federal Privacy Regulations.

**Section 14.02. Non Discrimination and Affirmative Action.** The Parties agree 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 Assistant 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 Parties agree to abide by the requirements of the Americans with Disabilities Act of 1990. Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

**Section 14.03. Physician Self-Referral Statute.** The Parties agree to abide by the applicable requirements of the Federal Physician Self-Referral Statute, 42 U.S.C. § 1395nn ("Stark II"). OLPG warrants and agrees that the aggregate compensation paid by OLPG to each physician member of the HSC-S Faculty providing services hereunder does not and will not during the Term of this Agreement vary with, or take into account, the volume or value of referrals or other business generated by the HSC-S Faculty member's referrals to the Hospitals.

## ARTICLE FIFTEEN

### EXECUTION WARRANTY

**Section 15.01. Execution Warranty.** Each person signing this agreement on behalf of a Party represents that the execution of this Agreement has been duly authorized by the Party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such Party.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS HEREOF, the parties have executed this Agreement as of the date set forth above.

**Ochsner LSU Health System of North Louisiana**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner LSU Hospitals, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OLH Shreveport, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OLH Monroe, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LSU Health Sciences Center – Shreveport Faculty Group Practice, a Louisiana Nonprofit Corporation d/b/a Ochsner LSU Physician Group**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **EXHIBIT A**

### **“SERVICES”**

This Exhibit A and Schedules 1, 2 and 3, incorporated by reference into this Exhibit A, describe the Practitioner Services and Medical Administrative Services OLPG shall provide to OLH Shreveport and OLH Monroe at the Hospitals by and through HSC-S Faculty and other providers of Services, as described in this Agreement. Schedule 1 describes the on-site Professional Services and On Call Coverage to be provided by OLPG to OLH Shreveport at Ochsner LSU Health Shreveport. Schedule 2 describes the on-site Professional Services and On Call Coverage to be provided by OLPG to OLH Monroe at Ochsner LSU Health Monroe. Schedule 3 describes the On Call Coverage for which OLPG will be paid. Payment for such Services shall be invoiced and paid consistent with Section 5.05 and Section 5.06 of this Agreement. The Program Budget shall include the compensation terms for the Services set forth on this Exhibit A and Schedules 1, 2 and 3, as further described in the Agreement.

#### **I. PRACTITIONER SERVICES**

**1.01. Practitioner Services.** OLPG, by and through HSC-S Faculty, shall provide the following health care professional services: (1) professional medical services to and for patients at Hospitals, including medically indigent and uninsured patients, as defined by Louisiana law (“Professional Services”); and (2) on call coverage services to the Hospitals (“On Call Coverage”). Collectively, Professional Services and On Call Coverage shall be referred to as “Practitioner Services.”

**1.02. Professional Services.** OLPG, by and through HSC-S Faculty, shall provide Professional Services including diagnosis and medical, surgical and preventative treatments in all specialties as set forth in Schedules 1(a) and 2(a) and as requested by Hospitals, and in a manner to assure timely, high-quality care and patient access. Such Professional Services shall also include the supervision of non-physician practitioners (i.e., advanced practice registered nurses and physician assistants) subject to Section 4.03 of this Agreement. OLPG shall be solely responsible for diligently filing claims and collecting from patients and third party payers for the professional component of Professional Services provided to patients by HSC-S Faculty. All such payments collected by OLPG shall belong to OLPG. All such claims shall be competitive with prevailing fees and charges for similar services in the Hospital’s locality.

**a.** In performing such billing and collecting activities, OLPG agrees to comply with the following guidelines:

(i) Charge patients of the Hospitals only for the professional component of any medical care provided by OLPG through HSC-S Faculty and not charge any such patients for the technical component;

- (ii) Charge for services on a fee-for-service basis or in accordance with a contractual agreement;
- (iii) Be responsible for billing patients and/or the third party payers for Professional Services;
- (iv) Assume the costs associated with claims filing for the professional component of medical care provided by OLPG through HSC-S Faculty, including all costs of preparing, transmitting and collecting claims;
- (v) Clearly indicate on claims that the claim being filed is for the professional component;
- (vi) Assure all HSC-S Faculty providing Services timely and accurately complete patient medical records, files and records of such Services rendered under this Agreement in accordance with applicable CMS guidelines, third party payer reimbursement requirements, Hospital Policies and Louisiana and Federal laws, as required by Section 3.01(n) of this Agreement; and
- (vii) File claims in compliance with all laws, rules and regulations and in compliance with the contractual terms of third-party payer contracts.

**1.03. On Call Coverage.** In order to ensure the Hospitals continue to meet their mission of providing timely quality medical care to the local community in accordance with the applicable standard of care, the Parties agree it is necessary at all times to have an “on call” schedule for certain clinical service specialties to ensure the Hospitals have access to Practitioner Services on nights, weekends and holidays. The Parties agree that some HSC-S Faculty will be required to be on the premises of the Hospital(s) for the duration of the on call period, whereas others may be off premises, but restrained from personal/social/recreational activities due to being on call. In light of this distinction, the Parties agree that it is commercially reasonable, necessary and proper to provide fair market compensation for On Call Coverage in accordance with Schedule 3. OLPG agrees to ensure qualified and appropriate HSC-S Faculty are available pursuant to an On Call Coverage schedule provided to Hospitals at the beginning of each month, and updated as appropriate, to provide On Call Coverage for the specialties listed in Schedule 1 (for Ochsner LSU Health Shreveport) and Schedule 2 (for Ochsner LSU Health Monroe).

**a. Night Call Coverage.** Night Call Coverage is defined as follows:

- (i) Monday: 5:00 p.m. - Tuesday: 7:00 a.m.;
- (ii) Tuesday: 5:00 p.m. - Wednesday: 7:00 a.m.;
- (iii) Wednesday: 5:00 p.m. - Thursday: 7:00 a.m.;
- (iv) Thursday: 5:00 p.m. - Friday 7:00 a.m.

**b. Weekend Call Coverage.** Weekend Call Coverage is defined as follows:

(i) Friday 5:00 p.m. —Monday 7:00 a.m.

c. Holiday Call Coverage. Holiday Call Coverage is defined as follows:

On holidays, as determined by the holiday schedule published by LSU, OLH Shreveport or OLH Monroe, as applicable, will pay OLPG for Holiday Call Coverage for those hours not already included in Weekend Coverage or Night Coverage.

d. Call Coverage Compensation. The Hospitals shall pay OLPG for On Call Coverage, as set forth in Schedule 3.

**1.04. On Site Provision of Professional Services.** OLPG, by and through the HSC-S Faculty, shall provide Professional Services to Hospitals as set forth and described in Schedules 1 and 2.

## **II. Medical Administrative Services**

**2.01. Provision of Medical Administrative Services.** OLPG shall provide the following Medical Administrative Services to support the Practitioner Services:

a. Chief of Service. OLPG shall provide an HSC-S Faculty physician to serve as the Chief of Service within each Hospital's service line as requested by the OLHS-NL Board of Directors. Subject to the recommendation of the Medical Staff in accordance with its Medical Staff Bylaws, each Hospital will appoint an HSC-S Faculty physician to serve as the Chief of Service, unless otherwise requested by the OLHS-NL Board of Directors. The Chief of Service for each service line of a Hospital shall be primarily responsible for the provision of the Medical Administrative Services described in subsections (i) through (ix), below.

(i) Establishment of Policies. OLPG and HSC-S Faculty shall cooperate with the Hospital Entities to establish policies, procedures, rules, regulations and methods of operation related to the delivery of medical care at the Hospital.

(ii) Program Development. OLPG and HSC-S Faculty shall participate, as reasonable and necessary, in program development and expansion of quality medical services at the Hospitals.

(iii) Performance Improvement. As part of the overall performance improvement program at Hospital, OLPG and/or HSC-S Faculty shall recommend procedures to ensure the consistency and quality of all services provided by Hospital in each clinical department and shall participate in Hospital's overall performance improvement programs for each clinical department in accordance with Hospital policies and the policies and criteria established by accrediting organizations.

(iv) Surveys and Inspections. OLPG and HSC-S Faculty shall cooperate with Hospitals and the Hospital Entities in connection with surveys and inspections related to the provision of services at the Hospitals and in the implementation of any corrections or recommendations. OLPG and/or HSC-S Faculty shall notify the Hospital Administrator of all announced or unannounced surveys and inspections of the clinical departments by regulatory agencies and of all preliminary and final reports and findings that result from such surveys and inspections.

(v) Selection, Maintenance and Utilization of Facilities and Equipment. OLPG and HSC-S Faculty shall cooperate with the Hospital Entities in the planning, investigation and installation of devices, machinery, equipment and systems to be leased, purchased or otherwise acquired for use in the Hospital. HSC-S Faculty shall advise the Hospitals, and the Hospitals shall consult with HSC-S Faculty, with respect to the selection of additional or replacement equipment required. OLPG and/or HSC-S Faculty shall further assist or participate in periodic inspection and evaluation of the equipment to determine whether it is being maintained in a safe condition and being utilized in a safe and efficient manner. OLPG and/or HSC-S Faculty may, as necessary, request repair and other support services for such equipment from the Hospitals. OLPG and/or HSC-S Faculty shall advise the Hospitals with respect to facility needs, including participation in the planning of any expansion of facilities or acquisition of major equipment when requested by the Hospitals.

(vi) Budget. OLPG shall exercise diligence in assisting the Hospitals in keeping costs of providing services at Hospital efficient, economical and competitive in the local community. OLPG and the HSC-S Faculty providing Services under this Agreement shall, as requested by the Hospitals, participate in the preparation of operating and capital budgets for the Hospitals (including projections of both revenue and expenditures) to inform the Program Budgets and other budgets as may be appropriate for operating the Hospital.

(vii) Media or Community Group Inquiries. OLPG and/or HSC-S Faculty shall notify the Administrator of the applicable Hospital of all announced or unannounced visits, phone calls to such Hospital or other contact by the media or community groups regarding the HSC-S Faculty, the Hospital's services or any other OLH Entity activities of the Hospitals. The HSC-S Faculty shall cooperate with the Hospitals and the Hospital Entities in connection with responding to such inquiries.

(viii) Medical Board Reporting. OLPG and HSC-S Faculty shall cooperate with the Hospital Entities by making periodic reports, as requested, to Hospital's Administrator, Medical Executive Committee, corporate board or other oversight body regarding budgets, quality of care, behavior or disciplinary concerns, installation and operation of devices or equipment, and such other matters related to the medical services at the Hospitals as may be reasonably

requested by the Hospitals/an OLH Entity from time to time.

(ix) Administrative Services Relating to Practitioner Services. Each Chief of Service is required to provide administrative oversight of the Practitioner Services performed by the HSC-S Faculty members in that Chief of Service's service line, including developing On Call Coverage schedules, ensuring timely completion of medical records and other related duties as requested by the Hospitals.

**SCHEDULE 1**

Services to be provided by OLPG to OLH Shreveport at  
Ochsner LSU Health Shreveport

## Services/Call Coverage Shreveport

Clinical Department/Section
Anesthesiology & Pain Medicine
Emergency Medicine
Family Medicine
Medicine: Interventional Cardiology
Medicine: Cardiology Electrophysiology
Medicine: Cardiology Noninvasive
Medicine: Endocrinology
Medicine: Gastroenterology
Medicine: Geriatrics
Medicine: Hematology & Radiation Oncology
Medicine: Infectious Diseases
Medicine: Internal Medicine
Medicine: Nephrology
Medicine: Pulmonary and Critical Care
Medicine: Rheumatology
Medicine: Pediatrics
Neurology
Sleep Medicine
Neurosurgery: General
Neurosurgery: Endovascular/Interventional
Neurosurgery: Pediatric
OB/GYN
OB/GYN: Gynecology Oncology
OB/GYN: MFM
Ophthalmology
Orthopedic Surgery: General
Orthopedic Surgery: Hip & Joint
Orthopedic Surgery: Hand
Orthopedic Surgery: Sports Medicine
Orthopedic Surgery: Trauma
Otolaryngology
Otolaryngology: Pediatric ENT
Pathology: Anatomical & Clinical
Pediatrics: General
Pediatrics: Allergy / Immunology
Pediatrics: Cardiology
Pediatrics: Critical Care/Intensivist
Pediatrics: Endocrinology
Pediatrics: Gastroenterology
Pediatrics: Genetics
Pediatrics: Hospitalist
Pediatrics: Hematology & Oncology

<b>Clinical Department/Section</b>
Pediatrics: Infectious Disease
Pediatrics: Neonatal Medicine
Pediatrics: Nephrology
Pediatrics: Pulmonology
Psychiatry
Radiology: Diagnostic
Radiology: Interventional
Radiology: Neurological
Radiology: Nuclear Medicine
Surgery: General
Surgery: Cardiovascular
Surgery: Colon and Rectal
Surgery: Oncology
Surgery: Pediatrics
Surgery: Plastics
Surgery: Vascular
Surgery: Trauma
Oral/Maxillofacial Surgery
Urology

**SCHEDULE 2**

Services to be provided by OLPG to OLH Monroe at  
Ochsner LSU Health Monroe

**Services/Call Coverage Monroe**

Department	Specialty
Anesthesiology	
Emergency Medicine	
Family Medicine	
Medicine	Cardiology
Medicine	Hematology/Medical Oncology
Medicine	Internal Medicine
Medicine	Nephrology
Obstetrics and Gynecology	
Ophthalmology	
Oral and Maxillofacial Surgery	
Orthopaedic Surgery	
Pathology	
Pediatrics	
Psychiatry	
Surgery	

**Schedule 3**  
**Compensation for On Call Coverage**

## Call Coverage Compensation: OLH-Shreveport

### Night Call Coverage

(Monday, Tuesday, Wednesday & Thursday)

5:00 PM - 7:00 AM (14 Hours)

# of Hours Weekly

56

# of Hours Annually

2912

### Weekend Call Coverage

(Friday - Monday)

5:00 PM - 7:00 AM (62 Hours)

# of Hours Weekly

62

# of Hours Annually

3224

### Holiday Call Coverage

Additional Hours Not Included in Night & Weekend Call

# of Additional Hours

# of Hours Annually

Independence Day

10

Labor Day

10

Thanksgiving

20

Christmas Eve, Christmas Day & Additional Day

30

New Years Eve & New Years Day

20

Martin Luther King

10

Mardi Gras

10

Easter (Good Friday & Following Monday)

20

Memorial Day

10

140

**Total Number of Call Coverage Hours**

**6,276**

	Hourly Rate	# of Hours
Anesthesia	\$ 50.00	6,276
Orthopaedic Surgery	\$ 80.00	6,276
Trauma Surgery	\$ 100.00	6,276
Neurosurgery	\$ 95.00	6,276
Interventional Radiology	\$ 50.00	6,276
Otolaryngology	\$ 30.00	6,276
Oral Surgery	\$ 30.00	6,276
Pulmonary & Critical Care	\$ 65.00	6,276
OB	\$ 45.00	6,276
Interventional Cardiology	\$ 75.00	6,276

ACADEMIC AFFILIATION AGREEMENT

BY AND AMONG

OCHSNER LSU HOSPITALS, L.L.C.,  
OLH SHREVEPORT, L.L.C.,  
OLH MONROE, L.L.C.,

AND

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

[\_\_\_\_\_, 2018]

This ACADEMIC AFFILIATION AGREEMENT is effective October 1st, 2018, and is by and among the **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (“LSU”), a public constitutional corporation of the State of Louisiana, **OCHSNER LSU HOSPITALS, L.L.C.**, a Louisiana limited liability company (“OLH”), **OLH SHREVEPORT, L.L.C.**, a Louisiana limited liability company, and **OLH MONROE, L.L.C.**, a Louisiana limited liability company (individually a “Hospital Subsidiary” and collectively the “Hospital Subsidiaries”). LSU, OLH and the Hospital Subsidiaries are sometimes individually referred to herein as “Party” and collectively as the “Parties.”

### **RECITALS OF FACTS AND PURPOSE**

- A.** Ochsner Clinic Foundation d/b/a Ochsner Health System (“Ochsner”), LSU and Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”) are parties to an Academic and Clinical Collaboration Agreement effective as of \_\_\_\_\_, 2018 (“ACCA”), which sets forth the terms by which Ochsner, LSU and OLHS-NL will work together through the Collaborative to operate the Academic Medical Center for the Public Purpose, including, without limitation, the Governing Principles, all as defined in the ACCA.
- B.** LSU operates the LSU Health Sciences Center Shreveport (“HSC-S”), an academic institution comprised of the School of Medicine, School of Graduate Studies and School of Allied Health.
- C.** OLH is a wholly-owned subsidiary of OLHS-NL that leases and operates hospitals and associated clinical facilities through the Hospital Subsidiaries. As of the Commencement Date, the Hospital Subsidiaries will be known as Ochsner LSU Health Shreveport and Ochsner LSU Health Monroe (individually a “Hospital” and collectively the “Hospitals”).
- D.** OLH Shreveport serves as HSC-S’s primary teaching hospital, and HSC-S also engages in additional academic activity at OLH Monroe, providing Resident training supported by HSC-S Faculty on the medical staffs of the Hospitals as part of the HSC-S GME Programs.
- E.** As major teaching hospitals providing health care services to high volumes of uninsured and underinsured patients, the Hospitals receive enhanced Medicare and Medicaid reimbursement attributable to their teaching hospital status.
- F.** As set forth in the ACCA, the Parties desire to work together in an integrated and collaborative manner in accordance with the Governing Principles for the success of the AMC.
- G.** The Parties are entering into this Agreement whereby OLH and the Hospital Subsidiaries agree to provide financial support for the HSC-S GME Programs and HSC-S agrees to provide the Hospitals with support and services for the benefit of the AMC, as further described herein.

**NOW THEREFORE**, in consideration of the foregoing, the mutual promises and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

### DEFINITIONS

Capitalized terms in this Agreement, not defined elsewhere within the Agreement or in the ACCA, shall have the following meanings:

- A. **Academic and Clinical Collaboration Agreement or ACCA:** The term “Academic and Clinical Collaboration Agreement” or ACCA shall mean the Academic and Clinical Collaboration Agreement effective [\_\_\_\_\_, 2018] by and among LSU, Ochsner and OLHS-NL.
- B. **Academic Medical Center or AMC:** The term “Academic Medical Center: or “AMC shall have the meaning set forth in the ACCA.
- C. **Academic Year:** The term “Academic Year” shall mean July 1<sup>st</sup> through June 30<sup>th</sup>.
- D. **ACGME:** The term “ACGME” shall mean the Accreditation Council for Graduate Medical Education. References to ACGME include such other similar accrediting organizations as may from time-to-time accredit the Resident Programs.
- E. **Agreement or AAA:** The term “Agreement” or “AAA” shall mean this Academic Affiliation Agreement.
- F. **CMS:** The term “CMS” shall refer to the Centers for Medicare & Medicaid Services.
- G. **CODA:** The term “CODA” shall mean the Commission on Dental Accreditation.
- H. **Commencement Date:** The term “Commencement Date” shall have the meaning set forth in the ACCA.
- I. **Compensation:** The term “Compensation” shall mean the consideration payable to HSC-S under this Agreement for Resident Rotations and Support, Teaching and Residency Program Supervision Support, and Other Program Support as set forth on **Exhibit A**.
- J. **Development Plans:** The term “Development Plans” means the Program Budget and other operational components of the HSC-S GME Programs as agreed upon by the Joint Management Committee and adopted by the OLHS-NL Board in accordance with Section 5.05 of this Agreement.
- K. **GME:** The term “GME” shall mean Graduate Medical Education.
- L. **Governing Principles:** The term “Governing Principles” shall have the meaning set forth in the ACCA.

- M. **Hospital Policies:** The term “Hospital Policies” shall mean and include the Bylaws and any policies and procedures of the Hospital(s); Bylaws and rules and regulations of the Medical Staff of the Hospital(s); and other policies, practices and procedures of the Hospital(s) as are from time to time adopted, authorized and approved.
- N. **HSC-S Faculty:** The term “HSC-S Faculty” shall mean qualified physicians licensed to practice medicine in the State of Louisiana who are members of the Medical Staff of either or both Hospitals, provide Teaching and Residency Program Supervision Services required to support the HSC-S GME Programs, and are members of the HSC-S faculty.
- O. **HSC-S GME Programs:** The term “HSC-S GME Programs” means the residency and fellowship programs for which HSC-S is the sponsoring institution.
- P. **Immaterial Adjustment:** The term “Immaterial Adjustment” means an adjustment in appropriately documented Resident Rotations or Teaching and Residency Program Supervision Services, or in actual expenditures for items or services covered by Other Program Support, that in the aggregate would affect the total Compensation payable under this Agreement by no more than five percent (5%).
- Q. **Joint Management Committee:** The term “Joint Management Committee” means the management committee established in accordance with the OLHS-NL Bylaws.
- R. **Net Patient Revenue:** The term “Net Patient Revenue” means the total gross revenue accrued in a period for patient services rendered by an OLHS-NL Entity, including any supplemental or non-claims based revenue, reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts.
- S. **OLHS-NL Board:** The term “OLHS-NL Board” means the board of directors of OLHS-NL.
- T. **OLHS-NL Entities:** The term “OLHS-NL Entities” has meaning set forth in the Academic and Clinical Collaboration Agreement.
- U. **Other Program Support:** The term “Other Program Support” means that portion of the Compensation payable to HSC-S under this Agreement attributable to items other than Resident Support and Teaching and Residency Program Supervision Support, as provided in Section III of **Exhibit A**.
- V. **Program Budget:** The term “Program Budget” means the annual budget for the HSC-S GME Programs training at the Hospitals and adopted in accordance with Section 5.04 of this Agreement. The Initial Program Budget, as further defined in Section 5.04, is attached as **Exhibit B** to this Agreement.
- W. **Program Budget Process:** The term “Program Budget Process” means the process used to establish the Program Budget in accordance with Section 5.05 of this Agreement.
- X. **Public Purpose:** The term “Public Purpose” has the meaning set forth in the Academic

and Clinical Collaboration Agreement.

- Y. **Resident:** The term “Resident” shall mean a physician who is currently enrolled as an “intern,” “resident,” or “fellow,” as each are defined in the Hospital’s Medical Staff Bylaws, in an HSC-S GME Program who, as part of the HSC-S GME Program, will complete Resident Rotations.
- Z. **Resident Rotations:** The term “Resident Rotations” shall include those health care clinical rotations completed by Residents at the Hospitals under appropriate clinical supervision by a Medical Staff member and with appropriate administrative support services provided in accordance with the Hospital’s Medical Staff Bylaws and pursuant to the terms of this Agreement.
- AA. **Resident Rotations and Support:** The term “Resident Rotations and Support” means that portion of the Compensation payable to HSC-S under this Agreement for Resident salaries and benefits, Resident parking, meals and education, and Resident Program Coordinators, as provided in Section I of **Exhibit A**.
- BB. **Teaching and Residency Program Supervision Services:** The term “Teaching and Residency Program Supervision Services” shall mean the provision of Teaching and Supervision Services and the services of Resident Program Directors and Associate Program Directors, as set forth in Section II of **Exhibit A** to this Agreement.
- CC. **Teaching and Residency Program Supervision Support:** The term “Teaching and Residency Program Supervision Support” shall mean that portion of the Compensation payable to HSC-S under this Agreement for Teaching and Residency Program Supervision Services as set forth in Section II of **Exhibit A** to this Agreement.
- DD. **Teaching and Supervision Services:** The term “Teaching and Supervision Services” shall have the meaning set forth in Section 2.01A of **Exhibit A** to this Agreement.
- EE. **True Up/Settlement Process:** The term “True Up/Settlement Process” means the process utilized by the Parties to the extent necessary to reconcile amounts owed to or from a Party under the terms of this Agreement in accordance with Section 5.06 of this Agreement.

## ARTICLE ONE

### REPRESENTATIONS AND WARRANTIES

#### Section 1.01. Eligibility for Government Programs.

(1) Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“LEIE”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department as debarred, excluded or otherwise ineligible for participation in federal programs and/or federally

funded health care programs including Medicare and Medicaid (collectively, “Excluded”).

(2) Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the Eligibility Status representation of (1); (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Party immediately, in writing, of any change in circumstances related to its representations made in Section 1.01.

**Section 1.02.** Legal Compliance. Each Party represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered, or will be paid or distributed, by or on behalf of such Party and/or the physicians, officers, or directors of such Party, or to any other person, Party or entity affiliated with such Party, as an inducement to refer or purchase or to influence the referral or purchase of items paid by a federal or state health care program. Further, each Party agrees that it is not obligated by the terms hereof to refer patients to the other Party and that no part of the consideration paid and received hereunder is in exchange for the referral of patients or services or the promise to make such referrals.

## ARTICLE TWO

### TERM

The Initial Term of this Agreement shall be ten (10) years, beginning on the Commencement Date, and shall automatically renew for two (2) successive five-year Renewal Terms, for a total Term of twenty (20) years, unless any Party gives a Non-Renewal Notice not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

## ARTICLE THREE

### DUTIES OF LSU AS TO RESIDENTS AND HSC-S GME PROGRAMS

**Section 3.01.** LSU shall, throughout the Term of this Agreement, do the following:

(1) comply with the terms of **Exhibit A** to this Agreement;

(2) assure each Resident completing Resident Rotations under this Agreement is fully qualified, enrolled in LSU Health Sciences Center Shreveport, remains in good standing and meets all of the requirements to complete the Resident Rotations in accredited training programs;

(3) assure each HSC-S Faculty member providing Teaching and Residency Program Supervision Services under this Agreement holds a valid and current license to practice medicine in the State of Louisiana without restrictions or limitations imposed by the Louisiana

State Board of Medical Examiners;

(4) assure each HSC-S Faculty member successfully completes the credentialing process for the Hospital(s) and maintains such credentials as necessary to perform the Teaching and Residency Program Supervision Services;

(5) agree, and assure each Resident and HSC-S Faculty member complies with the applicable provisions of the following: the Federal Criminal False Claims Act (18 U.S.C. § 287 *et seq.*), the Federal Civil False Claims Act (31 U.S.C. § 3729 *et seq.*), the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the Federal Physician Self-Referral Law (42 U.S.C. § 1395nn) (“Stark II”), the Louisiana Medical Assistance Programs Integrity Law (La. R.S. 46:437.1 *et seq.*) and other applicable Federal and Louisiana statutes and regulations relating to health care;

(6) assure each Resident and HSC-S Faculty member agrees to comply with the Hospital Policies;

(7) assure that periodic time logs are performed for each HSC-S Faculty member providing Teaching and Supervision Services, in accordance with the **Exhibit A** of this Agreement;

(8) assure that each HSC-S Faculty member completes time studies as requested by OLH to enable the Hospitals to prepare accurate cost reports;

(9) provide compensation and benefits information for each HSC-S Faculty member to OLH, with sufficient detail to enable the Hospitals to include such actual costs in their cost reports;

(10) notify OLH and the Hospital Subsidiaries in writing within five (5) calendar days of any of the following:

(i): receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals, OLH, a Resident, or any HSC-S Faculty providing Teaching and Supervision Services/completing Resident Rotations under this Agreement, or concerning a HSC-S Faculty member’s or Resident’s license to practice their profession. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Board of Dentistry, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or

instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals, OLH, a Resident, or any HSC-S Faculty providing Teaching and Supervision Services/completing Resident Rotations, or concerning a HSC-S Faculty member's or Resident's license to practice their profession; and

(ii): the breach, lapse or inaccuracy of any duty of LSU listed in this Section 3.01;

(11) provide notice to the Hospitals' Medical Staff offices within five (5) calendar days of receiving HSC-S Faculty information relevant to the provision of Teaching and Supervision Services and necessary for the Medical Staff Offices to carry out its functions. Such notice includes, but is not limited to, notification of all types of leaves of absences, suspensions, resignations, new hires and appropriate claims histories, as relevant. Documentation necessary to confirm these events will also be provided to the Medical Staff offices within five (5) calendar days of a request for documentation;

(12) assure all Resident Rotations and Teaching and Residency Program Supervision Services are performed in accordance with the applicable standard of care and in conformance with the standards for performance of such Resident Rotations established by accrediting entities and the requirements of CMS, it being understood that (i) Residents will complete Resident Rotations only under the appropriate supervision of Medical Staff members and (ii) the HSC-S Faculty shall exercise independent medical/professional judgment in providing the Teaching and Residency Program Supervision Services and comply with applicable standards for performance established by accrediting entities and the requirements of CMS. The Hospitals shall not interfere with the independent medical/professional judgment of the HSC-S Faculty other than when they exercise or fail to exercise their duties in accordance with Hospital Policies, applicable accreditation standards, and CMS requirements and regulations;

(13) assure the Residents and HSC-S Faculty only use the premises of the Hospitals, and any part thereof, for the completion of Resident Rotations or the Training and Residency Program Supervision unless otherwise mutually agreed to by the Parties in writing;

(14) operate the Resident Programs in compliance with ACGME and CODA requirements;

(15) provide immediate notice to OLH if a Resident Program receives an ACGME or CODA accreditation decision other than initial accreditation or continued accreditation;

(16) assure all Residents completing Resident Rotations and HSC-S Faculty providing Teaching and Residency Program Supervision Services timely and accurately complete patient medical records documenting the care provided in accordance with applicable CMS guidelines, third party payor reimbursement requirements, Hospital Policies, and Louisiana and Federal laws; and

(17) assure the Residents and HSC-S Faculty participate in the Hospitals' quality improvement initiatives.

## ARTICLE FOUR

### DUTIES OF OLH

**Section 4.01.** Policies and Procedures. OLH agrees to make available to LSU and Residents, upon request, copies of all Hospital Policies.

**Section 4.02.** Support Provided by OLH. To facilitate the efficient and effective completion of the Resident Rotations and Teaching and Residency Program Supervision Services, OLH shall make the following available to Residents and/or HSC-S Faculty, at OLH's sole cost and expense:

(1) Resident Lounge. OLH shall, consistent with ACGME and CODA requirements, provide properly equipped house staff lounge(s) for use by Residents during clinical Resident Rotations.

(2) Clinical Personnel. OLH shall provide qualified Clinical Personnel to assist the Residents during clinical Resident Rotations and HSC-S Faculty when providing Teaching and Residency Program Supervision Services, as determined necessary by OLH after consultation with HSC-S. Such Clinical Personnel shall be performing the nursing and other technical services customarily provided for hospital inpatients and outpatients. Residents and the HSC-S Faculty shall utilize Clinical Personnel solely during the completion of clinical Resident Rotations or in providing Teaching and Residency Program Supervision Services pursuant to this Agreement. All services performed by such Clinical Personnel shall, if applicable, be billed by the Hospitals, and HSC-S shall not bill any patient or third party for any services rendered by Clinical Personnel.

(3) Professional, Technical and Clerical Personnel. OLH shall provide qualified professional, technical and clerical personnel to assist the Residents during clinical Resident Rotations and HSC-S Faculty in providing Teaching and Residency Program Supervision Services, as determined necessary by OLH after consultation with HSC-S. Such

professional, technical and clerical personnel shall perform the non-clinical services customarily provided for hospital inpatients and outpatients. Residents and HSC-S Faculty shall utilize professional, technical and clerical personnel solely during the completion of their Resident Rotations pursuant to this Agreement.

(4) Quality Improvement Programs. OLH shall provide Residents and HSC-S Faculty access to quality improvement programs and systems of the Hospitals as contemplated by the ACGME and CODA.

(5) Medical Equipment. OLH shall provide equipment for use by the Residents during clinical Resident Rotations and HSC-S Faculty in providing Teaching and Residency Program Supervision Services, as determined reasonable and necessary by OLH after consultation with LSU.

(6) Medical Records. OLH shall provide the Residents and HSC-S Faculty access to patient records in compliance with applicable state and federal law regarding confidentiality and disclosure of individually identifiable medical information, to support and document the provision of patient care during their Resident Rotations or when providing Teaching and Residency Program Supervision Services pursuant to this Agreement.

(7) Participation in Medicare and Medicaid. OLH shall ensure the Hospitals participate in the Medicare and Medicaid programs at all times during the Term of this Agreement.

(8) Notice to HSC-S. OLH and/or Hospital Subsidiaries shall notify HSC-S in writing within five (5) calendar days of any of the following:

- (i): receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals, OLH, a Resident, or any HSC-S Faculty providing Teaching and Supervision Services/completing Resident Rotations under this Agreement, or concerning a HSC-S Faculty member's or Resident's license to practice their profession. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Board of Dentistry, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of

Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals, OLH, a Resident, any HSC-S Faculty providing Teaching and Supervision Services/completing Resident Rotations under this Agreement, or concerning a HSC-S Faculty member's or Resident's license to practice their profession; and

- (ii): the breach, lapse or inaccuracy of any duty of OLH listed in this Section 4.02.

## ARTICLE FIVE

### COMPENSATION AND PROGRAM BUDGET

**Section 5.01.** Compensation. In consideration for the Resident Rotations and Teaching and Residency Program Supervision Services performed consistent with the terms of this Agreement and the other items and services covered by Other Program Support, OLH agrees to pay HSC-S the fees set forth on **Exhibit A**, as reflected in the Program Budget (described in Section 5.04). OLH shall not reduce the level of services and support to be provided by HSC-S pursuant to this Agreement without HSC-S's express written consent, and HSC-S shall not reduce the level of services and support to be provided to OLH pursuant to this Agreement except for causes beyond its control, such as the departure of HSC-S Faculty that cannot be replaced in a timely fashion.

Notwithstanding the foregoing, if at any time after the expiration of the period covered by the Second Program Budget (as defined below) LSU no longer furnishes the full range of the Resident Rotations and Teaching and Residency Program Supervision Services originally called for by this Agreement including, without limitation, (i) the expected number of HSC-S Faculty FTEs providing Teaching and Resident Supervision Services, as set forth in **Exhibit A** and Schedule 1(a) thereto; (ii) does not submit the Teaching Time Logs as required by this Agreement and Section IV of **Exhibit A**; (iii) the expected time commitments for Program Directors or Associate Program Directors, as set forth in **Exhibit A** and Schedule 1(b) thereto, are not reflected in the supporting invoices as required by this Agreement and Sections 2.02 and 2.03 of **Exhibit A**; (iv) does not incur the approved reimbursable costs reflected in **Exhibit A** and the Program Budget (including those relating to Other Program Support, described in Section III of **Exhibit A**); or (v) Resident(s) completed a portion of their Resident Rotations at a non-Hospital location (as described in Sections 1.01C and 1.01D of **Exhibit A**), the amount of Compensation to be paid to LSU pursuant to this Agreement shall be reduced on a prorated basis based on the level of such reduction. Such reductions, if any, shall be addressed during the TrueUp/Settlement Process described in Section 5.06. If at any time during the Term of this Agreement the needs of OLH/the Hospital Subsidiaries change such that HSC-S is asked and agrees to provide additional services beyond those set forth in this Agreement and the then-current Program Budget, then the Compensation payable to HSC-S shall be increased as appropriate and as mutually agreed upon in writing, with a corresponding update made to the

then-current Program Budget. The Compensation to be paid under this Agreement prior to the expiration of the period covered by the Second Program Budget shall not be adjusted if there is an Immaterial Adjustment.

**Section 5.02.** Payment Upon Invoice. HSC-S shall submit invoices to OLH by the 20<sup>th</sup> of the following month in which services were rendered and in a format that conforms to Section 5.03. OLH shall pay such invoices by the latter of the last day of the month in which OLH received the invoice or within twenty (20) days of receipt of the invoice. All billing disputes will be submitted in writing to the other Party no later than sixty (60) days after the due date of any disputed invoice. The Parties shall resolve such billing disputes using the Dispute Process set forth in the Academic and Clinical Collaboration Agreement.

**Section 5.03.** Form of Invoice. HSC-S shall provide OLH with a monthly invoice, the form of which shall be mutually agreed upon between OLH and HSC-S. Each quarter, HSC-S shall include with its invoice (i) an attestation statement attesting to the time and effort each HSC-S Faculty member spent during the preceding quarter performing Teaching and Supervision Services, as required by **Exhibit A**, and (ii) corresponding Teaching Time Logs (as described in **Exhibit A**). At the request of OLH, HSC-S shall provide OLH with reasonable documentation of the services supporting the invoices.

**Section 5.04.** Annual Review/Program Budget. OLH and HSC-S agree to meet as necessary to annually review the HSC-S GME Programs and determine a proposed Program Budget for the next Academic Year, which shall be submitted to the OLHS-NL Board for final approval. The Program Budget shall (i) list, by specialty, the number of Residents (on a full time equivalent (“FTE”) basis) to participate in the Resident Rotations; and (ii) allocate between the Parties the costs and expenses for such Resident Rotations for each Academic Year consistent with the terms of this Agreement. The Program Budget shall include the Compensation terms and address the Compensation to be paid to HSC-S as set forth on **Exhibit A**. The Program Budget shall also be consistent with spending and reimbursement policies adopted by the OLHS-NL Board.

Notwithstanding the foregoing and for the period following the Commencement Date of this Agreement through June 30, 2020 (the “Startup Period”), the initial Program Budget adopted by the Parties and attached as **Exhibit B** to this Agreement covers the portion of the initial Academic Year from the Commencement Date through June 30, 2019 (“Initial Program Budget”) and reflects an annual Compensation amount of \$86,000,000 for providing the services contemplated by this Agreement (“AAA Startup Budgeted Amount”), pro-rated to reflect the 9-month period from the Commencement Date to the beginning of the next Academic Year on July 1, 2019. The second Program Budget covering the period from July 1, 2019 through June 30, 2020 (“Second Program Budget”) shall reflect the AAA Startup Budgeted Amount, with such adjustments to the amount of Compensation to be paid as recommended by the Joint Management Committee and approved by the OLHS-NL Board to reflect any increases or decreases beyond an Immaterial Adjustment in the amount of services to be provided during the period covered by the Second Program Budget, as described in Section 5.01. Payments to be made under the Initial Program Budget and Second Program Budget shall be invoiced and paid consistent with the Program Budget and True Up/Settlement process described in Section 5.06 of this Agreement.

**Section 5.05.**            Program Budget Process. The Program Budget Process shall be as follows: As of the Commencement Date, the Parties have finalized the Initial Program Budget and Development Plans to be in effect during the initial Academic Year. Thereafter, no later than January 1 of each Academic Year during the Term of this Agreement, the Parties will commence discussions regarding a proposed Program Budget and Development Plan for the subsequent Academic Year [and rolling five-year Development Plans] and will make reasonable and good faith efforts to complete and agree upon the Program Budget and Development Plans by April 1 of each subsequent Academic Year during the Term of this Agreement. As part of the Program Budget Process, each Party shall independently develop a proposed annual budget for the subject Academic Year. The Parties' proposed annual budgets will then be presented to and undergo a budget reconciliation and consolidation process by the Joint Management Committee whereby the Joint Management Committee will use the Parties' respective individual proposed annual budgets to develop a consolidated annual budget for the subject Academic Year. Each Party's designees shall be involved and work collaboratively in such annual budget reconciliation and consolidation process. Upon agreement of the Joint Management Committee, the consolidated annual budget shall be submitted to the OLHS-NL Board for final approval. The Program Budget and Development Plans must be approved by the OLHS-NL Board before such plans may be considered "final." If the Parties cannot agree upon the Program Budget and Development Plans and obtain final approval by the OLHS-NL Board prior to the July 1 commencement date of the next Academic Year, the Parties will continue to operate under the provisions of the prior Academic Year Program Budget and Development Plans until the Joint Management Committee agrees on new Program Budget and Development Plans for such Academic Year that are approved by the OLHS-NL Board. After the OLHS-NL Board approves the new Program Budget and Development Plans for the Academic Year, a Party may request an adjustment to the Program Budget and Development Plans to reflect the interim time period in which the Parties operated under the provisions of the prior Academic Year Annual Budget and Development Plans. Any such request must be recommended by the Joint Management Committee and approved by the OLHS-NL Board.

**Section 5.06.**            True Up/Settlement Process. The Parties will reasonably and in good faith participate together in the True Up/Settlement Process following the completion of each Academic Year quarter during the Term of this Agreement. As part of the True Up/Settlement Process, the Parties will agree upon the final net amounts due to or from one another and, as applicable, remit undisputed payments that are consistent with the Program Budget and this Agreement, as either may be from time-to-time amended by the Parties, to the other Party within ten (10) days of completion of the True Up/Settlement Process. If the net amount due exceeds or is expected to exceed the budgeted amount set forth in the Program Budget, as may be from time-to-time amended by the Parties, the Party seeking payment for such excess amount may request an amendment to the Program Budget. Such requests shall be reviewed by the OLHS-NL Board and, if approved, shall become part of the Program Budget. The Parties will commence discussions regarding the True Up/Settlement Process within thirty (30) days of the end of each Academic Year quarter and will make good faith efforts to complete the True Up/Settlement Process within ninety (90) days of the end of such Academic Year quarter. Notwithstanding the foregoing, during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.

**Section 5.07.**            Representation Regarding Payment. LSU represents and warrants that the compensation paid each HSC-S Faculty member providing Teaching and Residency Program Supervision Services under this Agreement is and shall remain set in advance and consistent with Fair Market Value as defined on **Exhibit A**.

**Section 5.08.**            Information Requests. The Parties agree to cooperate with each other in good faith by promptly responding to reasonable requests from the other Party to provide documentation and information reasonably relevant to the HSC-S GME Programs within the latter of ten (10) days of receiving a written request or the date included in the written request for such information by the other Party. If the Party receiving the information request determines in good faith that it is impracticable to provide all of the requested information within the applicable time period, such Party shall so notify the requesting Party within ten (10) days of the written request and provide a prompt time table for the production of the requested information. Notwithstanding the foregoing, LSU shall respond to requests for HSC-S GME Program information within twenty-four hours if the requested information is required by OLH or a Hospital Subsidiary to respond to an ACGME or CODA accreditation or regulatory reviews necessitating an expedited response.

## ARTICLE SIX

### RELATIONSHIP OF THE PARTIES

**Section 6.01.**            Independent Contractors. The Parties agree that each Resident, HSC-S Faculty member, Resident Program Director, Associate Program Director, and Program Coordinator providing Resident Rotations or Teaching and Supervision Services at the Hospitals is and shall be an employee of HSC-S and shall not, for any purpose whatsoever, be or be considered an employee, representative or agent of OLH or the Hospitals unless otherwise specifically agreed to by the Parties in writing. In providing the Resident Rotations and Teaching and Supervision Services to OLH, each such person referenced in the preceding sentence will be acting in the course and scope of his or her employment, appointment, or assignment for or on behalf of HSC-S and/or within the scope of his or her education and training and shall not be entitled to receive or accept from OLH or the Hospitals any remuneration or other compensation whatsoever for the support provided hereunder. In all instances where LSU's employees (including direct, borrowed, special, or statutory employees) are performing the services required under this Agreement and covered by the Louisiana Workers' Compensation Act, La. R.S. 23:1021 et seq., the Parties agree that all services performed by LSU and its employees pursuant to this Agreement are an integral part of OLH/Hospital Subsidiaries' trade or business, and are an integral part of and essential to the ability of OLH/Hospital Subsidiaries to generate OLH/Hospital Subsidiaries' goods, products, and services. Furthermore, the Parties agree that, for the purposes of La. R.S. 23:1061(A)(3), LSU's employees are the statutory employees of OLH/Hospital Subsidiaries. Irrespective of OLH/Hospital Subsidiaries' status as the statutory employer or special employer (as defined in La. R.S. 23:1031(C)) of LSU's employees, LSU shall remain solely and primarily responsible for the payment of any Louisiana Workers' Compensation benefits to its employees, and LSU shall not be entitled to seek contribution for, and shall indemnify and hold harmless

OLH/Hospital Subsidiaries from and against, any such payments, and all such employees shall remain employees of LSU, not OLH/Hospital Subsidiaries, for all other purposes, including the indemnity<sup>1</sup> and insurance provisions of this Agreement.

**Section 6.02.**            No Employer/Employee Relationship. The Parties agree that HSC-S and OLH are independent contractors in relation to each other and nothing in this Agreement is intended, and nothing in the Agreement shall be construed, to create an employer/employee relationship between the Parties. The provisions set forth in this Article Seven shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

**Section 6.03.**            Tax Treatment. The Parties agree that Residents, HSC-S Faculty members, Resident Program Directors, Associate Program Directors, and Program Coordinators will not be treated as employees of OLH or the Hospitals for tax purposes. Neither OLH nor the Hospitals will withhold on behalf of any such person referenced in the preceding sentence any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law, or make available to such person any of the benefits afforded to employees of the Hospitals.

**Section 6.04.**            Incurring Liabilities. No Party shall have the authority to bind any other Party under any contract or agreement or incur any debts or other obligations on behalf of any other Party.

## ARTICLE SEVEN

### INSURANCE

**Section 7.01.**            HSC-S Insurance. LSU, at its sole expense, agrees to maintain a policy or program of professional liability coverage or insurance, covering LSU, the HSC-S Faculty, and Residents through the Office of Risk Management in accordance with the provisions of Louisiana Medical Malpractice Act (La. R.S. 40:1235.1 and La. R.S. 40:1237.1, *et seq.*). For purposes of liability arising out of medical malpractice for professional services provided by HSC-S Faculty, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1237.1, *et seq.* LSU shall also maintain or ensure the maintenance of comprehensive general liability insurance covering LSU, the HSC-S Faculty, and Residents with minimum coverage of not less than one million dollars (\$1,000,000.00) per occurrence and three million dollars (\$3,000,000) in the aggregate.

**Section 7.02.**            OLH and Hospital Subsidiary Insurance. OLH and each Hospital Subsidiary, at each entity's sole expense, will maintain or ensure the maintenance of a policy or program of (a) professional liability coverage or insurance covering OLH and each Hospital Subsidiary with minimum coverage of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, and (b) comprehensive general liability insurance coverage covering OLH and each Hospital Subsidiary with minimum coverage of not less than one million dollars (\$1,000,000) per occurrence and three million

dollars (\$3,000,000) in the aggregate. Such coverage shall be secured and maintained with a program of self-insurance, a carrier licensed to do business in the State, or an approved, non-admitted carrier in the State.

## ARTICLE EIGHT

### INDEMNIFICATION

**Section 8.01.** Indemnification by LSU. LSU hereby agrees to protect, defend, and indemnify OLH, the Hospital Subsidiaries, and their affiliates and their respective officers, directors, members, managers, agents and employees (collectively, “Hospital Indemnitees”) against, and hold the same harmless from any and all liability, losses, damages, obligations, judgment, claims, causes of action and expenses associated therewith (including reasonable attorney fees) (collectively, “Losses”) which the Hospital Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by LSU or its employees, employed or contracted physicians or agents, or (b) a breach of its obligations hereunder.

**Section 8.02.** Indemnification by OLH and Hospital Subsidiaries. OLH and the Hospital Subsidiaries hereby agree to protect, defend, and indemnify LSU and its affiliates and their respective officers, directors, managers, agents and employees (specifically including, without limitation, HSC-S Faculty and Residents) (collectively, “LSU Indemnitees”) against, and hold the same harmless from any and all Losses which the LSU Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by OLH, the Hospital Subsidiaries, or their employees, or agents, or (b) a breach of its obligations hereunder.

**Section 8.03.** Indemnification Notice. If any Hospital Indemnitee or LSU Indemnitee receives notice of a claim or event which it believes in good faith may result in a claim for indemnity hereunder (a “Potentially Indemnified Claim”), the Party receiving notice of the Potentially Indemnified Claim and seeking indemnity (the “Indemnified Party”) shall give written notice of the Potentially Indemnified Claim to the Party from which the Indemnified Party is seeking indemnification (the “Indemnifying Party”). The Indemnified Party shall give written notice of the Potentially Indemnified Claim to the Indemnifying Party as promptly as possible, provided that any delay or failure of notice shall not relieve Indemnifying Party of the obligations within its scope of responsibility hereunder except to the extent such delay has materially prejudiced the Indemnifying Party.

**Section 8.04.** Claims by Third Parties and Defenses. If the Potentially Indemnified Claim is brought against the Indemnified Party by a third party, the Indemnified Party may, but shall not be obligated to, tender the Potentially Indemnified Claim to the Indemnifying Party’s insurer or self-insurance fund for defense, and the Indemnifying Party’s insurer or self-insurance fund may, but shall not be obligated to, provide the Indemnified Party with a defense to such Potentially Indemnified Claim. For this purpose it is agreed and understood that, with respect to Potentially Indemnified Claims alleging professional liability, the insurer for LSU is the State of Louisiana, Office of Risk Management, and OLH and the Hospital Subsidiaries are self-insured. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the

Indemnifying Party or the Indemnifying Party elects not to provide the Indemnified Party with a defense, then the Indemnified Party and the Indemnifying Party shall each vigorously defend the Potentially Indemnified Claim. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party, or the Indemnifying Party elects not to provide the Indemnified Party with a defense, and in either case the Indemnified Party is ultimately held liable or otherwise incurs Losses solely as a result of, or arising out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall reimburse the Indemnified Party for the amount of its Losses, subject to this Section 8.04 (a) and (b) below.

(a) If the Indemnified Party elected not to tender the Potentially Indemnified Claim to the Indemnifying Party's insurer or self-insurance fund for defense promptly upon receiving notice of such Potentially Indemnified Claim, then the Indemnified Party's right to reimbursement of fees and expenses for attorneys, consultants, experts, and others engaged by the Indemnified Party in connection with its defense of the Potentially Indemnified Claim shall be limited as follows:

- (i) If the Indemnifying Party was named by the third party along with the Indemnified Party as potentially liable for Potentially Indemnified Claim, the Indemnified Party's right to reimbursement for such fees and expenses shall be limited to the rates paid by the Indemnifying Party's insurer or self-insurance fund for attorneys, consultants, experts and others engaged by the Indemnifying Party in its own defense.
- (ii) If the Indemnifying Party was not named by the third party as potentially liable for the Potentially Indemnified Claim, the Indemnified Party's right to reimbursement for such fees and expenses shall be limited to the rates the Indemnifying Party's insurer or self-insurance fund would have paid for attorneys, consultants, experts and others it would have engaged to defend the Indemnifying Party.

(b) If the Indemnifying Party's insurer or self-insurance fund provides a defense to the Indemnified Party and it is ultimately determined that any Losses incurred by the Indemnified Party were not solely the result of, or did not arise out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall be entitled to reimbursement of the reasonable fees and expenses incurred by the Indemnifying Party's insurer or self-insurance fund in defense of the Indemnified Party.

## ARTICLE NINE

### MEDICAL RECORDS

**Section 9.01.** Preparation and Completion of Medical Records. HSC-S shall ensure that Residents and HSC-S Faculty complete medical records in a timely manner pursuant

to the terms of this Agreement and Hospital Policies.

**Section 9.02.** Ownership of Records. The ownership and right of control of all reports, records and supporting documents prepared by or on behalf of OLH or the Hospital Subsidiaries/Hospitals in connection with the Resident Rotations or Teaching and Supervision Services shall vest exclusively in the Hospitals and shall not be removed or transferred from the Hospitals except in accordance with applicable state and federal laws and regulations, Hospital Policies, and/or the terms of this Agreement; provided, however, that the Hospitals and/or HSC-S and/or Residents shall have the right to access, inspect or obtain copies of such reports, records and supporting documents in accordance with Hospital Policies, including its policies addressing protected health information and the handling of confidential information.

## ARTICLE TEN

### ACCESS TO RECORDS AND RECORD RETENTION

**Section 10.01.** Records Retention. OLH and LSU agree to retain this Agreement (including all amendments and supplements hereto) and any of their books, documents, and records which may serve to verify the costs of this Agreement for a period of ten (10) years after the provision of any Resident Rotations or Teaching and Supervision Services, or as otherwise required by law. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General to access this Agreement, as well as the books, documents and records kept in connection with the Services in the event that such access is requested in writing and is made in accordance with applicable federal regulations. OLH's auditors, the Louisiana Legislative Auditor's Office and the Office of the Governor - Division of Administration auditors shall have the right upon reasonable written notice to inspect and audit, during the Hospitals' regular business hours and at no expense to LSU, the books and records of Hospitals and LSU pertaining to this Agreement. This section shall survive the termination of the Agreement.

## ARTICLE ELEVEN

### TERMINATION

**Section 11.01.** Events of Default. It shall be an event of default ("Event of Default") hereunder:

(1) If OLH or any Hospital Subsidiary (i) fails to cure a Financial Default (as defined in the ACCA in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured.

(2) If a party fails to perform any material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. Notwithstanding the foregoing, this subsection (2) does not address a failure to make payment as required by ARTICLE Five of this Agreement, which is addressed in subsection (1), above, addressing Financial Default.

**Section 11.02.** Termination Events. Any party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

(1) Termination by Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Parties.

(2) Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.

(3) Loss of Accreditation. If all of the Resident Programs operated by HSC-S and accredited by ACGME (or such other similar accreditation maintained by the Resident Program(s)) lose their accreditation, either Party may terminate this Agreement immediately by providing written notice to the other Party.

**Section 11.03.** Termination for Bankruptcy; Receivership. This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

**Section 11.04.** Termination for Financial Default. In accordance with Section 11.01(1) above, the non-defaulting Party may terminate this Agreement if the defaulting Party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured.

**Section 11.05.** Termination for Failure to Resolve Disputes. This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

**Section 11.06.** Termination of Collaborative. Upon termination of the CEA, the ACCA, or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

**Section 11.07.** Wind Down Activities. Upon termination of this Agreement for any reason, the Parties' obligations to perform services hereunder shall completely cease; provided, however, that the Parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to

comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned through the date of termination shall remain due and owing notwithstanding the termination of the Agreement.

## ARTICLE TWELVE

### GENERAL PROVISIONS

**Section 12.01.** Parties Bound. This Agreement shall bind and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

**Section 12.02.** Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

**Section 12.03.** Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**Section 12.04.** Rule of Construction. Parties acknowledge and agree that this is a negotiated agreement, in which both Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

**Section 12.05.** Severability. If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

**Section 12.06.** Integration. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior physician clinical, teaching and medical administrative service agreements and understandings, oral or written, between the Parties.

**Section 12.07.** Non-Waiver. No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

**Section 12.08.** Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to OLH shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLH and Hospital Subsidiaries:**

Ochsner LSU Hospitals, L.L.C.  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Chief Executive Officer

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Joint Management Committee

**If to LSU:**

LSU Health Sciences Center - Shreveport  
1501 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Chancellor

with a required copy to:

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

**Section 12.09.** Form of the Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

**Section 12.10.** Amendment. This Agreement may be amended or modified only in writing signed by the Parties.

**Section 12.11.** Further Cooperation. In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

**Section 12.12.** Assignability. Neither Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Party.

**Section 12.13.** No Third Party Beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

**Section 12.14.** Referrals. The Parties acknowledge and agree that none of the benefits granted OLH, Hospitals, LSU, HSC-S Faculty, Residents or any individual physician hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, Hospitals or OLH.

**Section 12.15.** Force Majeure. Neither Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from Acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either Party's employees, or any similar or dissimilar cause beyond the reasonable control of either Party.

**Section 12.16.** Additional Instruments. Each of the Parties shall, from time to time, at the request of the other, execute, acknowledge and deliver to the other Party any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

**Section 12.17.** Headings. All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

**Section 12.18.** Multiple Counterparts. Provided both Parties execute an identical copy of this Agreement, including Exhibits, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

**Section 12.19.** Time Periods. Time periods expressed by a specified number of days shall be based on calendar days.

**Section 12.20.** Claims for Monetary Damages. The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

## ARTICLE THIRTEEN

### COMPLIANCE WITH FEDERAL AND STATE REGULATIONS

**Section 13.01.** Compliance with HIPAA. LSU agrees and shall ensure that each HSC-S Faculty member and Resident agrees and OLH agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. 1320d and any current and future regulation promulgated thereunder including, but without limitation, the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164, the federal security standards contained in 45 C.F.R. Part 142, and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162 ("HIPAA"), to the extent applicable. The Parties agree not to use or further disclose any Protected Health Information or Individually Identifiable Health Information (both as defined in HIPAA and/or the HIPAA Requirements), other than as permitted by HIPAA and the terms of this Agreement. To the extent applicable under HIPAA, Hospitals and LSU shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with Federal Privacy Regulations.

**Section 13.02.** Non Discrimination and Affirmative Action. The Parties agree 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 Assistant 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 Parties agree to abide by the requirements of the Americans with Disabilities Act of 1990. Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

**Section 13.03.** Physician Self-Referral Statute. The Parties agree to abide by the applicable requirements of the Federal Physician Self-Referral Statute, 42 U.S.C. § 1395nn ("Stark II"). LSU warrants and agrees that the aggregate compensation paid by LSU to each Resident completing clinical Resident Rotations and each HSC-S Faculty member providing Teaching and Supervision Services hereunder does not and will not during the Term of this Agreement vary with, or take into account, the volume or value of referrals or other business generated by the Resident's referrals to the Hospitals.

## ARTICLE FOURTEEN

### EXECUTION WARRANTY

**Section 14.01.** Execution Warranty. Each person signing this agreement on behalf of a Party represents that the execution of this Agreement has been duly authorized by the Party for which representative is signing, and that no restrictions or restrictive agreements exist

that prevent either the execution or the carrying out of this Agreement by such Party.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

IN WITNESS HEREOF, the Parties have executed this Agreement as of the date set forth above.

**Ochsner LSU Hospitals, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OLH Shreveport, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OLH Monroe, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BOARD OF SUPERVISORS OF LOUISIANA STATE  
UNIVERSITY AND AGRICULTURAL AND  
MECHANICAL COLLEGE on behalf of LOUISIANA  
STATE UNIVERSITY HEALTH SCIENCES  
CENTER - SHREVEPORT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

This **Exhibit A** describes the services and support to be provided by HSC-S to OLH/Hospital Subsidiaries and the payments to be made from OLH to HSC-S for such services and support, as further specified and reflected in the Program Budget. Payment for such services and support shall be reflected in the Program Budget and shall be invoiced and paid consistent with ARTICLE Five of this Agreement.

### I. RESIDENT SUPPORT AND PAYMENTS

The Parties agree and recognize that Residents are an essential part of the Hospitals' teaching mission. To support such teaching mission and the completion of Resident Rotations, OLH agrees to provide Resident Rotations Support comprised of (1) resident salary and benefits, (2) parking, meals and education support, and (3) payments for Resident Program Coordinators as set forth in Sections 1.01, 1.02 and 1.03 of this Exhibit A.

#### 1.01 Resident Salary and Benefits.

- A. Resident Salaries. Each Resident completing Resident Rotations during the 2018-2019 Academic Year, as listed by specialty and FTE number in the corresponding Program Budget, shall receive a base salary and benefits from HSC-S that will be fixed in advance and agreed to by the Parties ("Resident Salary"). The Resident Salary for subsequent Academic Years shall be determined during the Program Budget Process. Upon request, HSC-S shall provide OLH with a payroll report showing the monthly salary payment made by HSC-S to each Resident for the prior month.
- B. Resident Rotation Log. At the beginning of each month, HSC-S shall provide OLH with a Resident Rotation log ("Resident Rotation Log") reflecting the Resident Rotations schedule for each Resident by specialty during the previous month at each Hospital and any non-Hospital location. An example Resident Rotation Log is attached as **Appendix 1** to this **Exhibit A**.
- C. Resident Support Payments. OLH agrees to reimburse HSC-S in an amount equivalent to the sum of each Resident's Resident Salary consistent with the Program Budget and True Up/Settlement process described in ARTICLE Five of this Agreement. In the event HSC-S receives payment for a Resident's services at any non-Hospital location, such payment amount will be deducted from the amount owing to HSC-S during the True Up/Settlement Process, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.
- D. Example. As an example, assume the Program Budget provides for one (1) FTE for a family medicine Resident and OLH would typically pay HSC-S \$1,000 as the Resident Support Payment for the one (1) family medicine Resident FTE for the month of June. The Resident Rotation Log for June reflects the family medicine Resident spent a quarter of his time at a non-Hospital location, and

HSC-S received \$250 for the Resident's services at the non-Hospital location. Because the Resident did not complete a portion of his/her Resident Rotation at a Hospital and HSC-S was fully compensated for the Resident's services at the non-Hospital location, OLH would instead owe HSC-S a Resident Support Payment of \$750 for that Resident's Resident Rotations at the Hospital for the month of June, with the adjustment to be reflected in the monthly invoice and included in the True Up/Settlement Process.

1.02 Resident Parking, Meals, and Education Support.

- A. Parking and Meals. OLH agrees to provide Resident parking and access to meals at the Hospitals in accordance with Hospital Policies and the ACGME and CODA Institutional and Program Requirements.
- B. Education Support Payments. To support the education and training of Residents and facilitate their involvement in scholarly activities, including global health studies, OLH agrees to reimburse HSC-S an annual amount of [up to \$1,250 per Resident] based on actual utilization (or such other amount specified in the Program Budget) to enable Residents who are eligible and approved to attend program specialty conferences, scholarly meetings, or other similar educational activities. To be a reimbursable expense, such requests must be approved in advance by the respective Chairman of the Department or Resident Program Director and comply with Hospital Policies addressing approved expenses. The number of Residents completing scholarly activities eligible for reimbursement and the amount of such reimbursement shall be reflected in the monthly invoices and included in the True Up/Settlement Process, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if an Immaterial Adjustment has occurred.

1.03 Resident Program Coordinators.

- A. Resident Program Coordinators. The Parties agree that certain administrative support services provided by a Resident Program Coordinator are required for the efficient and effective operation of the HSC-S GME Programs. Resident Program Coordinators shall assist in all administrative ways necessary to ensure continued ACGME and CODA accreditation and the success of individual Residents and the overall HSC-S GME Programs. HSC-S shall ensure that Resident Program Coordinators are appropriately trained and qualified and diligently provide the necessary and required administrative support services including, without limitation, coordination of all accreditation activities and requirements, tracking Resident hours, coordinating and tracking Residents' schedules, and other related services.
- B. Resident Program Coordinator Payments. OLH agrees to reimburse HSC-S an amount equal to each Resident Program Coordinator's salary and benefits multiplied by the proportionate percentage of time the Residents spend in

Resident Rotations at the Hospitals compared to the full complement of the training program at non-Hospital rotations consistent with the Program Budget and True Up/Settlement process described in ARTICLE Five of this Agreement. For example, if an HSC-S GME Program has a total complement of 50 Resident FTEs and the equivalent of 38 FTEs are assigned and complete Resident Rotations at the Hospitals, OLH will reimburse HSC-S 76% of the Resident Program Coordinator's base salary and benefits equivalent, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.

## II. TEACHING AND RESIDENCY PROGRAM SUPERVISION SERVICES AND SUPPORT

The Parties agree and recognize that teaching and supervising Residents is also an essential part of the Hospitals' teaching mission. To support such teaching mission, OLH agrees to provide Teaching and Residency Program Supervision Support for the Teaching and Residency Program Supervision Support Services. The Teaching and Residency Program Supervision Support is comprised of payments for (1) Teaching and Supervision Services, (2) Resident Program Directors, and (3) Associate Program Directors as set forth in Sections 2.01, 2.02 and 2.03 of this **Exhibit A**, as follows:

### 2.01 HSC-S Faculty Teaching and Supervision Services and Payments.

- A. Teaching and Supervision Services. The HSC-S Faculty shall exercise independent medical / professional judgment and comply with applicable standards for performance established by accrediting entities and the requirements of CMS in supervising, directing and controlling the provision of medical care by Residents in the course of completing their Resident Rotations ("Teaching and Supervision Services"). Such Teaching and Supervision Services include evaluating, disciplining and terminating Residents for academic purposes consistent with the policies and procedures of HSC-S. In the course of supervising and managing the Residents, the Parties agree and understand that HSC-S Faculty members are required to teach and supervise Residents in the course of providing physician and non-physician practitioner services pursuant to their faculty appointments. **Schedule 1(a)** sets forth the total time commitment of all HSC-S Faculty providing Teaching and Supervision Services on a full time equivalent ("FTE") basis. For clarity, the FTE time commitments reflected on **Schedule 1(a)** are for all services, not just Teaching and Supervision Services, provided by HSC-S Faculty. HSC-S will allocate no more than fifty percent (50%) of such total time commitment to Teaching and Supervision Services. The Parties agree that such Teaching and Supervision Services are a necessary and commercially reasonable activity that ensures proper training of new physicians and access to quality care for the Hospitals' patients. All Teaching and Supervision Services shall be performed in accordance with applicable standards for performance established by accrediting entities and the requirements of CMS.

B. Payments for Teaching and Supervision Services.

1. During the Startup Period, the Parties agree the Compensation for Teaching and Supervision Services to be reflected in the Initial Program Budget and the Second Program Budget shall reflect on average an aggregate physician salary cap of the fiftieth (50<sup>th</sup>) percentile of the applicable HSC-S Faculty salaries, based on specialty, position and experience as listed in the most recent applicable Faculty Salary Survey Reports published by the Association of American Medical Colleges for public universities in the Southern Region (the “Salary Survey”), plus (b) fifty] percent ([50%) of such HSC-S Faculty member’s actual employee benefits consistent with Fair Market Value (as defined below). Upon written consent of the Parties, the reimbursable amount for such Teaching and Supervision Services may be increased, on a per-physician basis, up to a maximum per-physician salary cap of the eightieth (80) percentile of such Salary Survey, with a corresponding increase in the percent of such HSC-S Faculty member’s actual employee benefits consistent with Fair Market Value (collectively, “Teaching Compensation”).

2. Following the Startup Period, for the percentage of time and effort related to providing the Teaching and Supervision Services of the total FTE commitment set forth in **Schedule 1(a)**, OLH agrees to pay HSC-S the Fair Market Value (as defined below) amount for the total value of such Teaching and Supervision Services, with such amounts to be reflected in the Program Budget approved by OLHS-NL. The Fair Market Value amount for such Teaching and Supervision Services shall be determined using the process agreed upon by the OLHS-NL Board for determining Fair Market Value as defined by 42 C.F.R. § 411.351 utilizing generally accepted standards and methodologies used for institutions accredited by the ACGME or CODA (“Fair Market Value”).

3. The Teaching Compensation paid will be subject to accurate Teaching Time Logs (as defined and described in Section IV of this **Exhibit A**) reflecting the Teaching and Supervision Services provided. Such Teaching Time Logs must be provided consistent with Section 5.03 of this Agreement and as required to continually assess and ensure Fair Market Value and commercial reasonableness of such compensation. The Parties agree there shall be no increase in the total amount for Teaching Compensation to be paid by OLH without mutual written consent of the Parties, and that OLH shall pay Teaching Compensation only to the extent such Teaching and Supervision Services are supported by Teaching Time Logs submitted consistent with Section 5.03 of this Agreement. Payment for such Teaching and Supervision Services shall be invoiced and paid consistent with ARTICLE Five of this Agreement.

2.02 HSC-S GME Program Directors.

A. Resident Program Directors. Resident Program Directors shall be appointed by the corresponding Clinical Department Chair at the Hospital(s). Ochsner will have a representative on the search committee formed to make recommendations

regarding candidates for each Program Director position, and the applicable Clinical Department Chair will select such Program Director from the slate of candidates unanimously recommended by the search committee. Such Resident Program Directors shall be employed by HSC-S and shall organize and oversee the activities of the Resident Programs at the Hospitals in compliance with the ACGME and CODA requirements, including monitoring appropriate HSC-S Faculty supervision, supervising and evaluating HSC-S Faculty in their responsibility for training Residents, and acting as a liaison with hospitals with regard to the HSC-S GME Programs. The Resident Program Directors will work collaboratively with OLH and the Hospitals with respect to the specific HSC-S GME Programs for the benefit of the Residents receiving training and completing Resident Rotations at the Hospitals and shall devote such amount of his/her normal work week in providing such administrative support services as reflected in **Schedule 1(b)** (the “Program Director Time Commitments”); provided, however, that the Parties agree that the Program Director Time Commitments reflected on **Schedule 1(b)** for the Program Directors shall be amended following Startup Period to be consistent with the minimum ACGME requirements for Program Directors or as otherwise agreed by the Parties in the Program Budget approved by OLHS-NL.

- B. Payments for Resident Program Directors. OLH agrees to reimburse HSC-S for the Resident Program Directors’ base salary and benefits in an amount that is proportionate to the Program Director Time Commitments listed in **Schedule 1(b)** and reflects the amount OLH incurs in providing/arranging to provide such administrative support services consistent with the Program Budget and True Up/Settlement Process described in Section 5.06 of this Agreement, subject to the receipt of an invoice consistent with ARTICLE Five of this Agreement, as further described in Section 2.02C of this Exhibit A, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.
- C. Resident Program Director Invoices. Payment for Resident Program Director services shall be invoiced and paid consistent with ARTICLE Five of this Agreement. HSC-S agrees to provide payroll reports for Resident Program Directors reasonably necessary for HSC-S GME Program administrative support services at the Hospitals. Such payroll reports shall list each Resident Program Director’s salary and include documentation dividing the time each Resident Program Director spent providing administrative support services for each of the HSC-S GME Programs at the Hospitals.
- D. Program Director Annual Education. To facilitate the ability of Resident Program Directors to remain educational leaders for the HSC-S GME Programs at the Hospitals, OLH agrees to pay HSC-S an annual amount of \$130,000. A review of the annual education activities, effectiveness, and costs will be performed during the annual review and Program Budget Process.

### 2.03 HSC-S GME Program Associate Directors.

- A. Associate Director Services. HSC-S shall, in consultation with OLHS-NL, appoint an Associate Program Director for the HSC-S GME Programs operated at Hospitals as listed in Schedule 1(b). Such Associate Program Directors shall be employed by HSC-S and shall assist the Resident Program Director with organizing and overseeing the activities of such HSC-S GME Programs at Hospitals in compliance with the ACGME and CODA requirements. The Associate Program Directors shall devote such amount of his/her normal work week in providing such administrative support services as reflected in **Schedule 1(b)** (the “Associate Program Director Time Commitments”); provided, however, that the Parties agree that the Associate Program Director Time Commitments reflected on **Schedule 1(b)** for the Program Directors shall be amended following Startup Period to be consistent with the minimum ACGME requirements for Associate Program Directors or as otherwise agreed by the Parties in the Program Budget approved by OLHS-NL.
- B. Associate Program Directors Payments. OLH agrees to reimburse HSC-S for the Associate Program Directors’ base salary and benefits in an amount that is proportionate to the Associate Program Director Time Commitments listed in **Schedule 1(b)** and reflects the amount OLH incurs in providing/arranging to provide such services consistent with the Program Budget and True Up/Settlement Process described in Section 5.06 of this Agreement, subject to the receipt of an invoice consistent with ARTICLE Five of this Agreement, as further described in 2.03C of this Exhibit A, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.
- C. Associate Program Directors Invoices. Payment for Associate Program Director administrative support services shall be invoiced and paid consistent with ARTICLE Five of this Agreement. HSC-S agrees to provide payroll reports for Associate Program Directors reasonably necessary for HSC-S GME Program administrative support services at the Hospitals. Such payroll reports shall list each Associate Program Director’s salary as well as documentation dividing the time each Associate Program Director spent providing administrative support services for each of the HSC-S GME Programs at the Hospitals.

### III. OTHER PROGRAM SUPPORT

The Parties agree and recognize that, in addition to the costs for which HSC-S is receiving Resident Rotations Support and Teaching and Residency Program Supervision Support, HSC-S incurs certain other costs in connection with the HSC-S GME Programs that are also an essential part of the Hospitals’ teaching mission. To support such teaching mission, OLH agrees to provide Other Program Support comprised of payments for (1) GME staff continuing education, and (2) recruitment costs, as set forth in Sections 3.01 and 3.02 of this **Exhibit A** as follows:

3.01 GME Staff Continuing Education. OLH shall pay HSC-S an annual amount of \$14,500 (or such other amount specified in the Program Budget) to be used by HSC-S to support the professional development activities of GME staff who support the HSC-S GME Programs at the Hospitals. Such funding may be used by HSC-S to fund GME staff participation at ACGME or CODA conferences, program coordinator conferences, or other similar educational activities.

3.02 Recruitment Cost. OLH agrees to reimburse HSC-S for Resident recruiting costs on a per-Resident basis up to an annual amount of \$150,000. Such funds may be used by HSC-S to reimburse travel and lodging accommodations for Resident applicants or other recruiting costs incurred by HSC-S as part of the Resident recruitment process. A review of the recruitment activities, effectiveness, and costs will be performed during the annual review and Program Budget Process, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment.

#### IV. TIME LOGS

4.01 Teaching Time Logs. HSC-S shall require each HSC-S Faculty member providing Teaching and Supervision Services at the Hospitals to complete written reports on a quarterly basis attesting to the time spent providing Teaching and Supervision Services (“Teaching Time Logs”). An example Teaching Time Log is attached as **Appendix B** to this Agreement. For the applicable service line, each Chief of Service is required to collect, review and assess on a quarterly basis each HSC-S Faculty member’s Teaching Time Log. The Chief of Service shall provide the Teaching Time Logs to the Hospital(s) each quarter consistent with Section 5.03 of this Agreement and shall provide the Dean and the Hospital(s), on a quarterly basis, a report certifying each HSC-S Faculty member satisfied the time commitments set forth in Schedule 1(a) and 1(b).

4.02 Prorated Payments for Failure to Provide Supporting Time Logs. In the event that the Teaching Time Logs submitted within a quarter do not reflect that HSC-S Faculty provided the level of Teaching and Supervision Services as set forth in Schedule 1(a), payment to HSC-S will be prorated as part of the TrueUp/Settlement Process, provided that during the periods covered by the Initial Program Budget and the Second Program Budget, the total amount of Compensation paid to HSC-S shall not be adjusted if there is an Immaterial Adjustment. The purpose of the Teaching Time Logs is to keep a physical record of the time spent by HSC-S Faculty members providing Teaching and Supervision Services in fulfilling their duties during the course of each quarter. LSU shall require that each HSC-S Faculty member’s time log: (i) is completed and identifies the services furnished; (ii) reflects only those duties performed by the HSC-S Faculty member (iii) reflects only the time devoted by such individual HSC-S Faculty member and does not reflect the time devoted by any other HSC-S Faculty member; and (iv) does not include time spent providing patient care or administrative services other than Teaching and Supervision Services.

## **Appendix 1**

### **Example Resident Rotation Log**

**Internal Medicine Monthly 2018 Schedule**

LSU Chief Resident: Brandon Humble				VA Chief Resident: Samuel Igbinedon			
ROTATIONS	ATTENDINGS		RESIDENTS	INTERNS			
LSU Team I	Dr. Doctor ####	Dr. Doctor ####	PGY 2 (T) 2738	PGY 1 (W) 0253, PGY 1 2322	PGY 1 (M) 2390		
LSU Team II	Dr. Doctor ####	Dr. Doctor ####	PGY 3 (289), PGY 3 (F) 2165	PGY 1 (F) 2842	PGY 1 (M) 2375		
LSU Team III	Dr. Doctor ####	Dr. Doctor ####	PGY 2 (Th) 0244	PGY 1 (W) 2359	PGY 1 (EMFM) 0039		
LSU Team IV	Dr. Doctor ####	Dr. Doctor ####	PGY 3 (M) 0938	PGY 1 (F) 1943, PGY 1 (FMI) 0905, PGY 1 (OMFS) 2807			
LSU Team V (Hem/Onc)	Dr. Doctor ####		PGY 2 (T) 0724	PGY 1 (Th) 0114	PGY 1 (M) 1755		
LSU Team VI (Neph)	Dr. Doctor ####	Dr. Doctor ####	PGY 3 (M) 0865	PGY 1 (T) 1945	PGY 1 (F) 2114		
LSU Team VII (Card)	Dr. Doctor ####	Dr. Doctor ####	PGY 3 (Th) 3189	PGY 1 (Anes) 2286	PGY 1 (M) 1949		
LSU Team VIII	Dr. Doctor ####	Dr. Doctor ####	PGY 2 (M) 0099	PGY 1 (W) 1748, PGY 1 (Anes) 2279, PGY 1 (Psych) 0213			
LSU MICU			PGY 2 (Th) 1941	PGY 1 (W) 1948			
			PGY 2 (F) 2326	PGY 1 (NSGV) 0949	PGY 1 (EM) 2196		
			PGY 2 (F) 2348	PGY 1 (M) 2748			
VA Team I			PGY 2 (T) 3414, PGY 2 (F) 0848	PGY 1 (T) 2353	PGY 1 (Th) 3062		
VA Team II			PGY 2 (T) 2272, PGY 2 (M) 1271	PGY 1 (W) 0644	PGY 1 (Th) 0834		
VA Team III			PGY 2 (T) 0870, PGY 2 (Th) 0876	PGY 1 (M) 0844	PGY 1 (F) 1884		
VA MICU			PGY 2 (F) 1099	PGY 1 (Th) 2363			
			PGY 2 (Th) 0986, PGY 2 (Th) 2325	PGY 1 (FM) 0814			
			PGY 4 (W) 2361	PGY 1 (Th) (M) 2262			
WK Med	PGY 3 (F) 2963, PGY 3 (T) 3478, PGY 3 (M) 3446, PGY 2 (T) 2368						
Flot	PGY 3 (W) 2370, PGY 2 (Th) 2318, PGY 3 (M) 0827, PGY 2 (F) 2166, PGY 1 (Th) 2421, PGY 1 (M) (Neuro) 2174						
Consults	PGY 2 (M) 0135, PGY 2 (F) 2331, PGY 2 (T) 1930				PGY 2 (F) 2249		
Cardio/Stress	PGY 2 (Th) 0075, PGY 2 (T) 0108		Rheumatology	PGY 3 (M) 2717, PGY 3 (W) 0942,		WK Nephro	PGY 2 (F) 2389
Endo	PGY 2 (W) 1848, PGY 2 (2890) Neph 31078			PGY 3 (T) 2387			
LSU GI	PGY 2 (W) 2344, PGY 2 (M) 1170,		VA ID	PGY 3 (T) 0850, PGY 3 (W) 2382		Neuro/Derm	PGY 3 (Th) 0094
	PGY 1 (T) 2265		VA GI	PGY 3 (Th) 0058, PGY 3 (M) 0096			PGY 3 (F) 3446
LSU Pulm	PGY 2 (T) 1418, PGY 1 (Anes) 3442		VA Nephro	PGY 3 (T) 2827, PGY 3 (M) 2922			
LSU ID	PGY 1 (F) 2399, PGY 2 (Th) 3420		VA Cardiology	PGY 2 (M) 2320, PGY 2 (M) 0925		Geriatrics	PGY 3 (W) 3137, PGY 3 (F) 0156
LSU Nephro	PGY 2 (T) 2166, PGY 1 (T) 1977		VA Pulm	PGY 3 (F) 0165, PGY 3 (M) 0762,			
Heme/Onc	PGY 3 (T) 0085, PGY 3 (Th) 1950			PGY 1 (F) 1829			
	<b>OFF SERVICES</b>		<b>ELECTIVES (CONT.)</b>		<b>VACATIONS</b>		
	PGY 1 (Th) 2479	Sleep Medicine	PGY 3 (Th) 2366		PGY 2: 7/2-7/6	PGY 2: 7/23-7/27	
LSU ED	PGY 1 (Th) 2386	Research		PGY 2: 7/9-7/13	PGY 3: 7/16-7/20	PGY 3 (6th) (M): 7/23-7/27	
	PGY 1 (W) 1786			PGY 3: 7/16-7/20	PGY 3: 7/16-7/20	PGY 3: 7/16-7/20	
		Anesthesiology	Radiology PGY 2 (F) 2690		PGY 3: 7/9-13	PGY 3: 7/16-20, PGY 2: 7/16-7/20	
PGY 4 (W) 2341	PGY 2 (W) 2757	Allergy	PGY 3 (F) 2690				
PGY 4 (W) 2362	PGY 2 (W) 0738	Ophthalmology					
PGY 4 (W) 3208	PGY 3 3110	Interventional Neph					
		AMB Med/Peds	PGY 4 (W) 2341				
<b>Notes:</b>							
PGY 2 to Start Neurology, PGY 3 to Start Derm (May Divide up VA Book Duties ad libitum)							
PGY 4 to Start Stress, PGY 3 to Start Cards							

## **Appendix 2**

### **Example Teaching Time Log**

**Provider Name:**  
**Department: (Your Department)**  
**Name of Physician: (Your Name)**  
**Cost Reporting Year:**  
**Basis of Allocation:**

**LSU HEALTH SCIENCE CENTER**

**Time Study**  
**WEEK OF:** \_\_\_\_\_

	Sun	Mon	Tue	Wed	Thru	Fri	Sat	Total
1. Provider Services - Teaching and Supervision of I/R's and Other GME Related functions.	0	0	0	0	0	0	0	0
-----								
1A. Provider Services - Teaching and Supervision of Allied Health Students.	0	0	0	0	0	0	0	0
-----								
1B. Provider Services - Non Teaching Reimbursable Activities such as Departmental Administration Supervision of Nursing and Technical Staff, Utilization Review, etc.	0	0	0	0	0	0	0	0
-----								
1C. Provider Services - Emergency Room Physicians Availability (Do not include minimum guarantee Arrangements for Emergency Room Physicians.)	0	0	0	0	0	0	0	0
-----								
1D. Subtotal - Provider Administration Services <b>(Line 1, 1A, 1B, and 1C).</b>	0	0	0	0	0	0	0	0
-----								
2. Physicians Services: Medical and Surgical Services to individual Patients	0	0	0	0	0	0	0	0
-----								
3. Non-Reimbursable Activities: Research, Teaching of I/R's in Non-Approved Program, Teaching and Supervision of Medical Students, Writing for Medical Journals, etc.	0	0	0	0	0	0	0	0
-----								
<b>4. Total Hours (Lines 1D, 2, and 3)</b>	<b>0</b>							
=====								

\_\_\_\_\_  
**Signature: Physician**

\_\_\_\_\_  
**Date**

**SCHEDULE 1(a)**

**HSC-S Faculty Physicians Providing Teaching and Supervision Services - FTEs**

**Academic Affiliation Agreement Schedule 1(a)**  
**HSC-S Faculty - OLH Shreveport**

Clinical Department/Section	Current FTE
Anesthesiology & Pain Medicine	14
Emergency Medicine	20
Family Medicine	18
Medicine: Interventional Cardiology	9
Medicine: Cardiology Electrophysiology	
Medicine: Cardiology Noninvasive	
Medicine: Endocrinology	2.5
Medicine: Gastroenterology	5
Medicine: Geriatrics	1
Medicine: Hematology & Radiation Oncology	22
Medicine: Infectious Diseases	4
Medicine: Internal Medicine	15.7
Medicine: Nephrology	7.3
Medicine: Pulmonary and Critical Care	5.5
Medicine: Rheumatology	4
Medicine: Pediatrics	3
Neurology	13.5
Sleep Medicine	2.5
Neurosurgery: General	6.9
Neurosurgery: Endovascular/Interventional	
Neurosurgery: Pediatric	
OB/GYN	8.2
OB/GYN: Gynecology Oncology	
OB/GYN: MFM	
Ophthalmology	7
Orthopedic Surgery: General	11
Orthopedic Surgery: Hip & Joint	
Orthopedic Surgery: Hand	
Orthopedic Surgery: Sports Medicine	
Orthopedic Surgery: Trauma	9.1
Otolaryngology	
Otolaryngology: Pediatric ENT	39
Pathology: Anatomical & Clinical	
Pediatrics: General	
Pediatrics: Allergy / Immunology	
Pediatrics: Cardiology	
Pediatrics: Critical Care/Intensivist	
Pediatrics: Endocrinology	
Pediatrics: Gastroenterology	
Pediatrics: Genetics	
Pediatrics: Hospitalist	
Pediatrics: Hematology & Oncology	

Clinical Department/Section	Current FTE
Pediatrics: Infectious Disease	
Pediatrics: Neonatal Medicine	
Pediatrics: Nephrology	
Pediatrics: Pulmonology	
Psychiatry	13
Radiology: Diagnostic	16.6
Radiology: Interventional	
Radiology: Neurological	
Radiology: Nuclear Medicine	
Surgery: General	20
Surgery: Cardiovascular	
Surgery: Colon and Rectal	
Surgery: Oncology	
Surgery: Pediatrics	
Surgery: Plastics	
Surgery: Vascular	
Surgery: Trauma	6
Oral/Maxillofacial Surgery	
Urology	4
<b>TOTAL</b>	<b>306.00</b>

**HSC-S Faculty - OLH Monroe  
Physician FTE**

<b>Clinical Department/Section</b>	<b>Current FTE</b>
------------------------------------	--------------------

<b>Department</b>	<b>Specialty</b>	<b>FTE</b>
Anesthesiology		2.00
Emergency Medicine		3.00
Family Medicine		8.25
Medicine	Cardiology	1.00
Medicine	Hematology/M	1.00
Medicine	Internal Medicine	3.50
Medicine	Nephrology	1.00
Obstetrics and Gynecology		5.00
Ophthalmology		1.25
Oral and Maxillofacial Surgery		1.00
Orthopaedic Surgery		1.50
Pathology		2.00
Pediatrics		2.00
Psychiatry		1.00
Surgery		4.15
<b>Physician Total</b>		<b>37.65</b>

**SCHEDULE 1(b)**

**Program Director and Associate Program Director Time Commitments**

	<b>Program Director</b>	<b>Assoc Program Director</b>
<b>Program</b>	<b>Percentage Time</b>	<b>Percentage Time</b>
Anesthesiology	40.00%	
Anesthesiology: Pain Medicine	10.00%	
Emergency Medicine	42.00%	
Family Medicine	48.00%	
Emergency Medicine/Family Medicine	15.00%	
Medicine: Interventional Cardiology	34.00%	
Medicine: Cardiology	34.00%	
Medicine: Endocrinology	34.00%	
Medicine: Gastroenterology	34.00%	
Medicine: Hematology & Oncology	34.00%	
Medicine: Infectious Diseases	34.00%	
Medicine: Internal Medicine	50.00%	15.00%
Medicine: Nephrology	34.00%	
Medicine: Pulmonary and Critical Care	30.00%	
Medicine: Critical Care Only	34.00%	
Medicine: Rheumatology	34.00%	
Medicine: Pediatrics	15.00%	
Neurology	35.00%	
Neurology: Sleep Medicine	34.00%	
Neurosurgery: General	30.00%	
OB/GYN	34.00%	
Ophthalmology	30.00%	
Oral/Maxillofacial Surgery	30.00%	
Orthopedic Surgery	30.00%	
Otolaryngology	30.00%	
Pathology	34.00%	15.00%
Pediatrics	50.00%	
Pediatrics: Allergy / Immunology	10.00%	
Psychiatry	50.00%	15.00%
Radiology	30.00%	
Surgery	30.00%	15.00%
Surgery: Colon and Rectal	10.00%	
Urology	30.00%	

**Exhibit B**

**Program Budget**

[To include Initial Program Budget]

**OLHS  
AAA  
FYE 2019**

<b>Faculty Teaching &amp; Supervision Services</b>	\$	49,825,000
<b>Intern/Resident/Fellow Salaries</b>	\$	29,950,000
<b>Intern/Resident/Fellow Education Support Payment and Recruitment Cost</b>	\$	725,000
<b>Resident Program Directors, Program Associate Directors and Program Director Annual Education</b>	\$	4,000,000
<b>Resident Program Coordinators and Annual Education</b>	\$	1,500,000

<b>Total AAA</b>	<b>\$</b>	<b>86,000,000</b>
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**NORTH LOUISIANA DEPARTMENT  
FINANCIAL INTEGRATION AGREEMENT**

This North Louisiana Department Financial Integration Agreement (this “**Agreement**”), is made and entered into effective October 1, 2018 (“**Effective Date**”), by and between Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“**OLHS-NL**”) and Ochsner Clinic, L.L.C., a Louisiana limited liability company (the “**Clinic**”). OLHS-NL and the Clinic are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**WHEREAS**, Ochsner Clinic Foundation d/b/a Ochsner Health System (“**Ochsner**”) and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“**LSU**”) formed OLHS-NL to, among other purposes, operate the Hospitals previously operated by LSU in Shreveport and Monroe, Louisiana, as part of an academic medical center (“**AMC**”) in accordance with the terms and conditions of the ACCA among Ochsner, LSU and OLHS-NL and the CEA among LSU, OLHS-NL, and the State of Louisiana;

**WHEREAS**, OLHS-NL, and Ochsner entered into the ACCA to implement the PPP and to establish the overall framework for OLHS-NL, Ochsner, and LSU’s Collaborative (as such term is defined in the ACCA) in accordance with the Shared Mission; and

**WHEREAS**, in accordance with Section 2.3.4 of the ACCA in furtherance of the Collaborative, Ochsner through its solely owned subsidiary, the Clinic, agreed to (i) create the North Louisiana Department as a separate accounting department within the Clinic to employ and contract with an Ochsner Physician for the provision of professional services to north Louisiana through the Collaborative, and (ii) the revenue and expenses of the Ochsner Physicians within the North Louisiana Department shall be allocated to OLHS-NL, all in accordance with the terms and conditions of the ACCA and this Agreement.

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

**1. Definitions.**

“**ACCA**” means the Academic and Clinical Collaboration Agreement to be entered contemporaneously with this Agreement among OLHS-NL, Ochsner, and LSU.

“**Area**” means (i) the Service Area and/or (ii) the Collaboration Area with respect to any Clinical Program (all as defined in the ACCA) in which Ochsner and LSU jointly participate in accordance with the terms and conditions of the ACCA.

“**CEA**” means the Cooperative Endeavor Agreement to be entered into contemporaneously with this Agreement by and among OLHS-NL, LSU and the State, for support of the Hospitals and their associated clinical activities for the Public Purpose as defined in the CEA.

“**CEO**” means the Chief Executive Officer of OLHS-NL.

“**CMO**” means the Chief Medical Officer of OLHS-NL.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collaborative**” has the meaning ascribed in the ACCA.

“**Department Deficit**” means the extent to which the Department Expenses of the Ochsner Physicians within the North Louisiana Department exceed the Department Revenue within a given Fiscal Year.

“**Department Excess**” means the extent to which the Department Revenue of the Ochsner Physicians within the North Louisiana Department exceed the Department Expenses within a given Fiscal Year.

“**Department Expenses**” includes the following expenses incurred by the North Louisiana Department in connection with the Ochsner Physicians’ performance of professional services within the Area (including the expenses related to any New Ochsner Physicians approved in accordance with Section 2.3.5 of the ACCA but excluding such expenses for any New Ochsner Physicians not approved in accordance therewith): (i) salaries and benefits, (ii) professional dues and fees, (iii) travel, (iv) supplies, including pharmaceuticals, (v) utilities, (vi) insurance, (vii) communications, (viii) maintenance and repairs, (ix) rentals, (x) a management fee equal to 3% of Total Revenue, (xi) costs for Information Technology and Revenue Cycle services, and (xii) other operating expenses attributable to the Ochsner Physicians pursuant to Generally Accepted Accounting Principles (GAAP).

“**Department Revenue**” means the Total Revenue received by the North Louisiana Department for professional services rendered by the Ochsner Physicians within the Area (irrespective of whether a New Ochsner Physician is approved in accordance with Section 2.3.5 of the ACCA).

“**Excluded**” has the meaning ascribed in Section 11.1.1.

“**Fiscal Year**” means the fiscal year of OLHS-NL beginning July 1st and ending June 30th.

“**Hospitals**” as applicable, means the hospitals and other clinical facilities located in Shreveport and Monroe, Louisiana, previously owned and operated by HSC-S, which will be operated by OLHS-NL’s subsidiaries under the CEA.

“**HSC-S**” means the LSU Health Sciences Center – Shreveport, an academic institution within LSU.

“**Joint Logo**” means a new logo for OLHS-NL created jointly by LSU and Ochsner.

“**Joint Management Committee**” means the Joint Management Committee appointed in accordance with OLHS-NL’s governance documents to provide oversight to OLHS-NL and the Collaborative in accordance with the ACCA.

“**LEIE**” has the meaning ascribed in Section 11.1.1.

**License Agreement**” means the agreements between OLHS-NL and LSU, and OLHS-NL and Ochsner, respectively, to address LSU and Ochsner co-branding of clinical locations and activity within the Collaborative.

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

**“Medical Staff Membership with Hospital Facility Privileges”** means membership of a physician as a credentialed member of a Hospital’s medical staff with inpatient admitting privileges at the Hospital.

**“Medical Staff Membership with Ambulatory Facility Privileges”** means membership of a physician as a credentialed member of a Hospital’s medical staff with privileges to attend Hospital patients in an ambulatory or outpatient setting.

**“Net Patient Revenue”** means the total gross revenue accrued in a period by the Clinic for the Ochsner Physicians within the North Louisiana Department, including, without limitation, any supplemental or non-claims based revenue, reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts.

**“New Ochsner Physician(s)”** has the meaning ascribed in Section 3.3

**“North Louisiana Department”** means a separate department for accounting purposes within the Clinic that employs or contracts with Ochsner Physicians dedicated to the provision of professional services to north Louisiana through the Collaborative in accordance with this Agreement.

**“Ochsner”** means Ochsner Clinic Foundation, d/b/a Ochsner Health System.

**“Ochsner Physician(s)”** means any physician who (i) is employed by or contracted with the Clinic within the North Louisiana Department, (ii) practices medicine within the Area, and (iii) is listed in Schedule 3 hereof.

**“OLHS-NL”** means Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation created for the purpose of effecting the ACCA between LSU and Ochsner.

**“OLHS-NL Board”** means the OLHS-NL Board of Directors appointed by Ochsner and LSU.

**“Other Revenue”** means revenue from contracts, payments received by the Clinic for the Ochsner Physicians within the North Louisiana Department in exchange for providing professional services, and other sources of operating revenue outside of Net Patient Revenue.

**“Shared Mission”** means the mission of the Collaborative, which is for LSU and Ochsner to work together in a collaborative and integrated manner to improve and expand medical education and research and to improve access to and the provision of quality medical care in north Louisiana by bringing together the best of both organizations.

“**Total Revenue**” means Net Patient Revenue plus Other Revenue.

“**Wind Down Period**” means a transition period upon the termination of the Collaborative to minimize potential disruption to the education, research and patient care services provided through the AMC, all as set forth in Section 11.1 of the ACCA.

## **2. Purposes.**

**2.1 General.** The purposes of this Agreement are to implement the terms and conditions of the ACCA, for the benefit of the Collaborative, and in support of the Shared Mission by, among other things, forming the North Louisiana Department as described in Section 3.1, allocating the revenues and expenses of the North Louisiana Department to OLHS-NL in accordance with Section 4.1, and ensuring that the charitable purposes and community benefit standards of OLHS-NL are fulfilled.

**2.2 Standards.** In furtherance of the purposes described in this Section 2, the North Louisiana Department operations will be conducted in such a manner as to satisfy the charitable purposes and community benefits standards generally required of hospitals and healthcare providers under Section 501(c)(3) of the Code, and other provisions of the Code.

**2.3 Tax Exempt Status.** The North Louisiana Department operations will be operated in such a manner as to further the tax-exempt purposes of Ochsner and OLHS-NL and so as not to jeopardize the status of Ochsner or OLHS-NL, or any of their respective Affiliates, to the extent applicable, as organizations described in Section 501(c)(3) of the Code.

## **3. Formation of North Louisiana Department.**

**3.1 Formation.** On or before the Effective Date, the Clinic will form a separate accounting department within the Clinic for the operations of the Ochsner Physicians who will provide clinical and professional services on behalf of the Collaborative within the Area.

**3.2 Ochsner Physicians.** The Ochsner Physicians are initially those Clinic employed and contracted physicians listed on Schedule 3, as may be updated by Clinic from time-to-time (without the necessity to amend this Agreement); provided, however, that the Clinic shall comply with the procedures set forth in Section 3.3 and Section 2.3.5 of the ACCA with respect to the listing of any New Ochsner Physicians.

**3.3 New Ochsner Physicians.** The Parties acknowledge and agree that prior to updating the list of Ochsner Physicians set forth in Schedule 3 with any New Physician (“**New Ochsner Physicians**”), the Clinic shall provide advance written notice of such fact to OLHS-NL and LSU and the procedures set forth in Section 2.3.5 of the ACCA for recruiting, employing, or contracting New Physicians shall apply. In the event that the addition of the New Ochsner Physician is approved in accordance with the procedures set forth in Section 2.3.5 of the ACCA, the Department Revenue and Department Expenses associated with such New Ochsner Physician shall be allocated to OLHS-NL in accordance with Section 4.1. In the event the New Ochsner Physician is not approved in accordance with the procedures set forth in Section 2.3.5 of the ACCA, then Clinic may nonetheless recruit, employ, or contract such New Ochsner Physician,

provided that only the Department Revenue and not the Department Expenses associated with such New Ochsner Physician shall be allocated to OLHS-NL in accordance with Section 4.1.

**3.4 Ochsner Physician Clinical Compensation.** The Parties acknowledge and agree that the clinical portion of the compensation to be paid to any New Ochsner Physician or to any existing Ochsner Physician whose compensation is amended during the Term shall be established and approved pursuant to the procedures set forth in Sections 2.3.5, 2.3.6, and 7.2.2 of the ACCA.

**3.5 Medical Staff Membership.** The Parties acknowledge and agree that Ochsner Physician shall be required to comply with Section 5.2 of the ACCA to obtain Medical Staff Membership with Hospital Facility Privileges and/or Medical Staff Membership with Ambulatory Facility Privileges.

#### **4. Financial Integration.**

**4.1 Allocation of Department Excess / Department Deficit.** The Parties' agree that the Department Revenue and Department Expenses of the Ochsner Physicians within the North Louisiana Department shall be allocated to OLHS-NL each Fiscal Year pursuant to this Section 4.1. In allocating the Department Revenue and Department Expenses of the Ochsner Physicians within the North Louisiana Department to OLHS-NL, the Clinic shall provide an accounting to the Joint Management Committee and OLHS-NL Board each Fiscal Year of the Department Revenue and Expenses of the Ochsner Physicians. To the extent the Ochsner Physicians generate a Department Excess (taking into account any special accounting requirements for New Ochsner Physicians hired without authorization in accordance with Section 3.3), then such Department Excess shall be due and payable by the Clinic to OLHS-NL within 135 days of the Clinic's Fiscal Year end. To the extent the Ochsner Physicians generate a Department Deficit (again taking into account any special accounting requirements for New Ochsner Physicians hired without authorization pursuant to Section 3.3), then such Department Deficit shall be due and payable by OLHS-NL to the Clinic within 135 days of the Clinic's Fiscal Year end.

**4.2 Annual Budget Process.** In accordance with Section 7.2.3 of the ACCA, each calendar year, the Clinic shall submit its proposed annual operating budget for the North Louisiana Department ("**Operating Budget**") to HSC-S and the CEO and CMO who shall jointly review and work in good faith to agree upon and reconcile such proposed Operating Budget consistent with the goals outlined in Section 7.2.1 of the ACCA. Upon such agreement and reconciliation, the Operating Budget shall be submitted and approved by the OLHS-NL Board.

**4.3 Management of North Louisiana Department.** Notwithstanding anything herein to the contrary, the Clinic shall at all times during the Term be managed by the Clinic and Ochsner, except as otherwise expressly stated in this Agreement or the ACCA. The Clinic will perform all managed care contracting for the Ochsner Physicians. In addition, the Clinic will perform all billing and collecting for the Ochsner Physicians, subject to the allocation of the North Louisiana Department's Department Excess or Department Deficit as described in Section 4.1.

#### **5. Branding.**

The Parties agree that the terms and conditions of the License Agreement and ACCA shall govern co-branding related to the Ochsner Physicians and that ambulatory physician clinics and

any other locations affiliated with the Collaborative at which Ochsner Physicians practice will be co-branded with the Joint Logo.

## 6. **Term.**

Unless earlier terminated as provided herein, the initial term of this Agreement (the “**Initial Term**”) shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a “**Renewal Term**”) for a total term (“**Term**”) of twenty (20) years, unless a party gives written notice of its intent not to renew the Agreement for a Renewal Term not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable, or unless the OLHS-NL and Clinic mutually agree to termination of this Agreement at an earlier date.

## 7. **Default and Termination.**

7.1 **Events of Default.** It shall be an event of default (“**Event of Default**”) hereunder:

7.1.1 If either Party (i) fails to cure a Financial Default (as defined in the ACCA) in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given Fiscal Year within the Term, regardless of whether cured.

7.1.2 If a Party fails to perform any other material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. Notwithstanding the foregoing, this subsection 7.1.2 does not address a failure to make payment as required by Section 7 of this Agreement, which is addressed in subsection 7.1.1, above, addressing Financial Default.

7.2 **Termination Events.** Either Party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

7.2.1 **Termination by Mutual Consent.** This Agreement may be terminated by the mutual, written consent of the Parties.

7.2.2 **Federal Healthcare Program Exclusion.** If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.

7.2.3 **Termination for Bankruptcy; Receivership.** This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

7.2.4 Termination for Financial Default. In accordance with Section 7.1.1 above, the non-defaulting Party may terminate this Agreement if the defaulting party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three or more Financial Defaults in any given Fiscal Year within the Term, regardless of whether cured.

7.2.5 Termination for Failure to Resolve Disputes. This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

7.2.6 Termination of Collaborative. Upon termination of the ACCA, CEA or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

**7.3 Windup Activities.** Upon termination of this Agreement for any reason, Clinic's obligations to perform services hereunder shall completely cease; provided, however, that the Parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned through the date of termination and through the Wind Down Period shall remain due and owing notwithstanding the termination of the Agreement.

## **8. No Partnership or Agency Authority.**

Nothing in this Agreement is intended to create a partnership or agency relationship between the Parties. Without limiting the foregoing, no Party, by virtue of being a party to this Agreement, will have any power or authority to act for, or to assume any obligations or responsibility on behalf of, or to bind any other Party in any manner, to pledge its credit, or to render it liable for any purpose. No Party will make any representations to the contrary.

## **9. Indemnification.**

Each Party (an "**Indemnitor**") shall indemnify and hold harmless, to the extent permitted by law, the other Party, its officers, directors, board members, agents, and employees (collectively, the "**Indemnitees**") 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, expert witness fees, reasonable attorneys' fees, and any other cost of defense, (collectively, the "**Damages**") arising from (a) Indemnitor's breach of this Agreement; or (b) the negligent actions or inactions of the Indemnitor, its officers, directors, board members, agents, or employees.

## **10. Insurance.**

Each Party shall maintain, in full force and effect during the Term of this Agreement, reasonable, customary, and legally required insurance consistent with the scope of services being provided under this Agreement, including professional liability insurance, workers' compensation

insurance, automobile liability insurance (if legally required), and general liability coverage with coverage for Security Incidents and Breaches of Unsecured Protected Health Information (as those terms are defined by HIPAA). Professional liability insurance shall include coverage for data breach and network security. All insurance shall be provided by financially stable insurance carriers properly licensed to write and issue required coverage.

## **11. Representations and Warranties.**

### **11.1 Eligibility for Government Programs.**

11.1.1 Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“**LEIE**”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department as debarred, excluded or otherwise ineligible for participation in federal programs and/or federally funded health care programs including Medicare and Medicaid (collectively, “**Excluded**”).

11.1.2 Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the eligibility status representation of Section 11.1.1; (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Party immediately, in writing, of any change in circumstances related to its representations made in this Section 11.

11.2 Legal Compliance. Each Party represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered, or will be paid or distributed, by or on behalf of such Party and/or the physicians, non-physician practitioners, officers, or directors of such Party, or to any other person, Party or entity affiliated with such Party, as an inducement to refer or purchase or to influence the referral or purchase of items paid by a federal or state health care program. Further, each Party agrees that it is not obligated by the terms hereof to refer patients to a Party, that the compensation paid hereunder is consistent with fair market value of the goods and services provided hereunder, and that no part of the consideration paid and received hereunder is in exchange for the referral of patients or services or the promise to make such referrals.

## **12. General Provisions.**

12.1 Parties Bound. This Agreement shall bind and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

12.2 Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

12.3 Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy

of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**12.4 Rule of Construction.** The Parties acknowledge and agree that this is a negotiated agreement, in which all Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

**12.5 Severability.** If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

**12.6 Integration.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior physician clinical and medical administrative service agreements and understandings, oral or written, between the Parties.

**12.7 Non-Waiver.** No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

**12.8 Notices.** All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the Parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLHS-NL:**

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attn: Chief Executive Officer

with a required copy to:

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

and

Ochsner Health System  
1450 Poydras St., Ste 2250  
New Orleans, Louisiana 70112  
Attn: General Counsel

**If to Clinic:**

Ochsner Clinic Foundation  
1514 Jefferson Highway  
New Orleans, Louisiana 70121  
Attn: Chief Executive Officer

with a required copy to:

Ochsner Health System  
1450 Poydras St., Ste 2250  
New Orleans, Louisiana 70112  
Attn: General Counsel

**12.9 Form of the Agreement.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Section and subsection headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

**12.10 Amendment.** This Agreement may be amended or modified only in writing signed by the Parties.

**12.11 Further Cooperation.** In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

**12.12 Assignability.** No Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Parties.

**12.13 No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

**12.14 Referrals.** The Parties acknowledge that none of the benefits granted to the Parties or any Ochsner Physician hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, the Hospitals.

**12.15 Force Majeure.** No Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from Acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by a Party's employees, or any similar or dissimilar cause beyond the reasonable control of a Party.

**12.16 Additional Instruments.** Each of the Parties shall, from time to time, at the request of any other Party, execute, acknowledge and deliver to the other Parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

**12.17 Headings.** All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

**12.18 Multiple Counterparts.** Provided all Parties execute an identical copy of this Agreement, including Exhibits, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

**12.19 Time Periods.** Time periods expressed by a specified number of days shall be based on calendar days.

**12.20 Money Damages; Legal Fees and Costs.** The Parties expressly acknowledge and agree that the Dispute Process set forth in Article Error! Reference source not found.<sup>9</sup> of the ACCA is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3 (5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the Parties have executed this Agreement by and through their duly authorized representatives effective as of the date and year first above written.

**Ochsner LSU Health System of North Louisiana**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner Clinic, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule 3**

**List of Ochsner Physicians**

**None.**

**SHARED SERVICES AGREEMENT**

This **Shared Services Agreement** (this “Agreement”) is made and entered into effective as of October 1, 2018 (the “Effective Date”) by and among the **Board of Supervisors of Louisiana State University and Agricultural and Mechanical College** (“LSU”), acting through the Louisiana State University Health Sciences Center at Shreveport (“LSUHSC-S”) and its Louisiana State University Medical School-Shreveport (the “School”), and **Ochsner LSU Health System of North Louisiana** (“OLHS-NL”), **Ochsner LSU Hospitals, L.L.C.** (“OLH”), **OLH Shreveport, L.L.C.** (“OLH Shreveport”), and **OLH Monroe, L.L.C.** (“OLH Monroe”). OLH, OLH Shreveport and OLH Monroe are collectively referred to as the “OLH Parties.” The OLH Parties, LSU, LSUHSC-S and the School are collectively referred to as the “Parties” and each a “Party.”

**RECITALS**

**WHEREAS**, a Cooperative Endeavor Agreement (the “CEA”) for a private/public collaboration has been executed by and among LSU, OLHS-NL and the State of Louisiana, on terms and conditions agreed by the parties to the CEA, for the management and operation of hospital facilities and associated outpatient clinics formerly under the control and management of LSU and to be known as Ochsner LSU Health Shreveport (“Shreveport Hospital”), and Ochsner LSU Health Monroe (“Monroe Hospital”) (collectively, the “Hospitals”).

**WHEREAS**, prior to the transition of the Hospitals’ operations to the OLH Parties, and continuing at the present time, various support functions and services (collectively, the “Support Services”) associated with the operations of the Hospitals and the School were and continue to be significantly integrated;

**WHEREAS**, OLHS-NL is the sole manager of each of the OLH Parties and has a vested interest in the Support Services provided under this Agreement;

**WHEREAS**, the OLH Parties and LSU recognize that separation of these Support Services and costs associated therewith cannot be reasonably accomplished at this time, and thus, the Parties are dependent upon one another for the continued provision of the Support Services for a transitory period of time;

**WHEREAS**, the OLH Parties are willing to provide the Support Services under its direction and control to LSU in support of the School’s operations, and LSU is willing to provide the Support Services under its direction and control to the OLH Parties in support of the Hospitals’ operations, as is more fully set forth herein; and

**WHEREAS**, the Parties hereto desire to enter into this Agreement to comprehensively document (i) the OLH Parties’ provision of the Support Services under their direction and control to LSU, and (ii) LSU’s provision of the Support Services under its direction and control to the OLH Parties.

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

**1. DEFINITIONS**

Capitalized terms in this Agreement, not defined elsewhere, shall have the following meanings:

1.1 “ACCA” means the Academic and Clinical Collaboration Agreement by and among LSU, Ochsner Clinic Foundation d/b/a Ochsner Health System, a Louisiana nonprofit corporation, and OLHS-NL.

1.2 “CEA” shall mean the Cooperative Endeavor Agreement identified in the opening preamble above, as amended from time to time.

1.3 “Hospitals” shall have the meaning assigned in the Recitals to this Agreement.

1.4 “LSU Support Services” shall collectively include and mean the Support Services described on Exhibit A of this Agreement (incorporated by reference as part of this Agreement) to be provided by LSU to the OLH Parties for use at the Hospitals.

1.5 “Master Hospital Lease” shall mean the Master Hospital Lease between the State of Louisiana (through the Division of Administration) and OLH, effective October 1, 2018, as may be amended from time to time.

1.6 “OLHS-NL” shall mean Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation.

1.7 “OLH Support Services” shall collectively include and mean the Support Services described on Exhibit B of this Agreement (incorporated by reference as part of this Agreement), to be provided by the OLH Parties to LSU for use at the School.

1.8 “Parties” shall mean the OLH Parties, LSU, LSUHSC-S, and the School, and each may be referred to as a “Party.”

1.9 “Support Services” shall mean the OLH Support Services and the LSU Support Services.

1.10 “Third Party Contracts” shall mean contracts, support agreements and various other contracts and agreements with Third Party Vendors upon which the OLH Parties and/or LSU rely in the provision of the Support Services.

1.11 “Third Party Vendors” shall mean the various third parties that provide services pursuant to Third Party Contracts.

**2. SUPPORT SERVICES**

2.1 LSU Support Services. LSU will provide to the OLH Parties for use at the Hospitals the LSU Support Services and shall not reduce the level of such LSU Support Services to be provided to the OLH Parties under this Agreement except for causes beyond its control, such as the departure of personnel who cannot be replaced in a timely fashion.

2.2 OLH Support Services. The OLH Parties will provide to LSU for use at the School the OLH Support Services and shall not reduce the level of such OLH Support Services to be provided to LSU under this Agreement except for causes beyond its control, such as the departure of personnel who cannot be replaced in a timely fashion.

2.3 Subcontractors and Third Party Providers. The Parties shall be entitled to subcontract (including to affiliates) all or any portion of the Support Services to a Third Party Vendor; provided, however, that any LSU Third Party Contract will require advance written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed; and provided further that any of the OLH Parties must provide notice to the Chief Medical Officer of OLHS-NL (“CMO”) if any of the OLH Parties will subcontract with a Third Party Vendor. Upon receipt of such notice, the CMO may request within five (5) business days of receiving such request that the OLHS-NL Joint Management Committee review and approve such subcontract, and such approval will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, each Party shall remain responsible for the provision of its respective Support Services, including those performed by any Third Party Vendor; provided, however, the OLH Parties acknowledge and agree that LSU shall have no liability, responsibility or other obligation whatsoever for delays, failure, lapses in service, deficiency, inoperability, error and/or other unsatisfactory performance of any equipment or services associated with the provision of utilities to the OLH Parties, unless caused by the intentional misconduct of LSU.

2.4 Change in Services. Notwithstanding the contents of Exhibit A and Exhibit B, the Parties agree to consider in good faith any reasonable request for the provision of any additional Support Services that are necessary for the operation of the Hospitals or the School and which are not included in the Exhibits as of the Effective Date of this Agreement. In the event LSU or the OLH Parties agree, in their discretion, to provide such additional Support Services, the same shall be provided at a price to be agreed upon after good faith negotiations between the Parties, and the Parties shall amend this Agreement and the respective Support Service exhibit, which shall be included in Exhibit A or Exhibit B, as applicable, with respect to such additional Support Services. Any such additional Support Services provided hereunder shall constitute Support Services and shall be subject in all respect to the provisions of this Agreement as if fully set forth on Exhibit A or Exhibit B as of the Effective Date.

2.5 Termination of Support Services. The Parties acknowledge and agree that either Party may determine from time to time that it does not require or no longer intends to provide or receive all the Support Services set out on one or more of the Exhibits. Accordingly, notwithstanding anything in this Agreement to the contrary, except for the utilities provided by LSU as indicated on Exhibit A and the power plant operations and maintenance provided by OLH as indicated on Exhibit B, either Party may terminate any Support Service that it

provides or that it receives upon thirty (30) days written notice to the other Party, with a corresponding reduction in the amount owed for the discontinued Support Service and a corresponding amendment to the respective Support Service exhibit.

2.6 CEA / ACCA. The OLH Parties and LSU agree that this Agreement is ancillary to the CEA and the ACCA, and is one component of the various engagements and transactions contemplated under the CEA and ACCA.

2.7 Professional Liability Insurance. Each Party is responsible for providing or ensuring the provision of professional liability coverage for its personnel, as applicable, who provide Support Services under this Agreement.

### **3. STANDARD OF SERVICES; LIMITATION OF LIABILITY.**

3.1 Standard of LSU Support Services. LSU represents and warrants that (i) the LSU Support Services are intended to generally remain consistent with the services previously made available to the Hospitals immediately prior to the Effective Date; (ii) the LSU Support Services will be provided in good faith, in compliance with the law, and in a professional and workmanlike manner; and (iii) LSU will assign sufficient resources and qualified personnel (“LSU Personnel”) as are reasonably required to perform the LSU Support Services in accordance with the standards set forth in the preceding clauses. To the extent LSU Personnel provide clinical Support Services (“Clinical Support Services”) to the OLH Parties, such Clinical Support Services shall be provided, to the best of the LSU Personnel’s abilities, in accordance with the applicable standards of care and industry best practices.

3.2 Limitation of LSU’s Warranty. EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3.1, LSU MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LSU SUPPORT SERVICES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ANY AND ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY LSU. THE OLH PARTIES SPECIFICALLY ACKNOWLEDGE AND AGREE THAT THE UTILITY SERVICES, I.E., ELECTRICITY, GAS, WATER AND SEWAGE, ARE PROVIDED THROUGH THIRD PARTY UTILITY PROVIDERS AND LSU SHALL HAVE NO LIABILITY OR OTHER RESPONSIBILITY WHATSOEVER FOR ANY ACT OR OMISSION BY ANY THIRD PARTY PROVIDER OR INTERRUPTION OF SERVICE, UNLESS SUCH ACT OR OMISSION IS DIRECTLY CAUSED BY LSU’S BREACH OF THIS AGREEMENT.

3.3 Standards of OLH Support Services. The OLH Parties represent and warrant that (i) the OLH Support Services are intended to generally remain consistent with the services previously made available to the School immediately prior to the Effective Date; (ii) the OLH Support Services will be provided in good faith, in compliance with the law, and in a professional and workmanlike manner; and (iii) the OLH Parties will assign sufficient resources and qualified personnel (“OLH Personnel”) as are reasonably required to perform the OLH Support Services in accordance with the standards set forth

in the preceding clauses. To the extent OLH Personnel provide Clinical Support Services to LSU, such Clinical Support Services shall be provided, to the best of OLH Personnel's abilities, in accordance with the applicable standards of care and industry best practices.

3.4 Limitation of the OLH Parties' Warranty. EXCEPT TO THE EXTENT EXPRESSLY SET FORTH IN SECTION 3.3, THE OLH PARTIES MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE OLH SUPPORT SERVICES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ANY AND ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY THE OLH PARTIES.

**4. ACCESS TO PREMISES.**

4.1 LSU Access to the Hospitals. The OLH Parties shall provide to LSU and any Third Party Vendors providing any portion of the LSU Support Services, at no cost to LSU, access to and use of the Hospitals, their facilities, assets and books and records in all cases to the extent reasonably necessary for LSU and/or the Third Party Vendors to comply with the terms of this Agreement and to provide the LSU Support Services to and/or on behalf of the OLH Parties. LSU agrees that it and its subcontractors who provide the LSU Support Services shall conform to all applicable policies and procedures of the OLH Parties concerning health, safety and security of which LSU is notified in writing in advance.

4.2 The OLH Parties Access to the School. LSU shall provide the OLH Parties with access to and use of the School, its facilities, assets and books and records in all cases to the extent reasonably necessary for the OLH Parties to comply with the terms of this Agreement and to provide the OLH Support Services to and/or on behalf of LSU. The OLH Parties agree that they and their subcontractors who provide the OLH Support Services shall conform to all applicable policies and procedures of LSU concerning health, safety, and security of which the OLH Parties are notified in writing in advance.

**5. OBLIGATIONS OF LSU.**

5.1 Appointment of LSU Representative. LSU shall appoint an LSUHSC-S employee to serve as a primary contact with respect to this Agreement who will have the authority to act on behalf of LSU in connection with matters pertaining to this Agreement (the "LSU Representative"). LSU shall maintain the same LSU Representative throughout the Term (as defined below), except that it may substitute a new LSU Representative following written notice to the OLH Parties.

5.2 Other Obligations of LSU. LSU shall, at LSU's sole cost and expense, do and/or perform the following:

5.2.1 Background Checks on LSU Personnel. With regard to LSU Personnel who perform any LSU Support Services hereunder, LSU shall: (i) ensure that such LSU Personnel have the legal right to work in the United States; and (ii) conduct background checks on such LSU Personnel, which background checks shall comprise, at a minimum, (1) a review of references, (2) a search of criminal records, and

(3) the Excluded persons searches described in Section 7, all in accordance with state, federal and local law; and

5.2.2 Maintenance of Records. LSU shall maintain complete, accurate, and detailed records of the time spent and materials used by or on behalf of LSU in providing the LSU Support Services; and

5.2.3 Cooperation with the OLH Parties. LSU shall reasonably cooperate with the OLH Parties in matters reasonably relating to the LSU Support Services.

5.3 Delays Due to Acts or Omissions of the OLH Parties. If LSU's performance of its obligations under this Agreement is prevented or delayed by any act or omission of the OLH Parties, then LSU shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by the OLH Parties, in each case, to the extent arising directly or indirectly from such prevention or delay.

**6. OBLIGATIONS OF THE OLH PARTIES.**

6.1 Appointment of OLH Representative. The OLH Parties shall appoint an OLH Party employee to serve as a primary contact with respect to this Agreement who will have the authority to act on behalf of the OLH Parties in connection with matters pertaining to this Agreement (the "OLH Representative"). The OLH Parties shall maintain the same OLH Representative throughout the Term (as defined below), except that it may substitute a new OLH Representative following written notice to LSU.

6.2 Other Obligations of the OLH Parties. The OLH Parties shall, at their sole cost and expense, do and/or perform the following:

6.2.1 Background Checks on OLH Personnel. In performing any OLH Support Services hereunder, the OLH Parties shall: (i) ensure that such OLH Personnel have the legal right to work in the United States; and (ii) conduct background checks on such OLH Personnel, which background checks shall comprise, at a minimum, (1) a review of references, (2) a search of criminal records, and (3) the Excluded persons searches described in Section 7, all in accordance with state, federal and local law;

6.2.2 Maintenance of Records. The OLH Parties shall maintain complete, accurate, and detailed records of the time spent and materials used by or on behalf of the OLH Parties in providing the OLH Support Services; and

6.2.3 Cooperation with LSU. The OLH Parties shall reasonably cooperate with LSU in matters reasonably relating to the OLH Support Services.

6.3 Delays Due to Acts or Omissions of the OLH Parties. If the OLH Parties' performance of their obligations under this Agreement is prevented or delayed by any act or omission of LSU, then the OLH Parties shall not be deemed in breach of their obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred

by LSU, in each case, to the extent arising directly or indirectly from such prevention or delay.

**7. Eligibility for Government Programs.**

7.1 Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“LEIE”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department (including the General Services Administration) as debarred, excluded or otherwise ineligible for participation in federal or state programs and/or federally funded health care programs including Medicare and Medicaid (collectively, “Excluded”). Each Party further represents that, to the best of its knowledge, neither it nor its employees/agents are under investigation or otherwise aware of any circumstances which may result in such Party or its employees/agents being Excluded.

7.2 Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the eligibility status representation (as described in Section 7.1); (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Parties immediately, in writing, of any change in circumstances related to its representations made in this Section 7).

**8. TERM.**

8.1 Term. Unless earlier terminated as provided in Section 9, the initial term of this Agreement (the “Initial Term”) shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a “Renewal Term”) for a total term (“Term”) of twenty (20) years, unless a Party gives written notice of its intent not to renew the Agreement for a Renewal Term not less than six (6) months prior to the expiration of the Initial Term or a Renewal Term then in effect, as applicable.

**9. TERMINATION OF AGREEMENT.**

9.1 Permissive Termination. Any party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

9.1.1 Termination for Failure to Resolve Disputes. Subject to Section **Error! Reference source not found.** addressing Financial Defaults, the Parties fail to resolve to the Disputing Party’s (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) arising under this Agreement and initiated in the same fiscal year or (ii) three (3) material Disputes arising under this Agreement and initiated in any two (2) consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA. For clarity, a Party’s failure to make a payment in an amount that is insufficient to constitute

a Financial Default under Section **Error! Reference source not found.** may still be the subject of a Dispute as set forth in Article 9 of the ACCA.

9.1.2 Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program.

9.1.3 Termination by Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Parties.

9.2 Mandatory Termination for Bankruptcy; Receivership. This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

9.3 Termination for Financial Default. It shall be an event of default if a party (i) fails to cure a Financial Default (as defined in the ACCA) arising under this Agreement in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults arising under this Agreement in any given fiscal year within the Term regardless of whether cured. If such event of default occurs, the non-defaulting Party may terminate this Agreement by giving written notice of termination to the other Party.

9.4 Mandatory Termination Upon Termination of Collaborative. Upon termination of the ACCA, CEA or, unless otherwise agreed by the parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate. The expiration of this Agreement or the earlier termination of this Agreement shall not cause a corresponding termination of the CEA, ACCA, or a Collaborative Agreement (as defined in the ACCA) unless specifically provided in the ACCA.

9.5 Wind Down Activities. Upon termination of this Agreement for any reason, the Parties' obligations to perform Support Services shall completely cease, except that the Parties shall perform and make payment for such Support Services as are necessary to wind up their activities pursuant to this Agreement in an orderly manner, to minimize potential disruption to the education, research and patient care services, and to comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned through the date of termination and through the Wind Down Period shall remain due and owing notwithstanding the termination of this Agreement.

9.6 Default as to Single Support Service. If LSU or the OLH Parties shall fail to perform in any material respect the terms of this Agreement to be performed by such

Party/Parties that apply only to a single Support Services and such failure shall not be cured within the Cure Period defined below, then at the option of the non-breaching Party, on the expiration of the Cure Period and in the event such default is not cured within such Cure Period, the non-breaching Party shall only have the right to terminate the provision of such defaulting Support Service, in which case this Agreement shall continue in full force and effect with respect to any other Support Services that remain subject to ongoing obligations under this Agreement. For purposes of this Section 9.6, “Cure Period” means within sixty (60) days after notice of a failure to perform in any material respect the terms of this Agreement thereof by the non-breaching Party to the breaching Party if such failure is capable of cure within such period; or (ii) within a reasonable period of time for cure if such failure cannot reasonably be cured within such sixty (60) day period, provided the breaching Party commences its curative actions within such sixty (60) day period and proceeds diligently to cure thereafter (in which event, the breaching Party shall have a reasonable time beyond such sixty (60) day period to complete its cure). Notwithstanding the foregoing, the parties acknowledge and agree that certain Support Services cannot be terminated because of their nature and the potential risk of patient harm that may arise if the Service is terminated. Examples of such Support Services, include, but are not limited to, utilities services and power plant maintenance. If a default occurs regarding any necessary Support Service, the non-defaulting party shall not terminate the Support Service but may initiate the Dispute Resolution Process set forth in ARTICLE 9 of the ACCA.

**10. PAYMENT FOR SERVICES.**

10.1 Fees for LSU Support Services. The fees and costs to be paid by the OLH Parties to LSU for the LSU Support Services provided hereunder are set forth in Exhibit A.

10.2 Fees for OLH Support Services. The fees and costs to be paid by LSU to the OLH Parties for the OLH Support Services provided hereunder are set forth in Exhibit B.

10.3 Invoicing and Payment. On or before the 20th day of each month, each Party shall provide an invoice to the other Party / Parties, as applicable, for the Support Services it provided to the other Party / Parties during the previous month. All invoices are due and payable within thirty (30) days of receipt of the undisputed invoice. Such invoices and amounts due shall reflect changes in the scope of the Shared Service provided during such month (e.g., unfilled FTE positions, salary / benefit adjustments made consistent with Section 10.4, or changes to the scope of Shared Services provided under this Agreement, including amendments to the Shared Services made pursuant to Section 2.4 or Section 2.5). Invoices shall contain documentation to support the amounts stated on the invoice. LSU also agrees to provide to the OLH Parties compensation and benefits information for LSU personnel providing LSU Support Services with sufficient detail to enable the Hospitals to include such actual costs in their cost reports to the satisfaction of the Hospitals.

10.4 Adjustments to Costs for Change in Salaries and Benefits. The Parties acknowledge and agree that salaries and benefits for the personnel providing the Support Services hereunder may increase/decrease over the course of time. In such an event, the Party whose personnel’s salaries or benefits are scheduled to increase/decrease shall provide written notice of such change to the other Party no later than sixty (60) days prior to the scheduled

change. The Party receiving such notice may elect either (i) to continue receiving the corresponding Support Service at the modified cost or (ii) to terminate the applicable Support Service in accordance with Section 2.5 of this Agreement. In the event the Party elects to continue receiving the Support Service, the Parties shall amend the respective Support Service exhibit, as applicable, with respect to the adjustment in cost.

10.5 Taxes. Each Party shall be responsible for its proportionate share of all sales or use taxes imposed or assessed as a result of the provision of Support Services.

10.6 Responsibility for Wages and Fees. During the Term of this Agreement, and while any employee of a Party is engaged in providing Support Services pursuant to this Agreement: (i) such employees will remain employees of the respective Party or its affiliate, as applicable, and, except as provided in Section 12.4 below, shall not be deemed to be employees of the other Party for any purposes; and (ii) each Party or its affiliate, as applicable, shall be solely responsible for the payment and provision of all wages, bonuses and commissions, employee benefits, including severance and worker's compensation, and the withholding and payment of applicable taxes relating to such employment.

10.7 No Right of Setoff. Neither Party shall have any right to offset any amount that is owed or that may become owing to another Party under this Agreement or under any other Collaborative Agreement, as that term is defined in the ACCA, against any other amount that is owed or that may become due and owing to such Party by the other Party, except as otherwise specifically permitted under this Agreement or under any other Collaborative Agreement.

## **11. INDEMNIFICATION.**

11.1 Indemnity of LSU. The OLH Parties agree, on a joint and several liability basis, to fully defend, indemnify and hold harmless LSU, its board members, agents, officers, representatives, employees and affiliates (collectively, the "LSU Indemnitees") from and against any and all claims, damages, liabilities, costs and expenses (including reasonable attorney's fees and expenses related to the defense of any claims) (collectively, "Losses") asserted against any LSU Indemnitee in connection with the OLH Support Services provided under this Agreement. Notwithstanding the foregoing, the OLH Parties shall not be required to defend, indemnify and hold harmless LSU and/or any LSU Indemnitee for any Losses caused by the negligence or willful misconduct of LSU or an LSU Indemnitee seeking indemnification pursuant to this Agreement.

11.2 Indemnity of the OLH Parties. To the extent allowed by law, LSU agrees to fully defend, indemnify and hold harmless the OLH Parties and their board members, agents, officers, representatives, employees and affiliates (collectively, the "OLH Indemnitees") from and against any and all Losses asserted against any OLH Indemnitee in connection with the LSU Support Services provided under this Agreement. Notwithstanding the foregoing, LSU shall not be required to defend, indemnify and hold harmless the OLH Parties and/or any OLH Indemnitee in respect of any such Losses that have been caused by the negligence or willful misconduct of an OLH Party or an OLH Indemnitee seeking indemnification pursuant to this Agreement.

11.3 Prompt Notice Required. As a condition precedent to the indemnity owed by the

OLH Parties or LSU (as applicable) to any indemnitee hereunder, the indemnitee must provide prompt written notice to the OLH Parties or LSU (as applicable) of such Losses, and the OLH Parties or LSU (as applicable) shall have and maintain exclusive control over the settlement or other resolution of its Losses. However, in the event the indemnitee fails to give prompt written notice as required hereunder, but such delayed notice does not materially prejudice or impair the indemnifying party's ability to resolve and/or defend against such Losses in any way, the indemnity obligations owed by the indemnifying party hereunder shall remain.

**12. ACCESS TO RECORDS; CONFIDENTIALITY; STATUTORY EMPLOYER**

12.1 Access to Records and Record Retention. The Parties shall retain this Agreement (including all amendments and agreements hereto) and any of their books, documents, and records that may serve to verify the costs of this Agreement for a period of ten (10) years after the services contemplated herein have been performed. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General access to the Agreement, books, documents, and records in the event that such access is requested in writing and is made in accordance with applicable federal regulations and requirements. Furthermore, a Party's auditors or compliance team, including the LSU System Office of Internal Audit, the Louisiana Legislative Auditor's Office, and the State of Louisiana, Division of Administration Auditors, shall have the right upon reasonable written notice to inspect and audit, during a Party's regular business hours and at no expense to such Party, the books and records of a Party, in order to verify compliance with this Agreement.

12.2 Permitted Uses and Disclosures. In connection with each Support Service and the handling of Confidential Information (as defined in the ACCA), each Party agrees to comply with Section 14.5 of the ACCA addressing the restricted use of Confidential Information, including the handling of protected health information.

12.3 Independent Contractors. The relationship between the Parties is that of independent contractors or as otherwise set forth in the CEA or the ACCA. Neither Party is an agent of the other, and neither has any right or authority to assume or create any obligation or responsibility on behalf of the other.

12.4 Statutory Employer. Pursuant to the provisions of Louisiana R. S. 23:1031 and Louisiana R. S. 23:1061 as amended by Act 315 of the 1997 Regular Legislative Session and for the purpose of this Agreement, the Parties jointly agree, stipulate and recognize that any persons, including the OLH Personnel, LSU Personnel, any subcontractors or any other persons for whom a Party providing Support Services may be responsible, as applicable, shall be the statutory employees of the Party to whom the Support Services are being provided. The OLH Parties and LSU further stipulate, agree and recognize that all Support Services provided under this Agreement shall be considered part of the trade, business or occupation of the Party to whom the Support Services are being provided and shall be specifically considered an integral part of or essential to the ability of that Party to generate its goods, products or services.

**13. MISCELLANEOUS PROVISIONS**

13.1 Parties Bound. This Agreement shall bind and shall inure to the benefit of the

Parties and their respective successors and permitted assigns.

13.2 Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

13.3 Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any Party to this Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

13.4 Rule of Construction. The Parties acknowledge and agree that this is a negotiated agreement, in which all Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

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

13.6 Integration. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior shared services agreements and understandings, oral or written, among the Parties.

13.7 Non-Waiver. No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

13.8 Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to Manager shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to the OLH Parties:**

Ochsner LSU Hospitals, L.L.C.  
1541 Kings Highway

**If to LSU:**

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

Shreveport, Louisiana 71103  
Attn: General Counsel

3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808  
Attn: F. King Alexander, President

and

with a copy to:

OLH Shreveport, L.L.C.  
1541 Kings Highway  
Shreveport, Louisiana 71103

and

OLH Monroe, L.L.C.  
1541 Kings Highway  
Shreveport, Louisiana 71103

LSU Health Sciences Center-Shreveport  
1501 Kings Highway  
Shreveport, Louisiana 71130  
Attn: G.E. Ghali, DDS, MD, FACS, FRCS(Ed)  
Chancellor

With a copy to:

With a copy to:

Office of Legal Affairs  
Ochsner Clinic Foundation  
1450 Poydras St., Suite 2250  
New Orleans, Louisiana 70112

Taylor, Porter, Brooks & Phillips, L.L.P.  
451 Florida St., 8<sup>th</sup> Floor  
Baton Rouge, Louisiana 70801  
Attn: Patrick D. Seiter, Esq.

13.9 Authorized Representative. Except as may be provided more specifically herein, if approvals, authorizations, or notices are required hereunder, they shall be given on behalf of the LSU by the Chancellor of LSU and on behalf of an OLH Party by the CEO of OLHS-NL.

13.10 Form of the Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

13.11 Amendment. This Agreement may be amended or modified only in writing signed by the Parties.

13.12 Further Cooperation. In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

13.13 Assignability. Subject to Section 2.3, no Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Parties.

13.14 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

13.15 Referrals. The Parties acknowledge that none of the benefits granted LSU or the OLH Parties hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, the Hospitals.

13.16 Force Majeure. The obligations of LSU and the OLH Parties under this Agreement with respect to any Support Service shall be suspended during the period and to the extent that LSU or the OLH Parties are prevented or hindered from providing such Support Service, or LSU or the OLH Parties are prevented or hindered from receiving such Support Service, due to any of the following events (collectively, "Force Majeure Events"): acts of God, civil or military acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, national or regional emergency, shortage of adequate power, failure of transportation, strikes or other work interruptions by either Party's employees, or any similar or dissimilar cause beyond the reasonable control of either Party.

The Party suffering a Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other Party stating the date and extent of such suspension and the cause thereof. The Party suffering the Force Majeure Event shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Neither the OLH Parties nor LSU shall be liable for any failure, inability or delay to perform hereunder, if such failure, inability or delay is due to a Force Majeure Event and beyond the reasonable control of the party so failing, and due diligence is used in curing such cause and in resuming performance.

13.17 Additional Instruments. Each of the Parties shall, from time to time, at the request of any other Party, execute, acknowledge and deliver to the other Parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

13.18 Headings. All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

13.19 Multiple Counterparts. Provided all Parties execute an identical copy of this Agreement, including Exhibits, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

13.20 Time Periods. Time periods expressed by a specified number of days shall be based on calendar days.

13.21 Claims for Monetary Damages. The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary

damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

13.22 Execution Warranty. Each person signing this agreement on behalf of a Party represents that the execution of this Agreement has been duly authorized by the Party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such Party.

**14. COMPLIANCE WITH FEDERAL AND STATE REGULATIONS**

14.1 Non-Discrimination and Affirmative Action. The Parties agree 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,<sup>1</sup> 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. The Parties also agree to abide by the requirements of the Americans with Disabilities Act of 1990. The Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

14.2 Compliance with Federal Law. The Parties and their respective officers, directors, employees and agents (including, as to LSU, the HSC-S Faculty) shall comply with the applicable provisions of the Federal Criminal False Claims Act (18 U.S.C. § 287 et seq.), the Federal Civil False Claims Act (31 U.S.C. § 3729 et seq.), the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the Federal Physician Self-Referral Law (42 U.S.C. § 1395rm) ("Stark II"), the Louisiana Medical Assistance Programs Integrity Law (La. R.S. 46:437.1 et seq.) and other applicable Federal and Louisiana statutes and regulations relating to health care.

**SIGNATURE PAGE FOLLOWS**

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<sup>1</sup> NTD: LSU please confirm current compliance with this requirement.

IN WITNESS WHEREOF, the Parties have executed this Shared Support Services Agreement on the dates written below, to be effective as of the Effective Date.

**OLH Shreveport, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**OLH Monroe, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Ochsner LSU Hospitals, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**

**LSU SUPPORT SERVICES**

The LSU Support Services to be provided to the OLH Parties by LSU and the fees and costs for same are set forth in this Exhibit A. For 2019, the benefit rate of LSU personnel will be calculated at 42% of base salary.

<b>Service to be Provided</b>	<b>Methodology for Future Fees/Costs (Future Payments) Due from the OLH Parties to LSU</b>
Utilities (i.e., electricity, water and gas)	The total monthly costs for utilities consumed on the Shreveport Premises (as defined by the Master Hospital Lease) in accordance with the allocations set forth in <u>Appendix 1</u> attached hereto.
Auxiliary Units	<i>Print shop:</i> Cost of printing materials and LSU departmental costs necessary to fulfill work orders received from the OLH Parties.
Security Forces to the Shreveport Hospital and Monroe Hospital	<p><i>Shreveport Hospital:</i> The OLH Parties shall pay 80% of the salary and benefits for security force employees to provide security services to Shreveport Hospital, plus 15% overhead, not to exceed 46 FTEs unless approved by OLH and LSU, and 100% of the security Chief’s salary and benefits. The selection of the security Chief along with the position’s corresponding salary will be jointly approved by OLH and LSU.</p> <p>The OLH Parties will pay \$40.00 per hour for requested overtime. When requesting overtime services, the OLH Parties will provide a written overtime request to the LSU Police Department (UPD) with the number of officers required, dates, and hours to be scheduled. The OLH Parties will pay 80% of other routine operating expenses, including, but not limited to, mileage, incurred by UPD in providing security to Shreveport Hospital.</p> <p><i>Monroe Hospital:</i> The OLH Parties shall pay 100% of the salary and benefits for 11 security force employees to provide security services to</p>

	<p>Monroe Hospital, plus 15% overhead and 80% of other routine operating expenses, including, but not limited to mileage, incurred by UPD in providing security to Monroe Hospital.</p> <p>The OLH Parties shall pay for a comprehensive security assessment to ascertain the capabilities and resources of the UPD in Shreveport and Monroe, provided the Parties are first able to reach reasonable agreement on the scope of the assessment, the selection of the entity to perform the assessment, and the cost of the assessment. The Parties shall meet and confer within the first three (3) months of the Effective Date to discuss the assessment and potential agreement thereon.</p>
Storage at Lee Dry Goods Warehouse	The OLH Parties shall pay for the monthly rental of storage cages, up to a maximum of thirty-six (36) cages, at Lee Dry Goods at the monthly rate of \$0.42 per square foot. The actual number of cages and actual cost will vary from month to month.
Library services – UpToDate subscription	100% of the actual costs and fees per year associated with renewal and maintenance of the subscription, payable in twelve (12) equal monthly installments
Clinical Audiologists (3 FTEs): MC Otolaryngology	100% of FTEs' salaries, plus benefits, plus overhead of 15%.
Speech Pathologist (1 FTE): MC Otolaryngology	100% of FTE's salary, plus benefits, plus overhead of 15%.
Research Ph.D. (0.33 FTE): MC Neurosurgery	100% of 0.33 FTE's salary, plus 15% overhead.
Medical Director for Care Management, Social Services, and Transitional Care	The OLH Parties shall pay for all time spent by the Medical Director working on behalf of OLH, up to \$150,000 (a portion of which will be paid subject to meeting quality and production benchmarks).
Medical Director for Clinical	The OLH Parties shall pay for all time spent by the Medical Director working

Documentation	on behalf of OLH, up to \$150,000 (a portion of which will be paid subject to meeting quality and production benchmarks).
CMIO: Time spent working on behalf of OLH: 50%	The allocated portion (i.e., 50%) of an annual salary, benefit and 15% overhead amount of up to \$240,000 (a portion of which will be paid subject to meeting quality and production benchmarks).
CQO Time spent working on behalf of OLH: 80%	The allocated portion (i.e., 80%) of an annual salary up to \$406,000 (a portion of which will be paid subject to meeting quality benchmarks), plus proportionate benefits and overhead of 15%.
Occupational Health: Clinical Supervision of Occupational Medicine Staff	Up to \$22,000 annually toward LSU's employment costs.
Feist-Weiller Cancer Center Nurse Navigator/Coordinator (up to 8 FTEs)	50% of the FTEs salaries, plus proportionate benefits and overhead of 15%.

**EXHIBIT B**

**OLH SUPPORT SERVICES**

The OLH Support Services to be provided to LSU by the OLH Parties and the fees and costs for same are as set forth in this Exhibit B. For FY 2019, the benefit rate of an OLH Party's personnel will be calculated at 23% of base salary.

<b>Service to be Provided</b>	<b>Methodology for Future Fees/Costs (Future Payments) Due from LSU to the OLH Parties</b>
Laundry services for clothing and linens	A flat rate of \$500 per month for clothing and linens from the LSU School of Allied Health
Medical records archives - Dedication of one OLH employee whose role is to respond to the School's requests for medical records from the Shreveport Hospital's medical records archives.	\$35,000.00 per year, payable in twelve (12) equal monthly installments of \$2,916.66.
Power plant operations and maintenance	38% of the actual monthly costs the OLH Parties incur in the staffing, operations and maintenance of the power plant; however, LSU shall not pay any cost that would be considered an "Improvement" within the meaning of the Master Hospital Lease.
Landscaping	38% of the actual monthly costs the OLH Parties incur in the staffing and provision of landscaping services, including actual costs of materials.
Administrative Coordinators (21 FTEs): MC Neurosurgery	100% of FTEs' salaries, plus benefits, and 15% overhead.
Maintenance	Actual costs the OLH Parties incur on behalf of LSU in the provision of maintenance services, including labor and materials.
Nurse Manager (0.33 FTE): Occupational Health Clinic	33% of FTE's salary, plus proportionate benefits and 15% overhead.
Administrative Coordinator (0.33 FTE): Occupational Health Clinic	33% of FTE's salary, plus proportionate benefits, and 15% overhead.
RN (0.33 FTEs): Occupational Health:	33% of FTE's salary, plus proportionate benefits, and 15% overhead.
RN (0.33 FTE): Occupational Health	33% of such FTE's salary, plus proportionate benefits, and 15% overhead.

Central Medical & Pharmacy Supply	The cost for items, plus a fill charge of the greater of \$10 or 5% per internal transaction.
Clinical Trial Pharmacist (1 FTE)	100% of FTE's salary, benefits, plus overhead of 15%, less any claims and/or research contractual reimbursements allocated to these services.
Clinical Trial Pharmacist (0.2 FTE); Other FTEs as Requested by LSU	20% of FTE's salary, proportionate benefits, plus overhead of 15%, less any claims and/or research contractual reimbursements allocated to these services.
Anatomical Pathology Technical Services	Anatomical Pathology Technical Services shall be provided and paid consistent with the existing Anatomical Pathology Technical Services Agreement dated August 13, 2015, subject to future negotiations between the parties as to potential changes to the terms of the agreement.
Pathology: Sales and Marketing Group (5 FTEs)	100% of such FTEs' salaries, commissions, benefits, additional expenses, and allowances.
Pathology: Clerical for North Louisiana Criminalist Lab (1 FTE)	100% of FTE's salary, plus benefits, and 15% overhead.
RN: Anatomical Pathology (0.4 FTE) Non-UH Autopsies	40% of FTE's salary, plus proportionate benefits, and 15% overhead.
Staff Member: Ryan White Program (0.5 FTE)	50% of FTE's salary, plus proportionate benefits, and 15% overhead.
Staff Member: Ryan White Program (0.5 FTE)	50% of FTE's salary, plus proportionate benefits, and 15% overhead.
Trash Compactor	\$981.55 per month for trash compactor rental.

**Appendix 1**

**Allocation for Shreveport Premises Utilities**

**See attached tables.**

[Link back to Summary>> Summary](#)

**Electrical**

Account	Address	Street	Facility	LSU or OLH	Amount
9633014320	1014	Missile Base Road	Animal Resources	LSU	
9625510320	1417	Woodrow	Student Union	LSU	
9668462320	1420	Kings Highway	Eye Clinic	OLH	
9669924320	1450	Wilkinson	Chevyland Body Shop	LSU	
9624660101	1455	Wilkinson	Poison Control Center	LSU	
9694141320	1501	Kings Highway	Main Campus	Split	
9612243320	1512	W. Kirby	ITG	OLH	
9629020101	1521	Wilkinson	Blood Center	LSU	
9663230101	1531	Wilkinson	WIC	LSU	
9694230101	1531	Wilkinson	WIC	LSU	
9678660320	1602	Kings Highway	Women's & Children	OLH	
9666460320	1602	Kings Highway	W & C Power Plant	OLH	
9660631251	1608	Kings Highway	Ambulatory Care Center	OLH	
9601414320	2440	Linwood	Lee Dry Goods	LSU	
9632414320	2627	Linwood	Chevyland Main	LSU	
9625464551	2627	Linwood	Chevyland Building 7	LSU	
9645181550	2627	Linwood	Chevyland Garage	LSU	
9601451320	3010	Linwood	Spartans Warehouse	OLH	
9669805701	3202	William Ave.	Clinical Research Bldg.	LSU	
9690905701	3202	William Ave.	Clinical Research Bldg.	LSU	
9627652390	3290	Linwood	P lot	OLH	
9672022320	3290 1/2	Linwood	P Lot Shed	OLH	
9670330320	3600	McWillie	M Lot South	OLH	
9660515431	3735	Blair	Mollie E. Webb	LSU	
9675178231	4215	Linwood	NWLC	LSU	
9699872330	6670	St. Vincent	Viral Disease Clinic	OLH	
9649540320	8445	Youree Dr	Monroe Residents	LSU	
		Previous Balance		Split	

<b>Total Electrical</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
OLH	-		60.0%	
LSU	-		40.0%	
<b>Total Electrical</b>	<b>\$</b>	<b>-</b>		

[Link back to Summary>>](#) [Summary](#)

**Gas**

Account	Address	Street	Facility	LSU or OLH	Amount
194433-5	1195	Missle Base Road	Animal Research Facility	LSU	
1191629-5	1417	Woodrow	Student Union	LSU	
145072-5	1420	Kings Highway	Eye Clinic	OLH	
6299570-5	1455	Wilkinson	Poison Control Center	LSU	
83681825	1501	Kings Highway	Main Campus	Split	
144991-5	1512	W. Kirby	ITG	OLH	
3702234-5	1521	Wilkinson	Blood Center	LSU	
6494604-5	1531	Wilkinson	WIC	LSU	
1125318-5	1602	Kings Highway	Women's & Children	OLH	
83681726	1610	Kings Highway	Allied Health	LSU	
83681825-2	1610	Kings Highway	ACC/WCC	OLH	
54660-5	2440	Linwood	Lee Dry Goods	LSU	
1443864-5	2627	Linwood	Chevyland 1	LSU	
1451687-5	2637	Linwood	Chevyland 1	LSU	
3680190-5	3010	Linwood	Spartans Warehouse	OLH	
1591454-5	3202	William Avenue	Clinical research Bldg	LSU	
1414649-5	3735	Blair	Mollie E. Webb	LSU	
1584743-5	4215	Linwood	NWLC	LSU	

**Total Gas \$**  
-

OLH - 62.0%  
LSU - 38.0%

**Total Gas \$**  
-

**Link back to  
Summary>>**

Summary

**Water**

Account	Meter #	Address	Street	Facility	LSU or OLH	Amount
205132	20005131A	1014	Missle Base Road	Animal Resources	LSU	
138900301	B10022180, B10022	1405	Kings Highway	FWCC	OLH	
173690300	B10022031, B32338	1417	Woodrow	Student Union	LSU	
138902300	B10022018	1420	Kings Highway	Eye Clinic	OLH	
138903300	B10242084, B10242	1427	Kings Highway	Administration Bldg.	LSU	
116077300	B03115023, B03115	1450	Clairborne	New Allied Health	LSU	
172474301	R25951089	1455	Wilkinson	Poison Control Center	LSU	
138905300	R01443017, B10002	1501	Kings Highway	Medical School	LSU	
139487300	R21356259	1512	W. Kirby	ITG	OLH	
172475301	B96933058	1521	Wilkinson	Blood Center	LSU	
172476301	R23822874	1531	Wilkinson	WIC	LSU	
138909300	B10002802, B10002	1541	Kings Highway	Hospital	OLH	
138911300	B07047279	1545	Kings Highway	K-Wing	OLH	
138913300	B08166476	1610	Kings Highway	Spartans Warehouse	OLH	
142908300	B10022019	2440	Linwood	Lee Dry Goods	LSU	
142915302	B10240924, B09164	2627	Linwood	Chevyland	LSU	
172614301	B10241248	3202	William Ave.	Clinical research Bldg.	LSU	
109694301	B10241183	3735	Blair	Mollie E. Webb	LSU	
142955301	R24885584	4215	Linwood	NWLC	LSU	
161927301	B17673045	6670	St. Vincent	Viral Disease Clinic	OLH	

<b>Total Water</b>	<b>\$</b>	<b>-</b>
OLH		-
LSU		-
<b>Total Water \$</b>		<b>-</b>



## TRADEMARK LICENSE AGREEMENT

This Trademark License Agreement (“License Agreement”) is effective as of the \_\_\_\_ day of September, 2018 (the “Effective Date”), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”), a Louisiana constitutional corporation, acting through the Louisiana Health Sciences Center at Shreveport (“LSUHSC-S”), and Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”), (all of the foregoing are collectively referred to as “Parties” and individually as “Party”).

WHEREAS, OLHS-NL, LSU, and Ochsner Clinic Foundation, d/b/a Ochsner Health System (“Ochsner”), are parties to that certain Academic and Clinical Collaboration Agreement (the “ACCA”), which contemplates and sets forth the collaboration of LSU and Ochsner, through the formation and operation of OLHS-NL, to take over, maintain and provide healthcare services and medical treatment at the Hospitals, as such term is defined and applied in the ACCA;

WHEREAS, Section 3.14 and Article 4 of the ACCA require that LSU and Ochsner enter into “License Agreements,” as defined in the ACCA, with OLHS-NL, therein licensing to OLHS-NL, certain of LSU’s and Ochsner’s respective trademarks for co-branding purposes under the “Joint Logo,” as defined in the ACCA, to further facilitate the joint collaborative endeavors more fully set forth in the ACCA;

WHEREAS, LSU and OLHS-NL now desire to enter into this License Agreement for purposes of licensing to OLHS-NL the LSU trademarks identified herein, in furtherance of the objectives and in fulfillment of the requirements set forth in the ACCA.

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

### ARTICLE 1 - DEFINITIONS

1.1 Adoption and Use of Definitions. Any and all capitalized terms not otherwise defined in this License Agreement shall have the same meaning as set forth in the ACCA. In addition to the defined terms from the ACCA, the following terms in this License Agreement shall be defined as follows:

(a) “Field Of Use” means use within the field of medical and healthcare services to promote the achievement of the Shared Mission, as more fully provided in the ACCA.

(b) “License Sites” means the current locations of the Hospitals, including ambulatory surgery centers, clinics, imaging facilities and other, similar outpatient facilities, the initial locations of which are specifically identified on “Exhibit B” hereto, and such other locations as LSU and OLHS-NL may mutually agree upon in writing and signed by each Party hereto.

(c) “Service Area” shall have the same meaning as set forth in the ACCA, as of the Effective Date of this Agreement, which means the geographic area consisting of the following Parishes: Webster, Bossier, Caddo, De Soto, Union, Morehouse, Lincoln, and Ouachita.

(d) “Telemedicine” means the use of telecommunication and information technologies to provide clinical health care to a patient or person that is located at physical location not identified as one of the existing License Sites.

## **ARTICLE 2 – TRADEMARK LICENSE**

2.1 Grant of Trademark License To Create and Use Joint Logo. During the Term, and any Renewal Term, of the ACCA, LSU hereby grants to OLHS-NL a royalty-free, non-exclusive and non-assignable license to: (i) use the “LSU” service mark (the “LSU Mark”) for purposes of creating the Joint Logo identified in “Exhibit A” hereto, as provided in the ACCA; and (ii) to copy, display, advertise, promote and publish the Joint Logo within the designated Field of Use at and in connection with the License Sites, and in accordance with LSU’s established visual identity guidelines. (See Exhibit C). Consistent with the terms of the ACCA, specifically including Schedule 1.3.4 thereof, LSU and OLHS- NL may mutually agree, by written addendum hereto, to modify and extend the license granted in this Subsection 2.1 to include License Sites developed within the Collaboration Area, as defined and provided in Schedule 1.3.4 of the ACCA.

2.2 Use of Joint Logo in Signage. In connection with its licensed rights under Subsection 2.1 above, OLHS-NL may copy, display, publicize and use the Joint Logo in and on any signage associated with the buildings utilized by, or on behalf of, OLHS-NL and located at the License Sites.

2.3 Joint Logo Exclusivity. As provided in Article 4 of the ACCA, OLHS-NL agrees that all healthcare services provided within the Field Of Use at or in connection with the Licensed Sites will be marketed and provided exclusively under the Joint Logo. Notwithstanding the foregoing, unless discontinuance has been requested and refused, LSU’s sole remedy for OLHS-NL’s failure to comply with this Section 2.3 shall be the discontinuance of any activity that violates this Section.

2.4 Marketing Use of Joint Logo. In connection with its licensed rights under Subsection 2.1 above, subject to the restrictions set forth in Subsections 2.5 and 2.6 below, and in connection with any activities undertaken by, or on behalf of, OLHS-NL within the Field of Use at the License Sites, OLHS-NL may (1) copy display, advertise, promote and publish the Joint Logo; (2) use the Joint Logo in connection with advertising, including television, radio, Internet and newspaper advertising; and (3) use the Joint Logo in connection with any Internet websites for the Hospitals or License Sites. Subject to the restrictions set forth in Subsection 2.6 below, these marketing rights shall extend to any normal and customary use of the Joint Logo in connection with advertising, publicity, and promotional materials relating to activities undertaken by OLHS-NL, within the Field Of Use at the Licensed Sites, and shall extend to all normal channels of distribution, including but not limited to the Internet.

2.5 Use of Joint Logo in Telemedicine. OLHS-NL agrees that it shall not utilize the Joint Logo in connection with any form of Telemedicine services provided, or to be provided, within the Service Area unless it first obtains LSU’s prior written consent to such use. OLHS-NL agrees that it shall not utilize the Joint Logo in connection with any form of Telemedicine services provided, or to be provided, outside the Service Area.

2.6 Marketing Limited to Service Area. Except as otherwise mutually agreed upon by the Parties by signed written agreement, all commercial advertising and marketing involving the Joint Logo shall be exclusively limited to the Service Area and OLHS-NL represents and warrants that it will only utilize or purchase advertising and marketing services that are designed to service only the Service Area, including the designated marketing areas that fall within the Service Area and will not advertise or otherwise make any use of the Joint Logo outside the Service Area. Notwithstanding the foregoing, OLHS-NL may display, utilize and promote the Joint Logo on any website owned by, or under the control of, OLHS-NL to promote services within the Field Of Use that are provided at the License Sites. Notwithstanding the foregoing, unless discontinuance has been requested and refused, LSU's sole remedy for OLHS-NL's failure to comply with this Section 2.6 shall be the discontinuance of any activity that violates this Section.

2.7 No Other Use of LSU Mark. LSU does not license or grant any other rights to any other LSU marks other than the LSU Mark and only as expressly provided in Subsection 2.1 above, within the Field of Use in connection with the Licensed Sites. All other rights are expressly reserved by LSU. OLHS-NL specifically agrees and acknowledges that it will not make any use of the Joint Logo in connection with any services provided at any hospital or clinic not identified as one of the License Sites.

2.8 Protection of the LSU Mark and Goodwill. For so long as this Agreement remains in force, OLHS-NL shall comply with the following obligations:

(a) Quality Standards. OLHS-NL agrees that the nature and quality of the services rendered by OLHS-NL within the Field Of Use in connection with the Joint Logo shall be of high standard and of such style, appearance and quality as to be adequate and suited to their exploitation to the advantage and to the protection of the LSU Mark and the goodwill pertaining thereto; and that OLHS-NL's use of the Joint Logo shall in no manner reflect adversely on the goodwill and/or good name of LSU, its affiliated entities, or the LSU Mark.

(b) Restricted Use of LSU Mark. OLHS-NL shall only use the Joint Logo on or in connection with the services provided within the Field Of Use at the Licensed Sites. OLHS-NL further agrees that the quality of all advertising, signage and promotional materials bearing the Joint Logo or disseminated in connection with the services within Field Of Use shall, at least, be of the same quality as advertising, signage, and promotional materials associated with the LSU Mark.

(c) Cooperation with LSU. OLHS-NL agrees to reasonably cooperate with LSU in facilitating LSU's monitoring and control of the quality of services provided by OLHS-NL under the Joint Logo and to provide LSU with pre-production samples and specimens of all signage, advertisements, goods, advertising materials or content, labels, or other written materials of any nature whatsoever bearing or offered in connection with the Joint Logo for LSU's prior written approval, which approval shall not be unreasonably withheld. LSU shall approve or disapprove any specimens or materials provided for its review within ten (10) business days of receipt, after which time approval shall be presumed to be granted. Express disapproval of any specimens or materials shall be made by LSU in writing expressly stating the reasons for disapproval. OLHS-NL shall not distribute any signage, advertisements, goods, advertising materials or content, labels, or other written materials bearing the Joint Logo that have not been pre-approved by

LSU, nor shall OLHS-NL make any substantive changes to any specimens or materials which were previously approved by LSU without resubmitting the same for LSU's approval.

(d) Non-Impairment of LSU Mark. OLHS-NL recognizes the value and goodwill associated with the LSU Mark and acknowledges LSU's ownership thereof and shall not:

- (i) challenge the validity of the LSU Mark or any registration therefor;
- (ii) contest the fact that its rights under this License Agreement are solely those of a non-exclusive licensee;
- (iii) attempt to register the LSU Mark in its own name;
- (iv) use the Joint Logo in any manner that would damage or jeopardize LSU's rights in the LSU Mark; or
- (v) knowingly do any act that would invalidate or be likely to invalidate LSU's trademark registrations.

(e) Use of the Joint Logo on Marketing Materials. OLHS-NL may not combine the Joint Logo with any other marks, names or symbols other than those of OLHS-NL and the name of the Hospitals and/or Licensed Sites for which it is being used, unless it obtains LSU's prior written consent. OLHS-NL may not make any significant change in the presentation of the Joint Logo as affixed on the advertising, marketing, and promotional materials, unless it obtains LSU's prior written consent.

(f) Compliance With LSU Policies and Standards. In addition to the license terms and restrictions set forth herein, OLHS-NL agrees to reasonably adhere to and comply with LSU's general trademark policies and procedures as amended from time to time and generally applicable to similar LSU licensees, all of which shall be posted online by LSU at [www.lsu.com](http://www.lsu.com) or otherwise made available to OLHS-NL and similar LSU licensees. Notwithstanding the foregoing, LSU's sole remedy for OLHS-NL's failure to reasonably adhere to and comply with any of LSU's general trademark policies and procedures shall be the discontinuance of any activity that violates the policies and procedures.

### **ARTICLE 3 - ENFORCEMENT**

3.1 Notice of Infringement. OLHS-NL shall promptly advise LSU in writing of any known, unauthorized acts or infringement or potential infringement of the LSU Mark. LSU shall have sole discretion in deciding whether and to what extent any enforcement action may be initiated against any third party and/or in connection with any other issue affecting LSU's proprietary rights in and to the LSU Mark.

### **ARTICLE 4 - NO WARRANTIES**

4.1 LSU, INCLUDING ITS BOARD MEMBERS, AFFILIATES, OFFICERS, EMPLOYEES, AND AGENTS, MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND.

4.2 OLHS-NL shall not make any statements, representations or warranties whatsoever to any person or entity, or accept any liabilities or responsibilities whatsoever from any person or entity that are inconsistent with any disclaimer or limitation included in this Article 4.

4.3 DUE TO THE NATURE OF THE PARTIES' COLLABORATIVE EFFORTS UNDER THE ACCA AND THE FACT THAT THE LICENSE GRANTED HEREIN IS ROYALTY-FREE, OLHS-NL AGREES THAT IN NO EVENT SHALL LSU, INCLUDING ITS BOARD MEMBERS, AFFILIATES, OFFICERS, EMPLOYEES, AND AGENTS, BE LIABLE TO OLHS-NL, WHETHER SUCH LIABILITY IS BASED ON CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT, INFRINGEMENT, WARRANTY, OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR RELIEF ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ITS SUBJECT MATTER.

#### **ARTICLE 5 – INDEMNITY AND INSURANCE**

5.1 Indemnity for OLHS-NL Use. OLHS-NL shall defend, indemnify and hold LSU harmless, including LSU's Board members, affiliates, officers, employees, and agents, for and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses), resulting from, but not limited to, death, personal injury, illness, property damage, economic loss, or products liability arising from (i) any use by OLHS-NL of the Joint Logo; and (ii) any other damages, losses and/or claims arising from any act or omission by OLHS-NL in connection with this Agreement and the subject matter thereof.

5.2 Indemnity by LSU. LSU shall defend, indemnify and hold OLHS-NL harmless, including OLHS-NL's board members, affiliates, officers, employees, and agents, for and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses) arising from any claim asserted against OLHS-NL by a third party alleging that OLHS-NL's use of the LSU Mark, in compliance with this Agreement, infringes the trademark or similar rights of said third party.

5.3 Participation by LSU and OLHS-NL. LSU and OLHS-NL are entitled to participate at their option and expense through counsel of their own selection, and may join in any legal actions related to any such claims, demands, damages, losses and expenses under this Article 5.

5.4 Required Insurance Coverage. OLHS-NL shall have and maintain sufficient liability insurance or in some situations, sufficient self-funded resources to address claims arising out of its use of the Joint Logo, including any indemnity claims owed to LSU, consistent with standard commercial practice.

#### **ARTICLE 6 – CONSIDERATION**

6.1 Royalty – Free License. In consideration of the collaborative efforts and mutual undertakings by each Party in furtherance thereof, as provided in the ACCA, the trademark license granted by LSU pursuant to subsection 2.1 is and shall remain royalty-free.

#### **ARTICLE 7 – TERM AND TERMINATION**

7.1 Term. This Term of this License Agreement becomes on its Effective Date and, unless earlier terminated under another specific provision of this License Agreement, remains coterminous with the Term of the ACCA.

7.2 Termination for Breach. Subject to the satisfaction of the dispute resolution procedures set forth in subsection 9.2 hereof, if either Party fails to perform its obligations in accordance with this License Agreement, the non-breaching Party may give the Party in breach written notice of such failure and the Party in breach shall have thirty (30) days from the date of such notice (the "Cure Period") to cure such failure to the reasonable satisfaction of the non-breaching Party. If the Party in breach does not cure such failure within the Cure Period, the non-breaching Party, at its option, may terminate this Agreement.

7.3 Termination for Bankruptcy; Receivership. This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

7.4 Termination of Collaborative. Upon termination of the ACCA, CEA or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

7.5 Termination of Licensed Rights. Upon any termination of this License Agreement, and except as provided herein to the contrary, all rights and obligations of the Parties hereunder shall cease, except any previously accrued rights and obligations and further excluding: (i) OLHS-NL's and LSU's indemnity obligations pursuant to Article 5; (ii) any cause of action or claim of OLHS-NL or LSU accrued or to accrue because of any breach or default by the other Party hereunder; and (iii) all other terms, provisions, representations, rights and obligations contained in this License Agreement that by their sense and context are intended to survive until performance thereof by either or both Parties.

**ARTICLE 8 - NOTICES**

8.1 Notices. All notices hereunder shall be in writing, delivered personally, by certified or registered mail, return receipt requested, or by overnight courier, and shall be deemed to have been duly given when delivered personally or three (3) days after being deposited in the United States mail, postage prepaid, or one (1) day after being deposited with the overnight courier, addressed as follows:

If to OLHS-NL:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to LSU:

Board of Supervisors of Louisiana State University and  
Agricultural and Mechanical College  
3810 West Lakeshore Drive

Attn: Chief Executive Officer

Baton Rouge, Louisiana 70808  
Attn: Director of Health Care Policy

with a copy to:

with a copy to:

Ochsner Clinic Foundation  
1450 Poydras Street, Suite 2250  
New Orleans, LA 70112  
Attn: General Counsel

LSU Health Sciences Center-Shreveport  
Attn: Lisa Babin  
1501 Kings Highway  
Shreveport, LA 71103-3932  
Attn: Exec Director of Public Affairs

## **ARTICLE 9 - MISCELLANEOUS PROVISIONS**

9.1 Governing Law. This License Agreement shall be construed, governed, interpreted and applied according to United States and Louisiana law (disregarding any choice of law provisions).

9.2 Dispute Resolution and Jurisdiction. In the event of a controversy or claim arising out of or relating to this License Agreement, or the breach, validity, or termination of this License Agreement, the parties shall first negotiate in good faith for a period of sixty days to try to resolve the controversy or claim. If the controversy or claim is unresolved after these negotiations, the parties shall then make good-faith efforts for sixty days to mediate the controversy or claim in Baton Rouge, Louisiana before a mediator selected by the Center for Public Resources, Inc. (New York, New York) ("CPR"), under CPR's Model Mediation Procedure for Business Disputes in effect as of the Effective Date. If the controversy or claim is unresolved after mediation, on the written demand of either party any controversy arising out of or relating to this License Agreement or to the breach, termination, or validity of this License Agreement shall be settled by binding arbitration in Baton Rouge, Louisiana in accordance with CPR's Rules for Non-Administered Arbitration of Patent and Trade Secret Disputes in effect as of the Effective Date, before a single arbitrator. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. §§ 1-16, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. All applicable statutes of limitation and defenses based on the passage of time shall be tolled while the procedures described in this Paragraph are pending. LSU and OLHS-NL shall each take such action, if any, required to effectuate this tolling. Each party is required to continue to perform its obligations under this License Agreement pending final resolution of any dispute arising out of or relating to this License Agreement. Otherwise, any controversy arising under or relating to this License Agreement, or the breach, termination, or validity of this Agreement, may be adjudicated only in a court, state or federal, having jurisdiction over the subject matter and including Baton Rouge, Louisiana within its territorial district. Both parties consent to the jurisdiction and venue of such a court. A party's right to demand arbitration of a particular dispute arising under or related to this License Agreement, or the breach, termination, or validity of this License Agreement, shall be waived if that party either: (1) brings a lawsuit over that controversy or claim against the other party in any state or federal court; or (2) does not make a written demand for mediation, arbitration, or both within 60 days of service of process on that party of a summons or complaint from the other party instituting such a lawsuit in a state or federal court of competent jurisdiction.

9.3 Severability. If an arbitrator or a court of competent jurisdiction finds any term of this License Agreement to be invalid, illegal, or unenforceable, then that term will be curtailed, limited or deleted, but only to the extent necessary to remove the invalidity, illegality, or unenforceability, and without in any way affecting or impairing the remaining terms.

9.4 Construction. This License Agreement has been mutually negotiated by the Parties and shall be fairly interpreted in accordance with its terms without strict interpretation or construction in favor or against any Party. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require. The paragraph headings of this License Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof.

9.5 Waiver. No waiver by either Party of any breach of this License Agreement, no matter how long continuing nor how often repeated, shall be construed as a waiver of any subsequent breach; nor shall any delay or omission by either Party to exercise any right under this License Agreement be construed as a waiver of that right. No waiver shall be deemed valid unless it is in writing and signed by an authorized representative of each affected Party.

9.6 Compliance with Laws. OLHS-NL and LSU shall comply with all applicable laws and regulations, including but not limited to those relating to this License Agreement or otherwise applicable to OLHS-NL's and LSU's activities hereunder. OLHS-NL and LSU shall comply with the Health Insurance Portability and Accountability Act, and shall defend and hold harmless the other party and its Board members, officers, employees and agents if any legal action of any nature results from any violation.

9.7 Independent Contractors. The relationship between the Parties is that of independent contractors. Neither Party is an agent of the other, and neither has any right or authority to assume or create any obligation or responsibility on behalf of the other.

9.8 Assignment. OLHS-NL may not assign this License Agreement without the prior written consent of LSU, and shall not pledge any of the license rights granted in this License Agreement as security for any creditor. Any attempted pledge of any of the rights under this License Agreement or assignment of this License Agreement without the prior consent of LSU will be void from the beginning. No assignment by OLHS-NL will be effective until the intended assignee agrees in writing to accept all of the terms and conditions of this License Agreement, and such writing is provided to LSU, and LSU has consented in writing to the assignment.

9.9 Attorney Fees. If it becomes necessary for one Party to employ the services of an attorney for the protection and enforcement of its rights under the License Agreement, or to compel performance of the other Party's obligations under the License Agreement, upon final judgment or award by a court of competent jurisdiction or by an arbitrator, the court or arbitrator in its discretion may order the defaulting party to pay the other party's reasonable attorney's fees at both trial and appellate levels.

9.10 Entire Agreement. LSU and OLHS-NL agree that this License Agreement sets forth their entire understanding concerning the subject matter of this License Agreement, and that no modification of the License Agreement will be effective unless both LSU and OLHS-NL agree to it in writing.

9.11 Counterparts. This License Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

9.12 No Third Party Beneficiary. Except where otherwise expressly provided, the Parties hereto mutually represent and agree that the obligations, duties and benefits expressed herein and intended solely for the benefit of the Parties hereto and that no third party beneficiaries or stipulation pour autri is intended or established.

IN WITNESS WHEREOF, the parties have each caused this License Agreement to be executed by their respective officers as of the date stated immediately below such Party's signature appearing below.

**OCHSNER LSU HEALTH SYSTEM OF  
NORTH LOUISIANA**

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

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**JOINT LOGO**

Ochsner LSU Health Shreveport – Brand Architecture

Category/Tier	Definition	Text Reference	Application	Mark
Parent	Refers to the partnership between Ochsner Health System and LSU Health Shreveport.	Ochsner LSU Health Shreveport	This mark/logo will be used for all system level communications.	
Hospital - Shreveport	Academic Medical Center refers to the main hospital in Shreveport. The hospital is also a teaching facility with the designation 'Academic Medical Center.	<u>First Reference</u> Academic Medical Center at Ochsner LSU Health Shreveport  <u>2<sup>nd</sup> Reference</u> Academic Medical Center	This mark/logo will be used for all hospital branding to reference the Shreveport location. Applications will include facility signage, business cards, apparel and other communications.	
Hospital - Monroe	Monroe Medical Center refers to the hospital facility in Monroe.	Monroe Medical Center at Ochsner LSU Health Shreveport  <u>2<sup>nd</sup> Reference</u> Monroe Medical Center	This mark/logo will be used for all hospital branding to reference the Monroe location. Applications will include facility signage, business cards, apparel and other communications.	
Main Clinic - Shreveport	Academic Health Clinic refers to the Shreveport clinic on the main hospital campus. This clinic provides multiple types of service.	Academic Health Clinic at Ochsner LSU Health Shreveport  <u>2<sup>nd</sup> Reference</u> Academic Health Clinic	This mark/logo will be used for the main clinic branding in Shreveport. Applications will include facility signage, business cards, apparel and other communications.	
Specialty Clinic - Shreveport	Specialty clinics, located throughout the Shreveport area, will reference the specific service line.	[Service Line] Clinic at Ochsner LSU Health Shreveport	This mark/logo will be used for all specialty clinic branding. Applications will include facility signage, business cards, apparel and other communications.	<b>Specialty Example</b> 
Clinic – Monroe	Monroe Medical Clinic	Monroe Medical Clinic at Ochsner LSU Health Shreveport  <u>2<sup>nd</sup> Reference</u> Monroe Medical Clinic	This mark/logo will be used for all clinic branding in Monroe. Applications will include facility signage, business cards, apparel and other communications.	

**EXHIBIT B**

**LICENSE SITES**

1. University Health Ambulatory Care Clinics  
1606 Kings Highway  
Shreveport, LA 71103-4128  
Phone: (318) 675-6402  
Fax: N/A
2. University Health Conway  
4864 Jackson Street  
Monroe, LA 71202-6400  
Phone: (318) 330-7167  
Fax: (318) 330-7961
3. LSU Child and Adolescent Psychiatry Clinic  
820 Jordan Street, Suite 104  
Shreveport, LA 71101-4519  
Phone: (318) 676-5002  
Fax: (318) 676-5104
4. La Viral Disease Clinic  
6670 Saint Vincent Ave.  
Shreveport, LA 71106-2638  
Phone: (318) 862-9977  
Fax: (318) 866-9722
5. University Health Eye Clinic  
1420 Kings Highway  
Shreveport, LA 71103-3932  
Phone: (318) 675-6901  
Fax: (318) 675-4819
6. LSUMC-S Family Practice Medical Center – shouldn't this be called a clinic?  
821 Elliot Street  
Alexandria, LA 71301-7732  
Phone: (318) 441-1030  
Fax: (318) 441-1050
7. LSUHSC-S Partner's In Wellness  
2015 Fairfield Ave., Suite 2B  
Shreveport, LA 71104-2066  
Phone: (318) 813-4020  
Fax: (318) 813-2239

8. University Health Shreveport  
1541 Kings Highway  
Shreveport, LA 71103-4228  
Phone: (318) 675-5000
  
9. LSU Health Sciences Center-Shreveport Faculty Group Practice  
1501 Kings Highway  
Shreveport, LA 71103-4228  
Phone: (318) 675-4881  
Fax: (318) 675-5069
  
10. LSU Orthopaedic and Sports Medicine FGP  
950 Olive Street  
Shreveport, LA 71104-2104  
Phone: (318) 813-7100  
Fax: (318) 813-7120
  
11. LSUMC-S Family Practice Medical Center –shouldn't this be called a clinic?  
301 4<sup>th</sup> Street  
Medical Terrace Annex  
Alexandria, LA 71301-8411  
Phone: (318) 441-1030  
Fax: (318) 441-1050
  
12. LSU Health Surgery Multi-Specialty Clinic  
1801 Fairfield, Suite 306  
Shreveport, LA 71101-4467  
Phone: (318) 813-6000  
Fax: (318) 813-6008

**EXHIBIT C**

**LSU'S VISUAL IDENTITY GUIDELINES**

# Ochsner/LSUHS Combined LOGO AND STYLE GUIDELINES

- The Ochsner Health System/LSU Health Shreveport logo is to be used for identification and promotional purposes for the Shreveport and Monroe medical centers as well as medical and specialty clinics in those cities. This will include facility signage, business cards, apparel, advertising and other communications. Note that these guidelines are for the purposes of the Ochsner Health System/LSU Shreveport joint venture only. Ochsner Health System and LSU Health Shreveport maintain separate logo guidelines for discrete operations not covered under the auspices of the joint venture relationship.
- The Ochsner Health System/LSU Health Shreveport logo must appear on the front of all publications and websites representing the joint venture for the medical centers in Shreveport and Monroe, as well as medical and specialty clinics in those cities. It must be the dominant graphic mark for the specific entity and may not be combined with other graphic marks or logos.
- The Ochsner Health System/LSU Health Shreveport logo may not be incorporated into other logos or aligned with artwork to create a new logo. Borders, boxes, or shapes may not be placed around or behind the logo, including a white box.
- There must be a protected area surrounding the logo. The minimum clear space on each side of the logo should be equal to the height of the entire logo.
- The Ochsner Health System/LSU Health Shreveport logo may only appear in official LSU and Ochsner colors, blue, gold and purple. The logo may also appear as all white, all black, and black and grey. The logo must appear using 100 percent full saturation of the official colors. Tinting is not allowed. The PMS, CMYK, and RGB mixes for LSU and Ochsner colors are listed in the chart below.
- Drop shadows and gradients should never be applied to the Ochsner Health System/LSU Health Shreveport logo.
- The Ochsner Health System/LSU Health Shreveport logo should never appear smaller than 2 inches in width.
- When producing communication materials for international audiences, always make an effort to use accompanying text that references LSU as Louisiana State University. Audiences outside the United States may not be familiar with the meaning of the letters L-S-U.
- In written and verbal communication, LSU should always be referred to as Louisiana State University or LSU and Ochsner should be referred to as Ochsner Health System. LSU should never be referred to as Louisiana State, LSU Baton Rouge, L.S.U., or other aliases different from the official names listed above.
- Louisiana State University, Ochsner or Ochsner Health System should always be in upper and lowercase letters or all uppercase. LSU should always appear in all uppercase letters. LSU should never appear in lowercase letters except for URLs.

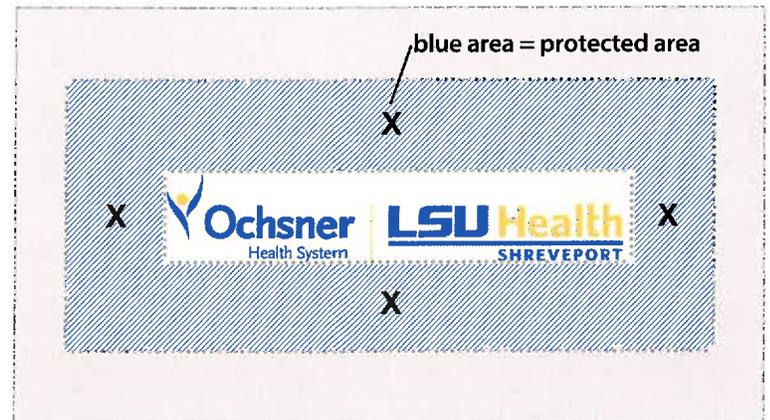
## PRIMARY LOGO



## SPECIALTY EXAMPLE



## COLOR VARIATIONS



The blue area shows the protected area around the primary logo (where X = the height of the logo, on all sides.). This ensures that no other graphic elements interfere with the clarity and integrity of the logo. At no time is placing anything in front of, adding a stroke or outline to, or adding gradients, patterns, or effects permissible for any logo on this sheet.

Official Colors	Pantone Coated	Pantone Uncoated	CMYK	RGB	Hexadecimal
LSU Purple	PMS 268C	PMS 268U	C-82 M-98 Y-0 K-12	R-70 G-29 B-124	#461D7C
Gold	PMS 124C	PMS 124U	C-0 M-28 Y-100 K-6	R-240 G-173 B-0	#F0ad00
Black	Process Black	Process Black	C-0 M-0 Y-0 K-100	R-0 G-0 B-0	#000000
50% Gray	PMS Cool Gray 8C	PMS Cool Gray 8U	C-0 M-0 Y-0 K-50	R-153 G-153 B-153	#999999
Ochsner Blue	PMS 541C	PMS 541U	C-100 M-65 Y-0 K-31	R-7 G-43 B-97	#72b61

A consistent identity is a vital part of LSU and Ochsner Health System relationship with the public. Simple things like fonts, imagery, and colors, when used consistently, make for a stronger brand and add to the public's ability to identify LSU. By consistently producing high-quality, smart communications, we show our commitment to preserving the integrity of LSU and Ochsner, and to ensure audiences that the university is a trusted, global, confident, and progressive institution now and in the future.

Guidelines are subject to change without notice. For your protection and to maintain the maximum impact of the joint venture, approvals are for a single-use unless otherwise specified. Employees of LSU Health Shreveport should contact the department of Medical Communications for logo use approval and Ochsner Health System employees should contact the Marketing Department. Requests can be submitted via email to [brandcentral@ochsner.org](mailto:brandcentral@ochsner.org).

**INDUSTRY-SPONSORED RESEARCH  
AND CLINICAL COLLABORATION AGREEMENT**

This INDUSTRY-SPONSORED RESEARCH AND CLINICAL COLLABORATION AGREEMENT (“**Agreement**”) is executed this day of \_\_\_\_\_, 2018, to be effective October 1, 2018 (“**Effective Date**”), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“**LSU**”), a Louisiana constitutional corporation, Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“**OLHS-NL**”), and Ochsner Clinic Foundation d/b/a Ochsner Health System (“**Ochsner**”), a Louisiana nonprofit corporation. LSU, OLHS-NL, and Ochsner may hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**WHEREAS**, LSU is a constitutional corporation and land-grant public university established in 1853 and is tax-exempt as a governmental unit under Section 115 of the Internal Revenue Code of 1986, as amended (the “**Code**”);

**WHEREAS**, LSU operates and administers the affairs of Louisiana State University Health Sciences Center at Shreveport (“**HSC-S**”), which is comprised of the School of Medicine (“**Medical School**”), School of Allied Health and School of Graduate Studies;

**WHEREAS**, HSC-S’s and the Medical School’s mission is to (a) train Louisiana’s health care workforce through effective and innovative medical education programs, (b) discover new knowledge and to refine or expand existing knowledge through scientific research, and (c) provide high quality, patient-centered, cost-effective clinical care (collectively, the “**Academic Mission**”);

**WHEREAS**, Ochsner is a tax-exempt organization within the meaning of Section 501(c)(3) of the Code whose mission is to serve, heal, lead, educate and innovate through operation of an integrated health care system comprised of hospitals, clinics and other health care facilities offering medical education, research, and a continuum of care to benefit the communities in which it operates throughout Louisiana (the “**Ochsner Mission**”);

**WHEREAS**, OLHS-NL is or will become a tax-exempt organization within the meaning of Section 501(c)(3) of the Code that will oversee and operate the Ochsner LSU Physician Group, L.L.C. (“**OLPG**”) and the hospital facilities located in Shreveport and Monroe, Louisiana previously owned and operated by HSC-S (individually a “**Hospital**” and collectively, the “**Hospitals**”) to serve patients in North Louisiana;

**WHEREAS**, LSU, OLHS-NL, and Ochsner are committed to implementing a new public/private partnership model to serve the citizens of North Louisiana beginning on the Effective Date through OLHS-NL’s ownership and management of the Hospitals and OLPG;

**WHEREAS**, the organizational structure of OLHS-NL is designed to align the financial incentives of the Hospitals and OLPG for the benefit of the Hospitals, OLPG, and HSC-S, including the Medical School (collectively, the “**Academic Medical Center**” or “**AMC**”), and to better serve the Academic Mission and the Ochsner Mission;

**WHEREAS**, the Parties understand and agree that the financial soundness of OLHS-NL's clinical enterprise is critical to the Academic Mission and the overall success of the AMC;

**WHEREAS**, to achieve their shared goals and vision of and commitment to a state-of-the-art AMC serving North Louisiana and the surrounding area and to further support the Academic Mission and the Ochsner Mission, LSU, OLHS-NL, and Ochsner desire to collaborate with respect to medical education, research and clinical care;

**WHEREAS**, OLHS-NL and Ochsner own and possess patient network, databases and other resources that provide data, research subjects, and other information not readily available to HSC-S and that make collaborative research studies more robust;

**WHEREAS**, the Parties and their respective physicians, faculty, and other practitioners possess clinical and research knowledge and capabilities that are necessary to conduct collaborative research studies and that are necessary for studies to be in compliance with federal laws, regulations, and rules pertaining to research studies;

**WHEREAS**, to create a stable delivery system of healthcare services for patients in North Louisiana, the Parties wish to integrate and coordinate Industry Sponsored Research (“**ISR**”) with outpatient and community-based services provided by OLPG and Ochsner and inpatient and outpatient services provided by the Hospitals; and

**WHEREAS**, the Parties also wish to collaborate with respect to developing and implementing clinical and medical education programs to improve the delivery of clinical care to the low-income and needy population in North Louisiana.

**NOW, THEREFORE**, in consideration of the premises, the mutual benefits to the Parties to be derived from this Agreement and the obligations and responsibilities set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree, with the intent to be legally bound, as follows:

## **ARTICLE I. COLLABORATION GOALS AND OBJECTIVES**

The Parties agree that a collaborative pursuit of strategic opportunities in medical education, research and clinical care will equip the AMC to better serve patients in North Louisiana. By taking a collaborative approach, the Parties desire to establish and maintain an integrated delivery system and environment in which HSC-S employed faculty exclusive of any Ochsner Physician (as defined below) (the “**HSC-S Faculty**”) work collaboratively with physicians employed or contracted through the North Louisiana Department, a division of Ochsner Clinic, LLC, a wholly owned subsidiary of Ochsner (with or without an Adjunct Academic Appointment (as defined in the Academic Clinical Collaboration Agreement among Ochsner, LSU, and OLHS-NL) (“**Ochsner Physicians**”) to conduct ISR.

## ARTICLE II. MEDICAL RESEARCH COLLABORATION

**Section 2.01. Commitment to Medical Research.** The Parties are committed to performing joint ISR. The Parties are also committed to (i) expanding the AMC's medical education programs, improve access to diverse training sites and patients, and retain quality residents, fellows, and allied health professionals in North Louisiana; and (ii) developing strategies and processes for collaborative medical and scientific research projects designed to improve clinical care and health outcomes in North Louisiana

**Section 2.02. Restriction to Industry-Sponsored Research.** Subject to Section 2.04, the Parties agree that any joint research conducted under this Agreement shall be limited to industry-sponsored, non-federally funded, research (ISR). HSC-S's independent industry-sponsored, non-federally funded, research (ISR) and federally funded and investigator-initiated research projects (the "**LSU Independent Research**") and Ochsner's industry-sponsored, non-federally funded, research and federally funded and investigator-initiated research projects (the "**Ochsner Independent Research**") are excluded from, outside the scope of, and not subject to or governed by the provisions of this Agreement. Notwithstanding the preceding sentence, nothing in this Agreement shall prevent (i) faculty of OLHS-NL and/or Ochsner Physicians from participating in LSU Independent Research or Ochsner Independent Research as Principal, Co-Investigator, or Sub-Investigators, or (ii) faculty of HSC-S from participating in Ochsner Independent Research as Principal, Co-Investigator, or Sub-Investigators, as mutually agreed to by the Parties. HSC-S reserves all rights, title, and interest in and to any intellectual property developed as a result of any LSU Independent Research, and Ochsner reserve all rights, title, and interest in and to any intellectual property developed as a result of any Ochsner Independent Research. Any use by Ochsner of data created or transferred by HSC-S in connection with any LSU Independent Research and any use by HSC-S of data created or transferred by Ochsner in connection with any Ochsner Independent Research shall be governed by the terms of separately negotiated data use agreements. Notwithstanding any other provision in this Section 2.02 or in this Agreement, HSC-S must be engaged in any ISR conducted at the Hospital(s); provided, however, that this requirement shall not preclude Ochsner or any Ochsner Physician from independently engaging in ISR conducted at non-Hospital locations that uses Hospital resources (e.g., Hospital equipment or personnel).

**Section 2.03. Research Contracts.** All ISR performed under the Agreement shall be conducted in accordance with the terms of the Protocol, be consistent with applicable state and federal laws, and conform to HSC-S and LSU System and Ochsner policies and procedures. The Parties acknowledge and agree that (i) HSC-S and HSC-S Faculty must follow all HSC-S and LSU System policies and procedures to engage in any ISR and (ii) Ochsner and Ochsner Physicians must follow all Ochsner policies and procedures to engage in any ISR.

**Section 2.04. Research Committee.** The Parties shall establish a Research Committee, consisting of up to six (6) members, with three (3) members appointed by HSC-S and three (3) members appointed by Ochsner ("**Research Committee**"). The names of the initial Research Committee members are set forth in Exhibit A. HSC-S and Ochsner may remove or replace each of their respective members at will. The functions of the Research Committee include, but are not limited to:

- (a) Assessing institutional capacity and available data to identify new research areas of focus between the Parties;
- (b) Making recommendations regarding coordination of efforts for joint ISR and other joint research between the Parties;
- (c) Making recommendations regarding how to improve the performance of clinical trials and how to coordinate resources of the AMC;
- (d) Establishing a Master Charge List for services to be provided by physicians and/or OLHS-NL hospitals for ISR;
- (e) Making recommendations regarding the feasibility of proposed ISR;
- (f) Making recommendations regarding the need for changes to policies and procedures for the conduct of ISR;
- (g) Gathering and interpreting metrics related to the conduct of ISR; and
- (h) Exploring other avenues for research collaboration between Ochsner and HSC-S other than ISR.

**Section 2.05. OLHS-NL Data.** To the extent relevant to the development or performance of joint ISR, OLHS-NL agrees to provide HSC-S and Ochsner access to any de-identified data recorded and stored on the Hospitals' electronic medical records system(s), including, but not limited to, data recorded and stored on EPIC and any other data developed by OLHS-NL as part of ISR ("**OLHS-NL Data**"). OLHS-NL shall retain all rights, title and interest, including, but not limited to, intellectual property rights, in and to the OLHS-NL Data. The other Parties may use OLHS-NL Data solely for the purpose of performing the specific ISR for which the OLHS-NL Data was created or transferred under this Agreement and shall not sell or transfer any OLHS-NL Data to any other person or entity without OLHS-NL's prior written consent. Unless otherwise agreed by OLHS-NL in writing, within thirty (30) days after expiration or termination of this Agreement, the other Parties shall return any OLHS-NL Data in their possession or control to OLHS-NL.

**Section 2.06. Collaboration Data.** All data created by the Parties during the performance of a joint ISR that constitutes or incorporates a combination of Ochsner Data, HSC-S Data and/or OLHS-NL Data shall be deemed "**Collaboration Data**" for purposes of this Agreement. Each Party may use Collaboration Data, provided that such use is for purposes associated with the joint ISR. The Party who uses the Collaboration Data must give the other Party written notification of its intent to use the Collaboration Data at least thirty (30) days prior to its use. Collaboration Data used for publication, at a conference, or presented in some other manner or context must be for the sole purpose of discussing the joint ISR, and the user agrees to acknowledge and give credit to the other Party for its research contributions. Any use of the Collaboration Data for purposes outside the ISR must be approved in advance by the Research Committee. Ownership, rights, title and interest in and to such derivative data shall be governed by the provisions regarding Intellectual Property contained in Section 2.16 of this Agreement.

**Section 2.07. Reciprocal Institutional Review Boards.** The Party who will perform the ISR may elect to use the other Party's Institutional Review Board (the "**IRB**" or "**IRB of Record**") to review and oversee the ISR. In making such determination, the primary investigator may take into consideration, among other things, the knowledge, skills, expertise, or disciplines of the Parties' IRBs regarding the subject matter of the ISR. The IRB of Record will have ultimate authority over the conduct and integrity of the ISR and the other Parties involved in the ISR shall cede review of ISR to the IRB of Record. For any multi-site ISR involving industry-sponsored clinical trials, the Parties may use external IRBs. The Parties acknowledge and agree that HSC-S Faculty must notify the Assistant Vice Chancellor for Research Management in writing prior to using any IRB other than the HSC-S IRB.

**Section 2.08. Institutional Review Board Requirements.** The following requirements apply to each Party's IRB:

- (a) Terms. All parties agree that terms used in this section of this Agreement shall have the same meaning as those used in 45 CFR 160.103 and 164.501, Title 38 Part 16, 45 CFR 46.102 of the Code of Federal Regulations, and Title 21, part 50 and 56 of the Code of Federal Regulations.
- (b) Protection of Human Subjects.
  - (1) Each Party is responsible for implementing and maintaining its Human Research Protections Program ("**HRPP**") which establishes institutional policies and procedures for protecting human subjects with respect to research in compliance with its Federal Wide Assurance. Each IRB will provide a statement that its IRB membership complies with the federal regulations. Each Party shall have/has the right to review and retain the IRB roster upon request.
  - (2) The Parties are responsible for complying with all determinations of the IRB of Record with respect to human research for all ISR and will accept the final authority and decisions of the IRB of Record, including but not limited to, directives to terminate participation in research study activities or requirements to participate in education and training required by the IRB. Research that has been approved by the IRB of Record may be subject to further review and approval by the Parties. However, the Parties may not approve the research if it has been denied by the IRB of Record.
  - (3) The Parties are responsible for ensuring that researchers and research staff promptly report any proposed changes in the ISR and will not initiate changes without prior approval by the IRB of Record, except where necessary to eliminate an apparent immediate hazard to a subject.
  - (4) The Parties are also responsible for ensuring that researchers:
    - a. Comply with and abide by all determinations of the IRB of Record, including but not limited to, directives to terminate participation in ISR.

- b. Not enroll subjects for ISR prior to the IRB of Record's review and approval.
  - c. Accept primary responsibility for safeguarding the rights and welfare of each research subject, and that the subject's rights and welfare must take precedence over the goals and requirements of the ISR.
  - d. Adhere to the following: (1) Sponsor requirements; (2) IRB of Record's applicable policies and procedures; and (3) all applicable laws and regulations, in their current form, and as revised hereafter from time to time, including but not limited to: (i) The Belmont Report: Ethical Principles and Guidelines for the Protection of Human Subjects of Research (or other internally recognized equivalent); (ii) Title 45, Part 46 of the Code of Federal Regulations (the Common Rule); (iii) the relevant statutes, rules, regulations, and policies of the U. S. Food and Drug Administration; (iv) Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d-2) ("HIPAA"), the Health Information Technology for Economical and Clinical Health Act ("HITECH Act"), and regulations promulgated thereunder (collectively, "HIPAA Regulations") and applicable state law, including those provisions that relate to Business Associates; (v) Good Clinical Practice Guidelines; (vi) International Conference on Harmonization (ICH); and (vii) all other applicable federal, international, state and local laws, regulations and policies that may provide additional protection for human subjects participating in research conducted under this Agreement.
- (5) The IRB of Record will approve alterations or waivers for use or disclosure of protected health information for any ISR. OLHS-NL, HSC-S, and/or Ochsner, as applicable, will submit the appropriate request form to the IRB of Record.
- (c) Education and Training. When an ISR is reviewed and approved by the IRB of Record, the Parties will ensure that research staff will complete all training required by the IRB of Record prior to initiating the study. Evidence of completed training must be provided to the IRB of Record at the time of any ISR submission and must be accepted and approved by OLHS-NL, HSC-S, and/or Ochsner's, as applicable, HRPP prior to the beginning ISR activities.
- (d) Reporting Obligations.
- (1) Investigator: For ISR, Investigator must report any of the following events

in accordance with the federal regulations for protection of human subjects:

- Unanticipated problems involving risks to participants or others,
- Changes to the protocol taken without prior IRB of Record approval to eliminate an apparent immediate hazard to a subject or protocol deviation/violation,
- Knowledge of new information that indicates a new or increased risk, or a safety issue,
- Premature suspension or termination of the research by the sponsor or the investigator,
- Failure to follow the protocol due to the action or inaction of the investigator or research staff,
- Written monitoring reports from the sponsor or CRO,
- Non-compliance with the federal regulations governing human research or with the requirements or determinations of the IRB of Record, or allegations of such non-compliance,
- Audit, inspection or inquiry by a federal agency or Sponsor quality audit,
- Incarceration of a subject in a study not approved by the IRB of Record to involve prisoners,
- Complaint of a subject that cannot be resolved by the research team,
- Breach of subject confidentiality,
- Unanticipated adverse device effect,
- Suspension or termination of research, and Serious or continuing non-compliance. Serious non-compliance includes deviations from the IRB of Record's guidelines, IRB of Record's approved protocol, ICH-E6 Good Clinical Practices or applicable regulations, that have or could potentially affect
  - o the safety, rights and welfare of the research subject(s); or
  - o integrity of the data or outcome of the study

Notwithstanding the preceding, the Parties acknowledge and agree that HSC-S must follow its standard operating procedures (SOPs) regarding when events must be reported.

(2) IRB of Record:

- The IRB of Record will take minutes of its meetings in which an ISR for the Parties is reviewed. A notice of the IRB's action will be provided to the Parties.
- The IRB of Record will document all findings and actions regarding the Parties' ISR taken outside of convened meetings, and will provide copies of such documentation to the Parties upon request.
- The IRB of Record will report any suspension or termination of the Parties' ISR immediately to the HSC-S, OLHS-NL, and/or Ochsner.
- The IRB of Record will report to the Parties any request for audit, investigation or external review of the Parties' ISR, including by a government regulatory agency.
- The IRB of Record will report to the Parties any noncompliance with the federal regulations, as it relates to the Parties' ISR.

Notwithstanding the preceding, the Parties acknowledge and agree that HSC-S and HSC-S Faculty must follow its standard operating procedures (SOPs).

- (e) Local Context Issues. Each Party's IRB will retain review of local context issues. Local context issues may include, but are not limited to, the following: conflict of interest policy, extent of existing populations eligible for enrollment, safeguards used to protect those populations, privacy and confidentiality protections, and any other study specific requirement.
- (f) Conflicts of Interest. The Parties will each comply with their respective Conflicts of Interest policies. The Parties acknowledge and agree that HSC-S and HSC-S Faculty must comply with Chancellor's Memorandum 23 for all research in which it participates. Each Party will provide a copy of its Conflicts of Interest Policy upon request. The Parties will promptly report Conflicts of Interest to the IRB of Record and shall establish a plan to mitigate any known conflict of interest
- (g) Compliance with FWA Requirements. The Parties acknowledge that continuation of this Agreement depends upon the maintenance of a current FWA. Each Party shall notify the other Party within thirty (30) days of the termination for any reason of the notifying Party's FWA. A party's failure to maintain a current FWA shall be considered a material breach of this Agreement and will be grounds for termination of the Agreement.
- (h) Access to ISR Records. The Parties will maintain all necessary records in support

of the ISR conducted. Each IRB will maintain all necessary records in support of the ISR reviewed for the Parties. Records will be kept by each Party in accordance with federal regulations and institutional policies.

- (1) Each Party shall make available to the IRB of Record, and shall cause its employees and agents to make available to the IRB of Record, documentation required by the IRB of Record to perform the services hereunder. Each Party shall protect the confidentiality of all such documentation in accordance with relevant federal and state laws and regulations.
- (2) Each IRB shall prepare and maintain documentation relating to the ISR as required by the federal regulations and other requirements made known in writing by the Parties involved in the ISR. Each IRB shall cooperate with the Parties' reasonable requests to inspect and copy, at the requesting Party's sole cost, such documentation related to the ISR.
- (3) In connection with the performance of the obligations set forth herein, the Parties may have access to certain oral and written information concerning each other that is non-public, confidential and/or proprietary in nature. The Parties acknowledge the confidential or proprietary nature of such information and agree to comply with the confidentiality obligations set forth in Section 2.13 of this Agreement. The Parties further agree to limit access to and use of such information to those employees to whom such information is necessary to fulfill their respective obligations under this Agreement.
- (4) The IRB of Record has the right to perform audits or request that the local research site HRPP perform audits and site visits including, externally directed (for-cause audits), periodic and random audits, or compliance reviews at any research site for any collaborative ISR. A minimum of 5 business days' notice will be given to Investigators and research staff prior to any audit and site visit, set at a mutually convenient time. Compliance with all applicable federal, state, and local laws in the jurisdiction where the research is taking place, research subject safety, and the IRB requirements will be assessed. Full cooperation of all research and administrative personnel is expected and required; a lack of cooperation may result in the suspension of IRB approval for additional ISR projects.
  - (i) Compliance with HIPAA and State Laws Regarding Privacy and Security of Health Information. Each Party agrees to maintain the confidentiality, privacy, and security of "Protected Health Information" (as defined under HIPAA) to the extent required by law and the Parties' policies. Each Party agrees to comply with HIPAA, the HITECH Act, and the implementing regulations set forth at 45 CFR Parts 160, 162 and 164. Each Party further agrees to comply with all State laws regarding the privacy and security of protected health and personal

information.

- (j) **Non-Exclusivity.** Nothing in this Agreement is intended to limit the right of any Party, through any IRB, to provide review and continuing oversight of human subjects research conducted by or on behalf of any other person or entity, LSU Independent Research, or Ochsner Independent Research.

**Section 2.09. IRB Approval Required to Conduct Studies.** Each IRB will follow its own standard operating procedures and processes in accordance with its accreditation standards and federal regulatory requirements.

- (a) No ISR may commence until written IRB approval from the IRB of Record is obtained. Prior to issuing such approval, the IRB of Record shall ensure that all local context issues have been addressed.
- (b) All ISR shall be conducted in accordance with all applicable federal and state laws and regulations for protecting the rights, safety and welfare of human subject and for the control of investigational drugs and devices, including Good Clinical Practice Guidelines.
- (c) Except in the case of a medical emergency, or otherwise where necessary for subject safety, no changes in or deviations from the applicable Protocol shall be made without the IRB of Record and Sponsor's written approval.
- (d) OLHS-NL, as operator of the Hospitals, is to direct all questions regarding the conduct of the ISR to the Investigator.
- (e) Any substitution or replacement of an Investigator during the course of a ISR will be communicated to the Sponsor, the IRB of Record, and the Parties involved in the ISR.

**Section 2.10. Consistency in HIPAA Authorizations and Informed Consents.** The Parties will implement a consistent process for patient disclosures pursuant to HIPAA regulations set forth in 45 C.F.R. Part 164, and patient informed consent pursuant to 45 C.F.R. Part 46 (or any other international, federal, or local law, regulation, rule, or procedural standards selected on the FWA for the IRB) and approved for use by the IRB. The Parties will obtain, document, and maintain records of HIPAA authorizations and informed consents as required by law. Such authorizations and consents shall be universal, permitting any disclosures of patient data, including medical records and other confidential medical data, to HSC-S, Ochsner and/or OLHS-NL to effectuate any ISR. Further, the HIPAA authorization and informed consent forms shall permit patients to opt out of disclosures of such patient's confidential data for research, bio-banking or other uses.

**Section 2.11. Continuation of Existing Research.** This Agreement shall not limit the Parties' ability to continue their respective ISR or activities existing prior to the Effective Date.

**Section 2.12. Confidentiality.** Each Party acknowledges that the methods, operations and other information regarding the Parties and the business of the Parties under this Agreement

are confidential and proprietary. Each Party shall cause all information disclosed to it by any other Party (the “**Disclosing Party**”) in connection with this Agreement or any ISR to be treated as “**Confidential Information**” according to the same internal security procedures and with the same degree of care regarding its secrecy and confidentiality as the Party receiving the Confidential Information (the “**Receiving Party**”) treats similar information of its own within its organization. Confidential Information does not include that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates (a) was, is, or becomes generally available to the public other than as a result of a breach of this Section 2.12 by the Receiving Party or its representatives; (b) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (c) 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.

- (a) Disclosure and Use of Confidential Information. Subject to Section 2.12(e) below, each Party agrees that Confidential Information to the extent allowed by law (a) shall be kept confidential by the Receiving Party; (b) shall not be used for any reason or purpose other than to evaluate and perform under this Agreement; and (c) without limiting the foregoing, shall not be disclosed by the Receiving Party to any other 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 the Disclosing Party. A Party shall disclose the Confidential Information of the other Party only to its representatives who require such material and are informed of the obligations of this Section. Each Party shall (x) enforce the terms of this Section as to its respective representatives; (y) take such action to the extent necessary to cause its representatives to comply with the terms and conditions of this Section; and (z) be responsible and liable for any breach of the provisions of this Section by it or its representatives.
  
- (b) Legal Proceedings. Subject to Section 2.12(e) below, if a Receiving Party becomes compelled by law or is requested by a governmental body having regulatory jurisdiction over the this Agreement or the ISR to make any disclosure that is prohibited or otherwise constrained by this Section, 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 Section. 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 between the Parties to this Agreement.

- (c) Return or Destruction of Confidential Information. Except as required by law, if this Agreement is terminated, each Receiving Party shall, to the extent allowed by law, (a) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (b) 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 (c) 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.
- (d) 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 (a) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (b) are or may become joint defendants in legal proceedings to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should any party become subject to any actual or threatened legal proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the consummation of the Collaborative Agreements (as that term is defined in the Academic and Clinical Collaborative Agreement) the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim, or contend, in proceedings involving any 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.
- (e) HIPAA Override. Notwithstanding anything to the contrary in this Agreement, any Confidential Information which constitutes Protected Health Information as defined by HIPAA shall be maintained by the Parties in accordance with the provisions of HIPAA and the HITECH Act and the rules and regulations promulgated thereunder, and such provisions, rules, and regulations shall take precedence over any other provisions of this Agreement governing Confidential Information to the extent there is a conflict between the terms of this Agreement and such provisions, rules, and regulations of HIPAA and the HITECH Act and each Party will act in accordance therewith.

**Section 2.13. Employee Matters.**

- (a) Employee Supervision. Each Party shall be responsible for the conduct and direct supervision of its employees, agents and contractors participating in research, including assurance of said employee's compliance with the terms and conditions of the Agreement.
- (b) Employee Compensation and Benefits. Each party shall be solely responsible for all compensation, benefits and other consideration to be paid to or received by that Party's respective employees.
- (c) Employee Assignment. Either or both Parties may assign employees to assist in tasks related to ISR.
- (d) Employee Qualification. When engaged in research, the parties represent, certify and covenant that the Investigator is, and at all times during the course of the study shall, remain qualified by training and experience with appropriate expertise to conduct the study.
- (e) Employee Licenses. When engaged in research, the Parties represent, certify, and covenant that they and their employees have, and at all times during the course of the ISR shall have, the appropriate licenses, approvals and certifications necessary to safely, adequately and lawfully perform the research activities.
- (f) No Conflicts. When engaged in research, the Parties represent, certify and covenant that no Party's employees, Investigator(s), or any other person who is engaged in activities in the ISR (or any member of their immediate families) (i) is subject to any conflicting obligations, (ii) has any financial, proprietary, equity or other interest in the Sponsor of the study, (iii) has any financial or outcome interest of the ISR, (iv) has entered into any agreement with respect to the ISR that might interfere with the performance of the ISR or that might impair the acceptance of the resulting data by the United States Food and Drug Administration ("FDA") or other regulatory authorities that might create a conflict of interest. The Parties and Investigators will comply with all disclosure requirements of the FDA and other regulatory authorities with respect to conflicts of interest. The Parties have appropriate methods in place to manage, eliminate or otherwise resolve conflicts of interests.

**Section 2.14. Facility Use.**

- (a) Use of Hospital and Hospital Facilities. The Parties acknowledge and agree that HSC-S investigators may use OLHS-NL hospitals and hospital facilities (the "**Hospitals**" or singularly, the "**Hospital**") to conduct certain ISR contemplated by this Agreement. For the avoidance of doubt, the Parties shall not use and this Agreement shall not apply to any other research performed at Ochsner's hospitals or hospital facilities, nor shall it apply to any research performed by HSC-S at hospitals that are not owned and/or operated by OLHS-NL and/or Ochsner.

- (b) Conduct of Study. ISR procedures performed at Hospitals will be performed under the supervision and direction of the Principal Investigator of the ISR. The Hospitals will comply with the directives of the IRB of Record and the Principal Investigator respecting conduct of the ISR. The Hospitals and their staff shall strictly adhere to the terms of the study protocol applicable to the Hospitals.
- (c) Compliance with Law. OLHS-NL represents, warrants and covenants that the Hospitals will participate in the ISR and perform their obligations under this Agreement in compliance with all applicable federal, state, and local laws, regulations and guidelines, including but not limited to, the Medicare/Medicaid Anti-kickback statute, the Social Security Act of 1935, as amended, the Controlled Substances Act, as amended, and the regulations promulgated thereunder, including the U.S. Drug Enforcement Agency regulations at 21 C.F.R. §1300 et seq., HIPAA, the HITECH Act, and the regulations promulgated thereunder, and the Federal Food, Drug and Cosmetic Act of 1938, as amended, and all applicable regulations promulgated thereunder including regulations of the FDA.
- (d) Monitoring of Study. OLHS-NL will permit Sponsor or Sponsor's designee to access Hospital facilities in accordance with the agreement between OLHS-NL, HSC-S and/or Ochsner and the Sponsor; provided, however, that such access shall be subject to Sponsor's agreement to comply with the Hospital facilities' confidentiality and other policies and procedures governing protection of patient confidentiality and the Hospitals' proprietary systems.
- (e) Licenses. OLHS-NL shall ensure that Hospitals shall obtain and keep in full force and effect any licenses, certifications, accreditations, permits or registrations necessary for Hospitals to provide its facilities and services under this Agreement.
- (f) Insurance. OLHS-NL shall ensure that Hospitals shall maintain, in full force and effect during the term of this Agreement, reasonable, customary, and legally required insurance consistent with the scope of services being provided under this Agreement, including professional liability insurance, workers' compensation insurance, automobile liability insurance (if legally required), and general liability coverage with coverage for Security Incidents and Breaches of Unsecured Protected Health Information (as those terms are defined by HIPAA). Professional liability insurance shall include coverage for data breach and network security. All insurance shall be provided by financially stable insurance carriers properly licensed to write and issue require coverage.

## **Section 2.15. Intellectual Property, Publication and Related Matters.**

- (a) Background IP. Each Party and/or its affiliates shall be and shall remain the owner of any data, including but not limited to documents, know-how, information, material, substances, and any other intellectual property, which were

or are developed independent of the activities contemplated by this Agreement, (the “**Background Intellectual Property**”), and this Agreement shall not affect the ownership of any Background Intellectual Property regardless of whether such materials or intellectual property are provided to the other Party for use in the ISR.

- (b) Patents and Inventions. All rights, title and interest to any discovery, concept, or idea, whether or not patentable, made during the conduct of the ISR and arising directly from the performance of the ISR or the Protocol shall be governed by the terms and conditions of the agreement between OLHS-NL, HSC-S, and/or Ochsner and the Sponsor, as well as LSU’s policy on patents and inventions.

All other inventions or discoveries arising out of the work to be performed under this Agreement, whether patentable or not, conceived by any Principal Investigator or other individual who is an employee of HSC-S (“**University Inventions**”) shall be the property of HSC-S. All other inventions or discoveries arising out of the work to be performed under this Agreement, whether patentable or not, conceived by any Principal Investigator or other individual who is an employee of Ochsner (“**Ochsner Inventions**”) shall be the property of Ochsner. All inventions or discoveries arising out of the work to be performed under this Agreement, whether patentable or not, jointly conceived by employees or agents of Ochsner, HSC-S, and/or OLHS-NL (and which shall have Principal Investigators from both HSC-S and Ochsner) (“**Joint Inventions**”) shall be the joint property of Ochsner, OLHS-NL and/or HSC-S. All inventions and any information with respect thereto shall be subject to the confidentiality obligations as set forth in this Agreement.

HSC-S and Ochsner shall be permitted to use any Joint Inventions made or developed by HSC-S or Ochsner, subject to the obligations set forth in Section 2.12 (Confidentiality), for internal, non-commercial research and for educational purposes and for the preparation of publications in accordance with Section 2.15(c) below.

- (c) Publications. The Parties’ right to publish and present the results and data generated in the ISR shall be governed by the agreement between OLHS-NL, HSC-S, and/or Ochsner and the Sponsor.

### ARTICLE III. COLLABORATION ON OTHER RESEARCH

The Parties agree that the OLHS-NL Hospitals and associated clinics will remain available for research programs of HSC-S and Ochsner. The Parties shall use their best efforts to expand HSC-S and Ochsner’s research programs at the Hospitals and associated clinics and to evaluate other geographic areas for such expansion based on the recommendations of the Research Committee.

### ARTICLE IV. CLINICAL COLLABORATION

**Section 4.01. Clinical Initiatives.** The Parties shall work together to establish and implement clinical initiatives to improve the quality, scope and efficiency of health care services available in North Louisiana. In particular, the Parties will focus efforts on expanding access to primary care, improving outcomes for diabetic patients, improving outcomes for patients with hypertension, avoiding excessive use of emergency departments, and other quality improvements in clinical outcomes. To that end, the Parties are working to effectuate the integration of the OLPG into the OLHS-NL clinical enterprise. Notwithstanding anything herein to the contrary, the Parties recognize and agree that their efforts to improve the quality of care and reduce the cost of clinical care to patients are subject to and conditioned on the availability of funding for clinical services at the AMC and adequate funding to OLHS-NL under the Cooperative Endeavor Agreement with the State of Louisiana, through the Division of Administration.

**Section 4.02. Financing Clinical Initiatives.** Through the integration of the clinical faculty and Ochsner Physician services with the AMC, the Parties intend to improve the overall financial and clinical operations of OLHS-NL and its subsidiaries. Nonetheless, the Parties recognize and agree that the financial health of OLHS-NL and the AMC is paramount for the ability to effectuate high quality medical education and research.

**Section 4.03. Recruitment and Retention of Physicians.** The Parties acknowledge that there is a lack of access to adequate physician care services in North Louisiana. To address this shortage and improve access to primary, secondary and preventative health services in North Louisiana, the Parties shall work together to retain and recruit physicians to expand access to care.

## ARTICLE V. MEDICAL EDUCATION COLLABORATION

The Parties agree that the Hospitals and associated clinics will serve as the Medical School's principal teaching site, and will remain available for teaching, research and clinical care programs of the Medical School. The Parties shall use their best efforts to expand the Medical School's and Ochsner's teaching, research and clinical care programs at the Hospitals and associated clinics and to evaluate other geographic areas for such expansion.

## ARTICLE VI. TERM AND TERMINATION

**Section 6.01. Term.** Unless earlier terminated as provided herein, the initial term of this Agreement (the "**Initial Term**") shall be ten (10) years, beginning on the Effective Date, and shall automatically renew for two (2) successive five (5) year terms (each a "**Renewal Term**"), for a total term ("Term") of twenty (20) years, unless a Party gives written notice of its intent not to renew the Agreement for a Renewal Term (a "**Non-Renewal Notice**") not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

**Section 6.02. Events of Default.** It shall be an event of default ("Event of Default") hereunder:

- (a) If a Party: (a) fails to cure a Financial Default (as defined in the ACCA) in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given fiscal year during the Term regardless of whether cured.
- (b) If a Party fails to perform any other material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. This Section 6.02. (b) is not applicable to a Financial Default addressed in Section 6.02. (a) above.

**Section 6.03. Termination Events.** Any Party may give a termination notice prior to the expiration of the Initial Term or Renewal Term upon the occurrence of any of the following events:

- (a) Termination by Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Parties.
- (b) Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.
- (c) Loss of Tax Exempt Status. In the event a Party determines that this Agreement would result in the loss of such Party's tax exempt status.

**Section 6.04. Termination for Bankruptcy; Receivership.** This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

**Section 6.05. Termination for Financial Default.** In accordance with Section 6.02. Section 6.02. (a) above, the non-defaulting party may terminate this Agreement if the defaulting party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term regardless of whether cured.

**Section 6.06. Termination for Failure to Resolve Disputes.** This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA)

satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

**Section 6.07. Termination of Collaborative.** Upon termination of the ACCA, CEA or, unless otherwise agreed by the parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

**Section 6.08. Wind Down Activities.** Upon termination of this Agreement for any reason, the Parties' obligations hereunder shall completely cease; provided, however, that the Parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA.

**Section 6.09. Effect of Termination.** Any ISR shall terminate upon the expiration or termination of this Agreement. Notwithstanding the preceding sentence, the Parties shall take all reasonable and necessary steps for the protection of human subjects research participants in any ISR.

## ARTICLE VII. INDEMNIFICATION

Each Party (an "**Indemnitor**") shall indemnify and hold harmless, to the extent permitted by law, the other Party, its officers, directors, board members, agents, and employees (collectively, the "**Indemnitees**") 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, expert witness fees, reasonable attorneys' fees, and any other cost of defense, (collectively, the "**Damages**") arising from (a) Indemnitor's breach of this Agreement; or (b) the negligent actions or inactions of the Indemnitor, its officers, directors, Board members, agents, or employees.

## ARTICLE VIII. REPRESENTATIONS AND WARRANTIES

**Section 8.01. LSU Representations and Warranties.** LSU represents and warrants that the statements contained in this Section 8.01. are correct and complete as of the Effective Date:

- (a) LSU is a public constitutional corporation organized under the laws of Louisiana. LSU is validly existing and in good standing under the laws of Louisiana.
- (b) This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms, and any other agreement executed and delivered by LSU in connection with this Agreement will constitute the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms. LSU's Board of Supervisors has authorized the execution and delivery of this Agreement and such other documents to which it is a party and the performance of all of LSU's obligations hereunder and thereunder.

- (c) To LSU's knowledge, neither the execution and delivery of this Agreement nor the consummation or performance of any obligation under any of the Collaborative Agreements will, directly or indirectly (with or without notice or lapse of time):
  - (i) Conflict with any resolution adopted by LSU's Board of Supervisors;
  - (ii) Give any governmental body or other person the right to any successful remedy or relief under any legal requirement to which LSU may be subject, to the extent such remedy or relief would have a material impact on the AMC;
  - (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 held by LSU;
  - (iv) Cause Ochsner or OLHS-NL to become subject to, or to become liable for any material payment of, any material liability of LSU; or
  - (v) Result in any material change in the funding available to HSC-S under State appropriations and/or the State budget.

**Section 8.02.** Ochsner represents and warrants that the statements contained in this Section 8.02. are correct and complete as of the Effective Date:

- (a) Ochsner is a nonprofit corporation organized under the laws of Louisiana. Ochsner is validly existing and in good standing under the laws of Louisiana.
- (b) This Agreement constitutes the legal, valid and binding obligation of Ochsner, enforceable against it in accordance with its terms, and any other agreement executed and delivered by Ochsner in connection with this Agreement will constitute the legal, valid and binding obligation of Ochsner, enforceable against it in accordance with its terms. Ochsner's Board of Directors has authorized the execution and delivery of this Agreement and such other documents to which it is a party and the performance of all of Ochsner's obligations hereunder and thereunder.
- (c) To Ochsner's knowledge, neither the execution and delivery of this Agreement nor the consummation or performance of any obligation under any of the Collaborative Agreements will, directly or indirectly (with or without notice or lapse of time):
  - (i) Breach any resolution adopted by Ochsner's Board of Directors;
  - (ii) Give any governmental body or other person the right to any successful remedy or relief under any legal requirement to which Ochsner may be subject, to the extent such remedy or relief would have a material impact on the AMC;
  - (iii) Contravene, conflict with, or result in a material violation or material 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 held by Ochsner; or

- (iv) Cause LSU to become subject to, or to become liable for any material payment of, any material liability of Ochsner.

## ARTICLE IX. MISCELLANEOUS

**Section 9.01. Trade Secret Protection.** Any trade secrets of a Party shall be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a 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 Section 9.01. such information shall still be considered Confidential Information of that Party for purposes of this Section 9.01 to the extent included within the definition. In the case of trade secrets, each Party hereby waives any requirement that the other Party submit proof of the economic value of any trade secret or post a bond or other security.

**Section 9.02. Public Records Request.** The financial and other records created by, for or otherwise belonging to Ochsner and OLSH-NL shall remain in the possession, custody, and control of Ochsner and OLSH-NL, respectively, regardless of whether, or the method by which, LSU reviews and/or audits such records in connection with the rights and obligations of this Agreement. The Parties consider records of Ochsner and OLHS-NL to be proprietary to Ochsner and OLHS-NL, and to the extent that Ochsner or OLHS-NL makes any such records or documents available to LSU, such records shall be clearly marked as confidential and/or proprietary to indicate its or their position that such records or documents are not public records. To the extent LSU receives or learns of a public records request for documents pursuant to La. R.S. 44:1, et seq. (the “**Public Records Act**”) which may include this Agreement or any documents marked as confidential and/or proprietary to Ochsner or OLHS-NL, LSU will give notice to Ochsner and OLHS-NL that LSU has received or learned of such a public records request prior to producing any documents considered to be proprietary to Ochsner or OLHS-NL. In the event that Ochsner or OLHS-NL objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, Ochsner or OLHS-NL will immediately so notify LSU and take such action as Ochsner or OLHS-NL deems necessary to protect the disclosure of such records. Ochsner and OLHS-NL 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 9.03. Parties Bound.** This Agreement shall bind and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

**Section 9.04. 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 9.05. Jurisdiction, Venue and Service of Process.** The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement (as defined in the ACCA) and arising out of or related to any Collaborative Agreement is the

Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

**Section 9.06. Rule of Construction.** The Parties acknowledge and agree that this is a negotiated agreement, in which all Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

**Section 9.07. Severability.** If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect, unless the effect of such severance would be to substantially alter this Agreement or obligations of the Parties, in which case this Agreement may be immediately terminated.

**Section 9.08. Integration.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior research agreements and understandings, oral or written, among the Parties.

**Section 9.09. Non-Waiver.** No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

**Section 9.10. Notices.** All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the Parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to LSU:**

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

**With a copy to:**

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

And

Louisiana State University Health Science  
Center at Shreveport

1501 Kings Hwy.  
Shreveport, LA 71103  
Attention: Chris Kevil, Ph.D.  
Vice Chancellor for Research

**If to OLSH-NL:**

Ochsner LSU Health System  
of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
Attention: President

**If to Ochsner:**

Ochsner Clinic Foundation  
1514 Jefferson Highway  
New Orleans, LA 70121  
Attention: Chief Administrative Officer

**With a copy to:**

Office of Legal Affairs  
Ochsner Clinic Foundation  
1450 Poydras Street, Suite 2250  
New Orleans, LA 70112  
Attention: General Counsel

**Section 9.11. Form of the Agreement.** All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extend or otherwise affect the interpretation of this Agreement or any of its provisions.

**Section 9.12. Amendment.** This Agreement may be amended or modified only in writing signed by the Parties.

**Section 9.13. Further Cooperation.** In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

**Section 9.14. Assignability.** No Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Parties.

**Section 9.15. No Third Party Beneficiaries.** Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

**Section 9.16. Referrals.** The Parties acknowledge that none of the benefits granted hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, the entities within or outside of the Academic Medical Center.

**Section 9.17. Force Majeure.** No Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from Acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by a Party's employees, or any similar or dissimilar cause beyond the reasonable control of a Party.

**Section 9.18. Additional Instruments.** Each of the Parties shall, from time to time, at the request of any other Party, execute, acknowledge and deliver to the other Parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

**Section 9.19. Multiple Counterparts.** Provided all Parties execute an identical copy of this Agreement, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

**Section 9.20. Time Periods.** Time periods expressed by a specified number of days shall be based on calendar days.

**Section 9.21. Execution Warranty.** Each person signing this Agreement on behalf of a Party represents that the execution of this Agreement has been duly authorized by the Party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such Party.

**Section 9.22. ACCA Dispute Process.** The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes (as defined in the ACCA), and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

**Section 9.23. Records Retention.** The Parties agree to retain this Agreement (including all amendments and supplements hereto) and any of their books, documents, and records which may serve to verify the costs of this Agreement for a period of ten (10) years after the provision of any services related to an ISR, or as otherwise required by law. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General to access this Agreement, as well as the books, documents and records kept in connection with the services and ISR in the event that such access is requested in writing and is made in accordance

with applicable federal regulations. The auditors of the OLHS-NL, the Louisiana Legislative Auditor's Office, Office of the Governor, and the –State of Louisiana, through the Division of Administration shall have the right upon reasonable written notice to inspect and audit, during regular business hours and at no expense to such Party, the books and records pertaining to this Agreement. This section shall survive the termination of the Agreement.

**Section 9.24. Name and Trademark.** Except as provided in this Agreement or in any ISR, no Party shall use another Party's name, symbol, or trademark in any marketing, advertising, or any other public communications without the prior written consent of the other Party regarding the use of its name, symbol, or trademark.

**Section 9.25. Nondiscrimination and Affirmative Action.** The Parties agree 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 Assistant 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 Parties agree to abide by the requirements of the Americans with Disabilities Act of 1990. Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

**Section 9.26. No Debarment.** The Parties represent, certify, and covenant that neither they, nor any Investigator, nor any other person who assists in performing the ISR or provides services under this Agreement have ever been or are currently debarred or otherwise disqualified by the FDA or any other governmental or regulatory authority or professional body. The Parties are not aware of any circumstance under which an Investigator or any other person who assists in performing the ISR or who provides services under this Agreement has engaged in any conduct or activity that could lead to any of the aforementioned disqualification or debarment actions and has no notice that the FDA or other regulatory authority intends to seek disqualification or debarment. The Parties will not use the services of any person who is debarred or proposed for debarment, or otherwise disqualified or suspended from performing an ISR, providing services under this Agreement, or otherwise subject to any restrictions or sanctions. If any of the Parties or an Investigator, or any other person who provides services under this Agreement or is engaged in research activities (i) comes under investigation by the FDA or another governmental or regulatory authority for debarment action or disqualification, (ii) is debarred or disqualified, or (iii) engages in any conduct or activity that could lead to any of the aforementioned disqualification or debarment actions, the Party learning of the same shall promptly notify the others in writing thereof.

[Signatures on following pages.]

**IN WITNESS WHEREOF**, the parties have executed this Agreement by and through their duly authorized representatives effective as of the date and year first above written.

**Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner LSU Health System of North Louisiana**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner Clinic Foundation**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**

The initial members of the Research Committee will be as follows:

LSU Designated Directors

Chris Kevil, Ph.D  
Pat F. Bass III, M.D.  
John Maloy J.D.

Ochsner Designated Directors

Edmond Kabagambe, Ph.D  
Leonardo Seoane, M.D.  
Eboni Price-Haywood, M.D.

**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”), for and on behalf of Louisiana State University Health Sciences Center – Shreveport (“LSUHSCS”), Biomedical Research Foundation of Northern Louisiana (“BRF”), BRF Hospital Holdings, L.L.C. (“BRFHH”), BRFHH Shreveport, L.L.C. (“BRFHH Shreveport”), BRFHH Monroe, L.L.C. (“BRFHH Monroe”), and University Health Shreveport, LLC (“New Shreveport”), effective as of the 1<sup>st</sup> day of October, 2018 (the “Effective Date”). LSU, BRF, BRFHH, BRFHH Shreveport, BRFHH Monroe, and New Shreveport are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

WHEREAS, to facilitate BRFHH’s ownership and operation of the hospital businesses conducted in certain hospital facilities and associated outpatient clinics in Shreveport and Monroe, Louisiana (such hospital businesses in Shreveport and Monroe, the “Hospitals”) as contemplated in that certain Amended And Restated Cooperative Endeavor Agreement effective September 30, 2013 to which LSU, the State of Louisiana, BRF and BRFHH are party (together with any amendments and supplements thereto, the “CEA”), BRFHH entered into certain Agreements (as defined in Section 1 below) with LSU; and

WHEREAS, LSU has continued to provide services in accordance with the Agreements, but BRFHH has delayed compensation to LSU for the services provided under the Agreements due to a dispute between the Parties as to the amounts payable under the Agreements; and

WHEREAS, the BRFHH and LSU have resolved their disputes as to the amounts payable under the Agreements; and

WHEREAS, the BRFHH and LSU desire to terminate the Agreements, and BRFHH wishes to pay LSU the remaining amount payable under the Agreements for services in the period from July 1, 2017 through September 30, 2018, as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the receipt and sufficiency of which are hereby acknowledged, LSU and BRFHH agree as follows:

1. Termination of Agreements. As of the Effective Date, the following agreements identified in Subsections 1.1 – 1.10 (inclusive) (the “Agreements”), including all amendments and supplements thereto, are, to the extent not previously terminated, terminated:
  - 1.1 The Professional Services Agreement For Physician, Teaching And Medical Administrative Services by and among LSU, BRFHH, and BRFHH Shreveport, effective October 1, 2013 (“Shreveport PSA”);
  - 1.2 Holdover Agreement to the Shreveport PSA, effective July 1, 2017;

- 1.3 The Professional Services Agreement For Physician, Teaching And Medical Administrative Services by and between LSU and BRFHH Monroe effective October 1, 2013 (“Monroe PSA”);
  - 1.4 Holdover Agreement to the Monroe PSA, effective July 1, 2017;
  - 1.5 The Allied Health Professionals Services Agreement by and between LSU and BRFHH Shreveport effective October 1, 2013;
  - 1.6 The Allied Health Professionals Services Agreement by and between LSU and BRFHH Monroe effective October 1, 2013;
  - 1.7 The Resident Support Agreement by and between LSU and BRFHH Shreveport effective October 1, 2013;
  - 1.8 The Resident Support Agreement by and between LSU and BRFHH Monroe effective October 1, 2013;
  - 1.9 The Resident Affiliation Agreement by and between LSU and BRFHH Shreveport effective October 1, 2014; and
  - 1.10 The Resident Affiliation Agreement by and between LSU and BRFHH Monroe effective October 1, 2014.
2. Services rendered July 1, 2017 through June 30, 2018. Subject to BRFHH’s receipt of adequate and timely funding including payment in full of the payments described in the Working Capital Funding Agreement entered into between BRFHH and Shreveport Clinical Services, Inc. contemporaneously herewith, BRFHH shall pay LSU on the Effective Date the amount of [Forty-Three Million Four Hundred Sixty-Two Thousand Three Hundred Twenty and 59/100 Dollars (\$43,462,320.59 /)] for services that LSU contends were rendered July 1, 2017 through June 30, 2018.
  3. Services rendered July 1, 2018 through September 30, 2018. Subject to BRFHH’s receipt of adequate and timely funding, within sixty (60) days of the Effective Date, BRFHH shall pay LSU the amount of Thirty-Eight Million Five Hundred Thirty-Nine Thousand One Hundred Ninety-Two and 90/100 Dollars (\$38,539,192.90) for services that LSU contends were rendered July 1, 2018 through the Effective Date.
  4. Certain Payments. On or before the Effective Date and in consideration of the mutual promises and covenants recited herein and in the Termination and Release Agreement between the Parties and the State of Louisiana effective October 1, 2018 (the “TRA”) and other good and valuable consideration, LSU shall pay to BRFHH Shreveport the amount of One Million Dollars (\$1,000,000) (“LSU Payment”).
  5. Release of Claims. Subject to LSU’s receipt of payment in full of the payment described in Section 2 above, BRFHH Shreveport’s receipt of the LSU Payment in full, and BRFHH’s receipt of the adequate and timely funding described in Sections 2-3 above, and except as set

forth in Section 6 below, each Party as a “Releasing Party” hereby releases and forever discharges all of the other Parties and all of their respective officers, directors, board members, employees, agents, consultants, attorneys, insurers, successors, and assigns (the “Released Parties”) from and on account of any and all obligations, claims, demands, costs, expenses, losses, damages, fines, penalties, forfeitures, or liabilities (collectively “Liabilities”) of any nature whatsoever arising under the Agreements prior to the Effective Date, whether or not such claim has been expressly asserted prior to the Effective Date, whether in law or in equity, whether or not based in tort, contract, statute or any other theory of recovery, and whether or not for general, special, compensatory, consequential, punitive, statutory or any other damage, whether or not the Liabilities are for contractual damages, extra contractual damages, statutory claims or penalties, declaratory judgment, or any other legal, equitable, or other claims, whether presently known or unknown, asserted or unasserted, suspected or unsuspected, foreseeable or unforeseeable. For clarity, and without in any way limiting the generality of the foregoing, the aforementioned release of claims extends to any claims, causes of action, rights of recovery or rights of recoupment of every kind and nature arising prior to the Effective Date against LSU for damages relating to any alleged harm to past Shreveport Hospital operations and all claims arising prior to the Termination Effective Date for injunctive relief against LSU relating to Shreveport Hospital operations, provided, however, that nothing in this Agreement shall impair, release, or discharge BRFHSH Shreveport’s ability to take discovery of entities and personnel believed to have discoverable information, take depositions of relevant personnel, obtain trial subpoenas and take all other actions in pursuit of the W-K Claims. The Releasing Parties hereby covenant and agree not to sue or institute or cause to be instituted any action in any federal, state, or local agency, court, or other tribunal against any Released Party that is based on the Agreements.

6. Exclusion of Certain Claims. Notwithstanding anything to the contrary in this Settlement Agreement, nothing in this Settlement Agreement, including the foregoing release and covenant not to sue in Section 5, shall (a) release, discharge, or impair any claim by LSU against BRFHSH for failure to pay the payment described in 3 above in full, (b) release, discharge, or impair any claim by BRFHSH Shreveport against LSU for failure to pay the LSU Payment in full, or (c) release, discharge, or impair any of the Excluded Claims (as defined in Section 3 of the TRA) including without limitation any action taken against W-K (as defined in Section 3 of the TRA) to pursue the W-K Claims (as defined in Section 3 of the TRA).
7. Term. This Settlement Agreement is effective as of the Effective Date and shall expire upon LSU’s receipt of payment in full for the payments described in Sections 2 and 3 above, and BRFHSH Shreveport’s receipt of the LSU Payment, provided that Sections 5 and 6 shall survive expiration or termination of this Agreement.
8. Assignment; Successors in Interest. No assignment or transfer by any Party of such Party’s rights and obligations hereunder shall be made except with the prior written consent of the other Parties. This Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

9. Controlling Law; Jurisdiction and Venue. This Settlement Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Louisiana without reference to its choice of law rules. Any proceeding arising out of or relating to this Settlement Agreement may be brought in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana, and each of the parties irrevocably submits to the exclusive jurisdiction of such court in each such proceeding.
10. Amendment. This Settlement Agreement may not be amended, modified or supplemented except by written agreement of the Parties.
11. Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, each Party hereby waives any provision of law that renders any such provision prohibited or unenforceable in any respect.
12. Counterparts. This Settlement Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Settlement Agreement or the terms hereof to produce or account for more than one of such counterparts.
13. Enforcement of Certain Rights. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any person or entity other than the Parties, and their successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Settlement Agreement, or result in such person or entity being deemed a third-party beneficiary hereof.
14. Waiver. Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation or condition shall not be construed as a waiver of any other covenant, agreement, obligation or condition. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.
15. Expenses. Except as otherwise expressly provided in this Settlement Agreement, each Party to this Settlement Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Settlement Agreement, including all fees and expenses of its representatives.
16. Presumption Against Scrivener. The Parties agree that this Settlement Agreement is the product of the efforts of the Parties and their respective counsel, and as a result, it will not be construed, and no presumption will arise, based upon who drafted the Agreement.

17. No Admission of Liability. Nothing herein is intended to be an admission of liability by a Party.

18. Nature of Negotiation. The Parties represent and acknowledge that this Settlement Agreement has been negotiated and agreed to without any consideration whatsoever of the potential volume or value of referrals, past or present, to the Hospitals from LSU, or any physician(s) employed or otherwise engaged by LSU. The Parties represent that the consideration for this Settlement Agreement and the releases contained herein have been negotiated at arms' length and determined to be commercially reasonable.

19. Further Assurances. The Parties agree to execute such further releases, consents, notifications and other documents as may be reasonably requested by the other Parties for the purpose of giving effect to, or evidencing or giving notice of, the matters contemplated by this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement to be effective as of the Effective Date.

LSU:

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRF:

BIOMEDICAL RESEARCH FOUNDATION OF  
NORTHWEST LOUISIANA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRFHH:

BRF HOSPITAL HOLDINGS, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BRFHH SHREVEPORT:

BRFHH SHREVEPORT, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BRFHH MONROE:

BRFHH MONROE, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NEW SHREVEPORT:

UNIVERSITY HEALTH SHREVEPORT, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TERMINATION AND RELEASE AGREEMENT**

This Termination And Release Agreement (this “Agreement”) is made and entered into effective as of \_\_\_\_\_, 2018 (the “Termination Effective Date”), by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana (“LSU”), the State of Louisiana through the Division of Administration (the “State”), the Biomedical Research Foundation of Northwest Louisiana, a Louisiana nonprofit corporation (“BRF”), BRF Hospital Holdings, L.L.C., a Louisiana limited liability company (“BRFHH”), BRFHH Shreveport, L.L.C., a Louisiana limited liability company (“BRFHH Shreveport”), University Health Shreveport, LLC, a Louisiana limited liability company to which BRFHH Shreveport has transferred all of its assets, liabilities and employees relating to the Shreveport Hospital (as defined below) (“New Shreveport”), and BRFHH Monroe, L.L.C., a Louisiana limited liability company (“BRFHH Monroe”). LSU, the State, BRF, BRFHH, BRFHH Shreveport, New Shreveport, and BRFHH Monroe are sometimes individually referred to herein as a “Party” and collectively as the “Parties.” BRF, BRFHH, BRFHH Shreveport, New Shreveport, and BRFHH Monroe are sometimes collectively referred to as the “BRF Parties.”

**RECITALS**

WHEREAS, LSU, the State, BRF, and BRFHH (collectively the “CEA Parties”) are parties to that certain Amended And Restated Cooperative Endeavor Agreement effective September 30, 2013 (together with any amendments and supplements thereto, the “CEA”); and

WHEREAS, pursuant to the CEA, BRFHH agreed to own and operate through BRFHH Shreveport and BRFHH Monroe, respectively, the hospital businesses conducted in certain hospital facilities and associated outpatient clinics in Shreveport, Louisiana (the hospital business

in Shreveport, the “Shreveport Hospital”) and in Monroe, Louisiana (the hospital business in Monroe, “E.A. Conway”). The Shreveport Hospital and E.A. Conway are sometimes collectively referred to herein as the “Hospitals”; and

WHEREAS, to operationalize their respective commitments and obligations under the CEA, certain of the CEA Parties and BRFHSH Shreveport and BRFHSH Monroe, as the case may be, executed the Ancillary Agreements (as defined in Section 2 below); and

WHEREAS, BRFHSH Shreveport and BRFHSH Monroe have been owning and operating the Hospitals continuously since the effective date of the CEA; and

WHEREAS, the Parties have agreed to terminate the CEA and the Ancillary Agreements and all of their respective rights and obligations set forth therein; and

WHEREAS, in anticipation of such termination (i) BRFHSH Shreveport has, as set forth in more detail in that certain Asset Transfer Agreement by and between BRFHSH Shreveport and New Shreveport, transferred all of its assets, liabilities, and employees to New Shreveport, LLC, a subsidiary of BRFHSH, except for the W-K Claims (as defined below) and the LSU Payment as defined in the Settlement Agreement (described in Section 2.20 below) which will remain with BRFHSH Shreveport, a direct subsidiary of BRF and (ii) LSU and Ochsner Clinic Foundation, doing business as Ochsner Health System (“Ochsner”) have established OLHS-NL to, among other things, acquire BRFHSH pursuant to a Membership Interest Transfer Agreement (the “MITA”) dated as of \_\_\_\_\_, 2018, between BRF and OLHS-NL and thereby indirectly own and operate the Hospitals; and

WHEREAS, nothing in this Agreement is intended to restrict or impair the W-K Claims or any actions taken by or on behalf of BRFHSH Shreveport or BRF in connection with the W-K Claims.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein below, the Parties agree as follows:

1. Effectiveness of this Agreement. This Agreement shall not be effective unless and until the Closing under the MITA shall have occurred. Nothing in this Agreement is intended to or shall be construed to modify the terms of the MITA.
  
2. Termination of CEA and the Ancillary Agreements. As of the Termination Effective Date, and conditioned on the Closing under the MITA having occurred, the CEA and the agreements identified in Subsections 2.1 – 2.10 below (inclusive) (the “Ancillary Agreements”), including all amendments and supplements thereto, are, to the extent not previously terminated, terminated and all of the terms, conditions, provisions, rights, responsibilities, and obligations therein are extinguished. For clarity, the Ancillary Agreements are:
  - 2.1. The Amended And Restated Cooperative Endeavor Agreement effective September 30, 2013, by and among the CEA Parties;
  - 2.2. Memorandum of Understanding between BRF, BRFHH, LSU, and the State, effective September 8, 2016;
  - 2.3. The Master Hospital Lease Agreement effective September 30, 2013, by and among LSU, the State, the Division of Administration, and BRFHH (the “Master Hospital Lease”);
  - 2.4. The Equipment Lease Agreement effective September 30, 2013, by and between LSU and BRFHH (the “Equipment Lease”);
  - 2.5. The IT Agreement by and between LSU and BRFHH effective October 1, 2013;
  - 2.6. Master IT Transition Services Agreement by and between LSU, BRFHH, BRFHH Shreveport, and BRFHH Monroe, dated July 1, 2014;
  - 2.7. Master Collaborative Agreement by and between LSU, BRFHH, BRFHH Shreveport, and BRFHH Monroe, dated October 1, 2013;

- 2.8. The Remittance Agreement by and among LSU and BRFH Shreveport effective October 1, 2013;
- 2.9. The Remittance Agreement by and among LSU and BRFH Monroe effective October 1, 2013; and
- 2.10. The Assignment And Assumption Agreement by and between LSU and BRFF effective October 1, 2013 (the "Assignment Agreement").

For clarity, the Ancillary Agreements do not include any of the agreements identified in Subsections 2.11 – 2.22 (collectively the "Excluded Agreements"), none of which is terminated, modified, or otherwise affected hereby:

- 2.11. The Professional Services Agreement For Physician, Teaching And Medical Administrative Services by and among LSU, BRFH, and BRFH Shreveport, effective October 1, 2013 (the "Shreveport PSA");
- 2.12. Holdover Agreement to the Shreveport PSA, effective July 1, 2017(the "Shreveport Holdover Agreement");
- 2.13. The Physician Services Agreement by and among LSU and BRFH Monroe effective October 1, 2013 (the "Monroe PSA");
- 2.14. Holdover Agreement to the Monroe PSA, effective July 1, 2017 (the "Monroe Holdover Agreement");
- 2.15. The Allied Health Professionals Services Agreement by and between LSU and BRFH Shreveport effective October 1, 2013;
- 2.16. The Allied Health Professionals Services Agreement by and between LSU and BRFH Monroe effective October 1, 2013;
- 2.17. The Resident Support Agreement by and between LSU and BRFH Shreveport effective October 1, 2013;
- 2.18. The Resident Support Agreement by and between LSU and BRFH Monroe effective October 1, 2013;
- 2.19. The MITA;
- 2.20. The Settlement Agreement by and between LSU and BRFH effective October 1, 2018 (the "Settlement Agreement");
- 2.21. The existing lease for the Virginia K. Shehee Biomedical Research Institute between BRF and LSU; and

2.22. Any agreements between BRF and its affiliates and BRFHH, BRFHH Shreveport, New Shreveport, or BRFHH Monroe, to which neither LSU nor the State are party.

For the avoidance of doubt, the Excluded Agreements identified in Subsections 2.11-2.18 are terminated under the Settlement Agreement.

3. Resolution of Disputed Claims. As of the Termination Effective Date, the Parties have certain outstanding claims that are disputed between them (the “Disputed Claims”), including without limitation: (a) certain claims of LSU against certain of the BRF Parties related to professional and other services under the CEA and Ancillary Agreements, (b) certain claims of LSU against BRFHH Shreveport for reimbursement of costs incurred responding to a subpoena issued by BRFHH Shreveport in the lawsuit *BRFHH Shreveport, L.L.C. and Vantage Health Plan, Inc. v. Willis-Knighton Medical Center*, case number 15-2057 in the United States District Court for the Western District of Louisiana, Shreveport Division (the “Antitrust Litigation”), (c) certain claims of LSU against the BRF Parties related to the funding of endowed chairs at LSU under that certain Settlement In Lieu Of Arbitration agreement dated November 17, 2016, and (d) certain claims of the BRF Parties against LSU resulting from billing of physician and other services, which claims are presently pending in arbitration proceedings between them. All of the Disputed Claims asserted by the respective Parties are in good faith disputed, and no Party admits or has admitted any liability as to any of the Disputed Claims. The Parties also assert that there are legal and equitable arguments that can be made in support of each Party’s position in the dispute of the Outstanding Claims. The Disputed Claims expressly do not include (w) all presently pending, potential and future claims, causes of action, rights of recovery or rights of recoupment of every kind and nature against Willis-Knighton Medical Center and/or its affiliates or successors (“W-K”), including all claims against W-K for damages relating to alleged harm to past Shreveport Hospital

operations and all claims for injunctive relief relating to threatened harm to ongoing and future Shreveport Hospital operations, (x) the claims asserted against W-K in the Antitrust Litigation (together with the claims described in clause (w) above, the “W-K Claims”), (y) any claims to the extent settled and released in the Settlement Agreement, and (z) any claims arising after the Termination Effective Date under the Excluded Agreements ((w) through (z) together the “Excluded Claims”). The Disputed Claims are hereby fully satisfied, resolved, and settled and are expressly subject to the release and covenant not to sue in Section 4 below.

4. Mutual Release. Except as otherwise specifically set forth in this Agreement each Party as a “Releasing Party” hereby releases and forever discharges all of the other Parties and all of their respective officers, directors, board members, employees, agents, consultants, attorneys, insurers, successors, and assigns (the “Released Parties”) from and on account of any and all obligations, claims, demands, costs, expenses, losses, damages, fines, penalties, forfeitures, or liabilities (collectively “Liabilities”) of any nature whatsoever arising under the CEA and/or the Ancillary Agreements prior to the Termination Effective Date, including but not limited to the Disputed Claims, whether or not such claim has been expressly asserted prior to the Termination Effective Date, whether in law or in equity, whether or not based in tort, contract, statute or any other theory of recovery, and whether or not for general, special, compensatory, consequential, punitive, statutory or any other damage, whether or not the Liabilities are for contractual damages, extra contractual damages, statutory claims or penalties, declaratory judgment, or any other legal, equitable, or other claims, whether presently known or unknown, asserted or unasserted, suspected or unsuspected, foreseeable or unforeseeable. For clarity, and without in any way limiting the generality of the

foregoing, the aforementioned release of claims extends to any claims, causes of action, rights of recovery or rights of recoupment of every kind and nature arising prior to the Termination Effective Date against LSU for damages relating to any alleged harm to past Shreveport Hospital operations and all claims arising prior to the Termination Effective Date for injunctive relief against LSU relating to Shreveport Hospital operations, provided, however, that nothing in this Agreement shall impair, release, or discharge BRFHH Shreveport's ability to take discovery of entities and personnel believed to have discoverable information, take depositions of relevant personnel, obtain trial subpoenas and take all other actions in pursuit of the W-K Claims. The Releasing Parties hereby covenant and agree not to sue or institute or cause to be instituted any action in any federal, state, or local agency, court, or other tribunal against any Released Party that is based on the Disputed Claims. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement, including the foregoing release and covenant not to sue, shall (a) release, discharge, or impair the W-K Claims or any action taken against W-K to pursue such claims or the Excluded Claims or (b) release, discharge, or impair any future claims of LSU with a legal basis independent of this Agreement to recover any costs, fees, and expenses that may be incurred by LSU in the Antitrust Litigation or in any other litigation based on the W-K Claims after the Termination Effective Date.

5. Transition Period. Without limiting any of the foregoing terms and provisions of this Agreement or the MITA, the Parties agree to cooperate and collaborate with each other in good faith up to and reasonably beyond the Termination Effective Date (the "Transition Period") to effect a smooth transition of Hospital operations from BRFHH, BRFHH Shreveport, and BRFHH Monroe to OLHS-NL and its subsidiaries and to minimize during

such Transition Period as much as reasonably possible any disruption caused by the termination of the CEA and Ancillary Agreements and other transactions contemplated herein and in the MITA to the operation of the Hospitals, to the treatment of patients and providing of healthcare in the Hospitals, the academic mission and graduate training programs of LSU, and the non-profit mission of BRF; provided that the Parties acknowledge and agree that BRF's and BRFHH Shreveport's pursuit of the W-K Claims shall not be deemed to disrupt the operation of the Hospitals, treatment of patients, provision of healthcare and medical education, or the missions of BRF and LSU.

6. Notices. All notices, communications and deliveries hereunder shall be made in writing signed by or on behalf of the Party making the same, shall specify the Section pursuant to which it is given or being made, and shall be delivered personally or by UPS Next Day Air or other overnight courier service (with evidence of delivery and postage and other fees prepaid) as follows:

To LSU: Louisiana State University  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808  
Attention: President

To State: Division of Administration  
Claiborne Building  
1201 North Third Street  
Baton Rouge, Louisiana 70801  
Attention: Commissioner

To BRF Parties: Biomedical Research Foundation of Northwest Louisiana  
2031 Kings Highway  
Shreveport, Louisiana 71103  
Attention: President

or to such other representative or at such other address of a Party as such Party may furnish to the other Party in writing. Any such notice, communication or delivery shall be deemed

given or made (a) on the date of delivery, if delivered in person, or (b) on the first (1<sup>st</sup>) business day following delivery to an overnight courier service.

7. Assignment; Successors in Interest. No assignment or transfer by any Party of such Party's rights and obligations hereunder shall be made except with the prior written consent of the other Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.
8. Controlling Law; Jurisdiction and Venue. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Louisiana without reference to its choice of law rules. Any proceeding arising out of or relating to this Agreement may be brought in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana, and each of the parties irrevocably submits to the exclusive jurisdiction of such court in each such proceeding.
9. Amendment. This Agreement may not be amended, modified or supplemented except by written agreement of the Parties.
10. Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, each

Party hereby waives any provision of law that renders any such provision prohibited or unenforceable in any respect.

11. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms hereof to produce or account for more than one of such counterparts.

12. Enforcement of Certain Rights. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any person or entity other than the Parties, and their successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Agreement, or result in such person or entity being deemed a third-party beneficiary hereof.

13. Waiver. Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation or condition shall not be construed as a waiver of any other covenant, agreement, obligation or condition. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

14. Expenses. Except as otherwise expressly provided in this Agreement, each Party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement, including all fees and expenses of its representatives.

15. Presumption Against Scrivener. The Parties agree that this Agreement is the product of the efforts of the Parties and their respective counsel, and as a result, it will not be construed, and no presumption will arise, based upon who drafted the Agreement.
  
16. No Admission of Liability. Nothing herein is intended to be an admission of liability by a Party.
  
17. Nature of Negotiation. The Parties represent and acknowledge that this Agreement has been negotiated and agreed to without any consideration whatsoever of the potential volume or value of referrals, past or present, to the Hospitals from LSU, or any physician(s) employed or otherwise engaged by LSU. The Parties represent that the consideration for this Agreement and the releases contained herein have been negotiated at arms' length and determined to be commercially reasonable.
  
18. Further Assurances. The Parties agree to execute such further releases, consents, notifications and other documents as may be reasonably requested by the other Parties for the purpose of giving effect to, or evidencing or giving notice of, the matters contemplated by this Agreement.

IN WITNESS WHERE, the Parties have caused this Agreement to be duly executed and delivered, as of the date first above written.

LSU: BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE: STATE OF LOUISIANA THROUGH THE DIVISION OF ADMINISTRATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRF: BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRFHH: BRF HOSPITAL HOLDINGS, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BRFHH SHREVEPORT:

BRFHH SHREVEPORT, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

BRFHH MONROE:

BRFHH MONROE, L.L.C.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

NEW SHREVEPORT:

UNIVERSITY HEALTH SHREVEPORT, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## MANAGEMENT SERVICES AGREEMENT

**THIS MANAGEMENT AGREEMENT** (this “Agreement”) is made and entered into as of the 1st day of October, 2018 (“Effective Date”), by and among Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”) and its wholly owned subsidiary entities—Ochsner LSU Hospitals, L.L.C. (“OLH”), University Health Shreveport, L.L.C., d/b/a Ochsner LSU Health Shreveport (“OLH Shreveport”), and OLH Monroe, L.L.C. (“OLH Monroe”), each a Louisiana limited liability company—and OLH Operational Management Company, L.L.C., a Louisiana limited liability company (“Manager”).

### RECITALS

**WHEREAS**, the State of Louisiana, acting through the Division of Administration (the “State”), Louisiana State University and Agricultural and Mechanical College (“LSU”), and OLHS-NL are parties to that certain Cooperative Endeavor Agreement, effective October 1, 2018 (the “CEA”);

**WHEREAS**, LSU, Ochsner Clinic Foundation d/b/a Ochsner Health System (“Ochsner”) and OLHS-NL are parties to that certain Academic and Clinical Collaboration Agreement effective September \_\_\_\_\_, with a commencement date of October 1, 2018 (the “ACCA”);

**WHEREAS**, OLHS-NL was formed by LSU and Ochsner to carry out the parties’ shared charitable mission to, among other things, improve and expand medical education and research and improve access, quality, availability, and efficiency of care for residents of the Shreveport and Monroe communities (“Shared Charitable Mission”);

**WHEREAS**, in accordance with the CEA, as of the Effective Date OLHS-NL operates the hospital facilities and associated outpatient clinics known as Ochsner LSU Health Shreveport in Shreveport, Louisiana and Ochsner LSU Health Monroe in Monroe, Louisiana (collectively the “Hospitals”);

**WHEREAS**, OLHS-NL is the sole manager of OLH, OLH Shreveport, and OLH Monroe (including any wholly owned subsidiary entities of OLH, OLH Shreveport, or OLH Monroe (OLHS-NL, OLH, OLH Shreveport and OLH Monroe are collectively referred to herein as the “OLH Entities” and each an “OLH Entity”);

**WHEREAS**, OLHS-NL desires to retain Manager for the purpose of rendering certain management services, billing and collection services, and administration support, as needed for the efficient and cost-effective operation of the Hospitals consistent with and in support of the Shared Charitable Mission;

**WHEREAS**, Manager has extensive hospital management experience and clinical resources available that the OLH Entities wish to engage to further the parties’ Shared Charitable Mission in the Shreveport and Monroe communities;

**WHEREAS**, OLHS-NL recognizes a substantial need to decrease the direct costs of operating the Hospitals, which can be accomplished in part by taking advantage of the economies of scale Manager will provide through its Centralized Administrative Support Fee, as defined below;

**WHEREAS**, Manager is willing to provide management, billing and collection, and other administrative support to the OLH Entities to assist the Hospitals in providing healthcare services in the Shreveport and Monroe communities consistent with and in support of Shared Charitable Mission; and

**WHEREAS**, the parties wish to set forth the terms and conditions for the rendering of the management services to the OLH Entities in accordance with the Shared Charitable Mission.

**NOW, THEREFORE**, in consideration of the foregoing, of the mutual premises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows.

## **ARTICLE I MANAGEMENT SERVICES**

1.1 Engagement of Manager. OLHS-NL hereby engages Manager, and Manager hereby accepts such engagement and agrees, to provide and oversee the day-to-day operations of the business conducted by the OLH Entities (the “Business”), subject to and in accordance with the terms and conditions of ACCA.

1.2 Services. Manager shall provide to OLHS-NL, OLH and the Hospitals, as applicable: (i) the executive management and oversight services for the OLH Entities as set forth on Exhibit A attached hereto and incorporated herein by reference (the “Management Services”); (ii) the facility component billing and collection services for the OLH Entities as set forth on Exhibit B (the “Facility Billing and Collection Services”); and (iii) the professional component billing, collection, and coding services to the extent the right to bill and collect for any professional services has been assigned to any OLH Entity as set forth on Exhibit C (“Professional Coding, Billing and Collection Services”) (the Management Services, Facility Billing and Collection Services, and Professional Coding, Billing and Collection Services are collectively referred to herein as the “Services”), upon the terms and subject to the conditions hereinafter set forth and in accordance with the ACCA and the Shared Charitable Mission.

## **ARTICLE II MANAGER’S RESPONSIBILITIES**

2.1 Performance of Services. Manager will render (or shall arrange through its affiliates (i.e., Ochsner or entities that are wholly owned by or commonly controlled with Ochsner (“Ochsner Affiliates”) to render) the Services to the Business upon the terms and subject to the conditions hereinafter set forth. Manager shall provide the Services according to industry standards and with at least the same degree of diligence and skill as is employed by Manager and Ochsner Affiliates in the provision of similar services to other acute care hospitals that are owned or managed by Manager or Ochsner Affiliates and in a manner that is consistent with and in support of the parties’ Shared Charitable Mission. Any Services to be provided hereunder may be provided by an Ochsner Affiliate, but performance of any Services by an Ochsner Affiliate will not relieve Manager of its obligations. Manager will be responsible for assuring the quality and timely delivery of all Services under this Agreement at all times during the Term (as defined below).

2.2 Employee Background Checks. Manager shall ensure that a background check has been performed on any and all personnel employed by Manager who provides Services under this Agreement. The cost of the background checks and any other pre-employment screening required for employment with Manager shall be paid by Manager, and such costs shall not be allocated to the OLH Entities or treated as Reimbursable Cost (as defined below).

2.3 Removal of Manager Personnel. OLHS-NL shall promptly advise Manager of any “material issues” (as defined below) which arise concerning the qualifications or interpersonal problems

associated with employees of Manager. Manager agrees to use its reasonable efforts to attempt to resolve any such material issues promptly to the satisfaction of OLHS-NL including, without limitation, meeting and/or counseling with the employee of Manager. If Manager is unable to resolve such material issues to the satisfaction of OLHS-NL and OLHS-NL determines that the underlying material issues are sufficiently serious to warrant disciplinary action, Manager shall require that such employee refrain from providing Services under this Agreement for a period of two (2) weeks or more as mutually agreed upon by the parties to permit Manager to investigate and evaluate the material issues further. Following such investigation and evaluation, Manager shall discuss the material issues with OLHS-NL's designated representative(s). If the material issues have not been resolved to the satisfaction of OLHS-NL, OLHS-NL reserves the right to require the removal of the subject employee of Manager from providing Services under this Agreement. For purposes of this Section 2.3, the term "material issues" shall mean conduct or other issue on the part of or related to such employee of Manager such that OLHS-NL reasonably deems the conduct or issue to be detrimental to the health or safety of a Hospital's patients, materially disruptive to Hospital staff and operations, or not consistent with standards of employee competence or conduct applicable to employees of OLHS-NL and its subsidiaries.

2.4 Compliance with Hospital Policies and Procedures. Manager and Ochsner Affiliates shall, and shall require all its employees, subcontractors, agents, or third party vendors providing the Services, to comply with the OLH Entities' Policies and Procedures, as applicable.

2.5 Access to Information. Manager hereby authorizes and grants to OLHS-NL full and complete access during the Term of this Agreement to all information, books, agreements, papers and records relating to the Services provided by Manager under this Agreement that may be reasonably requested by OLHS-NL. Manager shall notify OLHS-NL, in writing, within ten (10) calendar days of receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals or Practitioners (as defined in Exhibit C) providing services on behalf of the Hospitals or concerning such Hospital or Practitioner's license. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals or Practitioner's providing services on behalf of the Hospitals, or concerning any Hospital or Practitioner's license.

2.6 Public Relations. Manager shall consult with the Joint Management Committee as constituted in accordance with the OLHS-NL Bylaws (the "Joint Management Committee") regarding crisis communications and local and national media relations.

### **ARTICLE III OPERATOR OF THE BUSINESS AND PROVIDER OF SERVICES; DUTIES AND RESPONSIBILITIES OF OLH ENTITIES**

3.1 Maintenance of Control. Except as otherwise set forth in this Agreement, the OLH Entities shall retain all powers incident to ownership and/or operation of the Business. The OLH Entities shall own and hold all licenses, contracts, certificates, and accreditations relating to the Business, and the OLH Entities shall be the "Provider of Services" within the meaning of third party contracts for services. Nothing in this Agreement is intended to alter, weaken, displace, or modify the OLH Entities' status as owner/operator of the Business or Provider of the Services within the meaning of the third party contracts for services. Nothing in this Agreement is intended to alter, weaken, displace, or modify the ultimate authority of the OLHS-NL Board of Directors, Joint Management Committee, or Officers, all as

set forth in the OLHS-NL Bylaws. Manager's performance of and authority to provide the Services is subject to the terms of the ACCA, the Shared Charitable Mission, and this Agreement. The OLHS-NL Board of Directors and Joint Management Committee shall exercise, throughout the Term, ultimate authority, supervision, direction, and control over the Business and shall retain the ultimate authority and responsibility regarding the powers, duties, and responsibilities vested in the Manager.

3.2 Practitioners. Notwithstanding any provision herein to the contrary, all Practitioners (as defined in Exhibit C) who provide professional services at the Hospitals or their hospital-based clinics shall be contracted to provide such professional services through agreements between the OLH Entities and the Practitioners and their employers, including LSU. The OLH Entities shall have sole financial responsibility for all payments owed to the Practitioners or their employers in accordance with the terms and conditions of such agreements.

3.3 Qualification and Credentials. The Hospitals shall require that at all times during the Term of this Agreement, each Practitioner shall, as applicable, be duly licensed in his or her respective profession in the State of Louisiana.

3.4 Standards. The OLH Entities shall ensure that the Hospitals and Practitioners shall, at all times during the Term of this Agreement, comply with all applicable federal, state and local laws and regulations. Manager agrees to work with the Hospitals and Practitioners to assist the OLH Entities in ensuring such compliance as part of the Services.

3.5 Bank Accounts. The OLH Entities shall maintain bank accounts in their respective names at banks or other suitable financial institutions for depositing the Hospitals' and Practitioners' collected revenues, for establishing operating accounts for accounts payable, payroll and refunds, and/or for such other purposes as mutually agreed upon by the parties. OLHS-NL shall provide Manager with sufficient access and signature authority to such accounts as OLHS-NL and Manager shall mutually agree are appropriate for Manager to perform its obligations under this Agreement.

3.6 Purchasing Agent. Manager shall evaluate the OLH Entities' systems and internal controls and make improvements, where applicable, in order to enhance the OLH Entities' internal control systems, improve its operating efficiencies, and reduce the cost of supplies and other items needed for the delivery of quality health care services. To meet these objectives, Manager may acquire such equipment, supplies, consumable inventory, and other items on behalf of and in the name of the OLH Entities (collectively, the "Purchases") as necessary to ensure the OLH Entities operate consistent with this Agreement. The OLH Entities hereby designate Manager as the OLH Entities' purchasing agent, and Manager accepts such designation, for the purpose of making the Purchases and authorizes Manager to make such Purchases on behalf of and as the agent of the OLH Entities. Purchases by Manager shall be considered as the legal equivalent of purchases directly by the OLH Entities. Any items or articles of tangible personal property purchased by Manager as agent for the OLH Entities shall immediately, upon the vendor's delivery to Manager or an OLH Entity, become the property of the relevant OLH Entity, with title passing directly from the vendor to the OLH Entity. Manager agrees that it will invoice the OLH Entities at its cost for any goods or services Manager purchases for the OLH Entities in accordance with this Section 3.6.

3.7 Access to Information. Manager shall be given full and complete access during the Term of this Agreement to all information and documents relating to the Hospitals and the Practitioners that may be reasonably requested by Manager to perform its obligations hereunder, and shall disclose and make available to representatives of Manager for review and photocopying all relevant books, agreements, papers and records of the Hospitals and Practitioners. The OLH Entities shall notify Manager in writing within ten (10) calendar days of receipt of notice of the commencement of any

investigation, formal audit, or formal review into (or regulatory action involving) the Hospitals or Practitioners providing services on behalf of the Hospitals or concerning such Hospital or Practitioner's license. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Hospitals or Practitioner's providing services on behalf of the Hospitals, or concerning any Hospital or Practitioner's license.

#### **ARTICLE IV CONSULTANTS AND VENDORS; CONSULTING SERVICES; SUBCONTRACTORS**

4.1 Consultants and Vendors. In performing the Services, Manager may engage, for and on behalf of the Business, such third party consultants or vendors as Manager, from time to time, may consider reasonably necessary and appropriate to provide the Services and in support of the parties' Shared Charitable Mission. Such consultants and vendors may include attorneys, accountants, financial consultants, reimbursement consultants, physician and nurse reviewers, corporate compliance consultants, planners, marketing consultants, personnel staffing consultants, architects, contractor or other consultant and third-party vendors. The parties acknowledge and agree that the fees and expenses for such third party consultants and vendors are not included in the Centralized Administrative Support Fee, Facility Billing and Collection Fee, or Professional Billing, Coding and Collection Fee, and the OLH Entities shall proportionately bear the fees and expenses incurred for the services of such consultants and vendors as Reimbursable Costs (as defined in Section 7.4). The estimated annual Reimbursable Costs associated with third party consultants and vendors shall be included in the Annual Budgets as set forth in Section 7.5 below. Notwithstanding the foregoing, Manager agrees that for any contract, agreement or other arrangement for consultant or vendor services for an OLH Entity that is not a budgeted amount in the Annual Budget, is estimated to cause the combined annual budgets for the OLH Entities and any other OLHS-NL subsidiaries to be exceeded by more than three million dollars (\$3,000,000) annually, either individually or in the aggregate (an "Excess Expenditure"), and is not a consultant or vendor used by Ochsner on a system wide basis to provide services, Manager shall obtain approval from the Joint Management Committee prior to incurring or committing to pay such fees and/or costs.

4.2 Consulting Services. As part of Manager's provision of Services, Manager shall make available to the OLH Entities the consulting services within Manager's operational areas identified in Table 2 of Exhibit D ("Consulting Services"). For the avoidance of doubt, the Manager's Consulting Services do not include the services of Key Personnel or other services identified in this Agreement as a Reimbursable Cost.

4.3 Subcontractors. Without limiting the generality or scope of the assignment provisions of Section 14.12 below, Manager may subcontract with any other persons or entities for all or any portion of the Services which Manager is required to provide or furnish for the Business pursuant to this Agreement without the prior written consent of OLHS-NL, provided such subcontract does not result in an Excess Expenditure. Manager shall remain responsible for all Services performed by such other persons or entities. Manager may disclose any term of this Agreement to any subcontractor of Manager who performs Services for Manager hereunder, but only to the extent that such disclosure is essential and reasonably required for subcontractor to perform such Services in accordance with this Agreement.

4.4 Services to Non-OLH Entities In recognition of the fact that Manager, through its employees, subcontractors, vendors, and agents, may perform similar services from time to time for persons or entities other than the OLH Entities, this Agreement shall not prevent Manager from performing such similar services or restrict Manager from using the employees, subcontractors, vendors, and agents provided by Manager under this Agreement to perform services for persons or entities other than the OLH Entities so long as Manager fully complies with and timely performs all its obligations under this Agreement. Without limiting the foregoing, Manager agrees that the fees and costs for its employees, subcontractors, vendors, and agents who provide services to the OLH Entities and to persons or entities other than the OLH Entities shall be accurately and appropriately allocated among those receiving the services. For the avoidance of doubt, Manager shall not allocate to the OLH Entities any portion of the fees and costs associated with Manager's provision of services to other persons or entities.

## **ARTICLE V TERM**

Unless earlier terminated as provided herein, the initial term of this Agreement (the "Initial Term") shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term") for a total term ("Term") of twenty (20) years, unless a party gives a Non-Renewal Notice (as that term is defined in the ACCA) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable.

## **ARTICLE VI DEFAULT AND TERMINATION**

6.1 Events of Default. It shall be an event of default ("Event of Default") hereunder:

6.1.1 If a party: (a) fails to cure a Financial Default (as defined in the ACCA) in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given fiscal year during the Term regardless of whether cured.

6.1.2 If a party fails to perform any other material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. This Section 6.1.2 is not applicable to a Financial Default addressed in Section 6.1.1, above.

6.2 Termination Events. Any party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

6.2.1 Termination by Mutual Consent. This Agreement may be terminated by the mutual, written consent of the Parties.

6.2.2 Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.

6.2.3 Loss of Tax Exempt Status. In the event a Party determines that this Agreement would result in the loss of such Party's tax exempt status.

6.3 Termination for Bankruptcy; Receivership. This Agreement shall terminate if a party applies for or consents to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court

of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

6.4 Termination for Financial Default. In accordance with Section 6.1.1 above, the non-defaulting party may terminate this Agreement if the defaulting party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term regardless of whether cured.

6.5 Termination for Failure to Resolve Disputes. This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

6.6 Termination of Collaborative. Upon termination of the ACCA, CEA or, unless otherwise agreed by the parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

6.7 Wind Down Activities. Upon termination of this Agreement for any reason, Manager's obligations to perform the Services hereunder shall completely cease; provided, however, that the parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the six (6)-month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned or Reimbursable Costs incurred by Manager associated solely with the Services provided under this Agreement through the date of termination and through the Wind Down Period shall remain due and owing by the applicable OLH Entity notwithstanding the termination of this Agreement.

## **ARTICLE VII CENTRALIZED ADMINISTRATIVE SUPPORT FEES**

7.1 Centralized Administrative Support Fee. In consideration for the Management Services to be provided by Manager to the Business in accordance with Exhibit A (exclusive of any Reimbursable Costs as described in Section 7.4 and incurred by Manager in the performance of the Management Services), the OLH Entities shall pay to Manager a Centralized Administrative Support Fee equal to three percent (3.0%) of the OLH Entities' Total Revenue each month (the "Centralized Administrative Support Fee"). The Consulting Services provided to the Business by Manager as set forth on Table 2 of Exhibit D and described in Section 4.2 are also covered by the Centralized Administrative Support Fee and are not Reimbursable Costs. For the avoidance of doubt, and subject to the limitations set forth in Sections 4.1 and 4.3 above regarding Excess Expenditures, expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH entities, vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D constitute Reimbursable Costs. The OLH Entities shall each pay its proportionate share of the allocated Centralized Administrative Support Fee based on the Total Revenue of such OLH Entity. For purposes of this Agreement, "Total Revenue" means Net Patient Revenue plus Other Revenue. "Net Patient Revenue" means the total gross revenue accrued in a period by the OLH Entities including, without limitation, any supplemental or non-claims based revenue, reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts. "Other Revenue" includes revenue from retail pharmacy sales, contracts, rebates, and other sources of operating revenue outside of Net Patient Revenue. In the event this Agreement terminates on a day other than the last day of a month,

the Centralized Administrative Support Fee payable for the partial month will be prorated. In the event this Agreement starts on a day other than the first day of a month or terminates on a day other than the last day of a month, the Centralized Administrative Support Fee payable for the partial month will be prorated. The Centralized Administrative Support Fee shall be paid monthly upon approval of the Vice Chancellor for Administration and Finance of the LSU Health Sciences Center in Shreveport, which approval shall, in the ordinary course absent exceptional circumstances, be provided no later than the tenth (10<sup>th</sup>) Business Day following the month in which the Management Services are provided. In connection with such payments and allocations, Manager will provide to the OLH Entities quarterly invoices for such payments reflecting the Total Revenue and calculation of the payments for the period covering the invoice. For purposes of this Agreement, the term “Business Day” means any day other than (i) a Saturday or Sunday, or (ii) a day on which commercial banks in Louisiana are authorized or required by law to close.

7.2 Facility Billing and Collection Fee. In consideration for the Facility Billing and Collection Services set forth on Exhibit B which may be further negotiated and memorialized by the parties in a mutually agreed upon statement of work (exclusive of any Reimbursable Costs as described in Section 7.4 and incurred by Manager in the performance of the Facility Billing and Collection Services), the Hospitals shall pay to Manager in accordance with the fees set forth on Exhibit B (“Facility Billing and Collection Fee”). The Hospitals shall each pay its proportionate share of such Facility Billing and Collection Fee based on the Net Facility Collections of such Hospital. The Facility Billing and Collection Fee shall be paid monthly no later than the tenth (10<sup>th</sup>) Business Day following the month in which the Management Services are provided.

7.3 Professional Coding, Billing and Collection Fee. The Parties acknowledge and agree that as of the Effective Date of this Agreement, PracticeMax, Inc. (“PracticeMax”) will perform the professional coding, billing and collection services on behalf of the OLH Entities for the Practitioners (as defined in Exhibit C) who have assigned their rights to bill and collect for their professional services to one or more of the OLH Entities, and the OLH Entities shall incur the fees, costs, and expenses for such services as direct costs of the OLH Entities. In the event that Manager, in its sole discretion, determines that it is most efficient or otherwise beneficial to do so, Manager may, but is not obligated to, assume the PracticeMax agreement(s) and/or incur the fees, costs, and expenses related to the billing and collection services provided to the OLH Entities by PracticeMax. In such event, all fees, costs, and expenses incurred by Manager and related to the billing and collection services provided by PracticeMax to the OLH Entities shall be Reimbursable Costs. On or about July 1, 2019, Manager will commence providing the Professional Coding, Billing and Collection Services, and the OLH Entities shall pay Manager in accordance with the fees set forth on Exhibit C (“Professional Coding, Billing and Collection Fee”). The OLH Entities shall each pay its proportionate share of such Professional Coding, Billing and Collection Fee based on the Net Professional Collections of the OLH Entities. The Professional Coding, Billing and Collection Fee shall be paid upon approval of the Vice Chancellor for Administration and Finance of the LSU Health Sciences Center in Shreveport, which approval shall, in the ordinary course absent exceptional circumstances, be provided monthly no later than the tenth (10<sup>th</sup>) Business Day following the month in which the Management Services.

7.4 Reimbursable Costs. In addition to the Centralized Administrative Support Fee, Facility Billing and Collection Fee, and Professional Billing, Coding and Collection Fee paid proportionately by the OLH Entities for the Services for the Business, and subject to the limitations set forth in Sections 4.1 and 4.3 regarding Excess Expenditures, the OLH Entities shall proportionately reimburse Manager for all direct and indirect costs incurred (as determined on an accrual basis of accounting) by Manager in providing the Services hereunder (“Reimbursable Costs”), including without limitation reimbursement for those costs specifically described as Reimbursable Costs in Exhibit A, Exhibit B, Exhibit C, and Exhibit D. Reimbursable Costs include, for example, the cost of Manager’s reasonable out of pocket

expenses incurred by or on behalf of Manager in connection with the provision by Manager of the Services pursuant to this Agreement, including, without limitation, those fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH entities, vendors or any other category of expenses set forth on Table 1 of Exhibit D. Reimbursable Costs must be consistent with the Annual Budget, as further described below, or if such unbudgeted costs are estimated to result in an Excess Expenditure, such unbudgeted costs must be approved by the Joint Management Committee. Undisputed Reimbursable Costs shall be paid monthly within thirty (30) days of the OLH Entities' receipt of Manager's invoice detailing Reimbursable Costs incurred by the Manager. Manager shall include with the invoice sufficient documentation to support the amount of Reimbursable Costs set forth in the invoice.

7.5 Annual Budgets. At least ninety (90) days prior to the commencement of each OLHS-NL "fiscal year" (defined as July 1 through June 30) during the Term of this Agreement (each, an "Annual Service Period"), Manager shall develop and submit to the OLH Entities for mutual agreement of the parties a proposed annual business plan and operating and capital cost budget for such applicable fiscal year in connection with the conduct of the Business by each OLH Entity (each, an "Annual Budget"). The Annual Budget for the first Annual Service Period (which shall begin on the Effective Date and end on the last day of the then current fiscal year) for each OLH Entity will be mutually agreed upon by the parties within thirty (30) days of the Effective Date. Each Annual Budget shall identify the specific categories, scope and amount of approved Reimbursable Costs that may be incurred by Manager during the applicable Annual Service Period. Upon request, Manager shall provide detailed support for the Reimbursable Costs. The parties acknowledge and agree that each such Annual Budget may contain fixed and flexible budget line items, to the extent mutually approved by the parties, to account for potential and reasonable variations in actual operational activity and performance within the Business. The parties further acknowledge and agree that Manager's approved Reimbursable Costs will directly relate to its provision of Services as described in this Agreement. The OLHS-NL Annual Budget is considered "final" upon approval by the OLHS-NL Board upon recommendation by the OLHS-NL Joint Management Committee. The Annual Budgets of OLH, OLH-Shreveport, and OLH-Monroe are considered final upon approval by the Joint Management Committee. The OLHS-NL Board or Joint Management Committee shall notify Manager in writing of approval of the Annual Budgets of the OLH Entities. Upon receipt of written notification of approval of the Annual Budgets, Manager may proceed, on behalf of the Business, with making the expenditures and overseeing the actions contemplated in the Annual Budget for the applicable fiscal year. If, following adoption of the initial Annual Budgets, the Annual Budget(s) are not final prior to the July 1 commencement date of the next Annual Service Period, the Manager will continue to operate under the provisions of the prior Annual Budget(s) until the new Annual Budget(s) are finalized, and Manager may make capital expenditures for (i) any ongoing or additional capital projects expressly approved by the OLH Entities to be funded in the new Annual Service Period notwithstanding the failure to adopt a new capital budget for the new Annual Services Period, or (ii) capital projects and expenditures required to ensure the health and safety of the patients of the Hospitals and/or to maintain the licensures and accreditations used in the operation of the Business.

7.6 Fair Market Value Exchange. The parties acknowledge and agree that the compensation and other consideration set forth in this ARTICLE VII for the provision of Manager's Services hereunder represent a fair market value exchange, negotiated in an arm's length transaction, and not determined in a manner which takes into account the value or the volume of referrals or other business generated, if any, between the parties.

## **ARTICLE VIII CASH FLOW FOR BUSINESS OPERATIONS**

In order to cover temporary working capital deficits for the OLH Entities in excess of OLHS-NL's existing credit facility, Manager may at its sole discretion make available to OLHS-NL a revolving

line of credit (“Line of Credit”). The Line of Credit shall in no event exceed Twenty Million Dollars (\$20,000,000.00) and shall be memorialized in a mutually agreed upon debt instrument, be secured by agreed upon collateral, and bear interest equivalent to Manager’s then incremental short term borrowing costs. Any decision to draw funds on the Line of Credit in excess of Five Million Dollars (\$5,000,000.00) shall require the express approval of (a) either the HSC-S Vice Chancellor of Administration and Finance or the LSU Chief Financial Officer, and (b) either the Chief Administrative Officer, the Chief Operating Officer, or the Chief Financial Officer of Ochsner.

The parties acknowledge and agree that OLHS-NL shall repay to Manager any outstanding balance in of the Line of Credit in full on or before each Manager fiscal year end, ending December 31<sup>st</sup> each year. The Line of Credit shall be evidenced in a form and substance satisfactory to OLHS-NL and Manager. Notwithstanding anything herein or in any Collaborative Agreement (as defined in the ACCA) to the contrary, OLHS-NL’s obligation to repay any outstanding balance of the Line of Credit shall not be subject to the availability of OLHS-NL’s Free Cash Flow as set forth in Section 7.2.4 of the ACCA.

## **ARTICLE IX NO PARTNERSHIP; STATUTORY EMPLOYER**

9.1 No Partnership. Manager and the OLH Entities affirmatively state that they do not have the intention to form a joint venture or partnership for tax or any other purposes, nor have they done so, by entering this Agreement. If, however, a joint venture or partnership is found to exist for federal income tax purposes: (i) capital accounts will be maintained for Manager and the OLH Entities on a tax accounting basis; (ii) net income will be allocated to Manager in the amount of the payments due Manager pursuant to ARTICLE VII hereof; (iii) all remaining net taxable income or loss will be allocated to the joint venture; and (iv) upon termination, distributions will be in accordance with Manager’s and each OLH Entity’s capital account balances.

9.2 Statutory Employer for Worker’s Compensation Issues. Pursuant to the provisions of Louisiana R. S. 23:1031 and Louisiana R. S. 23:1061 as amended by Act 315 of the 1997 Regular Legislative Session and for the purpose of this Agreement, the OLH Entities and Manager jointly agree, stipulate and recognize that the OLH Entities shall be the statutory employer of Manager’s employees and/or all employees of any subcontractor hired or retained in any manner by the Manager and/or any other person for whom the Manager may be held responsible and the Manager while any of the above described persons are performing any work or providing any services under this Agreement on the premises of the OLH Entities. The parties further stipulate, agree and recognize that all work performed under the Agreement shall be considered part of OLH Entities’ trade, business or occupation and shall be specifically considered an integral part of or essential to the ability of the OLH Entities to generate their goods, products or services. The parties further stipulate, agree and recognize that the services or work provided by any subcontractor or other person retained by the Manager for the performance of any work or service under this Agreement shall be contemplated by and included in this provision.

## **ARTICLE X OWNERSHIP OF INFORMATION; CONFIDENTIALITY**

10.1 Patient Records. The Hospitals shall at all times be the owners of all patient records. The parties and their employees and agents shall maintain and safeguard the confidentiality of all records, charts and other information generated in connection with the Services provided hereunder in accordance with applicable statutes and regulations, including, but not limited to the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 (“HIPAA”) and the requirements of any regulations promulgated thereunder, including, without limitation, the federal practice regulations as contained in 45 C.F.R. Part 164 (“Federal Privacy Regulations”) and the federal security standards as contained in 45 C.F.R. Part 164 (“Federal Security Regulations”). The parties shall not use or further disclose any

protected health information as defined in 42 U.S.C. § 1320d (collectively “Protected Health Information”), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA, including without limitation, the Federal Privacy Regulations and the Federal Security Regulations. To this end, the parties shall enter into and abide by the HIPAA Business Associate Agreement attached hereto as Exhibit E.

10.2 Access to Records by Regulatory Authorities. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, Manager and Ochsner Affiliates providing services with a value or cost of \$10,000 or more over a twelve (12)-month period shall make available to the Secretary of Health and Human Services the contract, books, documents and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four (4) years after the rendering of such services. The parties agree that any applicable attorney-client, account-client or other legal privilege shall not be deemed waived by virtue of this agreement.

10.3 Confidentiality of Agreement. Neither party shall disclose this Agreement or the terms thereof to a third party, except as otherwise required by law or permitted by the terms of this Agreement, without the prior written consent of the other party, other than to such party’s legal and financial advisors.

10.4 Ownership of Systems. Manager retains all ownership and other rights in all systems, manuals, protocols, computer software, licenses, manuals, books and records, materials and other information, in whatever form, provided by it in the performance of its obligations hereunder (collectively referred to as the “Systems”) and nothing contained in this Agreement shall be construed as a license or transfer of such Systems or any portion thereof, either during the Term or thereafter. Upon the termination or expiration of this Agreement, Manager shall retain all of the Systems. If by operation of law or otherwise, an OLH Entity acquires any ownership rights in any of the Systems or in any other intellectual property owned by Manager by virtue of their respective activities pursuant to this Agreement or otherwise, such rights shall automatically vest in, or if not legally possible, be assigned promptly without restriction upon request to Manager.

10.5 Systems Confidentiality. The OLH Entities acknowledge that Manager has invested a significant amount of its resources in developing and maintaining the Systems and that the value to Manager of the Systems may be diminished or destroyed if there is a disclosure of the Systems or any portion thereof to a third-party. Accordingly, the OLH Entities shall maintain the confidentiality of the Systems. The OLH Entities shall not duplicate or permit the duplication of any portion of the Systems and shall not permit access to the Systems by entity personnel or any third-party other than on a strict need-to-know basis and in the ordinary course of business. With respect to the Systems, the OLH Entities shall take at least those steps that it would take to protect its own confidential information.

10.6 Ownership of Records. The Hospitals shall own all patient records and OLHS-NL and/or other OLH Entities shall own all financial and other business records maintained or housed at any time on Manager’s Systems (collectively, “OLHS-NL Records”). Manager shall provide the Hospitals and other OLHS Entities with unrestricted access to any and all OLHS-NL Records at all times during the Term of this Agreement. For the avoidance of doubt, Manager shall have no ownership interest in or any other claim to any patient records, financial records or other business records maintained or housed on Manager’s Systems on behalf of any OLH Entity.

10.7 Confidentiality of Records. In addition to the specific requirements of Section 10.1 above, Manager acknowledges that the OLHS-NL Records are confidential and proprietary to OLHS-NL and the other OLH Entities, and shall not be disclosed by Manager to any third party including, without

limitation, any other entity to which Ochsner or Ochsner Affiliates may provide services, except as expressly permitted by this Agreement, as confirmed in writing by the Joint Management Committee, or as required by law. Accordingly, Manager shall maintain the confidentiality of the OLHS-NL Records. Manager shall not duplicate or permit the duplication of any OLHS-NL Record and shall not permit access to the OLHS-NL Records by entity personnel or any third-party other than on a need-to-know basis and in the ordinary course of business. With respect to the OLHS-NL Records, Manager shall take at least those steps that it would take to protect its own confidential information or the confidential information of any other entity for which Ochsner or Ochsner Affiliates provides services.

## **ARTICLE XI INDEMNIFICATION; LIMITATION OF LIABILITY**

11.1 Indemnification by the OLH Entities. Each OLH Entity agrees, on a joint and several liability basis as applicable, to indemnify and hold harmless Manager, Ochsner Affiliates, member(s) and shareholders, and their respective members, shareholders, directors, officers, employees and agents (each, a “Manager Indemnified Party”) from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys’ fees and expenses related to the defense of any claims) (collectively, “Losses” and each a “Loss”), which may be asserted against any of the Manager Indemnified Parties resulting from: (i) alleged or actual failure by an OLH Entity to perform any of its duties under this Agreement; (ii) gross negligence or willful misconduct of an OLH Entity, its directors, officers, or employees; or (iii) any action against Manager with respect to matters occurring before the Effective Date, including without limitation matters relating to: (i) alleged or actual failure by an OLH Entity to perform any of its duties; (ii) any pending or threatened malpractice or other tort claims asserted against Manager relating to the Business; (iii) any action against Manager brought by any medical staff members or former employees, or with respect to matters occurring before the beginning of the Term; (iv) any act or omission by any medical staff member, or employee, or other personnel who were under the supervision of a member of the medical staff as a result of providing medical services to such medical staff member’s patient; (v) any violation of any requirement applicable to the OLH Entities pursuant to any federal, state or local environmental, hazardous waste or similar law or regulation, including without limitation in connection with the Services; and (vi) any actions or failure to act with respect to ownership or operation of the Hospitals or any assets of the OLH Entities arising either prior to or after the Effective Date including, without limitation, any liability relating to or arising under any violation of 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, any 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-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) (such laws relating to health care regulatory matters collectively referred to as “Health Care Laws”), unless such Losses are caused by the gross negligence or willful misconduct of the Manager Indemnified Party seeking indemnification pursuant to this Agreement.

11.2 Indemnification by Manager. Manager agrees to indemnify and hold harmless each OLH entity, as applicable, its members, shareholders, directors, officers, employees and agents (each, an “OLH Entity Indemnified Party”) from and against any and all Losses that may be asserted against any of the OLH Entity Indemnified Parties resulting from: (i) alleged or actual failure by Manager to perform any of its duties under this Agreement; or (ii) gross negligence or willful misconduct of Manager, its members, shareholders, directors, officers, employees or agents, unless such Losses are caused by the

gross negligence or willful misconduct of the OLH Entity Indemnified Party seeking indemnification pursuant to this Agreement.

11.3 Limitation of Liability. In the absence of any gross negligence, fraudulent or intentional wrongdoing, Manager shall not be held liable for the acts of OLH Entities as a result of serving as Manager of OLH Entities, nor shall Manager be held liable for the acts of OLH Entities because of its participation in this Agreement. Nothing in this Agreement is intended to create, nor does it create, any rights or benefits to third parties enforceable against Manager. By entering this Agreement, Manager does not assume any of the obligations, liabilities or debts of OLH Entities, and shall not, by virtue of its performance under this Agreement, assume or become liable for any of such obligations, debts or liabilities of the OLH Entities. Further, in no event shall the Manager be liable under this Agreement for any act of professional malpractice committed by any provider providing services on behalf of the Hospitals.

## ARTICLE XII INSURANCE

12.1 OLH Entities Insurance. The OLH Entities shall maintain a policy or program of professional liability coverage or insurance, covering each OLH Entity and comprehensive general liability insurance coverage with minimum of coverage of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate.

12.2 Professional Liability Coverage. Practitioners performing the professional services supported by Manager pursuant to this Agreement include (i) Practitioners employed by LSU and (ii) non-LSU employed Practitioners who are employed or contracted by the Hospitals. The Hospitals and Manager shall require that Practitioners acting within the course and scope of their employment with LSU are provided professional liability coverage either through the Office of Risk Management in accordance with the provisions of Louisiana Revised Statutes 40:1237.1, *et seq.* or through a program of commercial or self-insurance. For purposes of liability arising out of medical malpractice for professional services provided by LSU employed Practitioners, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1237.1, *et seq.* With respect to any non-LSU employed Practitioners who are employed or contracted by the Hospitals, the Hospitals and Manager shall require that each such Practitioner is duly qualified and enrolled as a healthcare provider with the Louisiana Patient's Compensation Fund, pursuant to the Louisiana Medical Malpractice Act, La. R.S. § 40:1299.41, *et seq.*, and has professional liability coverage in accordance with the provisions of La. R.S. § 40:1299.41, *et seq.*, for any professional services provided on behalf of the Hospitals.

12.3 General Liability, Automobile, Cybersecurity, Property Insurance. Each party shall secure and maintain, at all times during the Term, at such party's sole expense, commercial general liability, automobile, cybersecurity and property insurance, with a program of self-insurance, a carrier licensed to do business in the State, or an approved, non-admitted carrier in the State with minimum limits of \$1,000,000 per claim/occurrence and \$3,000,000 in the aggregate.

12.4 Worker's Compensation and Employer's Liability Insurance. Each party shall also secure and maintain, at all times during the Term, at such party's sole expense, worker's compensation and employer's liability insurance covering such party, with either a program of self-insurance or a carrier licensed to do business in the State, with the following minimum limits:

- Worker's Compensation: Statutory limits
- Employer's Liability: \$100,000 for bodily injury for each accident;  
\$100,000 for bodily injury disease for each employee; and

\$500,000 as the bodily injury disease policy limit.

### ARTICLE XIII NO EXCLUSION

13.1 Eligibility Status. Each party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“LEIE”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department as debarred, excluded or otherwise ineligible for participation in federal programs and/or federally funded health care programs including Medicare and Medicaid (collectively, “Excluded”).

13.2 Continuing Duty. Each party shall (i) regularly verify the continued accuracy of the Eligibility Status representation of Section 13.1; (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other party immediately, in writing, of any change in circumstances related to its representations made in this ARTICLE XIII .

### ARTICLE XIV GENERAL PROVISIONS

14.1 Parties Bound. This Agreement shall bind and shall inure to the benefit of the parties and their respective successors and permitted assigns.

14.2 Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

14.3 Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any party to this Agreement or any party to any other Collaborative Agreement (as defined in the ACCA) and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement among the parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

14.4 Rule of Construction. The parties acknowledge and agree that this is a negotiated agreement, in which all parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting party shall not apply.

14.5 Severability. If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

14.6 Integration. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior hospital management service agreements and understandings, oral or written, among the parties.

14.7 Non-Waiver. No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

14.8 Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLH Shreveport or OLH Monroe:**

[Ochsner LSU Shreveport, LLC] or [Ochsner LSU Monroe, LLC]  
c/o Ochsner LSU Hospitals, LLC  
1541 Kings Highway  
Shreveport, Louisiana 71103

**If to OLH:**

Ochsner LSU Hospitals, LLC  
1541 Kings Highway  
Shreveport, Louisiana 71103

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, LA 71103  
ATTN: CEO

**If to OLHS-NL:**

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, Louisiana 71103  
ATTN: Joint Management Committee

with a required copy to:

Board of Supervisors of Louisiana State  
University and Agricultural and Mechanical College  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808  
Attention: General Counsel

and

Ochsner Health System  
1450 Poydras St. Ste 2250  
New Orleans, Louisiana 70112  
Attention: General Counsel

**If to Manager:**

OLH Operational Management Company, L.L.C.  
1450 Poydras St. Ste 2250  
New Orleans, Louisiana 70112  
Attention: General Counsel

14.9 Form of the Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

14.10 Amendment. This Agreement may be amended or modified only in writing signed by the parties.

14.11 Further Cooperation. In order to confirm this Agreement or carry out its provisions or purposes, each party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

14.12 Assignability. Except as stated in Sections 4.3, no party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other parties; provided, however, that Manager shall have the right to assign this Agreement to an Ochsner Affiliate upon written notice to the Joint Management Committee.

14.13 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a party to this Agreement.

14.14 Force Majeure. No party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by a party's employees, or any similar or dissimilar cause beyond the reasonable control of a party.

14.15 Additional Instruments. Each of the parties shall, from time to time, at the request of any other party, execute, acknowledge and deliver to the other parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

14.16 Headings. All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

14.17 Multiple Counterparts. Provided all parties execute an identical copy of this Agreement, including exhibit(s), the parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

14.18 Time Periods. Time periods expressed by a specified number of days shall be based on calendar days.

14.19 Execution Warranty. Each person signing this agreement on behalf of a party represents that the execution of this Agreement has been duly authorized by the party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such party.

14.20 Claims for Monetary Damages. The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes (as defined in the ACCA), and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

#### **ARTICLE XV COMPLIANCE WITH FEDERAL AND STATE REGULATIONS**

15.1 Non Discrimination and Affirmative Action. The parties agree 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 Assistant 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 parties agree to abide by the requirements of the Americans with Disabilities Act of 1990. Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

15.2 Referral Disclaimer. The amounts to be paid hereunder represent the fair market value of the Services to be provided as established by arm's length negotiations by the parties and have not been determined in any manner that takes into account the volume or value of any potential referrals among the parties. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by any party to any other party. In addition, the amounts charged hereunder do not include any discount, rebate, kickback or other reduction in charges, and the amount charged is not intended to be, nor shall it be construed to be, an inducement or payment for referral of patients by any party to any other party. Further, it is agreed that none of the parties shall refer or attempt to influence the referrals of any patients to any particular program.

**[Signature page follows]**

**IN WITNESS WHEREOF**, the parties have executed this Agreement by and through their duly authorized representatives effective as of the date and year first above written.

**Ochsner LSU Health System of North Louisiana**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner LSU Hospitals, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**University Health Shreveport, L.L.C., d/b/a Ochsner LSU Health Shreveport**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Ochsner LSU Health Monroe, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OLH Operational Management Company, L.L.C.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## Exhibit A

### Management Services

During the Term, Manager agrees that Manager or an Ochsner Affiliate, through its employees, subcontractors, vendors, and agents shall provide the Management Services described below in accordance with the terms specified in the Agreement (including Sections 7.1 and 7.4, addressing the Centralized Administrative Support Fee and Reimbursable Costs, respectively) and this Exhibit A. Table 1 set forth in Exhibit D identifies the types of fees and expenses provided in connection with the Management Services that are Reimbursable Costs and not covered by the Centralized Administrative Support Fee. Manager's Reimbursable Costs shall be subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approval for certain unbudgeted expenditures. Table 2 of Exhibit D sets forth Manager's corporate and clinical support service departments (collectively, the "Departments") that will provide Consulting Services and other services to the Business as Management Services covered by the Centralized Administrative Support Fee.

- A. Consulting Services. Generally, Manager shall provide Consulting Services for the Business in such areas as: strategic planning, operational management, quality assurance programs, risk management, materials management, leadership development, facilities' development, productivity improvement programs, service utilization analysis, systems development, supply and charge systems, manpower utilization and control systems, technical skills training, evaluation of new products & services, educational programs for clinical staff, physician recruiting, compliance, and medical staff development. Any such Consulting Services provided to the Business by Manager's Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 regarding Excess Expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- B. Revenue Cycle Consulting Services. The parties acknowledge that there are three components of revenue cycle: (i) front end, (ii) middle level, and (iii) back end. Front end revenue cycle generally includes scheduling, pre-service clearance, registration, payer credentialing, and case management / utilization review services. Middle level revenue cycle generally includes coding, HIM clinical documentation, charge capture, and pricing. Back end revenue cycle generally includes claims processing, denial management, collections, and accounts receivables management. Manager will arrange for the Hospitals to separately contract with third-party vendors to perform (i) all revenue cycle components for the Hospitals facility services for services provided by the Hospitals prior to the Effective Date and the front end and middle level revenue cycle components for the Hospitals' facility services for services provided by the Hospitals on or after the Effective Date; and (ii) all revenue cycle components for the Practitioners' (as defined in Exhibit C) professional services until approximately July 1, 2019, at which time the Hospitals' third-party vendor(s) shall provide only the front-end and middle level revenue cycle components, with the exception of coding and clinical documentation for the Practitioners' professional services which shall be provided by Manager in accordance with Exhibit C. The OLH Entities shall be solely responsible for the fees incurred by the Hospitals for any and all such third-party vendor revenue cycle services. However, Manager shall provide Consulting Services to the OLH Entities in connection with such third-party vendor provided

revenue cycle services through Manager's Departments as set forth on Table 2 of Exhibit D. These Consulting Services shall be covered by the Centralized Administrative Support Fee; provided, however, that subject to the limitation set forth in ARTICLE IV and Section 7.4 regarding Excess Expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee. In addition, in accordance with Exhibit B and Exhibit C, Manager shall directly provide the Facility Billing and Collection Services as of the Effective Date and Professional Coding, Billing and Collection Services as of approximately July 1, 2019 in exchange for the Facility Billing and Collection Fee and Professional Billing, Coding and Collection Fee, respectively.

- C. Information System Services. Manager shall provide Consulting Services for the OLH Entities' existing information systems which include the following (collectively, "Information Systems"):
- (i) electronic medical record system, (ii) enterprise resource planning system, (iii) human resource system, (iv) voice over IP, (v) data center system, (vi) laboratory and radiology systems, (vii) infrastructure system, and (viii) productivity system. The Consulting Services and other services that Manager shall provide in connection with the Business' Information Systems include:
1. Oversee the operation of the primary and, if applicable, secondary data centers. The fees, costs, and expenses for managing and operating such centers are Reimbursable Costs.
  2. Manage vendor relationships, renewals and new contracts.
  3. Develop an IT infrastructure that will enable the mutually agreed upon strategic plan.
  4. Create or purchase software/application solutions including the development and coordination of business requirements; vendor selection; product evaluation; contract negotiations. The fees, costs, and expenses for such software/applications are Reimbursable Costs.
  5. Plan for new IT products or services and oversee the implementation and management of same. The fees, costs, and expenses for such products and services are Reimbursable Costs.
  6. Arrange for the support and management of the following:
    - a. end users' desktop experience, including desktop, printer, keyboard, and mouse;
    - b. end users' mobile experience, as needed, including mobile device management and tablets;
    - c. multi-function printer solution, including faxing and scanning;
    - d. video conferencing solution;
    - e. information technology applications applicable to the Faculty Practice, including EHR;
    - f. telecommunication services (including telephone, internet, data circuit, local and long distance) related to the Faculty Practice;
    - g. server infrastructure (virtual server and physical server);
    - h. data storage infrastructure (SAN, NAS, XIO);
    - i. data backup infrastructure (Avamar, Data Domain);
    - j. network infrastructure;

- k. IT security and risk management program to include System Malware Protection, Desktop Malware Protection, Vulnerability Management, Risk Assessment and Remediation, Awareness and Education, and Mobile Device Security; and
- l. Operational Support Service - IT Help Desk, Desktop Support, changes to existing devices, End User Troubleshooting.

Consistent with Section 4.2, any such Consulting Services provided to the Business by Manager's Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for dedicated Manager employees, third-party consultant or vendor fees, or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee. Also, the license, maintenance and other fees associated with the OLH Entities' existing Information Systems shall at least initially be covered and paid for by the OLH Entities as a direct expense. However, during the Term, the OLH Entities' Information Systems may be transitioned to Manager's or Ochsner Affiliates' Information Systems, at which time the license, maintenance and other direct and indirect costs for such Information Systems will be incurred directly by Manager and constitute a Reimbursable Cost.

The parties acknowledge and agree that Manager or Ochsner Affiliate will acquire the assets and employees of and assume vendor and other contracts from Future State, LLC ("Future State"), which currently, among other things, (i) contracts with the vendor (Epic) which license and maintain the Hospitals' electronic medical record system and (ii) provides support services for the Hospitals' electronic medical record system and other Information Systems (collectively, "Future State Operations"). As of the Effective Date and following the consummation of such transaction, Manager shall provide the Future State Operations to the OLH Entities as a Reimbursable Cost. Such Reimbursable Costs shall include, among others, the salaries and benefits for Future State's former employees and the electronic medical record vendor's license, maintenance, and other contract fees. However, Manager anticipates transitioning the Future State Operations over time during the Term to Manager including, without limitation, transitioning Future State's current electronic medical record contracts and platform to Manager's or Ochsner Affiliates' electronic medical record contracts and platform ("Future State Transition"). Upon the occurrence of the Future State Transition, the allocated electronic medical record vendor and other costs incurred by Manager in connection with such operations shall constitute a Reimbursable Cost; provided, however, that such Reimbursable Costs following the Future State Transition shall be no greater than the costs the Hospitals incurred for the Future State Operations immediately prior to the Effective Date (as adjusted annually on each anniversary date of the effective date of the administrative support agreement in accordance with the consumer price index for medical services) for the same level, quantity and type of services. Subject to the limitation set forth in ARTICLE IV and Section 7.4 regarding Excess Expenditures and notwithstanding anything herein to the contrary, any expenses or fees incurred by Manager for third-party consultants, additional personnel dedicated to the OLH entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.

Notwithstanding the foregoing, Manager acknowledges and agrees that upon expiration or termination of this Agreement, Manager shall continue to provide the Hospitals with access to the OLHS-NL Records by either (1) standing up a separate information system for the Hospitals and

the other OLHS-NL Entities or their successors; or (2) providing the Hospitals and the other OLHS-NL Entities or their successors (including any new operator or manager of the Hospitals) and the Practitioners with ongoing access to Manager's Information Systems until such time as all OLHS-NL Records stored on Manager's Information Systems can be transitioned to the new operator's or manager's information system. Manager acknowledges and agrees that patient care is of the utmost importance and cannot be compromised or interrupted by lack of access to the OLHS-NL Records under any circumstances. Accordingly, Manager agrees that it shall not prevent or hinder access to the OLHS-NL Records needed to operate the Business.

- D. Accreditation Consulting Services. Providing Consulting Services for the Business in connection with assisting the Hospitals in maintaining the accreditation of the Hospitals with the proper agencies, including without limitation, The Joint Commission, and Consulting Services in connection with implementing the Hospitals' quality plan. Any such accreditation Consulting Services provided to the Business by Manager's Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- E. Operational Guidelines. Providing Consulting Services and various operational guidelines for the Business, including, but not limited to, protocols and medical guidelines and clinical standards and measurements of quality of care consistent with the standard of care applicable to the Hospitals, and periodically monitoring the Hospitals' implementation of and compliance with clinical standards in order to determine whether the Hospitals are achieving quality and cost containment goals. Providing standard formats for all charts, invoices and other forms used in the operation of the Business. Any such Consulting Services or other services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- F. Senior Executives. Employing and/or supervising, directing, procuring and discharging on behalf of the Business, at the reasonable expense of OLH Shreveport and OLH Monroe and as Reimbursable Costs, employees to serve as the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer of Ambulatory & Physician Network, Chief Operating Officer of Hospitals, Associate Administrator, and Business Development Executive of OLH (collectively, the "Key Personnel"), with such Key Personnel serving as employees of Manager, to oversee the day-to-day operations of the Business to ensure that the Business operations are conducted in a business-like manner.
- G. Strategic Plan. Providing Consulting Services and other services related to the development and presentation of strategic plans and annual operating and capital budgets to the OLHS-NL Board and Joint Management Committee for approval for the OLH Entities. Such Consulting Services and other services to include, without limitation, overseeing the day-to-day operations of the

Business and implementing the then-current strategic plan and budgets of the Business, as Manager determines appropriate and reasonable consistent with ARTICLE II of this Agreement and the terms of the ACCA. Any such Consulting Services and other services provided to the Business by Manager's Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.

- H. Negotiations. Subject to any applicable legal and regulatory requirements and the terms of the ACCA, negotiating, executing, entering into, terminating and administering on behalf of the Business and in the name of the Hospitals, as relevant, contracts for services. Any such Consulting Services or other services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- I. Contracts. Arranging for legal consultation and document preparation related to managed care contracts, Hospital-based physician contracts, outside service contracts, medical office building issues, maintenance contracts, physician recruitment and physician employment matters and patient confidentiality issues. Any such services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- J. Insurance. Arranging for the purchase by the OLH Entities, at each OLH Entity's expense (if purchased directly by the OLH Entities) or as Reimbursable Costs (if purchased by Manager on behalf of the OLH Entities), of hazard, liability, professional and other necessary insurance coverage for the OLH Entities, including any insurance necessary to cover the OLH Entities' obligations hereunder; provided, however, that the independent medical staff members and other independent health professionals not employed by an OLH Entity or Manager (or an Ochsner Affiliate thereof) practicing in the Hospitals shall be responsible for obtaining their own malpractice insurance. Any Consulting Services provided in connection with arranging such insurance for the OLH Entities by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D (e.g., procurement of insurance by Manager for the OLH Entities) in connection with its provision of these services

constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee;

- K. Group Purchasing Services. Providing administrative advisory services to the Business related to group purchasing; attempting to provide (if possible) the Hospitals' access to Manager's or Ochsner Affiliates' group purchasing arrangements, and identifying and maintaining quality vendor relationships. Any such services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- L. Workforce. Overseeing the employment and/or supervision, direction, procuring and discharging on behalf of the Business all non-physician personnel performing services at or on behalf of the Business who, except for the Key Personnel, shall be employed by OLH Shreveport, OLH Monroe, or OLH. Any such services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- M. Workforce Administration. Providing oversight services for the Business in such areas as professional recruitment, performance appraisal systems, personnel education and training, procurement of employee benefits and the design of incentive compensation packages. Any such services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.
- N. Workforce Quality Initiatives. Providing advisory services and other assistance for the Business with the design and implementation of initiatives to improve the quality and efficiency of the Business by improving utilization of employed staff, under arrangement staff and independent contractor relationships at Hospitals, including changes in the Human Resources policies and compensation programs for the Business. Any such services provided to the Business by Manager's corporate and Departments as set forth on Table 2 of Exhibit D are covered by the Centralized Administrative Support Fee. Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of

these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.

- O. Financial Reporting. Reviewing, directing and supervising the following accounting and bookkeeping services for the OLH Entities in the operation of the Business (with third party fees and expenses for the underlying services to be paid proportionately by the OLH Entities as Reimbursable Costs);
1. Implementing and administering policies and procedures for the management and control of the Business' assets and the recording of the Business' transactions;
  2. Making decisions on behalf of the OLH Entities as to the accounting principles and elections of the Business, for book or tax purposes (and such decisions may be different for each purpose but if for book purposes such decisions must be consistent with generally accepted accounting principles or if for tax purposes such decisions must be consistent with Internal Revenue Service laws or regulations).
  3. Access to checking and savings accounts in banks or similar financial institutions, in the name of each OLH Entity, for depositing all funds generated by the Business and disbursing all payments required to operate the Business subject to the terms of this Agreement;
  4. Preparing monthly and year-end unaudited financial statements for the OLH Entities. Manager shall provide copies of the financial statements to the Joint Management Committee and, upon request, to the OLHS-NL Board;
  5. Arranging the engagement of an external accounting firm to issue an audit report of the annual financial statements and providing the OLHS-NL Board and Joint Management Committee with copies of the audit reports;
  6. Arranging for the preparation of the Hospitals' annual cost reports due to government agencies;
  7. Arranging for the preparation of any required tax returns for the OLH Entities; and
  8. Responding to periodic audits of the OLH Entities by state and/or federal agencies and providing copies of its responses and the outcomes of the audits as requested by the OHLS-NL Board or Joint Management Committee.

Subject to the limitation set forth in ARTICLE IV and Section 7.4 requiring Joint Management Committee approvals for certain unbudgeted expenditures, any expenses or fees incurred by Manager in connection with these services for third-party consultants, subcontractors, additional personnel dedicated to the OLH Entities, or vendors or any other category of expenses or fees set forth on Table 1 of Exhibit D in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Centralized Administrative Support Fee.

**Exhibit B**

**Facility Billing and Collection Services**

Manager or an Ochsner Affiliate shall provide or cause to be provided the Facility Billing and Collection Services described below (i.e., back end revenue cycle services exclusive of front end (e.g., payer credentialing) or middle level revenue cycle services) as of the Effective Date in accordance with the terms specified in the Agreement, provided that the scope of such Facility Billing and Collection Services may be further negotiated and memorialized by the parties in a mutually agreed upon statement of work:

- A. Providing the billing and collection services for hospital services provided by the Hospitals from patients and third-party payors;
- B. Assisting the Hospitals in setting patient charges for services provided by the Hospitals;
- C. Administering policies and procedures for the management and control of the Hospitals' patient billing, claims filing, accounts receivable, credit collection and receivables reporting;
- D. Designing and implementing initiatives to improve the quality and efficiency of the Business' revenue cycle management services;
- E. Overseeing the reporting of patient claims and utilization services in accordance with payor requirements on behalf of the Hospitals; and
- F. Reporting of key performance indicators and denials information.

The OLH Entities shall ensure that the Hospitals accurately and properly assign codes for hospital or other health care services (which may include CPT-4 codes, modifiers, units of service, and ICD-10 codes) rendered by such Hospitals in accordance with applicable law. Manager shall diligently work with the Hospitals and Practitioners to assist the OLH Entities in ensuring such compliance as part of the Services. In addition, the assignment of such codes shall be in accordance with all applicable policies and procedures of the Hospitals. The OLH Entities shall promptly provide Manager with all billing information reasonably requested by Manager (including applicable charge masters and fee schedule(s)) to enable Manager to provide or arrange for the Facility Billing and Collection Services. The OLH Entities shall procure consents to assignment and other approvals and documents necessary to enable Manager to facilitate payment or reimbursement from third-party payors and patients. The billing services Manager performs for the applicable OLH Entity shall use such OLH Entity's identification number to the extent required by applicable law. The OLH Entities shall provide all appropriate documents and other evidence and records reasonably necessary for the purpose of supporting claims submitted for the Hospitals. Manager shall work collaboratively with the OLH Entities to obtain the information necessary to provide or arrange for the Facility Billing and Collecting Services.

Manager shall be paid the following Facility Billing and Collection Fee for the provision of these Facility Billing and Collection Services:

**Facility and Collection Fee**

Billing and Collections for the Hospitals	2% of Net Facility Collections*
Bad Debt Collections	8% of Net Bad Debt Facility Collections**

\*“Net Facility Collections” mean the total sum of all monies collected by Manager or the Hospitals for any and all of the facility services rendered by the Hospitals, less amounts refunded to the Hospitals’ patients or third-party payors as the result of overpayments or erroneous payments, Medicaid supplemental payments (e.g., upper payment limit, Medicaid disproportionate share hospital (DSH), or Medicaid Full Medicaid Payment (FMP)), and any Bad Debt Net Facility Collections.

\*\*“Net Bad Debt Facility Collections” mean the total sum of all monies collected by Manager or the Hospitals for any and all of the facility services rendered by the Hospitals after such monies have been written off or characterized by the OLH Entities as bad debt, less amounts refunded to the Hospitals’ patients or third-party payors as the result of overpayments or erroneous payments and Medicaid supplemental payments.

The above fee schedule is subject to change if there is a change during any contract year during the Term in the Hospitals’ collective payer class mix of greater than five percent (5%) or a third-party vendor implements a fee adjustment. The fee schedule shall be adjusted no more frequently than once annually. Also, any fees or expenses incurred by Manager for third-party consultants or vendors, computer systems (e.g., claims scrubber, collections optimization manager, and patient eligibility systems), and billing statements shall be a Reimbursable Cost. Such fees and expenses shall be reflected in the Annual Budget. The Hospitals will be directly responsible for any banking related fees, such as lock-box, electronic remittances, and electronic funds transfer fees. Notwithstanding anything herein to the contrary, Manager shall ensure that the Manager’s Facility Billing and Collection Fee shall be comparatively less than the percentage of Net Facility Collections and percentage of Bad Debt Facility Collections fee paid by the OLH Entities pursuant to the terms of the agreement in effect with the prior vendor immediately prior to the Effective Date, for the same scope, quantity, and level of Facility Billing and Collection Services provided hereunder. Upon request by the Joint Management Committee, Manager shall provide documentation demonstrating the cost savings on the Facility Billing and Collection Services as compared to the fees and expenses paid to the prior vendor immediately prior to the Effective Date.

**Exhibit C**

**Professional Coding, Billing and Collection Services**

Prior to July 1, 2019, the date on which the parties agree to transition the professional coding, billing and collection services (i.e., coding, clinical documentation, and back end revenue cycle services) currently performed by PracticeMax to Manager for the Practitioners (as defined below), Manager and the OLH Entities may enter into a Statement of Work describing the Professional Coding, Billing and Collection Services to be performed by Manager, the corresponding Professional Coding, Billing and Collection Fee for such services, and the Reimbursable Costs associated with the Professional Coding, Billing and Collection Services (e.g., the fees, costs, expenses to maintain and operate information systems, and fees for billing statements, any lock box, Electronic Remittance Advice, Electronic Funds Transfer, etc.). The Professional Coding, Billing and Collection Fees shall be paid consistent with Section 7.3.

For purposes of this Agreement, the term “Practitioners” means the following: independent physicians employed by or contracted with OLH Monroe (including, without limitation, physicians employed by LSU), midlevel practitioners employed by or contracted with OLH Shreveport and OLH Monroe (including, without limitation, midlevel practitioners employed by LSU), and certified nurse anesthetists (“CRNAs”) employed by or contracted with OLH Monroe (including, without limitation, CRNAs employed by LSU).

The OLH Entities shall ensure that the Practitioners accurately and properly assign codes for professional medical or other health care services (which may include CPT-4 codes, modifiers, units of service, and ICD-10 codes) rendered by such Practitioners in accordance with applicable law. Manager shall diligently work with the Hospitals and Practitioners to assist the OLH Entities in ensuring such compliance as part of the Services. In addition, the assignment of such codes shall be in accordance with all applicable policies and procedures of the Hospitals. The OLH Entities shall promptly provide Manager with all billing information reasonably requested by Manager (including applicable charge masters and fee schedule(s)) to enable Manager to provide or arrange for the Professional Coding, Billing and Collection Services. The OLH Entities shall procure consents to assignment and other approvals and documents necessary to enable Manager to facilitate payment or reimbursement from third-party payors and patients. The billing services Manager performs for the applicable OLH Entity shall use such OLH Entity’s identification number to the extent required by applicable law. The OLH Entities shall provide all appropriate documents and other evidence and records reasonably necessary for the purpose of supporting claims submitted for professional and other services rendered by the Practitioners. Manager shall work collaboratively with the OLH Entities and Practitioners to obtain the information necessary to provide or arrange for the Professional Coding, Billing and Collecting Services.

Manager’s anticipated Professional Coding, Billing and Collection Fee for performing Professional Coding, Billing and Collection Services for the Practitioners are reflected in the following fee schedule:

**Professional Coding, Billing and Collection Fee**

Coding, Billing, Collections, Denials for Physicians and Midlevel Practitioners	8% of Net Professional Collections*
Coding, Billing, Collections, Denials for CRNA Practitioners	4% of Net CRNA Collections**
Bad Debt Collections	12% of Net Bad Debt Professional

\*“Net Professional Collections” mean the total sum of all monies collected by Manager for any and all of the professional services rendered by the Practitioners, less amounts refunded to the Practitioners’ patients or third-party payors as the result of overpayments or erroneous payments, Medicaid supplemental payments (e.g., upper payment limit, or Medicaid Full Medicaid Payment (FMP)), and any Bad Debt Net Professional Collections.

\*\*“Net CRNA Collections” mean the total sum of all monies collected by Manager for any and all of the professional services rendered by the Practitioners, less amounts refunded to the Practitioners’ patients or third-party payors as the result of overpayments or erroneous payments, Medicaid supplemental payments (e.g., upper payment limit, or Medicaid Full Medicaid Payment (FMP)), and any Bad Debt Net Professional Collections.

\*\*\*“Bad Debt Net Professional Collections” mean the total sum of all monies collected by Manager or the Hospitals for any and all professional services rendered by the Practitioners after such monies have been written off or characterized by the OLH Entities as bad debt, less amounts refunded to the Practitioners’ patients or third-party payors as the result of overpayments or erroneous payments and Medicaid supplemental payments for the OLPG Practitioners.

The above fee schedule is subject to change if there is a change during any contract year during the Term in the Practitioners’ collective payer class mix of greater than five percent (5%) or a third-party vendor implements a fee adjustment. The fee schedule shall be adjusted no more frequently than once annually. Also, any fees or expenses incurred by Manager for third-party consultants or vendors, computer systems (e.g., claims scrubber, collections optimization manager, and patient eligibility systems), and billing statements shall be a Reimbursable Cost. Such fees and expenses shall be reflected in the Annual Budget. The OLH Entities will be directly responsible for any bank accounts and related fees, such as lock-box, electronic remittances, and electronic funds transfer fees.

The final Professional Coding, Billing and Collection Fee must be approved by the OLHS-NL Board, be consistent with the Annual Budget, and reflect Manager’s completion of diligence as to the Professional Coding, Billing and Collection Services to be performed. Notwithstanding anything herein to the contrary, Manager shall ensure that Manager’s Professional Coding, Billing and Collection Fee as set forth in the fee schedule above shall be comparatively less than the percentage of Net Professional Collections, Net CRNA Collections, and Net Bad Debt Professional Collections fee paid by the OLH Entities pursuant to the terms of the agreement in effect with the PracticeMax immediately prior to the Effective Date, for the same scope, quantity, and level of the Professional Coding, Billing and Collection Services provided hereunder. Upon request by the Joint Management Committee, Manager shall provide documentation demonstrating the cost savings on the Professional Coding, Billing and Collection Services as compared to the fees and expenses paid to PracticeMax immediately prior to the Effective Date.

**Exhibit D**

**Reimbursable Costs**

Subject to Section 4.1, Section 4.3, and Section 7.4 regarding Excess Expenditures and Reimbursable Costs, the following Table 1 lists Reimbursable Costs. Manager acknowledges and agrees that such approval requirements in Section Section 4.1 and Section 4.3 (addressing the use of consultants, vendors, and subcontractors) extend to the categories of Reimbursable Costs reflected in Exhibit D, Table 1, as well as all other fees and/or costs that arise outside the scope of such categories.

<b><u>Table 1</u></b> <b><u>Reimbursable Costs</u></b>	
1	Personnel Expenses* for Manager’s employed personnel serving as the Business’ Key Personnel
2	Travel, meals, and lodging costs incurred by Manager’s personnel while performing Consulting Services pursuant to this Agreement. Airfare mileage shall be reimbursed at no more than the standard rate issued annually by the Internal Revenue Service. Meals and lodging shall be reimbursed at reasonable rates.
3	Professional services fees for third-party attorneys, accountants, consultants, and other professionals engaged to provide Services directly for the OLH Entities
4	Third party vendor costs for services, equipment, technology, licenses, material, and supplies procured directly for the OLH Entities
5	Certain costs for Facility Billing and Collection Services and Professional Coding, Billing and Collection Services provided by Manager (e.g., claims scrubber, collections optimization manager, and patient eligibility systems), including those Reimbursable Costs identified in Exhibit B and Exhibit C or in any State of Work referenced therein
6	Fees, costs, and expenses for Information System Management Services provided by Manager
7	Personnel Expenses for any personnel, corporate support services, or clinical support services paid for by the OLH Entities or Future State at the initiation of the Agreement and subsequently transferred to the Manager at the request of the OLH Entities or in accordance with the Future State transaction
8	Personnel Expenses of additional Manager personnel and additional support staff dedicated to the OLH Entities
9	Fees, costs, and expenses for any consulting outside of the services listed on Table 2, below.

\* “Personnel Expenses” include such fees, costs, and expenses for Manager’s Key Personnel and other personnel dedicated to providing Services under this Agreement (as reflected in the Annual Budget) including, but not limited to, wages and salaries, amounts required to provide employee benefits and other fringe benefits, federal and state taxes on wages, unemployment compensation premiums and workers’ compensation premiums, and all other reasonable expenses arising from or relating to the employment of such personnel (collectively, “Personnel Expenses”).

<b>Table 2 Manager's Consulting Services Available to the OLH Entities as Part of the Centralized Administrative Support Fee</b>			
<b><u>Corporate Support Services</u></b>	<b><u>Corporate Support Services</u></b>	<b><u>System Service Lines</u></b>	<b><u>Ancillary Support Services</u></b>
Internal Audit	Safety	Anesthesia	Ambulatory Nursing
Compliance & Privacy	Security & Emergency Preparedness	Hospital Medicine	Blood Bank
Community Outreach	Strategy & Business Development	Laboratory	Infection Control
Corporate Communications	Supply Chain	Men's Health	Medical Informatics
Facilities, Real Estate, & Support Services	Accounting	Orthopedics	Nursing Informatics
Human Resources	Accounts Payable	Primary Care	Pharmacy & Wellness
Legal Affairs & Risk Management	Payroll	Radiology	Patient Experience
Marketing	Decision Support	Surgery	Quality & Performance Improvement
Medical Informatics	Forms Management	Telemedicine	Rehab Therapy & Wellness
Medical Staff Administration	Managed Care Contracting	Urgent Care & Occupational Health	Research Administration
Philanthropy	Reimbursement		Spiritual Care & Education
Professional Staff Services	Treasury		Total Health Solutions
Information Systems	Revenue Cycle		

**Exhibit E**

**HIPAA Business Associate Agreement**

[See Attached]

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is entered into by and between Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”) and its wholly owned subsidiary entities--Ochsner LSU Hospitals, L.L.C., OLH Shreveport, L.L.C., and OLH Monroe, L.L.C. (collectively, the “Covered Entity”), and OLH Operational Management Company, L.L.C. (the “Business Associate” or “BA”) (collectively referred to herein the “Parties” or individually as a “Party”) to be effective as of the \_\_\_ day of \_\_\_\_\_, 2018 (“Effective Date”).

WHEREAS, Covered Entity has a business relationship with Business Associate that is memorialized in a separate agreement(s) (the “Underlying Agreement”) pursuant to which Business Associate is or may be considered a “Business Associate” of Covered Entity (as defined in 45 CFR §160.103) and therefore subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), and the implementing regulations set forth at 45 CFR Parts 160 and 164 (the “HIPAA Regulations”); and

WHEREAS, Business Associate may create, receive, maintain or transmit data for or from Covered Entity that constitutes Protected Health Information (“PHI”), as that term is defined under the HIPAA Regulations, on behalf of Covered Entity; and

WHEREAS, Business Associate is or may be directly subject to certain privacy and security obligations and penalty provisions of the HIPAA Regulations and state law.

For good and lawful consideration as set forth in the Underlying Agreement, Covered Entity and Business Associate enter into this Agreement for the purpose of ensuring compliance with the requirements of HIPAA, the HITECH Act, the HIPAA Regulations and the laws of the State of Louisiana.

NOW THEREFORE, in consideration of the mutual covenants contained herein which are made a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### **Section 1. Definitions.**

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Regulations.

- (A) “Electronic Protected Health Information” or “ePHI” shall have the same meaning as the term “Electronic Protected Health Information” in 45 CFR §160.103, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.

- (B) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended from time to time.
- (C) “Protected Health Information” or “PHI” shall have the same meaning as the term “Protected Health Information” in 45 CFR §160.103, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- (D) “Secretary” shall mean the Secretary of the U.S. Department of Health and Human Services or his or her designee.
- (E) “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, as amended from time to time
- (F) “Unsecured Protected Health Information” or “Unsecured PHI” shall have the same meaning as the term “Unsecured Protected Health Information” in 45 CFR §164.402, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity.

**Section 2. Permitted Uses and Disclosures by Business Associate.**

- (A) Permitted Uses. Except as otherwise limited in this Agreement, Business Associate may Use PHI to perform functions, activities, or services for, or on behalf of Covered Entity as specified in the Underlying Agreement; for the proper management and administration of the Business Associate; to carry out the legal responsibilities of the Business Associate; or to provide services and otherwise comply with the Underlying Agreement; provided that Business Associate shall not Use PHI in a manner that would violate the HIPAA Regulations if done by Covered Entity.
- (B) Data Aggregation. Business Associate may Use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR §164.504(e)(2)(i)(B).
- (C) Permitted Disclosures. Except as otherwise limited in this Agreement, Business Associate may Disclose PHI to perform functions, activities, or services for, or on behalf of Covered Entity as specified in the Underlying Agreement; for the proper management and administration of the Business Associate; to carry out the legal responsibilities of the Business Associate; or to provide services and otherwise comply with the Underlying Agreement; provided that such Disclosure is Required by Law, or Business Associate obtains, prior to making any such Disclosure, (i) reasonable written assurances from the recipient that such PHI will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was Disclosed to the recipient, (ii) a written agreement from the recipient to notify Business Associate without unreasonable delay and in no event later than sixty (60) days of any instances of which it is aware in which the confidentiality of the

information has been breached, and Business Associate shall not Use PHI in a manner that would violate the HIPAA Regulations if done by Covered Entity.

- (D) Disclosures Required by Law. Business Associate may Use or Disclose PHI as Required by Law.
- (E) De-Identified Data. Business Associate is authorized to Use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c). The Parties hereby agree that, once so de-identified, such information is no longer covered by HIPAA or the HIPAA Regulations and Business Associate may Use and Disclose the information in compliance with applicable law and the Underlying Agreement.

### **Section 3. Prohibited Uses and Disclosures.**

- (A) Prohibited Uses and Disclosures. Business Associate shall not Use or Disclose PHI for any other purpose not permitted by this Agreement, the Underlying Agreement or the HIPAA Regulations. To the extent Business Associate is authorized to make Disclosures directly to health plans, Business Associate shall not Disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, as required by 42 U.S.C. § 17935(a). Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of Covered Entity and as permitted by the HITECH Act and the HIPAA Regulations. Notwithstanding the foregoing, this prohibition shall not limit or otherwise affect payment by Covered Entity to Business Associate for services provided pursuant to the Underlying Agreement. If Covered Entity notifies Business Associate of a restriction Covered Entity has agreed to that would limit Business Associate's Use or Disclosure of PHI, Business Associate shall comply with the restriction.

### **Section 4. Obligations and Activities of Business Associate.**

- (A) Compliance. Business Associate shall be directly responsible for full compliance with the relevant requirements of the Privacy Rule to the same extent as Covered Entity.
- (B) Appropriate Safeguards. Business Associate shall use and maintain reasonable and appropriate safeguards to prevent Uses or Disclosures of PHI and electronic PHI not permitted by the Underlying Agreement or this Agreement, including, but not limited to, administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the PHI and electronic PHI, in accordance with the applicable requirements of the Security Rule and any guidance issued by the Secretary.

- (C) Business Associate's Agents. Business Associate agrees to ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI, in electronic or other form, on behalf of Business Associate agrees in writing to the same restrictions, terms and conditions that apply through this Agreement to Business Associate with respect to such information.
- (D) Duties of Business Associate Involving Breach or Unauthorized Access, Use of Disclosure of PHI.
- (1) Discovery of Breaches. A Breach shall be treated as discovered by Business Associate as of the first day on which such Breach is known to the Business Associate, or by exercising reasonable diligence would have been known to the Business Associate. Business Associate shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer or other agent of Business Associate.
  - (2) Reporting of Improper Access, Use or Disclosure; Security Incident; Breach. Business Associate shall report to Covered Entity in writing of any access, Use or Disclosure of PHI not permitted by this Agreement, the Underlying Agreement or applicable federal or state law, any Security Incident (as defined at 45 CFR §164.304) and any Breach of Unsecured PHI of which it becomes aware or discovers without unreasonable delay and in no event later than sixty (60) days of discovery. In the event of a Breach of Unsecured PHI, written notice shall include, to the extent possible: (a) the date of discovery of the Breach; (b) a listing of the identification of individuals whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, Used or Disclosed during the Breach; (c) a general description of the nature of the Breach; and (d) any other available information that Covered Entity is required to provide pursuant to 45 CFR §164.404(c). Business Associate shall provide Covered Entity with updates of information concerning the details of such unauthorized access, Use or Disclosure, Security Incident or Breach and the final results of any Risk Assessment conducted by Business Associate, in the event of a Breach of Unsecured PHI.
  - (3) Mitigation of Harm. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this Agreement or the Underlying Agreement, a Security Incident, or a Breach of Unsecured PHI. Such mitigation may include, without limitation, promptly obtaining assurance from the recipient that the information will not

be further Used or Disclosed in a confidentiality agreement or that the information will be destroyed.

- (4) Notification to the Individual. It is the sole responsibility of the Covered Entity to notify Individuals of any Breach of Unsecured PHI. At no time, is the Business Associate to contact or speak directly to any of Covered Entity's patients/individuals who are the subject of any Breach. Any such inquiries should be directed to the Covered Entity's Compliance and/or Privacy Officer. Business Associate shall cooperate with Covered Entity as necessary to provide such notification and any details pertaining to any Breach.
  - (5) Cooperation with Law Enforcement. Business Associate shall cooperate with Covered Entity in the event law enforcement officials institute an investigation under this Agreement.
  - (6) Notification to Media. For a Breach of Unsecured PHI involving more than 500 individuals, it is solely the responsibility of Covered Entity to notify the media and appropriate law enforcement and federal and state agencies as required by the HITECH Act and 45 CFR §164.406. At no time is the Business Associate to contact or speak directly to the media without the prior authorization of Covered Entity. Business Associate shall cooperate with Covered Entity as necessary to provide such notification to the media.
  - (7) Security Incidents and Breaches Under State Law. Business Associate will report any security incidents or breaches of personal information reportable under applicable state laws, including without limitation La. Rev. Stat. Ann. §51:3071 *et seq.*, to Covered Entity consistent with the applicable state law and follow the same risk assessment, mitigation, reimbursement, and cooperation provisions set forth in this Section 4(D) for a Breach.
- (E) Access to PHI. If Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate agrees to promptly make available for inspection and duplicating any PHI about the individual in a Designated Record Set that is in Business Associate's custody or control, so that Covered Entity may meet its access obligations under under 45 CFR § 164.524. If an Individual requests access to PHI directly from Business Associate, Business Associate shall promptly forward such request to Covered Entity.
- (F) Access to Records. Business Associate agrees to make its internal practices, books, and records, including policies and procedures relating to the Use and Disclosure of PHI received from, or created, received, maintained or transmitted by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, for purposes of determining compliance with the HIPAA Regulations.

- (G) Minimum Necessary. Business Associate shall request, Use and Disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure in the Underlying Agreement.
- (H) Data Ownership. Business Associate has no ownership rights with respect to the PHI.
- (I) Amendments of PHI. Business Associate, upon Covered Entity's request, agrees to make any amendment(s) to PHI in a Designated Record Set that is in the custody or control of Business Associate, to enable the Covered Entity to fulfill its obligations to pursuant to 45 CFR §164.526. If an Individual requests an amendment to the Individual's PHI directly to Business Associate, Business Associate shall promptly forward such request to Covered Entity.
- (J) Accounting. Business Associate shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 CFR §164.528 (and any regulations issued pursuant to the HITECH Act). If an Individual requests an accounting of disclosures directly from Business Associate, Business Associate shall promptly forward such request to Covered Entity.

**Section 5. Continuing Obligations/Termination.**

- (A) Term. The obligations of Business Associate set forth herein shall commence on the effective date of the Underlying Agreement and shall terminate when the Underlying Agreement terminates and all of the PHI in Business Associate's possession is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, the terms of this Agreement are extended to cover such information and survive termination of this Agreement.
- (B) Effect of Termination.
  - (1) Except as provided in Section 5(D)(2) of this Agreement, upon termination of the Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or maintained by Business Associate on behalf of Covered Entity, at no cost to Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
  - (2) In the event that Business Associate reasonably determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

- (3) The provisions of this Section 5(D) shall survive termination of this Agreement.

**Section 6. Obligations of Covered Entity to Inform Business Associate of Privacy Practices and Individual Restrictions.**

- (A) Notice of Privacy Practices. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR §164.520, as well as any changes to such notice.
- (B) Changes in Permitted Use. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to Use or Disclose PHI, if such changes affect Business Associate's permitted or required Uses and Disclosures.
- (C) Restrictions on Use. Covered Entity shall notify Business Associate of any restriction to the Use or Disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522.

## Section 7. General Provisions.

- (A) No Third Party Beneficiaries; Agency Relationship. Nothing in this Agreement shall be construed to create any rights or remedies in any third parties or any agency relationship between the parties.
- (B) Regulatory References. A reference in this Agreement to a section in HIPAA, the HITECH Act, or the HIPAA Regulations means the section as in effect or as amended.
- (C) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with all federal, state and local laws and regulations, including, but not limited to, the requirements of HIPAA, the HITECH Act and the HIPAA Regulations. This Agreement shall be modified or amended only by an instrument in writing signed by a duly authorized representative of each of party, effective as of the date stipulated therein and attached hereto.
- (D) Survival. The respective rights and obligations of Business Associate with respect to PHI shall survive the termination of this Agreement.
- (E) Interpretation. Should there be any conflict between the language of this Agreement and any other agreement entered into between the parties, the language of and provisions of this Agreement shall control and prevail unless the parties specifically refer in a subsequent written agreement to this Agreement by its title and date and specifically state that the provisions of the later written agreement shall control over this Agreement. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the HITECH Act and the HIPAA Regulations.
- (F) Governing Law. This Agreement shall be construed in accordance with, interpreted and governed by the laws of the State of Louisiana without regard to any other state's conflicts of law provisions. Any action or proceeding regarding this Agreement shall be instituted and conducted in the parish of East Baton Rouge. The provisions of this Section 8(E) shall survive the termination of this Agreement.
- (G) Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLH Shreveport, OLH Monroe, or OLH:**

[Insert Name]  
Ochsner LSU Hospitals, LLC  
Ochsner LSU Health Shreveport  
1541 Kings Highway  
Shreveport, Louisiana 71103

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, LA 71103  
ATTN: Chairman, Board of Directors

**If to OLHS-NL:**

[Insert Name]  
[Insert Address]

with a required copy to:

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

and

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

**If to Manager:**

OLH Operational Management Company, L.L.C.  
1450 Poydras St. Ste 2250  
New Orleans, Louisiana 70112  
Attention: General Counsel

- (H) Entire Agreement. With regard to the subject matter herein, this Agreement supersedes prior discussions, agreements, understandings, and representations between the Covered Entity and Business Associate.

Except as set forth specifically above, the terms of the Underlying Agreement remain in full force and effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURES ON FOLLOWING PAGE]**

*SIGNATURE PAGE TO BUSINESS ASSOCIATE AGREEMENT*

**IN WITNESS WHEREOF**, the parties have hereunto caused this Agreement to be executed as by law provided.

**COVERED ENTITY:**

**BUSINESS ASSOCIATE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## ADMINISTRATIVE SUPPORT AGREEMENT

THIS ADMINISTRATIVE SUPPORT AGREEMENT (the “Agreement”) is effective as of the 1st day of October, 2018 (the “Effective Date”), by and between Ochsner LSU Health System of North Louisiana (“OLHS-NL”), a Louisiana nonprofit corporation, and its wholly owned subsidiary LSU Health Sciences Center-Shreveport Faculty Group Practice, a Louisiana nonprofit corporation d/b/a Ochsner LSU Physician Group (“OLPG”) (collectively, the “OLHS Entities”), , and Clinical Operational Management Company, L.L.C., a Louisiana limited liability company (“Administrator”).

### RECITALS

**WHEREAS**, the State of Louisiana, acting through the Division of Administration (the “State”), Louisiana State University and Agricultural and Mechanical College (“LSU”), and OLHS-NL are parties to that certain Cooperative Endeavor Agreement, effective October 1, 2018 (the “CEA”);

**WHEREAS**, LSU, Ochsner Clinic Foundation d/b/a Ochsner Health System (“Ochsner”) and OLHS-NL are parties to that certain Academic and Clinical Collaboration Agreement effective September \_\_\_\_\_, with a commencement date of October 1, 2018 (the “ACCA”);

**WHEREAS**, OLHS-NL was formed by LSU and Ochsner to carry out the parties’ shared charitable mission to, among other things, improve and expand medical education and research and improve access, quality, availability, and efficiency of care for residents of the Shreveport and Monroe communities (“Shared Charitable Mission”);

**WHEREAS**, as of the Effective Date, OLHS-NL is OLPG’s sole member;

**WHEREAS**, OLPG and LSU are parties to that certain Faculty Services Agreement (“FSA”), pursuant to which LSU agreed to (i) provide OLPG with the clinical time and effort of its clinical faculty physicians and non-physician practitioners (i.e., advanced practice registered nurses and physician assistants) (“HSC-S Faculty”) working at the LSU Health Sciences Center - Shreveport (“HSC-S”) to enable OLPG to, among other things, integrate through a dyad model of leadership, the clinical physician services of the HSC-S Faculty (collectively, the “Faculty Services”) with the delivery of inpatient, outpatient, clinic, and other professional health services in North Louisiana through the OLHS-NL clinical enterprise (the “Faculty Practice”), and (ii) assign or reassign to OLPG the right to bill and collect for, or the collections attributable to, Faculty Services, all as provided in the FSA;

**WHEREAS**, Administrator, a wholly-owned subsidiary of Ochsner, has been organized to provide, among other services, physician practice management and related administrative and support services to physician practices such as the Faculty Practice to further the parties’ Shared Charitable Mission;

**WHEREAS**, The OLHS Entities wish to contract with Administrator to provide comprehensive management, administrative and other non-clinical services and support to enable OLPG to fulfill its obligations under various service agreements and improve the Faculty Practice operations consistent with and in support of the Shared Charitable Mission; and

**WHEREAS**, the parties wish to set forth the terms and conditions for the rendering by Administrator of the administrative services to OLPG in accordance with the Shared Charitable Mission.

**NOW, THEREFORE**, in consideration of the above recitals, the terms and provisions hereinafter set forth, and for other good and valuable consideration, the receipt, adequacy and legal

sufficiency of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

**1. NATURE OF RELATIONSHIP.**

1.1 Appointment and Acceptance. OLHS-NL hereby engages and appoints Administrator to provide (i) the management and oversight services set forth on **Exhibit A** attached hereto and incorporated herein by reference (the “Administrative Services”), and (ii) the professional component billing, collection, and coding services set forth on **Exhibit B** (“Professional Coding, Billing and Collection Services”) (the Administrative Services and the Professional Coding, Billing and Collection Services are collectively referred to herein as the “Services”). Administrator does hereby accept such engagement to provide such Administrative Services, in accordance with the terms and provisions contained in this Agreement and the parties’ Shared Charitable Mission. Such Services include Administrator overseeing the day-to-day operation of the Faculty Practice subject to the terms and conditions of the ACCA, and upon the terms and subject to the conditions set forth in this Agreement.

1.2 Maintenance of Control. Except as otherwise set forth in this Agreement, the OLHS Entities shall retain all powers incident to ownership and/or operation of OLPG. OLPG shall own and hold all licenses, contracts, certificates, and accreditations relating to OLPG, and OLPG shall be the “Provider of Services” within the meaning of third party contracts for services. Nothing in this Agreement is intended to alter, weaken, displace, or modify OLHS-NL’s and OLPG’s status as owner/operator of OLPG and the Provider of the Services within the meaning of the third party contracts for services. Nothing in this Agreement is intended to alter, weaken, displace, or modify the ultimate authority of the OLHS-NL Board of Directors, Joint Management Committee or Officers (all as defined in the OLHS-NL Bylaws). Administrator’s performance of and authority to provide the Services are subject to the terms of the ACCA, the Shared Charitable Mission, and this Agreement. The OLHS-NL Board of Directors and Joint Management Committee shall exercise, throughout the Term, ultimate authority, supervision, direction, and control over OLPG and shall retain the ultimate authority and responsibility regarding the powers, duties, and responsibilities vested in the Administrator.

1.3 Delivery of Professional Medical Services. Notwithstanding the provisions of this Agreement, the HSC-S Faculty shall be solely and exclusively in control of the delivery of all professional medical services, to the extent they constitute the practice of medicine. Administrator shall have no authority whatsoever with respect to the actual delivery of professional medical services, nor shall Administrator in any manner, directly or indirectly, regulate or control any HSC-S Faculty’s independent judgment concerning the practice of medicine or the diagnosis and treatment of any patient.

1.4 Purchasing Agent. Administrator shall evaluate the OLHS Entities’ systems and internal controls and make improvements, where applicable, in order to enhance the OLHS Entities’ internal control systems, improve its operating efficiencies, and reduce the cost of supplies and other items needed for the delivery of quality health care services. To meet these objectives, Administrator may acquire such equipment, supplies, consumable inventory, and other items on behalf of and in the name of the OLHS Entities (collectively, the “Purchases”) as necessary to ensure the OLHS Entities operate consistent with this Agreement. The OLHS Entities hereby designate Administrator as the OLHS Entities’ purchasing agent, and Administrator accepts such designation, for the purpose of making the Purchases and authorizes Administrator to make such Purchases on behalf of and as the agent of the OLH Entities. Purchases by Administrator shall be considered as the legal equivalent of purchases directly by the OLHS Entities. Any items or articles of tangible personal property purchased by Administrator as agent for the OLHS Entities shall immediately, upon the vendor’s delivery to Administrator or an OLHS Entity, become the property of the relevant OLHS Entity, with title passing directly from the vendor to the OLHS

Entity. Administrator agrees that it will invoice the OLHS Entities at its cost for any goods or services Administrator purchases for the OLHS Entities in accordance with this Section 1.4.

## **2. INDEPENDENT CONTRACTORS.**

2.1 Independent Entity Status. During the Term of this Agreement (as defined in **Section 10**), Administrator is at all times acting and performing as an independent contractor, and not as an employee, joint venture or partner of the other parties for any purposes whatsoever. If, however, a joint venture or partnership is found to exist for federal income tax purposes: (i) capital accounts will be maintained for Administrator and OLPG on a tax accounting basis; (ii) net income will be allocated to Administrator in the amount of the payments due Administrator pursuant to **Section 5** hereof; (iii) all remaining net taxable income or loss will be allocated to the joint venture; and (iv) upon termination, distributions will be in accordance with Administrator's and OLPG's capital account balances. Except as otherwise expressly agreed to in this Agreement, Administrator shall not have any right, authority or duty to act for the OLHS Entities, and the OLHS Entities shall not have the right, authority or duty to act for Administrator.

2.2 Statutory Employer for Worker's Compensation Issues. Pursuant to the provisions of Louisiana R. S. 23:1031 and Louisiana R. S. 23:1061 as amended by Act 315 of the 1997 Regular Legislative Session and for the purpose of this Agreement, the parties jointly agree, stipulate and recognize that OLPG shall be the statutory employer of Administrator's employees and/or all employees of any subcontractor hired or retained in any manner by the Administrator and/or any other person for whom the Administrator may be held responsible and the Administrator while any of the above described persons are performing any work or providing any services under this Agreement on the premises of OLPG. The parties further stipulate, agree and recognize that all work performed under the Agreement shall be considered part of OLPG's trade, business or occupation and shall be specifically considered an integral part of or essential to the ability of OLPG to generate its goods, products or services. The parties further stipulate, agree and recognize that the services or work provided by any subcontractor or other person retained by the Administrator for the performance of any work or service under this Agreement shall be contemplated by and included in this provision.

## **3. DUTIES AND RESPONSIBILITIES OF OLPG.**

3.1 HSC-S Faculty. Notwithstanding any provision herein to the contrary, all HSC-S Faculty shall be contracted for the provision of Faculty Services through the FSA between OLPG and LSU. OLPG shall be solely responsible for all payments to be made to LSU in accordance with the terms and conditions of the FSA.

3.2 Qualifications and Credentials. OLPG shall require that at all times during the Term of this Agreement, each HSC-S Faculty shall, as applicable: (a) be duly licensed in his or her respective profession in the State of Louisiana, and (b) be a member of the faculty at LSU.

3.3 Standards of Practice. OLPG shall ensure that the HSC-S Faculty shall, at all times during the Term of this Agreement, comply with all applicable federal, state and local laws and regulations ("Applicable Law") concerning the licensure and practice of their respective professions. Administrator agrees to work with OLPG and HSC-S Faculty to assist the OLHS Entities in ensuring such compliance as part of the Services.

3.4 Bank Accounts. OLPG shall maintain bank accounts in its name (the “Bank Accounts”) at banks or other suitable financial institutions for depositing the Faculty Practice’s collected revenues, for establishing operating accounts for accounts payable, payroll and refunds, and/or for such other purposes as mutually agreed upon by the parties. OLPG shall provide Administrator will sufficient access and signature authority to such accounts as OLHS-NL and Administrator shall mutually agree are appropriate for Administrator to perform its obligations under this Agreement.

3.5 Access to Information. OLPG hereby authorizes and grants (and shall arrange with LSU to authorize and grant) to Administrator full and complete access during the Term of this Agreement to all information and documents relating to the Faculty Practice and the HSC-S Faculty that may be reasonably requested by Administrator to perform its obligations hereunder, and shall disclose and make available to representatives of Administrator for review and photocopying all relevant books, agreements, papers and records of the Faculty Services and the HSC-S Faculty. OLPG shall notify Administrator in writing within ten (10) calendar days of receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) the Faculty Practice/OLPG or HSC-S Faculty providing services on behalf of OLPG or concerning such HSC-S Faculty member’s license to practice their profession. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to the Faculty Practice/OLPG or any HSC-S Faculty providing services on behalf of OLPG, or concerning any such HSC-S Faculty member’s license to practice their profession.

#### 4. ADMINISTRATOR’S OBLIGATIONS.

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide or arrange to provide the below-listed Services in support of the Shared Charitable Mission. OLPG shall pay Administrator for the Services as defined and described in **Sections 5.1** (Management Fee), **Section 5.2** (Professional Coding, Billing and Collection Fee), and **Section 5.3** (Reimbursable Costs).

4.1 Performance of Services. Administrator will render (or shall arrange through its affiliates (i.e., Ochsner or entities that are wholly owned or commonly controlled with Ochsner (“Ochsner Affiliates”)) to render the Services to OLPG upon the terms and subject to the conditions hereinafter set forth. Administrator shall provide the Services according to industry standards and with at least the same degree of diligence and skill as is employed by Administrator and Ochsner Affiliates in the provision of similar services to other physician practice groups that are owned or managed by Administrator or Ochsner Affiliates and in a manner that is consistent with and in support of the parties’ Shared Charitable Mission. Any Services to be provided hereunder may be provided by an Ochsner Affiliate, but performance of any Services by an Ochsner Affiliate will not relieve Administrator of its obligations. Administrator will be responsible for assuring the quality and timely delivery of all Services under this Agreement at all times during the Term (as defined below).

4.2 Employee Background Checks. Administrator shall ensure that a background check has been performed on any and all personnel employed by Administrator who provides Services under this Agreement. The cost of the background checks and any other pre-employment screening required for employment with Administrator shall be paid by Administrator, and such costs shall not be allocated to the OLHS Entities or treated as Reimbursable Cost (as defined below).

4.3 Removal of Administrator Personnel. OLHS-NL shall promptly advise Administrator of any “material issues” (as defined below) which arise concerning the qualifications or interpersonal problems associated with employees of Administrator. Administrator agrees to use its reasonable efforts to attempt to resolve any such material issues promptly to the satisfaction of OLHS-NL including, without limitation, meeting and/or counseling with the employee of Administrator. If Administrator is unable to resolve such material issues to the satisfaction of OLHS-NL and OLHS-NL determines that the underlying material issues are sufficiently serious to warrant disciplinary action, Administrator shall require that such employee refrain from providing Services under this Agreement for a period of two (2) weeks or more as mutually agreed upon by the parties to permit Administrator to investigate and evaluate the material issues further. Following such investigation and evaluation, Administrator shall discuss the material issues with OLHS-NL’s designated representative(s). If the material issues have not been resolved to the satisfaction of OLHS-NL, OLHS-NL reserves the right to require the removal of the subject employee of Administrator from providing Services under this Agreement. For purposes of this Section 4.3 the term “material issues” shall mean conduct or other issue on the part of or related to such employee of Administrator such that OLHS-NL reasonably deems the conduct or issue to be detrimental to the health or safety of OLPG’s patients , materially disruptive to OLPG’s staff and operations, or not consistent with standards of employee competence or conduct applicable to employees of OLHS-NL and its subsidiaries

4.4 Compliance with OLPG Policies and Procedures. Administrator and Ochsner Affiliates shall, and shall require all its employees, subcontractors, agents, or third party vendors providing the Services, to comply with OLPG Policies and Procedures.

4.5 Access to Information. Administrator hereby authorizes and grants to OLHS-NL full and complete access during the Term of this Agreement to all information, books, agreements, papers and records relating to the Services provided by Administrator under this Agreement that may be reasonably requested by OLHS-NL. Administrator shall notify OLHS-NL, in writing, within ten (10) calendar days of receipt of notice of the commencement of any investigation, formal audit, or formal review into (or regulatory action involving) OLPG or HSC-S Faculty providing services on behalf of OLPG or concerning OLPG or an HSC-S Faculty member’s license. Such notice requirement includes notice of the commencement of any investigation or inquiry by the Louisiana State Board of Medical Examiners, the Louisiana State Board of Nursing, the Louisiana Department of Health, Louisiana Attorney General, Office of Inspector General, Department of Justice, or any other agency or instrumentality of federal, state, or local government (including agents acting on behalf of the Department of Health and Human Services or the Centers for Medicare & Medicaid Services, investigations involving a federal or state governmental health care program or involving allegations of program fraud or abuse) and relating to OLPG or any HSC-S Faculty providing services on behalf of OLPG, or concerning OLPG or any HSC-S Faculty license.

4.6 Public Relations. Administrator shall consult with the OLHS-NL Board and Joint Management Committee regarding crisis communications and local and national media relations.

4.7 Administrative Services.

4.7.1 Strategic Planning Services. Administrator shall provide to OLPG the strategic planning services described on **Exhibit A-1**.

4.7.2 Financial and Accounting Services. Administrator shall provide OLPG with the financial and accounting services described on **Exhibit A-2**.

4.7.3 Risk Management & Insurance Services. Administrator shall provide OLPG with the risk management and insurance services described on **Exhibit A-3**.

4.7.4 Population Health and Payer Contracting Services. Administrator shall provide OLPG with the population health services described on **Exhibit A-4**.

4.7.5 Information Technology Services. Administrator shall provide OLPG with the information technology services described on **Exhibit A-5**.

4.7.6 Office and Supply Services. Administrator shall provide OLPG with the office and supply services and supplies described on **Exhibit A-6**.

4.7.7 Retention of Clinical and Administrative Support Staff. Administrator shall retain appropriate clinical support staff as needed to support the Faculty Practice's delivery of professional health care services ("Faculty Practice Clinical Staff") and appropriate administrative staff to support the day-to-day operations of the Faculty Practice ("Faculty Practice Administrators"). Such fees, costs, and expenses for retaining such Faculty Practice Clinical Staff and Faculty Practice Administrators (including but not limited to wages and salaries, amounts required to provide employee benefits and other fringe benefits, federal and state taxes on wages, unemployment compensation premiums and workers' compensation premiums, and all other reasonable expenses arising from or relating to the employment of such personnel ("Personnel Expenses")) shall be Reimbursable Costs if such person(s) are employed or contracted by Administrator. If such person(s) are employed or contracted by another entity, OLPG shall be responsible for reimbursing such entity for the fees, costs, and expenses (including the Personnel Expenses) for such person(s). All Faculty Practice Clinical Staff and Faculty Practice Administrators provided by Administrator shall be employees or independent contractors of Administrator. Except as otherwise specifically provided herein, Administrator shall train, manage and supervise all such person(s) in their provision of Services.

4.7.8 Records Management. Administrator shall oversee the maintenance, custody and supervision of business records, papers, documents, ledgers, journals and reports relating to the business operations of the Faculty Practice in a format and per standards reasonably approved by OLPG and LSU. All such records, papers, documents, ledgers, journals and reports shall be and remain the property of OLPG, provided that records relating to the business and activities of Administrator shall be and remain the sole property of Administrator. The underlying fees, costs, and expenses of maintaining such records (e.g., medical record information systems, storage costs, etc.) are not included in the Management Fee and shall be Reimbursable Costs.

4.7.9 Equipment Procurement and Maintenance.

(a) With OLHS-NL's oversight, Administrator shall assist OLPG in procuring (by lease or purchase), at OLPG's sole cost and expense, such medical equipment, office equipment, fixtures, furniture and leasehold improvements for use by OLPG in the conduct of the Faculty Practice (collectively, the "Equipment"), which is reasonably necessary for the proper and efficient operation of the Faculty Practice's practice sites ("Practice Sites"). In accordance with the Annual Budget approved as set forth in **Section 5.3**, Administrator shall assist with the procurement of any replacement or additional Equipment on OLPG's behalf as may be reasonably required for the Practice Sites from time to time. Expenses incurred by Administrator in procuring such Equipment on OLPG's behalf shall be Reimbursable Costs. Any such

replacement or additional equipment shall thereafter be deemed to be the Equipment for purposes of this Agreement.

(b) OLPG ACKNOWLEDGES THAT ADMINISTRATOR MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE FITNESS, SUITABILITY OR ADEQUACY OF ANY FURNITURE, FIXTURES, EQUIPMENT, INVENTORY OR SUPPLIES LEASED OR PROVIDED PURSUANT TO THIS AGREEMENT FOR THE CONDUCT OF A MEDICAL PRACTICE OR FOR ANY OTHER PARTICULAR PURPOSE.

(c) Administrator shall arrange for the Equipment to be maintained in good repair, condition and working order, ordinary wear and tear excepted, including, without limitation, all preventive and routine maintenance as may be necessary and appropriate to maintain the Equipment in a proper state of repair and serviceability. Maintenance costs incurred by Administrator shall be Reimbursable Costs.

4.8 Professional Coding, Billing and Collection Services. Subject to **Section 0**, Administrator shall provide or arrange to provide Faculty Practice with the Professional Coding, Billing, and Collection Services described on **Exhibit B**.

4.9 Use of Consultants and Vendors.

4.9.1 Engagement of Third Party Consultants and Vendors. In performing the Services, Administrator may engage, for and on behalf of the Faculty Practice, such third party consultants and vendors as Administrator, from time to time, may consider reasonably necessary and appropriate to provide the Services and in support of the parties' Shared Charitable Mission. Such consultants and vendors may include attorneys, accountants, financial consultants, reimbursement consultants, physician and nurse reviewers, corporate compliance consultants, planners, marketing consultants, personnel staffing consultants, architects, contractors or other consultants and third-party vendors. The parties acknowledge and agree that the fees and expenses for such third party consultants and vendors are not included in the Management Fee or the Professional Coding, Billing and Collection Fee, and OLPG shall bear the fees and expenses incurred for the services of such consultants and vendors as Reimbursable Costs (as defined and described in **Section 5.3**). The estimated annual Reimbursable Costs associated with third party consultants and vendors shall be included in the Annual Budgets as set forth in Section 5.4 below. Notwithstanding the foregoing, Administrator agrees that for any contract, agreement or other arrangement for consultant or vendor services for an OLHS Entity that is not a budgeted amount in the Annual Budget, is estimated to cause the combined annual budgets of OLHS-NL, OLPG, and all other OLHS-NL subsidiaries to be exceeded by more than three million dollars (\$3,000,000) annually, either individually or in the aggregate (an "Excess Expenditure"), and is not a consultant or vendor used by Ochsner on a system wide basis to provide services, Administrator shall obtain approval from the Joint Management Committee prior to incurring or committing to pay such fees and/or costs.

4.9.2 Consulting Services. As part of Administrator's provision of Services, Administrator shall make available to the Faculty Practice the consulting services within Administrator's operational areas identified in **Table 2** of **Exhibit C** ("Administrator Consulting Services"). For the avoidance of doubt, the Administrator's Consulting Services do not include the services of Faculty Practice Clinical Staff, Faculty Practice Administrators, or other services identified in this Agreement as a Reimbursable Cost.

4.10 Administration of OLPG Contracts. Administrator, in overseeing the day-to-day operations of the Faculty Practice in support of the Shared Charitable Mission, may also, subject to any applicable legal and regulatory requirements and the terms of the ACCA, negotiate, execute, enter into, terminate and administer on behalf of the Faculty Practice and in the name of OLPG, as relevant, contracts for services. OLPG shall directly pay the costs, expenses, and fees associated with such contracts for services.

4.11 Administrator's Right to Subcontract. Without limiting the generality or scope of the assignment provisions of **Section 12.12** below, Administrator may subcontract with any other persons or entities for all or any portion of the Services which Administrator is required to provide or furnish for the Faculty Practice pursuant to this Agreement without the prior written consent of OLPG, provided such subcontract does not result in an Excess Expenditure. Administrator shall remain responsible for all Services performed by such other persons or entities. Administrator may disclose any term of this Agreement to any subcontractor of Administrator who performs Services for Administrator hereunder, but only to the extent that such disclosure is essential and reasonably required for subcontractor to perform such Services in accordance with this Agreement.

4.12 Services to Entities other than OLPG. In recognition of the fact that Administrator, through its employees, subcontractors, vendors, and agents, may perform similar services from time to time for persons or entities other than OLPG, this Agreement shall not prevent Administrator from performing such similar services or restrict Administrator from using the employees, subcontractors, vendors, and agents provided by Administrator under this Agreement to perform services for persons or entities other than OLPG so long as Administrator fully complies with and timely performs all its obligations under this Agreement. Without limiting the foregoing, Administrator agrees that the fees and costs for its employees, subcontractors, vendors, and agents who provide services to OLPG and to persons or entities other than OLPG shall be accurately and appropriately allocated among those receiving the services. For the avoidance of doubt, Administrator shall not allocate to OLPG any portion of the fees and costs associated with Administrator's provision of services to other persons or entities.

## **5. COMPENSATION AND REIMBURSABLE COSTS.**

5.1 Management Fee. In consideration for the Administrative Services to be provided by Administrator to OLPG in accordance with **Section 4.1** and **Exhibit A** (exclusive of any Reimbursable Costs as described in **Section 5.3** and incurred by Administrator in the performance of the Administrative Services), OLPG shall pay to Administrator a fee equal to three percent (3.0%) of OLPG's Total Revenue each month (the "Management Fee"). The Administrator Consulting Services provided to the Faculty Practice by the Administrator as set forth on **Table 2** of **Exhibit C** and described in **Section 4.9.2** are also covered by the Management Fee and are not Reimbursable Costs. For purposes of this Agreement, Total Revenue means Net Patient Revenue plus Other Revenue. Net Patient Revenue means the total gross revenue accrued in a period by OLPG: (a) excluding Supplemental Payments (as defined in the ACCA) in an amount not to exceed the Supplemental Payment Cap (as defined in the ACCA) in any given State fiscal year, provided that any Increased Fee Schedule Amount (as defined in the ACCA) in excess of the Supplemental Payment Cap will be included in Net Patient Revenue, and , (b) reduced by the revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts. "Other Revenue" includes revenue from contracts, payments received in exchange for providing professional services, and other sources of operating revenue outside of Net Patient Revenue. In the event this Agreement terminates on a day other than the last day of a month, the Management Fee payable for the partial month will be prorated. In the event this Agreement starts on a day other than the first day of a month or terminates on a day other than the last day of a month, the Management Fee payable for the partial month will be prorated. The Management Fee shall be paid monthly upon approval of the HSC-S Vice Chancellor for Administration and Finance, which approval

shall, in the ordinary course absent exceptional circumstances, be provided no later than the tenth (10<sup>th</sup>) Business Day of each month during the Term following the month in which the management services are provided. For purposes of this Agreement, the term “Business Day” means any day other than (i) a Saturday or Sunday, or (ii) a day on which commercial banks in Louisiana are authorized or required by law to close.

5.2 Professional Coding, Billing and Collection Fee. The Parties acknowledge and agree that as of the Effective Date of this Agreement, Acadiana Computer Systems, Inc. will perform the professional coding, billing and collection services for the OLPG Practitioners and OLPG shall incur the fees, costs, and expenses for such services as direct costs of OLPG. On or about July 1, 2019, Administrator will commence providing the Professional Coding, Billing and Collection Services, and OLPG shall pay Administrator the corresponding fees as described in **Exhibit B** (the “Professional Coding, Billing and Collection Fee”). The Professional Coding, Billing and Collection Fee shall be paid monthly upon approval of the HSC-S Vice Chancellor for Administration and Finance, which approval shall, in the ordinary course absent exceptional circumstances, be provided no later than the tenth (10<sup>th</sup>) Business Day of each month during the Term following the month in which the Professional Coding, Billing and Collection Services are provided.

5.3 Reimbursable Costs. In addition to the Management Fee and Professional Coding, Billing and Collection Fee paid by OLPG to Administrator for the Services, OLPG shall also reimburse Administrator for all direct and indirect costs incurred (as determined on an accrual basis of accounting) by Administrator in performing the Services hereunder (“Reimbursable Costs”), including without limitation reimbursement for those costs specifically described as Reimbursable Costs in **Section 4** and **Exhibits A, B, and C**. Reimbursable costs include, for example, the cost of Administrator’s reasonable out-of-pocket expenses incurred by or on behalf of Administrator in connection with the provision by Administrator of the Services pursuant to this Agreement, including without limitation those expenses set forth on **Table 1** in **Exhibit C**. Reimbursable Costs must be consistent with the Annual Budget, as further described below, or if such unbudgeted costs are estimated to result in an Excess Expenditure, such unbudgeted costs must be approved by the Joint Management Committee. Undisputed Reimbursable Costs shall be paid monthly within thirty (30) days of OLPG’s receipt of Administrator’s invoice detailing Reimbursable Costs incurred by the Administrator during the preceding month. Administrator shall include with the invoice sufficient documentation to support the amount of Reimbursable Costs set forth in the invoice.

5.4 Annual Budgets. At least ninety (90) days prior to the commencement of each OLPG “fiscal year” (defined as July 1 through June 30) during the Term of this Agreement (each, an “Annual Service Period”), Administrator shall develop and submit to OLPG for mutual agreement of the parties a proposed annual business plan and operating and capital cost budget for such applicable fiscal year in connection with the conduct of the Faculty Practice (each, an “Annual Budget”). The Annual Budget for the first Annual Service Period (which shall begin on the Effective Date and end on the last day of the then current fiscal year) will be mutually agreed upon by the parties within thirty (30) days of the Effective Date. Each Annual Budget shall identify the specific categories, scope and amount of approved Reimbursable Costs that may be incurred by Administrator during the applicable Annual Service Period. Upon request, Administrator shall provide detailed support for the Reimbursable costs. The parties acknowledge and agree that each such Annual Budget may contain fixed and flexible budget line items, to the extent mutually approved by the parties, to account for potential and reasonable variations in actual operational activity and performance within the Faculty Practice. The parties further acknowledge and agree that Administrator’s approved Reimbursable Costs will directly relate to its provision of Administrative Services as described in this Agreement. Annual Budgets are considered “final” upon approval by the OLHS-NL Board upon recommendation by the OLHS-NL Joint Management Committee. The OLHS-NL Board or Joint Management Committee shall notify Administrator in writing of approval

of the Annual Budget. Upon receipt of written notification of approval of the Annual Budgets, Administrator may proceed, on behalf of the Faculty Practice, with making the expenditures and overseeing the actions contemplated in the Annual Budget for the applicable fiscal year. If, following adoption of the initial Annual Budgets, the Annual Budget(s) are not final prior to the July 1 commencement date of the next Annual Service Period, the Administrator will continue to operate under the provisions of the prior Annual Budget(s) until the new Annual Budget(s) are finalized, and Administrator may make capital expenditures for (i) any ongoing or additional capital projects expressly approved by the OLHS Entities to be funded in the new Annual Service Period notwithstanding the failure to adopt a new capital budget for the new Annual Services Period, or (ii) capital projects and expenditures required to ensure the health and safety of Faculty Practice patients.

5.5 Fair Market Value Exchange. The parties acknowledge and agree that the compensation and other consideration set forth in this **Section 5** for the provision of Administrator's Services hereunder represent a fair market value exchange, negotiated in an arm's length transaction, and not determined in a manner which takes into account the value or the volume of referrals or other business generated, if any, between the parties.

## **6. OWNERSHIP OF SYSTEMS; CONFIDENTIALITY; RECORDS.**

6.1 Patient Records. The parties and their employees and agents shall maintain and safeguard the confidentiality of all records, charts and other information generated in connection with the professional services provided hereunder in accordance with Applicable Law, including, but not limited to the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA") and the requirements of any regulations promulgated thereunder, including, without limitation, the federal practice regulations as contained in 45 C.F.R. Part 164 ("Federal Privacy Regulations") and the federal security standards as contained in 45 C.F.R. Part 164 ("Federal Security Regulations"). The parties shall not use or further disclose any protected health information as defined in 42 U.S.C. § 1320d (collectively "Protected Health Information Act"), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA, including without limitation, the Federal Privacy Regulations and the Federal Security Regulations. To this end, the parties shall enter into and abide by the HIPAA Business Associate Agreement attached hereto as **Exhibit D**.

6.2 Access to Records. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, Administrator and any of its affiliates providing services with a value or cost of \$10,000 or more over a twelve (12)-month period shall make available to the Secretary of Health and Human Services the contract, books, documents and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four (4) years after the rendering of such services. The parties agree that any applicable attorney-client, account-client or other legal privilege shall not be deemed waived by virtue of this agreement.

6.3 Confidentiality of Agreement. No party shall disclose this Agreement or the terms thereof to a third party, except as otherwise required by law or permitted by the terms of this Agreement, without the prior written consent of the other party, other than to such party's legal and financial advisors.

6.4 Ownership of Systems. Administrator retains all ownership and other rights in all systems, manuals, protocols, computer software, licenses, manuals, books and records, materials and other information, in whatever form, provided or used by it in the performance of its obligations hereunder (collectively referred to as the "Systems") and nothing contained in this Agreement shall be construed as a license or transfer of such Systems or any portion thereof, either during the Term or

thereafter. Upon the termination or expiration of this Agreement, Administrator shall retain all of the Systems. If by operation of law or otherwise OLPG acquires any ownership rights in any of the Systems or in any other intellectual property owned by Administrator by virtue of their respective activities pursuant to this Agreement or otherwise, such rights shall automatically vest in, or if not legally possible, be assigned promptly without restriction upon request to Administrator.

6.5 Systems Confidentiality. OLPG acknowledges that Administrator has invested a significant amount of its resources in developing and maintaining the Systems and that the value to Administrator of the Systems may be diminished or destroyed if there is a disclosure of the Systems or any portion thereof to a third-party. Accordingly, OLPG shall maintain the confidentiality of the Systems. OLPG shall not duplicate or permit the duplication of any portion of the Systems and shall not permit access to the Systems by entity personnel or any third-party other than on a strict need-to-know basis and in the ordinary course of business. With respect to the Systems, OLPG shall take at least those steps that it would take to protect its own confidential information.

6.6 Ownership of Records. OLHS-NL and/or other OLHS subsidiaries shall own all patient, financial and other business records maintained or housed at any time on Administrator's Systems (collectively, "OLHS-NL Records"). Administrator shall provide the OLHS Entities with unrestricted access to any and all OLHS-NL Records at all times during the Term of this Agreement. For the avoidance of doubt, Administrator shall have no ownership interest in or any other claim to any patient records, financial records or other business records maintained or housed on Administrator's Systems on behalf of any OLHS Entity.

6.7 Confidentiality of Records. In addition to the specific requirements of Section 6.1 above, Administrator acknowledges that the OLHS-NL Records are confidential and proprietary to OLHS-NL and the other OLH Entities, and shall not be disclosed by Administrator to any third party including, without limitation, any other entity to which Ochsner or Ochsner Affiliates may provide services, except as expressly permitted by this Agreement, as confirmed in writing by the Joint Management Committee, or as required by law. Accordingly, Administrator shall maintain the confidentiality of the OLHS-NL Records. Administrator shall not duplicate or permit the duplication of any OLHS-NL Record and shall not permit access to the OLHS-NL Records by entity personnel or any third-party other than on a need-to-know basis and in the ordinary course of business. With respect to the OLHS-NL Records, Administrator shall take at least those steps that it would take to protect its own confidential information or the confidential information of any other entity for which Ochsner or Ochsner Affiliates provides services.

## **7. INDEMNIFICATION; LIMITATION OF LIABILITY.**

7.1 Indemnification by OLPG. OLPG hereby agrees to protect, defend, and indemnify Administrator and Ochsner Affiliates and their respective officers, directors, members, managers, agents and employees (collectively, "Administrator Indemnitees") against, and hold the same harmless from any and all liability, losses, damages, obligations, judgment, claims, causes of action and expenses associated therewith (including reasonable attorney fees) (collectively, "Losses") which the Administrator Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by OLPG or its employees, employed or contracted physicians or agents, or (b) a breach of its obligations hereunder.

7.2 Indemnification by Administrator. Administrator hereby agrees to protect, defend, and indemnify OLPG and its affiliates and their respective officers, directors, managers, agents and employees (specifically including, without limitation, HSC-S Faculty) (collectively, "OLPG Indemnitees") against, and hold the same harmless from any and all Losses which the OLPG Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton

misconduct or negligent act or omission by Administrator or its employees, or agents, or (b) a breach of its obligations hereunder.

7.3 Indemnification Notice. If any Administrator Indemnitee or OLPG Indemnitee receives notice of a claim or event which it believes in good faith may result in a claim for indemnity hereunder (a “Potentially Indemnified Claim”), the Party receiving notice of the Potentially Indemnified Claim and seeking indemnity (the “Indemnified Party”) shall give written notice of the Potentially Indemnified Claim to the Party from which the Indemnified Party is seeking indemnification (the “Indemnifying Party”). The Indemnified Party shall give written notice of the Potentially Indemnified Claim to the Indemnifying Party as promptly as possible, provided that any delay or failure of notice shall not relieve Indemnifying Party of the obligations within its scope of responsibility hereunder except to the extent such delay has materially prejudiced the Indemnifying Party.

7.4 Claims by Third Parties and Defenses. If the Potentially Indemnified Claim is brought against the Indemnified Party by a third party, the Indemnified Party may, but shall not be obligated to, tender the Potentially Indemnified Claim to the Indemnifying Party’s insurer or self-insurance fund for defense, and the Indemnifying Party’s insurer or self-insurance fund may, but shall not be obligated to, provide the Indemnified Party with a defense to such Potentially Indemnified Claim. For this purpose it is agreed and understood that, with respect to Potentially Indemnified Claims alleging professional liability, the insurer for OLPG is the State of Louisiana, Office of Risk Management, and the Administrator is self-insured. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party or the Indemnifying Party elects not to provide the Indemnified Party with a defense, then the Indemnified Party and the Indemnifying Party shall each vigorously defend the Potentially Indemnified Claim. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party, or the Indemnifying Party elects not to provide the Indemnified Party with a defense, and in either case the Indemnified Party is ultimately held liable or otherwise incurs Losses solely as a result of, or arising out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party’s insurer or self-insurance fund shall reimburse the Indemnified Party for the amount of its Losses, subject to this Section 7.4 (a) and (b) below.

a. If the Indemnified Party elected not to tender the Potentially Indemnified Claim to the Indemnifying Party’s insurer or self-insurance fund for defense promptly upon receiving notice of such Potentially Indemnified Claim, then the Indemnified Party’s right to reimbursement of fees and expenses for attorneys, consultants, experts, and others engaged by the Indemnified Party in connection with its defense of the Potentially Indemnified Claim shall be limited as follows:

- (i) If the Indemnifying Party was named by the third party along with the Indemnified Party as potentially liable for Potentially Indemnified Claim, the Indemnified Party’s right to reimbursement for such fees and expenses shall be limited to the rates paid by the Indemnifying Party’s insurer or self-insurance fund for attorneys, consultants, experts and others engaged by the Indemnifying Party in its own defense.
- (ii) If the Indemnifying Party was not named by the third party as potentially liable for the Potentially Indemnified Claim, the Indemnified Party’s right to reimbursement for such fees and expenses shall be limited to the rates the Indemnifying Party’s insurer or self-insurance fund would have paid for attorneys, consultants, experts and others it would have engaged to defend the Indemnifying Party.

b. If the Indemnifying Party's insurer or self-insurance fund provides a defense to the Indemnified Party and it is ultimately determined that any Losses incurred by the Indemnified Party were not solely the result of, or did not arise out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall be entitled to reimbursement of the reasonable fees and expenses incurred by the Indemnifying Party's insurer or self-insurance fund in defense of the Indemnified Party.

7.5 Limitation of Liability. In the absence of any gross negligence, fraudulent or intentional wrongdoing, Administrator shall not be held liable for the acts of OLHS Entities as a result of serving as Administrator of OLH Entities, nor shall Administrator be held liable for the acts of OLHS Entities because of its participation in this Agreement. Nothing in this Agreement is intended to create, nor does it create, any rights or benefits to third parties enforceable against Administrator. By entering this Agreement, Administrator does not assume any of the obligations, liabilities or debts of OLHS Entities, and shall not, by virtue of its performance under this Agreement, assume or become liable for any of such obligations, debts or liabilities of the OLHS Entities. Further, in no event shall the Administrator be liable under this Agreement for any act of professional malpractice committed by any provider providing services on behalf of OLPG.

## 8. INSURANCE.

8.1 OLPG Insurance. OLPG (directly and/or through an agreement with LSU) shall require that OLPG and the HSC-S Faculty shall be provided professional liability coverage through the Office of Risk Management in accordance with the provisions of Louisiana Medical Malpractice Act (La. R.S. 40:1235.1 and La. R.S. 40:1237.1, *et seq.*). For purposes of liability arising out of medical malpractice for professional services provided by HSC-S Faculty, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1237.1, *et seq.* OLPG shall also maintain or ensure the maintenance of comprehensive general liability insurance covering OLPG and HSC-S Faculty with minimum coverage of not less than one million dollars (\$1,000,000.00) per occurrence and three million dollars (\$3,000,000) in the aggregate.

8.2 Administrator Insurance. Administrator, at its sole expense, shall maintain or cause to be maintained on its behalf programs of insurance with respect to its performance of the Services pursuant to this Agreement that are customary for physician group practice administrative service providers, including, without limitation, commercial general liability, automobile, cybersecurity and property insurance, with a program of self-insurance, a carrier licensed to do business in the State, or an approved, non-admitted carrier in the State with minimum limits of \$1,000,000 per claim/occurrence and \$3,000,000 in the aggregate.

## 9. NO EXCLUSION.

9.1 Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities ("LEIE") by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department as debarred, excluded or otherwise ineligible for participation in federal programs and/or federally funded health care programs including Medicare and Medicaid (collectively, "Excluded").

9.2 Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the Eligibility Status representation of **Section 9.1**; (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Party immediately, in writing, of any change in circumstances related to its representations made in this **Section 9**.

## 10. TERM OF AGREEMENT.

Unless earlier terminated as provided in **Section 11** hereof, the initial term of this Agreement (the "Initial Term") shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term") for a total term ("Term") of twenty (20) years, unless a party gives a Non-Renewal Notice (as that term is defined in the ACCA) not less than six (6) months prior to the expiration of the Initial Term or Renewal Term then in effect, as applicable.

## 11. TERMINATION.

11.1 Events of Default. It shall be an event of default ("Event of Default") hereunder:

11.1.1 If a party: (a) fails to cure a Financial Default (as defined in the ACCA) in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given fiscal year during the Term regardless of whether cured.

11.1.2 If a party fails to perform any other material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. This Section Error! Reference source not found.11.1.2 is not applicable to a Financial Default addressed in Section 11.1.1, above.

11.2 Termination Events. Any party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

11.2.1 Mutual Written Agreement. The parties mutually agree to terminate this Agreement in writing.

11.2.2 Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.

11.2.3 Loss of Tax Exempt Status. In the event a Party determines that this Agreement would result in the loss of such Party's tax exempt status.

11.3 Bankruptcy; Receivership. If OLPG or Administrator shall apply for or consent to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.

11.4 Financial Default. In accordance with Section 11.1.1 above, this Agreement may terminate if a party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three (3) or more Financial Defaults in any given fiscal year within the Term, regardless of whether cured.

11.5 Failure to Resolve Disputes. This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.

11.6 Termination of Collaborative. Upon termination of the ACCA, CEA, or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

11.7 Wind Down Activities. Upon termination of this Agreement for any reason, Administrator's obligations to perform the Services shall completely cease; provided, however, that the parties shall perform and make payment for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the six (6)- month Wind Down Period and Wind Down Process described in the ACCA. Any payments earned or Reimbursable Costs incurred by Administrator associated solely with the Services provided under this Agreement through the date of termination and through the Wind Down Period shall remain due and owing by OLPG and/or Administrator, as applicable, notwithstanding the termination of this Agreement.

## 12. MISCELLANEOUS.

12.1 Parties Bound. This Agreement shall bind and shall inure to the benefit of the parties and their respective successors and permitted assigns.

12.2 Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

12.3 Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any party to this Agreement or any party to any other Collaborative Agreement (as defined in the ACCA) and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement among the parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

12.4 Rule of Construction. The parties acknowledge and agree that this is a negotiated agreement, in which all parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting party shall not apply.

12.5 Severability. If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

12.6 Integration. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior practice management service agreements and understandings, oral or written, between the parties.

12.7 Non-Waiver. No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

12.8 Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLHS-NL:** Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, LA 71103  
Attn: Joint Management Committee

**If to OLPG:** Ochsner LSU Physician Group  
1501 Kings Highway  
Shreveport, LA 71103  
Attn: President

**If to Administrator:** CLINICAL OPERATIONAL MANAGEMENT  
COMPANY, LLC  
1514 Jefferson Highway  
New Orleans, Louisiana 70121

with a copy to:

Office of Legal Affairs  
1450 Poydras Street, Ste 2250  
New Orleans, LA 70112

12.9 Form of the Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

12.10 Amendment. This Agreement may be amended or modified only in writing signed by the parties.

12.11 Further Cooperation. In order to confirm this Agreement or carry out its provisions or purposes, each party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

12.12 Assignability. Except as stated in Section 4.9 and Section 4.11, no party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other party.

12.13 No Third Party Beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a party to this Agreement.

12.14 Force Majeure. No party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by a party's employees, or any similar or dissimilar cause beyond the reasonable control of a party.

12.15 Additional Instruments. Each of the parties shall, from time to time, at the request of any other party, execute, acknowledge and deliver to the other parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

12.16 Headings. All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

12.17 Multiple Counterparts. Provided all parties execute an identical copy of this Agreement, including exhibit(s), the parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

12.18 Time Periods. Time periods expressed by a specified number of days shall be based on calendar days.

12.19 Execution Warranty. Each person signing this agreement on behalf of a party represents that the execution of this Agreement has been duly authorized by the party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such party.

12.20 Claims for Monetary Damages. The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes (as defined in the ACCA), and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

### **13. COMPLIANCE WITH FEDERAL AND STATE REGULATIONS**

13.1 Non Discrimination and Affirmative Action. The parties agree 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 Assistant 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 parties agree to abide by the requirements of the Americans with Disabilities Act of 1990. Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

13.1 Patient Referral Disclaimer. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS DIRECTING OR INFLUENCING REFERRALS BY EITHER PARTY. NONE OF THE ACTIVITIES CONTEMPLATED UNDER THIS AGREEMENT, OR OTHERWISE, SHALL CONSTITUTE AN OBLIGATION OF ADMINISTRATOR TO GENERATE PATIENT FLOW OR BUSINESS FOR OLPG. ADMINISTRATOR IS NOT IN ANY MANNER BEING COMPENSATED TO GENERATE PATIENTS FOR OR DIRECT PATIENT REFERRALS TO OLPG; RATHER, OLPG HAS ENGAGED ADMINISTRATOR TO MANAGE THE BUSINESS AND OPERATIONAL ASPECTS OF ITS BUSINESS, AS PROVIDED HEREIN.

[signature page follows]

**IN WITNESS WHEREOF**, the parties have executed this Agreement through their duly authorized representatives effective as of the Effective Date.

OLPG:

ADMINISTRATOR:

**LSU Health Sciences Center-Shreveport Faculty  
Group Practice, d/b/a Ochsner LSU Physician  
Group**

**Clinical Operational Management Company,  
L.L.C.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**Administrative Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with Section 5.3, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services listed on Exhibits A-1 through A-6.

**EXHIBIT A-1**

**Strategic Planning Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services set forth below.

1. Work collaboratively with OLPG, OLHS-NL, and HSC-S to develop a mutually agreed upon multi-year strategic plan to support the business objectives of OLPG in connection with the Faculty Practice.
2. Work collaboratively with OLPG, OLHS-NL , and HSC-S to develop an annual plan which outlines major activities and projects targeted for the following year, in collaboration with OLPG.
3. Plan and manage departmental capital and operating budgets in collaboration with the OLPG and the OLHS-NL Board and/or Joint Management Committee.
4. Conduct return on investment (ROI) analyses on capital expenditures as needed, assist in identifying opportunities for expense savings and/or revenue enhancement, and analyze budget variances and establish improvement plans as needed. Administrator shall provide reports on its findings to the OLHS-NL Joint Management Committee.
5. Develop delivery plans (including estimated cost, timeline, resource requirements) for each defined and agreed upon initiative.
6. Oversee clinical space planning efforts and prepare proposals to develop space plans aligned with program needs.
7. Provide guidance as it relates to real estate purchase and lease transactions, including investment analyses and negotiating such purchases and leases. All real estate purchases, lease transactions and other such transactions must be approved in advance and in writing by the OLHS-NL Board on recommendation by the Joint Management Committee.
8. Promote an effective and collaborative relationship with OLPG to assist in alignment of strategy and tactical activities with department leaders.
9. Review and recommend opportunities to improve the use, effectiveness and standardization of new and existing systems/processes for all Faculty Practice departments.
10. Assist in the development, maintenance, and management of policies and procedures (e.g., document management, archival, retention, purge, security, human resources, coding) for all applicable Faculty Practice departments.
11. Assist in delivering an effective patient experience across all aspects/touch points of the Faculty Practice (including telephone, online, and direct patient contact).
12. Utilize operational metrics to provide ongoing feedback on operating system performance.

13. Work collaboratively with OLPG, OLHS-NL, and HSC-S to mutually agree on clinical quality initiatives and standards focused on reliable, safe operations, which meet operating and clinical quality standards and goals.

**EXHIBIT A-2**

**Financial and Accounting Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services set forth below.

1. Prepare and deliver financial and billing key performance indicators.
2. Provide financial/accounting functions necessary for the operation of the Faculty Practice.
3. Arrange for the processing of credit card payments and all associated equipment. The costs and expense for the processing of credit card payments and the associated equipment are to be direct expenses of OLPG.
4. Administer accounting procedures, controls, forms and systems in accordance with accounting principles approved by OLPG and LSU.
5. Prepare and deliver monthly, quarterly, annual financial reports as approved by OLPG and LSU and the Joint Management Committee.
6. Prepare financial forecasts for the business operations of the Faculty Practice and provide copies of same to the OLHS-NL Joint Management Committee.
7. Assist OLPG in maintaining bank accounts in its name at banks and other suitable financial institutions. Administrator shall reconcile all bank accounts monthly.
8. Administrator shall promptly pay from the applicable Bank Account(s) all of OLPG's accounts payable and other amounts owing by OLPG to third parties, including Administrator's fees and expenses.
9. Arrange for the preparation of timely filing of all Federal, State and local tax filings. The costs and expense for the preparation of such filings are Reimbursable Costs.
10. Perform or cause to be performed an annual audit of OLPG's financial records and provide a copy of the audit report to the OLHS-NL Board and Joint Management Committee.
11. Arrange for the preparation of any required tax returns for OLPG and, upon request, provide copies of same to the OLHS-NL Board and Joint Management Committee.

**EXHIBIT A-3**

**Risk Management and Insurance Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services set forth below.

1. Provide administrative assistance to OLPG with respect to the education of HSC-S Faculty and contribute to staff education programs as needed.
2. Provide administrative assistance to OLPG with respect to OLPG's quality assurance and peer review processes.
3. Provide administrative assistance to OLPG and HSC-S with respect to credentialing services.
4. Serve as a resource to HSC-S Faculty and staff on a variety of risk management issues that arise in the clinical setting.
5. To the extent requested by OLPG, arrange for the purchase by OLPG, at OLPG's expense (if purchased directly by OLPG) or as Reimbursable Costs (if purchased by Administrator on behalf of OLPG), of hazard, liability, professional and other necessary insurance coverage for the Faculty Practice, including any insurance necessary to cover OLPG's obligations hereunder; provided, however, that the independent HSC-S Faculty medical staff members and other independent health professionals not employed by OLPG or Administrator (or an affiliate thereof) practicing at a Practice Site shall be responsible for obtaining their own malpractice insurance. Any consulting services provided to the Faculty Practice in connection with arranging such insurance for OLPG by Administrator's corporate and clinical support service departments as set forth on Table 2 of **Exhibit C** are covered by the Management Fee. Any expenses or fees incurred by Administrator for third-party consultants or vendors or any other category of expenses or fees set forth on Table 1 of **Exhibit C** (e.g., procurement of insurance by Administrator for OLPG) in connection with its provision of these services constitute Reimbursable Costs and are not covered by the Management Fee.

**EXHIBIT A-4**

**Population Health and Payer Contracting Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services listed below.

1. Advise OLPG and LSU as to implementing performance-based reimbursement arrangements, negotiation and definitive agreement execution, including negotiating performance-based reimbursement agreements in which the HSC-S Faculty may take risk. The fees, costs, and expenses for engaging a third party to assist in implementing such arrangements are Reimbursable Costs.
2. Advise OLPG in the development and execution of population health strategy, including development of risk-based strategy, performance-based contracts, and other innovative payment models.
3. Care coordination and quality improvement.
  - a. Review and support development of a care management and quality improvement program (“Care Program”) for OLPG which complies with the terms of the various population health and risk agreements of the OLPG.
  - b. Administrator is responsible for the following care management activities:
    - i. Care management program description, structure and implementation;
    - ii. Care coordination services;
    - iii. Clinical program review and support that is data driven and targeted at over-represented disease states, preventative services and facility utilization, including but not limited to:
      1. Compiling outcome data and reviewing the results with OLPG /HSC-S;
      2. Developing, maintaining and providing copies of the Care Program descriptions;
      3. Evaluating and monitoring OLPG / LSU performance; and
  - c. Providing oversight of the Care Program.
4. Practice Transformation.
  - a. Review current workflows for efficiencies and opportunities for patient engagement enhancement.
  - b. Advise Faculty Practice as to value-based program design and approaches and patient centered, team-based care models.
5. Prepare and participate in negotiating the terms and conditions of payer agreements.
6. Provide consultative services regarding the fee schedule for the services of HSC-S Faculty.
7. Administration of payor incentive programs.

**EXHIBIT A-5**

**Information Technology Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OPLG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services set forth below.

1. Oversee the operation of the primary and, if applicable, secondary data centers. The fees, costs, and expenses for managing and operating such centers are Reimbursable Costs.
2. Manage vendor relationships, renewals and new contracts.
3. Develop an IT infrastructure that will enable the mutually agreed upon strategic plan.
4. Create or purchase software/application solutions including the development and coordination of business requirements; vendor selection; product evaluation; contract negotiations. The fees, costs, and expenses for such software/applications are Reimbursable Costs.
5. Plan for new IT products or services and oversee the implementation and management of same. The fees, costs, and expenses for such products and services are Reimbursable Costs.
6. Arrange for the support and management of the following:
  - a. end users' desktop experience, including desktop, printer, keyboard, and mouse;
  - b. end users' mobile experience, as needed, including mobile device management and tablets;
  - c. multi-function printer solution, including faxing and scanning;
  - d. video conferencing solution;
  - e. information technology applications applicable to the Faculty Practice, including EHR;
  - f. telecommunication services (including telephone, internet, data circuit, local and long distance) related to the Faculty Practice;
  - g. server infrastructure (virtual server and physical server);
  - h. data storage infrastructure (SAN, NAS, XIO);
  - i. data backup infrastructure (Avamar, Data Domain);
  - j. network infrastructure;

- k. IT security and risk management program to include System Malware Protection, Desktop Malware Protection, Vulnerability Management, Risk Assessment and Remediation, Awareness and Education, and Mobile Device Security; and
- l. Operational Support Service - IT Help Desk, Desktop Support, changes to existing devices, End User Troubleshooting.

The fees, costs, and expenses for such services described in (a)-(l) are Reimbursable Costs.

**EXHIBIT -A6**

**Office and Supply Services**

During the Term of this Agreement, Administrator, through its employees, subcontractors, vendors, and agents, shall provide the below-listed Administrative Services. In accordance with **Section 5.3**, OLPG shall pay Administrator for the Reimbursable Costs incurred in performing the Administrative Services set forth below.

1. Administrator shall coordinate the provision of office, and other supplies reasonably required for the operation of the Faculty Practice, consistent with guidelines to be determined by Administrator and OLPG, including all reasonable and necessary telephones, forms, telephone answering service, reception, secretarial and transcribing services, postage, and duplication services for the Faculty Practice. The fees, costs, and expenses of such supplies are Reimbursable Costs.
2. Administrator shall work with OLPG and LSU to ensure that inventory and supplies are ordered and such other ordinary or appropriate materials as Administrator and OLPG determine to be necessary for the operation of OLPG consistent with the Annual Budget. Inventory and supplies shall include, but not be limited to: (a) medical supplies; (b) office supplies; (c) postage; (d) computer forms and supplies; (e) printing and stationary supplies; and (f) printer supplies. The fees, costs, and expenses of such inventory and supplies are Reimbursable Costs.
3. Participate in negotiating the terms and conditions of supply agreements in order to optimize operations and reduce risk while improving cost savings.
4. Arrange for a materials and supplies requisitioning platform to allow for the procurement of goods and services for OLPG departments. The fees, costs, and expenses for the operation / maintenance of such platform are Reimbursable Costs.
5. Arrange for the distribution of goods and supplies among Practice Sites. The fees, costs, and expenses for the distribution of such goods and supplies are Reimbursable Costs.
6. Develop purchasing requirements, to be mutually agreed upon by Administrator and OLPG.
7. Coordinate the provision of office supplies and other services that are reasonably required for the operation of the OLPG. The fees, costs, and expenses for such supplies and services are Reimbursable Costs.
8. Manage the supply procurement process, including bidding.

**EXHIBIT B**

**Professional Coding, Billing and Collection Services**

Prior to July 1, 2019, the date on which the parties agree to transition the professional coding, billing and collection services (i.e., coding, clinical documentation, and back end revenue cycle services) currently performed by Acadiana Computer Systems, Inc. to Administrator, Administrator and OLPG may enter into a Statement of Work describing the Professional Coding, Billing and Collection Services to be performed by Administrator, the corresponding Professional Coding, Billing and Collection Fee for such services, and the Reimbursable Costs associated with the Professional Coding, Billing and Collection Services (e.g., the fees, costs, expenses to maintain and operate information systems, and fees for billing statements, any lock box, Electronic Remittance Advice, Electronic Funds Transfer, etc.). The Professional Coding, Billing and Collection Fees shall be paid consistent with **Section 5.2**.

OLPG and Administrator shall work together to provide all billing information reasonably required (including applicable fee schedule(s)) to enable Administrator to provide or arrange for the Professional Coding, Billing and Collection Services. OLPG and Administrator shall use their best efforts to ensure that Administrator has all the appropriate documents and other evidence and records reasonably necessary to support claims submitted for OLPG. OLPG shall procure consents to assignment and other approvals and documents necessary to enable Administrator to facilitate payment or reimbursement from third-party payors, Ochsner LSU Hospitals, L.L.C. ("OLH"), OLH Shreveport, L.L.C. ("OLH Shreveport") and OLH Monroe, L.L.C. ("OLH Monroe") (including those payments to be paid to OLPG under the Professional Services Agreement by and among those parties, ("PSA")), and patients. The billing services Administrator performs on OLPG's behalf pursuant to the terms of this Agreement shall be conducted in the name of OLPG and with the use of OLPG's identification number to the extent required by Applicable Law. Notwithstanding the foregoing, OLPG and Administrator acknowledge and agree that certain HSC-S Faculty have reassigned their right to bill and collect for professional services to OLH Monroe and OLH Shreveport. Accordingly, Administrator will not bill or collect for such professional services reassigned to OLH Monroe and OLH Shreveport, other than as to amounts due OLPG under the PSA.

Administrator's anticipated Professional Coding, Billing and Collection Fee for performing Professional Coding, Billing and Collection Services are reflected in the following fee schedule:

Coding, Billing, Collections, Denials for Physicians and Midlevel Practitioners	[8%] of Net Professional Collections*
Bad Debt Collections	[12%] of Net Bad Debt Professional Collections*

\*"Net Professional Collections" mean the total sum of all monies collected by Administrator for any and all of the professional services rendered by the OLPG Practitioners, less amounts refunded to OLPG's patients or third-party payors as the result of overpayments or erroneous payments, Medicaid supplemental payments (e.g., upper payment limit, or Medicaid Full Medicaid Payment (FMP)), and any Bad Debt Net Professional Collections.

\*"Net Bad Debt Professional Collections" mean \_\_\_\_\_.

The above fee schedule is subject to change if there is a change during any contract year during the Term in the OLPG Practitioners' collective payer class mix of greater than five percent (5%) or a third-party vendor implements a fee adjustment. The fee schedule shall be adjusted no more frequently than once annually. Also, any fees or expenses incurred by Administrator for third-party consultants or vendors, computer systems (e.g., claims scrubber, collections optimization manager, and patient eligibility systems), and billing statements shall be a Reimbursable Cost. Such fees and expenses shall be reflected in the Annual Budget. OLPG will be directly responsible for any bank accounts and related fees, such as lock-box, electronic remittances, and electronic funds transfer fees.

The final Professional Coding, Billing and Collection Fee must be approved by the OLHS-NL Board, be consistent with the Annual Budget, and reflect Administrator's completion of diligence as to the Professional Coding, Billing and Collection Services to be performed. Notwithstanding anything herein to the contrary, Administrator shall ensure that Administrator's Professional Coding, Billing and Collection Fee as set forth in the fee schedule above shall be comparatively less than the percentage of Net Professional Collections and Net Bad Debt Professional Collections fee paid by OLPG pursuant to the terms of the agreement in effect with ACS immediately prior to the Effective Date, for the same scope, quantity, and level of the Professional Coding, Billing and Collection Services provided hereunder. Upon request by the OLHS-NL Board or Joint Management Committee, Administrator shall provide documentation demonstrating the cost savings on the Professional Coding, Billing and Collection Services as compared to the fees and expenses paid to ACS immediately prior to the Effective Date.

**EXHIBIT C****Reimbursable Costs**

Subject to Section 4.9.1, Section 4.11, and Section 5.3 regarding Excess Expenditures and Reimbursable Costs, the following Table 1 lists Reimbursable Costs. Manager acknowledges and agrees that such approval requirements in Section 4.9.1 and Section 4.11 (addressing the use of consultants, vendors, and subcontractors) extend to the categories of Reimbursable Costs reflected in Exhibit C, Table 1, as well as all other fees and/or costs that arise outside the scope of such categories.

<b><u>Table 1</u></b>	
<b><u>Reimbursable Costs</u></b>	
1	Personnel Expenses for Faculty Practice Clinical Staff and Faculty Practice Administrators, as described in <b>Section 4.7.7</b>
2	Travel, meals, and lodging costs incurred by Administrator's personnel while performing Services pursuant to this Agreement. Airfare shall be limited to coach seating, and mileage shall be reimbursed at no more than the standard rate issued annually by the Internal Revenue Service. Meals and lodging shall be reimbursed at reasonable rates.
3	Professional services fees for third-party attorneys, accountants, consultants, and other professionals engaged to provide Services to OLPG
4	Third party vendor costs for services, equipment, technology, licenses, materials, computer systems, information systems, and supplies procured directly for or on behalf of OLPG
5	Certain costs for Professional Coding, Billing and Collection Services provided by Administrator (e.g., claims scrubber, collections optimization manager, and patient eligibility systems), including those Reimbursable Costs identified in in <b><u>Exhibit B</u></b> or in the Statement of Work referenced therein
6	Fees, costs, and expenses for information system management services provided by Administrator or a third party vendor
7	Personnel Expenses for any personnel, corporate support services, or clinical support services paid for by OLPG at the initiation of the Agreement and subsequently transferred to the Administrator at the request of OLPG
8	Fees, costs, and expenses for any consulting outside of the services listed on <b><u>Table 2</u></b> , below.
9	Reimbursable Costs identified in <b><u>Exhibit A</u></b> of this Agreement

<b>Table 2</b>			
<b>Administrator's Consulting Services Available to OLPG as Part of the Management Fee</b>			
<b><u>Corporate Support Services</u></b>	<b><u>Corporate Support Services</u></b>	<b><u>System Service Lines</u></b>	<b><u>Ancillary Support Services</u></b>
Internal Audit	Safety	Anesthesia	Ambulatory Nursing
Compliance & Privacy	Security & Emergency Preparedness	Hospital Medicine	Blood Bank
Community Outreach	Strategy & Business Development	Laboratory	Infection Control
Corporate Communications	Supply Chain	Men's Health	Medical Informatics
Facilities, Real Estate, & Support Services	Accounting	Orthopedics	Nursing Informatics
Human Resources	Accounts Payable	Primary Care	Pharmacy & Wellness
Legal Affairs & Risk Management	Payroll	Radiology	Patient Experience
Marketing	Decision Support	Surgery	Quality & Performance Improvement
Medical Informatics	Forms Management	Telemedicine	Rehab Therapy & Wellness
Medical Staff Administration	Managed Care Contracting	Urgent Care & Occupational Health	Research Administration
Philanthropy	Reimbursement		Spiritual Care & Education
Professional Staff Services	Treasury		Total Health Solutions
Information Systems	Revenue Cycle		

**EXHIBIT D**

**Business Associate Agreement**

See attached

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is entered into by and between Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”) and its wholly owned subsidiary LSU Health Sciences Center-Shreveport Faculty Group Practice, a Louisiana nonprofit corporation d/b/a Ochsner LSU Physician Group (collectively, the “Covered Entity”), and Clinical Operational Management Company, L.L.C. (the “Business Associate” or “BA”) (collectively referred to herein the “Parties” or individually as a “Party”) to be effective as of the \_\_\_ day of \_\_\_\_\_, 2018 (“Effective Date”).

WHEREAS, Covered Entity has a business relationship with Business Associate that is memorialized in a separate agreement(s) (the “Underlying Agreement”) pursuant to which Business Associate is or may be considered a “Business Associate” of Covered Entity (as defined in 45 CFR §160.103) and therefore subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), and the implementing regulations set forth at 45 CFR Parts 160 and 164 (the “HIPAA Regulations”); and

WHEREAS, Business Associate may create, receive, maintain or transmit data for or from Covered Entity that constitutes Protected Health Information (“PHI”), as that term is defined under the HIPAA Regulations, on behalf of Covered Entity; and

WHEREAS, Business Associate is or may be directly subject to certain privacy and security obligations and penalty provisions of the HIPAA Regulations and state law.

For good and lawful consideration as set forth in the Underlying Agreement, Covered Entity and Business Associate enter into this Agreement for the purpose of ensuring compliance with the requirements of HIPAA, the HITECH Act, the HIPAA Regulations and the laws of the State of Louisiana.

NOW THEREFORE, in consideration of the mutual covenants contained herein which are made a contractual part hereof and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### **Section 1. Definitions.**

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Regulations.

- (A) “Electronic Protected Health Information” or “ePHI” shall have the same meaning as the term “Electronic Protected Health Information” in 45 CFR §160.103, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.

- (B) “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E, as amended from time to time.
- (C) “Protected Health Information” or “PHI” shall have the same meaning as the term “Protected Health Information” in 45 CFR §160.103, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- (D) “Secretary” shall mean the Secretary of the U.S. Department of Health and Human Services or his or her designee.
- (E) “Security Rule” shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, as amended from time to time
- (F) “Unsecured Protected Health Information” or “Unsecured PHI” shall have the same meaning as the term “Unsecured Protected Health Information” in 45 CFR §164.402, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity.

**Section 2. Permitted Uses and Disclosures by Business Associate.**

- (A) Permitted Uses. Except as otherwise limited in this Agreement, Business Associate may Use PHI to perform functions, activities, or services for, or on behalf of Covered Entity as specified in the Underlying Agreement; for the proper management and administration of the Business Associate; to carry out the legal responsibilities of the Business Associate; or to provide services and otherwise comply with the Underlying Agreement; provided that Business Associate shall not Use PHI in a manner that would violate the HIPAA Regulations if done by Covered Entity.
- (B) Data Aggregation. Business Associate may Use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 CFR §164.504(e)(2)(i)(B).
- (C) Permitted Disclosures. Except as otherwise limited in this Agreement, Business Associate may Disclose PHI to perform functions, activities, or services for, or on behalf of Covered Entity as specified in the Underlying Agreement; for the proper management and administration of the Business Associate; to carry out the legal responsibilities of the Business Associate; or to provide services and otherwise comply with the Underlying Agreement; provided that such Disclosure is Required by Law, or Business Associate obtains, prior to making any such Disclosure, (i) reasonable written assurances from the recipient that such PHI will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was Disclosed to the recipient, (ii) a written agreement from the recipient to notify Business Associate without unreasonable delay and in no event later than sixty (60) days of any instances of which it is aware in which the confidentiality of the

information has been breached, and Business Associate shall not Use PHI in a manner that would violate the HIPAA Regulations if done by Covered Entity.

- (D) Disclosures Required by Law. Business Associate may Use or Disclose PHI as Required by Law.
- (E) De-Identified Data. Business Associate is authorized to Use PHI to de-identify the information in accordance with 45 CFR 164.514(a)-(c). The Parties hereby agree that, once so de-identified, such information is no longer covered by HIPAA or the HIPAA Regulations and Business Associate may Use and Disclose the information in compliance with applicable law and the Underlying Agreement.

### **Section 3. Prohibited Uses and Disclosures.**

- (A) Prohibited Uses and Disclosures. Business Associate shall not Use or Disclose PHI for any other purpose not permitted by this Agreement, the Underlying Agreement or the HIPAA Regulations. To the extent Business Associate is authorized to make Disclosures directly to health plans, Business Associate shall not Disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, as required by 42 U.S.C. § 17935(a). Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of Covered Entity and as permitted by the HITECH Act and the HIPAA Regulations. Notwithstanding the foregoing, this prohibition shall not limit or otherwise affect payment by Covered Entity to Business Associate for services provided pursuant to the Underlying Agreement. If Covered Entity notifies Business Associate of a restriction Covered Entity has agreed to that would limit Business Associate's Use or Disclosure of PHI, Business Associate shall comply with the restriction.

### **Section 4. Obligations and Activities of Business Associate.**

- (A) Compliance. Business Associate shall be directly responsible for full compliance with the relevant requirements of the Privacy Rule to the same extent as Covered Entity.
- (B) Appropriate Safeguards. Business Associate shall use and maintain reasonable and appropriate safeguards to prevent Uses or Disclosures of PHI and electronic PHI not permitted by the Underlying Agreement or this Agreement, including, but not limited to, administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the PHI and electronic PHI, in accordance with the applicable requirements of the Security Rule and any guidance issued by the Secretary.

- (C) Business Associate's Agents. Business Associate agrees to ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI, in electronic or other form, on behalf of Business Associate agrees in writing to the same restrictions, terms and conditions that apply through this Agreement to Business Associate with respect to such information.
- (D) Duties of Business Associate Involving Breach or Unauthorized Access, Use of Disclosure of PHI.
- (1) Discovery of Breaches. A Breach shall be treated as discovered by Business Associate as of the first day on which such Breach is known to the Business Associate, or by exercising reasonable diligence would have been known to the Business Associate. Business Associate shall be deemed to have knowledge of a Breach if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer or other agent of Business Associate.
  - (2) Reporting of Improper Access, Use or Disclosure; Security Incident; Breach. Business Associate shall report to Covered Entity in writing of any access, Use or Disclosure of PHI not permitted by this Agreement, the Underlying Agreement or applicable federal or state law, any Security Incident (as defined at 45 CFR §164.304) and any Breach of Unsecured PHI of which it becomes aware or discovers without unreasonable delay and in no event later than sixty (60) days of discovery. In the event of a Breach of Unsecured PHI, written notice shall include, to the extent possible: (a) the date of discovery of the Breach; (b) a listing of the identification of individuals whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, Used or Disclosed during the Breach; (c) a general description of the nature of the Breach; and (d) any other available information that Covered Entity is required to provide pursuant to 45 CFR §164.404(c). Business Associate shall provide Covered Entity with updates of information concerning the details of such unauthorized access, Use or Disclosure, Security Incident or Breach and the final results of any Risk Assessment conducted by Business Associate, in the event of a Breach of Unsecured PHI.
  - (3) Mitigation of Harm. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this Agreement or the Underlying Agreement, a Security Incident, or a Breach of Unsecured PHI. Such mitigation may include, without limitation, promptly obtaining assurance from the recipient that the information will not

be further Used or Disclosed in a confidentiality agreement or that the information will be destroyed.

- (4) Notification to the Individual. It is the sole responsibility of the Covered Entity to notify Individuals of any Breach of Unsecured PHI. At no time, is the Business Associate to contact or speak directly to any of Covered Entity's patients/individuals who are the subject of any Breach. Any such inquiries should be directed to the Covered Entity's Compliance and/or Privacy Officer. Business Associate shall cooperate with Covered Entity as necessary to provide such notification and any details pertaining to any Breach.
  - (5) Cooperation with Law Enforcement. Business Associate shall cooperate with Covered Entity in the event law enforcement officials institute an investigation under this Agreement.
  - (6) Notification to Media. For a Breach of Unsecured PHI involving more than 500 individuals, it is solely the responsibility of Covered Entity to notify the media and appropriate law enforcement and federal and state agencies as required by the HITECH Act and 45 CFR §164.406. At no time is the Business Associate to contact or speak directly to the media without the prior authorization of Covered Entity. Business Associate shall cooperate with Covered Entity as necessary to provide such notification to the media.
  - (7) Security Incidents and Breaches Under State Law. Business Associate will report any security incidents or breaches of personal information reportable under applicable state laws, including without limitation La. Rev. Stat. Ann. §51:3071 *et seq.*, to Covered Entity consistent with the applicable state law and follow the same risk assessment, mitigation, reimbursement, and cooperation provisions set forth in this Section 4(D) for a Breach.
- (E) Access to PHI. If Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate agrees to promptly make available for inspection and duplicating any PHI about the individual in a Designated Record Set that is in Business Associate's custody or control, so that Covered Entity may meet its access obligations under under 45 CFR § 164.524. If an Individual requests access to PHI directly from Business Associate, Business Associate shall promptly forward such request to Covered Entity.
- (F) Access to Records. Business Associate agrees to make its internal practices, books, and records, including policies and procedures relating to the Use and Disclosure of PHI received from, or created, received, maintained or transmitted by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, for purposes of determining compliance with the HIPAA Regulations.

- (G) Minimum Necessary. Business Associate shall request, Use and Disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure in the Underlying Agreement.
- (H) Data Ownership. Business Associate has no ownership rights with respect to the PHI.
- (I) Amendments of PHI. Business Associate, upon Covered Entity's request, agrees to make any amendment(s) to PHI in a Designated Record Set that is in the custody or control of Business Associate, to enable the Covered Entity to fulfill its obligations to pursuant to 45 CFR §164.526. If an Individual requests an amendment to the Individual's PHI directly to Business Associate, Business Associate shall promptly forward such request to Covered Entity.
- (J) Accounting. Business Associate shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 CFR §164.528 (and any regulations issued pursuant to the HITECH Act). If an Individual requests an accounting of disclosures directly from Business Associate, Business Associate shall promptly forward such request to Covered Entity.

**Section 5. Continuing Obligations/Termination.**

- (A) Term. The obligations of Business Associate set forth herein shall commence on the effective date of the Underlying Agreement and shall terminate when the Underlying Agreement terminates and all of the PHI in Business Associate's possession is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, the terms of this Agreement are extended to cover such information and survive termination of this Agreement.
- (B) Effect of Termination.
  - (1) Except as provided in Section 5(D)(2) of this Agreement, upon termination of the Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or maintained by Business Associate on behalf of Covered Entity, at no cost to Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.
  - (2) In the event that Business Associate reasonably determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Business Associate shall extend the protections of this Agreement to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

- (3) The provisions of this Section 5(D) shall survive termination of this Agreement.

**Section 6. Obligations of Covered Entity to Inform Business Associate of Privacy Practices and Individual Restrictions.**

- (A) Notice of Privacy Practices. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR §164.520, as well as any changes to such notice.
- (B) Changes in Permitted Use. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to Use or Disclose PHI, if such changes affect Business Associate's permitted or required Uses and Disclosures.
- (C) Restrictions on Use. Covered Entity shall notify Business Associate of any restriction to the Use or Disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522.

## Section 7. General Provisions.

- (A) No Third Party Beneficiaries; Agency Relationship. Nothing in this Agreement shall be construed to create any rights or remedies in any third parties or any agency relationship between the parties.
- (B) Regulatory References. A reference in this Agreement to a section in HIPAA, the HITECH Act, or the HIPAA Regulations means the section as in effect or as amended.
- (C) Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with all federal, state and local laws and regulations, including, but not limited to, the requirements of HIPAA, the HITECH Act and the HIPAA Regulations. This Agreement shall be modified or amended only by an instrument in writing signed by a duly authorized representative of each of party, effective as of the date stipulated therein and attached hereto.
- (D) Survival. The respective rights and obligations of Business Associate with respect to PHI shall survive the termination of this Agreement.
- (E) Interpretation. Should there be any conflict between the language of this Agreement and any other agreement entered into between the parties, the language of and provisions of this Agreement shall control and prevail unless the parties specifically refer in a subsequent written agreement to this Agreement by its title and date and specifically state that the provisions of the later written agreement shall control over this Agreement. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the HITECH Act and the HIPAA Regulations.
- (F) Governing Law. This Agreement shall be construed in accordance with, interpreted and governed by the laws of the State of Louisiana without regard to any other state's conflicts of law provisions. Any action or proceeding regarding this Agreement shall be instituted and conducted in the parish of East Baton Rouge. The provisions of this Section 8(E) shall survive the termination of this Agreement.
- (G) Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

**If to OLH Shreveport, OLH Monroe, or OLH:**

[Insert Name]  
Ochsner LSU Hospitals, LLC  
Ochsner LSU Health Shreveport  
1541 Kings Highway  
Shreveport, Louisiana 71103

with a required copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, LA 71103  
ATTN: Chairman, Board of Directors

**If to OLHS-NL:**

[Insert Name]  
[Insert Address]

with a required copy to:

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

and

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

**If to Manager:**

OLH Operational Management Company, L.L.C.  
1450 Poydras St. Ste 2250  
New Orleans, Louisiana 70112  
Attention: General Counsel

- (H) Entire Agreement. With regard to the subject matter herein, this Agreement supersedes prior discussions, agreements, understandings, and representations between the Covered Entity and Business Associate.

Except as set forth specifically above, the terms of the Underlying Agreement remain in full force and effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURES ON FOLLOWING PAGE]**

*SIGNATURE PAGE TO BUSINESS ASSOCIATE AGREEMENT*

**IN WITNESS WHEREOF**, the parties have hereunto caused this Agreement to be executed as by law provided.

**COVERED ENTITY:**

**BUSINESS ASSOCIATE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Faculty Services Agreement

This FACULTY SERVICES AGREEMENT (“Agreement”) is effective October 1, 2018 (“Effective Date”) and is by and between **LSU HEALTH SCIENCES CENTER-SHREVEPORT FACULTY GROUP PRACTICE D/B/A OCHSNER LSU PHYSICIAN GROUP**, a Louisiana nonprofit corporation (“OLPG”) and the **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (“LSU”), a constitutional body of the State of Louisiana (“State”), organized and existing under the constitution and laws of the State of Louisiana, and is entered into by LSU on behalf of Louisiana State University Health Sciences Center — Shreveport (an academic institution operated and administered by LSU) (“HSC-S”). OLPG and LSU are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

### RECITAL OF FACTS AND PURPOSE

WHEREAS, OLPG’s sole member is Ochsner LSU Health System of North Louisiana, a Louisiana nonprofit corporation (“OLHS-NL”); and

WHEREAS, OLHS-NL, through subsidiary entities Ochsner LSU Hospitals, L.L.C. (“OLH”), OLH Shreveport, L.L.C. (“OLH Shreveport”), and OLH Monroe, L.L.C. (“OLH Monroe”) (collectively, the “OLH Entities”), operates the hospital facilities and associated outpatient clinics to be known as of the Effective Date as Ochsner LSU Health Shreveport in Shreveport, Louisiana and Ochsner LSU Health Monroe in Monroe, Louisiana (each a “Hospital” and collectively the “Hospitals”); and

WHEREAS, OLPG has entered into a Professional Services Agreement with OLHS-NL, OLH, OLH Shreveport, and OLH Monroe (“PSA”) pursuant to which OLPG, by and through the expertise of the HSC-S Faculty (as defined below), will provide professional clinical and medical administrative services at the Hospitals (“PSA Services”); and

WHEREAS, LSU has entered into, and may in accordance with the terms and conditions of that certain Academic Clinical Collaboration Agreement among LSU, Ochsner Clinic Foundation d/b/a Ochsner Health System (“Ochsner”), and OLHS-NL (“ACCA”) in the future enter into future, clinical service arrangements (“Other Service Agreements”) pursuant to which LSU, by and through the expertise of the HSC-S Faculty, provide certain professional clinical and medical administrative services at facilities and locations other than the Hospitals; and

WHEREAS, pursuant to the terms and conditions of the ACCA and subject to the Carve-Out Services (as such term is defined therein), LSU agreed on behalf of the HSC-S Faculty to assign all of its rights to bill and collect for the professional services and all other proceeds collected from patients, third-party payers and healthcare providers other than the Hospitals included in the calculation of OLPG’s “Net Third Party Collections” (as defined on **Exhibit A**) (collectively, “Other Services”);

WHEREAS, LSU desires to (i) make HSC-S Faculty available to OLPG to enable OLPG to fulfill its obligations to OLHS-NL, OLH, OLH Shreveport and OLH Monroe as described in

the PSA and (ii) assign all of its rights to bill and collect for the PSA Services and Other Services; and

WHEREAS, OLPG shall also provide or arrange for the provision of certain administrative services to enable LSU and OLPG to fulfill their respective obligations respective under the Service Agreements including, without limitation, billing and collection services (collectively, “Administrative Services”); and

WHEREAS, this Agreement furthers a mission of LSUHSC-S to improve the level of professional education and health care provided to persons in north Louisiana by delivering high quality healthcare consistent with national quality standards.

NOW, THEREFORE, in consideration of the mutual agreements, objectives, and purposes of the Parties, the Parties enter into the following Agreement:

## I. PURPOSE AND GOVERNING PRINCIPLES

A. General. This Agreement contemplates a relationship whereby LSU will (i) make HSC-S Faculty available to OLPG to enable OLPG to provide the PSA Services, and make certain assignments, as described in Sections II and V.B, to OLPG in return for OLPG making payments to LSU as described in Exhibit A; and (ii) OLPG will provide or arrange for the provision of the Administrative Services.

## II. RESPONSIBILITIES OF LSU

A. HSC-S Faculty. The term “HSC-S Faculty” shall mean qualified physicians licensed to practice medicine in the State of Louisiana, who provide PSA Services under the PSA and/or Other Services under Other Service Agreements, and who are members of the faculty at HSC-S. The term “HSC-S Faculty” shall also include non-physician practitioners (i.e., advanced practice registered nurses and physician assistants) who are licensed/permitted to practice in their respective profession in the State of Louisiana, are employed by HSC-S, and qualified to provide the PSA Services to be rendered by such practitioner. Exhibit B lists the number of full-time equivalent HSC-S Faculty (“FTEs”) to be provided by HSC-S for performance of the PSA Services Other Services under the Other Service Agreements. LSU shall update Exhibit B to reflect any changes in FTEs, including, without limitation, the addition of “New Physicians” in accordance with the procedures set forth in Section 2.3.5 of the ACCA. HSC-S will also identify and give OLPG notice of any other physicians and other practitioners who are contracted to Provide PSA Services or Other Services but who are not considered HSC-S Faculty for purposes of this Agreement.

B. PSA Services and Other Services. LSU shall provide to OLPG the PSA Services pursuant to the terms and conditions of the PSA. LSU shall also provide the Other Services pursuant to the terms and conditions of the Other Service Agreements and/or in accordance with third-party billing requirements. Notwithstanding anything to the contrary in this Agreement, the HSC-S Faculty, under the auspices of HSC-S, shall remain employees and under the ultimate direction, control, and supervision of LSU. HSC-S Faculty shall provide PSA Services on behalf of OLPG and the Other Services, subject to the following:

1. Education and Research Functions. The HSC-S Faculty shall continue to perform Carve-Out Services (as such term is defined in the ACCA) other than PSA Services and Other Services on behalf of LSU, provided that LSU makes available to OLPG the number of FTEs listed in **Exhibit B**, as may be updated from time to time by written agreement of the Parties, and provide the Other Services contemplated herein.
2. Compensation and Benefits for HSC-S Faculty. The HSC-S Faculty shall retain all of the rights and privileges that they currently enjoy as employees of LSU, including, but not limited to, salary, pension and benefits expressly granted to them pursuant to their employment or other agreements with LSU and other LSU policy and action. OLPG shall not be liable, nor shall it pay, any compensation or benefits to HSC-S Faculty. Notwithstanding anything herein to the contrary, the Parties agree that the compensation for the clinical portion of the HSC-S Faculty's time shall be subject to the process set forth in Section 2.3.5 of the ACCA (as defined below) for establishing the clinical compensation amount and model.
3. Compliance with Laws and Hospital Policies. The HSC-S Faculty providing PSA Services under the PSA shall comply with the Hospital Policies as such term is defined in the PSA. Conduct of any HSC-S Faculty member reported or deemed to be detrimental to the health or safety of a Hospital's patients or disruptive to Hospital staff and operations and provides will be handled in accordance with the terms and conditions of the PSA and/or the Hospital's Medical Staff Bylaws, as applicable.
4. Ethical Duties. The HSC-S Faculty shall have a moral, ethical and legal responsibility to OLPG and LSU for the responsible management of the care of patients.
5. HSC-S Faculty Appointments. The power of appointment to the HSC-S Faculty remains exclusively with LSU; provided, however, that in the event LSU appoints a HSC-S Faculty without consent from OLHS-NL in accordance with Section 2.3.5 of the ACCA, LSU shall not be entitled to any payments from OLPG for PSA Services or Other Services provided by such HSC-S Faculty.
6. Termination of HSC-S Faculty. LSU shall notify OLPG as soon as practicable but no later than five (5) days after providing notice of termination to any HSC-S Faculty.
7. Cooperation with Medical Staff Office. LSU shall provide timely notice to the applicable Hospital Medical Staff office of HSC-S Faculty information relevant to the provision of PSA Services and necessary for the Medical Staff office to carry out its functions. Such notice shall be provided for all types of leaves of absences, suspensions, resignations, new hires and

appropriate claims histories. Documentation necessary to confirm these events will also be provided to the Medical Staff office in a timely manner.

8. Assignment of Billing and Collections for PSA and Other Services. LSU shall assign or reassign all rights of LSU and the HSC-S Faculty to bill and collect for the PSA Services and Other Services to OLPG in accordance with and subject to Section V.B. In accordance with such assignment or reassignment of such rights to bill and collect, neither LSU nor the HSC-S Faculty shall have any right to any fees billed or collected for the PSA Services or Other Services rendered by the HSC-S Faculty. LSU also agrees, and shall ensure that the HSC-S Faculty agree, to take all steps necessary to enable OLPG to bill and collect for the PSA Services and Other Services including, without limitation, providing necessary information to enable OLPG to submit invoices and supporting documentation in accordance with the terms and conditions of Article Five of the PSA.

C. Compliance with PSA and Other Service Agreements. LSU shall comply with and require the HSC-S Faculty to comply with all applicable terms and conditions of the PSA relating to HSC-S Faculty including, without limitation, those requirements set forth in Article Three thereof (including the requirements to complete and submit time studies), Article Nine thereof (relating to the timely completion of medical records consistent with Hospital Policies as such term is defined in the PSA), and Article Fourteen thereof (relating to compliance with HIPAA). LSU shall also comply with all applicable terms and conditions of the PSA including, without limitation, those requirements set forth in Article Three thereof and the requirements to provide compensation and benefits information for each HSC-S Faculty to OLPG with sufficient detail to enable the Hospitals to include such actual costs in their cost reports and the notice obligations described therein relating to, for example, the commencement of certain investigations/formal audits/reviews/matters concerning a HSC-S Faculty member's license to practice their profession. In addition, LSU shall comply and require the HSC-S Faculty to comply with all terms and conditions of the Other Service Agreements.

### III. RESPONSIBILITIES OF OLPG

A. General Responsibilities. Subject to the terms and conditions set forth in more detail elsewhere in this Agreement, OLPG is responsible for the following:

1. Administrative Services. OLPG shall provide or arrange for the provision of the Administrative Services in support of this Agreement, consistent with the terms and conditions of the Administrative Support Agreement between Clinical Operational Management Company, L.L.C. ("Administrator") and OLPG ("Administrative Support Agreement").
2. Billing and Collection. OLPG shall arrange through the Administrative Support Agreement for the billing and collection of all PSA Services and Other Services provided by the HSC-S Faculty. OLPG shall assure that any third party engaged by OLPG to bill and collect for the PSA Services and Other bills and collects to the maximum extent allowable and practical, all

reimbursements from patients, third-party payers and other sources for such PSA Services. The fees for PSA Services rendered by the HSC-S Faculty shall be established and updated by OLPG from time to time to reflect charges and payments agreed upon as part of OLPG's negotiations, along with OLH Shreveport and OLH Monroe as part of the OLHS-NL integrated health system, with third-party payers and related managed care organizations such as networks, etc. All billing and collections for the PSA Services and Other Services shall be performed by the Administrator utilizing OLPG's billing numbers, and LSU shall require the HSC-S Faculty to cooperate with the OLPG staff or their designees to bill all patients promptly for all services rendered. In accordance with Section V.B, LSU shall cause the HSC-S Faculty to fully cooperate with OLPG in reassigning their rights to bill and collect for the PSA Services and Other Services to OLPG. OLPG shall assure that all billed services identify the HSC-S Faculty member providing the services as the rendering provider and that medical record documentation complies with the requirements of Section V.A. In accordance with Section V.C, OLPG shall assure that the billing codes utilized accurately describe the items and/or services provided or performed and shall confirm to any applicable payer requirements, including, without limitation, the Medicare and Medicaid programs. LSU shall assure that HSC-S Faculty cooperate with OLPG staff or their designees to assure accurate and compliant billing for the Services.

3. Budget Preparation. OLPG shall be responsible for preparing or arranging for the preparation of annual budgets for the Administrative Services to be provided to OLPG under the Administrative Support Agreement ("Administrative Services Budget(s)"), and sharing such proposed Administrative Services Budget(s) with HSC-S not later than March 1 of each "Fiscal Year" (defined as July 1 through June 30) for HSC-S's input. Following collaboration with HSC-S on such Administrative Services Budgets, OLPG shall submit such proposed budgets to the OLHS-NL Joint Management Committee (as defined in the ACCA) for approval no later than April 1 of each fiscal year.
4. Compliance Program. OLPG shall be responsible for adopting and implementing an effective compliance program for OLPG to assure compliance with all federal, state and local regulations and requirements ("Compliance Plan") and working with LSUHSC-S to assure HSC-S Faculty are educated regarding compliance issues and act in accordance with the Compliance Plan.
5. Compliance with Laws and Hospital Policies. If OLPG or any of the other OLH Entities deem the conduct of any HSC-S Faculty member to be detrimental to the health or safety of a Hospital's patients or disruptive to Hospital staff and operations, the OLH Entity shall immediately report such conduct to the appropriate individuals in accordance with the terms and conditions of the PSA and the Hospital's Medical Staff Bylaws.

#### IV. HSC-S FACULTY PAYMENTS

A. Payments to LSU for the PSA Services and Other Services. In return for making the HSC-S Faculty available to provide the PSA Services and satisfying the other obligations of LSU as set forth in this Agreement related to the Other Services including, without limitation, all requirements of Sections II and V, OLPG will pay LSU consistent with the terms of **Exhibit A**.

B. Payment Data. With each payment, OLPG shall transmit to HSC-S data necessary for LSU to determine how to allocate the funds received among its various departments and faculty. OLPG and the Dean of HSC-S School of Medicine shall mutually agree on the data required and the appropriate format.

#### V. ASSIGNMENT; CODING; DOCUMENTATION

A. Documentation. LSU shall require that HSC-S Faculty provide accurate, complete, proper and timely documentation of all services rendered under this Agreement. This documentation shall be in conformity with applicable professional standards, third-party payer requirements, if any, governmental record-keeping and reporting requirements (including applicable CMS guidelines and Louisiana and Federal Laws), Hospital Policies, and applicable policies and procedures of LSU/HSC-S. Such documentation shall be appropriately organized, legible, and available for audit review and sufficient to substantiate the medical necessity and other criteria, in relation to items and services ordered and performed by the HSC-S Faculty to enable OLPG or the Administrator to submit claims in conformance with third-party payer requirements.

B. Assignment to OLPG. Except for payments for Carve Out Services and Supplemental Payments as provided in Section 8.2 of the ACCA, LSU assigns to OLPG all accounts receivable, payments, fees, money, coinsurance earned or accrued from the PSA Services provided by the HSC-S Faculty pursuant to this Agreement. In addition, LSU assigns to OLPG all rights to bill and collect for the Other Services. LSU shall require the HSC-S Faculty to expressly authorize OLPG or the Administrator, to accept on the HSC-S Faculty's behalf, any assignment made by any individual who receives PSA Services and Other Services from the HSC-S Faculty, the amount payable to such individual under Medicare, Medicaid, and/or any third-party payer program.

C. Coding for Other Services. OLPG shall assure that HSC-S Faculty utilize proper, accurate, and timely CPT/ICD-10 coding for patients under their care for billing, administrative, and quality purposes in accordance with the Compliance Plan. In the event any third-party payer reduces or refuses to pay fees based on improper or unlawful CPT/ICD-10 coding, OLPG shall include such information in the data provided to HSC-S pursuant to Section IV.B, above. The Parties will make all reasonable efforts to avoid coding problems and to solve any identified coding issues.

#### VI. REPRESENTATIONS AND WARRANTIES

A. Eligibility for Government Programs.

1. Eligibility Status. Each Party represents it has not been convicted of a criminal offense related to health care, and it is not, nor are any of its employees or agents performing services under this Agreement, currently listed on the List of Excluded Individuals and Entities (“LEIE”) by the Office of Inspector General of the Department of Health and Human Services or by any other Federal or State of Louisiana agency or department (including the General Services Administration) as debarred, excluded or otherwise ineligible for participation in federal or state programs and/or federally funded health care programs including Medicare and Medicaid (collectively, “Excluded”). Each Party further represents that, to the best of its knowledge, neither it nor its employees/agents are under investigation or otherwise aware of any circumstances which may result in such Party or its employees/agents being Excluded.
  
2. Continuing Duty. Each Party shall (i) regularly verify the continued accuracy of the eligibility status representation (as described in Section VI.A.1); (ii) immediately terminate its relationship with any individual, agent or entity upon discovering such individual, agent or entity is Excluded; and (iii) notify the other Party immediately, in writing, of any change in circumstances related to its representations made in this Section VI.A).

B. Legal Compliance. Each Party represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered, or will be paid or distributed, by or on behalf of such Party and/or the physicians, officers, or directors of such Party, or to any other person, Party or entity affiliated with such Party, as an inducement to refer or purchase or to influence the referral or purchase of items paid by a federal or state health care program. Further, each Party agrees that it is not obligated by the terms hereof to refer patients to the other Party, that the compensation paid hereunder is consistent with fair market value of the goods and services provided hereunder, and that no part of the consideration paid and received hereunder is in exchange for the referral of patients or services or the promise to make such referrals.

C. Representation Regarding Payment. LSU represents and warrants that the compensation paid to each HSC-S Faculty providing PSA Services pursuant to this Agreement (i) is and shall remain set in advance and consistent with fair market value (as defined in 42 C.F.R. § 411.351) and in accordance with generally accepted standards and methodologies for institutions accredited by the Accreditation Council for Graduate Medical Education or Council on Dental and (ii) that the aggregate compensation paid to such HSC-S Faculty does not exceed fair market value and does not vary with or take into account the volume or value of referrals or other business generated by the HSC-S Faculty members for the Hospitals or other facilities owned or operated by OLH, OLHS-NL, or any other facility to which OLPG provides services.

## VII. STATUS OF THE PARTIES AND THE PARTIES’ EMPLOYEES

A. LSU Employees. At all times, the HSC-S Faculty provided by LSU to OLPG pursuant to this Agreement shall remain employees of LSU, and shall not be entitled to

employment benefits from OLPG including, but not limited to, sick leave or the fringe benefits available to employees of OLPG, and shall not be entitled to participate in any pension plan, life insurance, or any other compensation, welfare or benefit plan maintained by OLPG. LSU understands and agrees that (i) the HSC-S Faculty will not be treated as employees of OLPG for federal tax purposes; (ii) OLPG will not withhold on behalf of the HSC-S Faculty pursuant to this Agreement any sums for income tax, unemployment insurance, social security or any other withholding pursuant to any law, or make available to the HSC-S Faculty any of the benefits afforded to employees of OLPG; and (iii) all of such payments, withholdings, and benefits, if any, are the sole responsibility of LSU.

B. LSU Independent Contractor Services. The PSA Services and Other Services provided by LSU pursuant to this Agreement shall be as an independent contractor. The HSC-S Faculty will be acting in the course and scope of their employment, appointment or assignment for or on behalf of LSU, and shall not be entitled to receive or accept from OLPG any remuneration or other compensation whatsoever. It is expressly acknowledged and stipulated by LSU and OLPG that each HSC-S Faculty assigned in any capacity to OLPG pursuant to this Agreement is and shall be an employee solely of LSU and shall not for any purpose whatsoever, be or be considered an employee, representative or agent of OLPG. In all instances where LSU's employees (including direct, borrowed, special, or statutory employees) are performing the PSA Services or Other Services and covered by the Louisiana Workers' Compensation Act, La. R.S. 23:1021 et seq., the Parties agree that all PSA Services or Other Services performed by LSU and its employees pursuant to this Agreement are an integral part of OLPG's trade or business, and are an integral part of and essential to the ability of OLPG to generate OLPG's goods, products, and services. Furthermore, the Parties agree that, for the purposes of La. R.S. 23:1061(A)(3), LSU's employees are the statutory employees of OLPG. Irrespective of OLPG's status as the statutory employer or special employer (as defined in La. R.S. 23:1031(C)) of LSU's employees, LSU shall remain solely and primarily responsible for the payment of any Louisiana Workers' Compensation benefits to its employees, and LSU shall not be entitled to seek contribution for, and shall indemnify and hold harmless OLPG from and against, any such payments, and all such employees shall remain employees of LSU, not OLPG, for all other purposes, including the indemnity and insurance provisions of this Agreement.

C. OLPG Employees. Likewise, OLPG professionals or employees shall not be entitled to any employment benefits whatsoever from LSU including any pension, life insurance or any other compensation, welfare or benefit plan maintained by LSU. OLPG understands and agrees that: (i) OLPG employees will not be treated as LSU employees for federal tax purposes; (ii) LSU will not withhold on behalf of OLPG employees pursuant to this Agreement any sums for income, unemployment insurance, social security or any other withholding pursuant to any law or make available to OLPG or OLPG employees any of the benefits afforded to employees of LSU; and (ii) all of such payments, withholdings, and benefits, if any, are the sole responsibility of OLPG.

D. Medical Decisions. Nothing in this Agreement is intended nor shall be construed to allow OLPG to exercise control or direction over the medical decisions of the HSC-S Faculty performing professional services pursuant to this Agreement; provided, however, that any HSC-S Faculty who fail to comply with Hospital Policies (as defined in the PSA) shall be subject to

the terms and condition of the PSA and the corrective action in accordance with the Hospital's Medical Staff Bylaws.

E. Control of OLPG. Nothing in this Agreement is intended nor shall be construed to allow LSU to exercise control or direction over the manner or method in which OLPG or OLPG employees perform services under this Agreement, except as set forth herein.

F. Challenge by Government Agency. Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship. In the event the Internal Revenue Service or any other governmental agency should question or challenge the status of LSU, OLPG or LSU or OLPG professionals, the Parties mutually agree that both LSU and OLPG shall have the right to timely notice from the other and to participate in any discussion or negotiation occurring with such agency or agencies, irrespective of whom or by whom such discussions or negotiations are initiated.

## VIII. INSURANCE

A. Professional Liability Insurance. Each Party shall have professional liability coverage through the Office of Risk Management in accordance with the provisions of Louisiana Medical Malpractice Act (La. R.S. 40:1237.1, et seq., and La. R.S. 40:1235.1) or through a program of commercial or self-insurance. For purposes of liability arising out of medical malpractice for professional services provided by HSC-S Faculty, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1237.1, et seq. The Parties shall also maintain or ensure the maintenance of comprehensive general liability insurance covering OLPG and HSC-S Faculty with minimum coverage of not less than one million dollars (\$1,000,000.00) per occurrence and three million dollars (\$3,000,000) in the aggregate.

## IX. INDEMNIFICATION.

A. Indemnification by OLPG. OLPG hereby agrees to protect, defend, and indemnify LSU and HSC-S, and their affiliates and their respective officers, directors, members, managers, agents and employees (specifically including, without limitation, HSC-S Faculty) (collectively, "LSU Indemnitees") against, and hold the same harmless from any and all liability, losses, damages, obligations, judgment, claims, causes of action and expenses associated therewith (including reasonable attorney fees) (collectively, "Losses") which the LSU Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by OLPG, or (b) a breach of its obligations hereunder.

B. Indemnification by LSU. LSU and HSC-S hereby agree to protect, defend, and indemnify OLPG and its affiliates and their respective officers, directors, managers, agents and employees (collectively, "OLPG Indemnitees") against, and hold the same harmless from any and all Losses which the OLPG Indemnitees may incur solely as a result of, or arising out of, directly or indirectly, (a) any wanton misconduct or negligent act or omission by LSU, HSC-S or their employees, or agents, or (b) a breach of its obligations hereunder.

C. Indemnification Notice. If any LSU Indemnitee or OLPG Indemnitee receives notice of a claim or event which it believes in good faith may result in a claim for indemnity

hereunder (a “Potentially Indemnified Claim”), the Party receiving notice of the Potentially Indemnified Claim and seeking indemnity (the “Indemnified Party”) shall give written notice of the Potentially Indemnified Claim to the Party from which the Indemnified Party is seeking indemnification (the “Indemnifying Party”). The Indemnified Party shall give written notice of the Potentially Indemnified Claim to the Indemnifying Party as promptly as possible, provided that any delay or failure of notice shall not relieve Indemnifying Party of the obligations within its scope of responsibility hereunder except to the extent such delay has materially prejudiced the Indemnifying Party.

D. Claims by Third Parties and Defenses. If the Potentially Indemnified Claim is brought against the Indemnified Party by a third party, the Indemnified Party may, but shall not be obligated to, tender the Potentially Indemnified Claim to the Indemnifying Party’s insurer or self-insurance fund for defense, and the Indemnifying Party’s insurer or self-insurance fund may, but shall not be obligated to, provide the Indemnified Party with a defense to such Potentially Indemnified Claim. For this purpose it is agreed and understood that, with respect to Potentially Indemnified Claims alleging professional liability, the insurer for OLPG and LSU/HSC-S is the State of Louisiana, Office of Risk Management. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party or the Indemnifying Party elects not to provide the Indemnified Party with a defense, then the Indemnified Party and the Indemnifying Party shall each vigorously defend the Potentially Indemnified Claim. If the Indemnified Party elects not to tender the Potentially Indemnified Claim to the Indemnifying Party, or the Indemnifying Party elects not to provide the Indemnified Party with a defense, and in either case the Indemnified Party is ultimately held liable or otherwise incurs Losses solely as a result of, or arising out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party’s insurer or self-insurance fund shall reimburse the Indemnified Party for the amount of its Losses, subject to this IXD 1 - 1.a below.

1. If the Indemnified Party elected not to tender the Potentially Indemnified Claim to the Indemnifying Party’s insurer or self-insurance fund for defense promptly upon receiving notice of such Potentially Indemnified Claim, then the Indemnified Party’s right to reimbursement of fees and expenses for attorneys, consultants, experts, and others engaged by the Indemnified Party in connection with its defense of the Potentially Indemnified Claim shall be limited as follows:
  - a. If the Indemnifying Party was named by the third party along with the Indemnified Party as potentially liable for Potentially Indemnified Claim, the Indemnified Party’s right to reimbursement for such fees and expenses shall be limited to the rates paid by the Indemnifying Party’s insurer or self-insurance fund for attorneys, consultants, experts and others engaged by the Indemnifying Party in its own defense.
  - b. If the Indemnifying Party was not named by the third party as potentially liable for the Potentially Indemnified Claim, the Indemnified Party’s right to reimbursement for such fees and expenses shall be limited to the rates the Indemnifying Party’s

insurer or self-insurance fund would have paid for attorneys, consultants, experts and others it would have engaged to defend the Indemnifying Party.

2. If the Indemnifying Party's insurer or self-insurance fund provides a defense to the Indemnified Party and it is ultimately determined that any Losses incurred by the Indemnified Party were not solely the result of, or did not arise out of, directly or indirectly, the wanton misconduct or negligent act or omission of the Indemnifying Party, then the Indemnifying Party's insurer or self-insurance fund shall be entitled to reimbursement of the reasonable fees and expenses incurred by the Indemnifying Party's insurer or self-insurance fund in defense of the Indemnified Party.

## X. RECORDS AND RECORDS RETENTION

A. Access to Records and Record Retention. LSU and OLPG shall retain this Agreement (including all amendments and agreements hereto) and any of their books, documents, and records that may serve to verify the costs of this Agreement for a period of ten (10) years after the services contemplated herein have been performed. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General access to the Agreement, books, documents, and records in the event that such access is requested in writing and is made in accordance with applicable federal regulations and requirements. Furthermore, LSU's auditors, LSU's compliance team, including the LSU Office of Internal Audit, the Louisiana Legislative Auditor's Office, and the Office of the Governor – Division of Administration Auditors, shall have the right upon reasonable written notice to inspect and audit, during OLPG's regular business hours and at no expense to OLPG, the books and records of OLPG, in order to verify compliance with this Agreement.

B. Ownership of Records. Ownership of, and access to, the medical records (including billing records) relating to the PSA Services shall be in accordance with the PSA, provided that upon termination of this Agreement, all medical records belonging to OLPG shall become the property of LSU, and OLPG shall assure that HSC-S Faculty shall have continuous access to all such medical records so as to avoid any disruption in patient care.

## XI. TERM

A. Term of Agreement. Unless earlier terminated as provided in Section XII hereof, the initial term of this Agreement (the "Initial Term") shall commence as of the Effective Date and shall remain in effect for ten (10) years and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term") for a total term ("Term") of twenty (20) years, unless a party gives written notice of its intent not to renew the Agreement for a Renewal Term not less than six (6) months prior to the expiration of the Initial Term or Renewal Term then in effect, as applicable.

## XII. TERMINATION.

A. Events of Default. It shall be an event of default ("Event of Default") hereunder:

1. If either Party (i) fails to cure a Financial Default (as defined in the ACCA) in full within the Financial Default Cure Period (as defined in the ACCA), or (b) incurs three (3) or more Financial Defaults in any given Fiscal Year within the Term, regardless of whether cured.
2. If a Party fails to perform any other material obligation under the terms of this Agreement, such failure shall be subject to the Dispute Resolution provisions set forth in ARTICLE 9 of the ACCA. Notwithstanding the foregoing, this Subsection XII.A.2 does not address a failure to make payment as required by Section IV of this Agreement, which is addressed in Section XII.A.1, above, addressing Financial Default.

B. Termination Events. Either Party may give a termination notice prior to the expiration of the Initial Term or any Renewal Term upon the occurrence of any of the following events:

1. Mutual Written Agreement. This Agreement may be terminated by the mutual, written consent of the Parties.
2. Federal Healthcare Program Exclusion. If a Party is excluded from participation in a federal healthcare program including, without limitation, the Medicare or Medicaid program, either Party may immediately terminate this Agreement.
3. Termination for Bankruptcy; Receivership. This Agreement shall terminate if a Party applies for or consents to the appointment of a receiver, trustee or liquidator of such Party or of all or a substantial part of its assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such Party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.
4. Termination for Financial Default. In accordance with Section XII.A.1 above, the non-defaulting Party may terminate this Agreement if the defaulting party (a) fails to cure a Financial Default in full within the Financial Default Cure Period, or (b) incurs three or more Financial Defaults in any given Fiscal Year within the Term, regardless of whether cured.

5. Termination for Failure to Resolve Disputes. This Agreement may terminate if there is a failure to resolve to the Disputing Party's (as defined in the ACCA) satisfaction two (2) material Disputes (as defined in the ACCA) initiated in the same fiscal year or three (3) material Disputes initiated in any two consecutive fiscal years upon conclusion of the Dispute Process set forth in ARTICLE 9 of the ACCA, including through the issuance of a final decision in any arbitration proceeding initiated in accordance with Section 9.1.3(5) of the ACCA.
6. Termination of Collaborative. Upon termination of the ACCA, CEA or, unless otherwise agreed by the Parties, any other Collaborative Agreement (as defined in the ACCA), this Agreement shall automatically terminate.

C. Windup Activities. Upon termination hereof, LSU and OLPG's obligations to perform services shall completely cease; provided, however, that the Parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner and to comply with the wind down process agreed to by LSU and OLHS-NL in the ACCA. Any payments earned through the date of termination shall remain due and owing notwithstanding the termination of this Agreement.

### XIII. GENERAL PROVISIONS

A. Parties Bound. This Agreement shall bind and shall inure to the benefit of the Parties and their respective successors and permitted assigns.

B. Governing Law. This Agreement has been executed and shall be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles that would require the application of any other law.

C. Jurisdiction, Venue and Service of Process. The exclusive venue for any lawsuit filed by any Party to this Agreement or any party to any other Collaborative Agreement and arising out of or related to any Collaborative Agreement is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana. The Parties agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary, and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum as set forth hereinabove. Process in any lawsuit referred to in the first sentence of this Section may be served on any party anywhere in the world.

D. Rule of Construction. The Parties acknowledge and agree that this is a negotiated agreement, in which all Parties have received the assistance and advice of competent legal counsel; and accordingly that the rule of construction that any ambiguities are to be construed against the drafting Party shall not apply.

E. Severability. If any term, provision, covenant or condition of this Agreement is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable legal requirements, the remaining portions or provisions shall continue in full force and effect.

F. Integration. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement cancels and supersedes all prior physician clinical and medical administrative service agreements and understandings, oral or written, between the Parties.

G. Non-Waiver. No waiver of any breach or default hereunder shall be considered valid, unless in writing and signed by the Party giving such waiver. No such waiver shall be deemed a waiver of any subsequent breach or default of a similar nature.

H. Notices. All notices, demands and other communications to be given or delivered pursuant to or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given and received (i) if by hand or electronic delivery, 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; (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service. Notices, demands and communications to the Parties shall, unless another address is specified in writing, be sent to the addresses indicated below:

If to LSU:

Louisiana State University  
Health Sciences Center – Shreveport  
1501 Kings Highway  
Shreveport, LA 71103  
Attention: Chancellor

With a copy to:

Louisiana State University  
3810 W. Lakeshore Drive  
Baton Rouge, LA 70808  
Attn: General Counsel

If to OLPG:

Ochsner LSU Physician Group  
1501 Kings Highway  
Shreveport, LA 71103  
Attn: President

With a copy to:

Ochsner LSU Health System of North Louisiana  
1541 Kings Highway  
Shreveport, LA 71103  
Attn: Chief Executive Officer

I. Authorized Representative. Except as may be herein more specifically provided, if approvals or authorizations are required hereunder, they shall be given on behalf of the OLPG by its Chief Executive Officer and on behalf of LSU by the Chancellor of LSU.

J. Form of the Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, single or plural, as the identity of the person(s) or thing(s) may require. Article and Section headings are included for convenience of reference only and shall not define, limit, extent or otherwise affect the interpretation of this Agreement or any of its provisions.

K. Amendment. This Agreement may be amended or modified only in writing signed by the Parties.

L. Further Cooperation. In order to confirm this Agreement or carry out its provisions or purposes, each Party shall cooperate with the other and shall take such further action and execute and deliver such further documents as the other may reasonably request.

M. Assignability. Neither Party may assign its rights or delegate its duties (by subcontract or otherwise) under this Agreement without the prior written consent of the other Party.

N. No Third Party Beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

O. Referrals. The Parties acknowledge that none of the benefits granted any of the OLHS-NL Entities, HSC-S Faculty or any individual physician hereunder are conditioned on any requirement that any physician make referrals to, be in a position to make, or influence referrals to, or otherwise generate business for, the Hospitals.

P. Force Majeure. Neither Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption in rights or duties that results directly or indirectly from Acts of God, civil or military authority, acts of terror, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either Party's employees, or any similar or dissimilar cause beyond the reasonable control of either Party.

Q. Additional Instruments. Each of the Parties shall, from time to time, at the request of any other Party, execute, acknowledge and deliver to the other Parties any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.

R. Headings. All section and part headings are inserted for convenience. Such headings shall not affect the construction or interpretation of this Agreement.

S. Multiple Counterparts. Provided all Parties execute an identical copy of this

Agreement, including Exhibits, the Parties acknowledge and agree that these multiple counterparts will be considered fully executed originals.

T. Time Periods. Time periods expressed by a specified number of days shall be based on calendar days.

U. Execution Warranty. Each person signing this agreement on behalf of a Party represents that the execution of this Agreement has been duly authorized by the Party for which representative is signing, and that no restrictions or restrictive agreements exist that prevent either the execution or the carrying out of this Agreement by such Party.

V. Approval. No liability or obligations will develop between the Parties until this Agreement has been approved by the required authorities of LSU and until approved by the Office of Contractual Review, Division of Administration and the Commissioner of Administration.

W. Claims for Monetary Damages. The Parties expressly acknowledge and agree that the Dispute Process set forth in Article 9 of the ACCA is the exclusive means by which the Parties will resolve Disputes, and in the event of any Dispute that the Parties are unable to resolve to their mutual satisfaction pursuant to the Dispute Process, including, without limitation, any claim that a Party has failed to participate in the Dispute Process in good faith, such Dispute may be addressed and the Parties may be adequately compensated through a claim for monetary damages. Accordingly, except as otherwise specifically set forth in Section 9.1.3(5) of the ACCA, no Party shall be entitled, at law or in equity, to enforce any provision of this Agreement by a decree of specific performance, temporary, preliminary, or permanent injunctive, or other equitable relief to resolve any Dispute arising under this Agreement, and the Parties expressly waive any rights they may otherwise have to pursue such equitable relief. In the event that any Party elects to incur legal expenses to pursue a claim for monetary damages under 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 such other money damages to which such Party shall be entitled.

#### XIV. COMPLIANCE WITH FEDERAL AND STATE REGULATIONS

A. Confidentiality in General. Both LSU and OLPG shall comply with all applicable federal and state laws, rules, and regulations that pertain to patient/client confidentiality. LSU will also ensure the HSC-S Faculty comply with all confidentiality obligations set forth in the Collaborative Agreements (as defined in the ACCA), including maintaining the confidentiality of systems used by manager of the OLH Entities and used by administrator of OLPG, as those requirements are set forth in the Management Services Agreement and Administrative Services Agreement (as defined in the ACCA).

B. Health Insurance Portability and Accountability Act. LSU and OLPG each agree to comply and shall ensure their agents and employees comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA") and the requirements of any regulations promulgated thereunder, including, without limitation, the federal practice

regulations as contained in 45 CFR Part 164 (“Federal Privacy Regulations”) and the federal security standards as contained in 45 CFR Part 164 (“Federal Security Regulations”). The Parties shall not use or further disclose any protected health information as defined in 42 U.S.C. § 1320d (collectively “Protected Health Information Act”), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA, including without limitation, the Federal Privacy Regulations and the Federal Security Regulations. The Parties will implement appropriate safeguards to prevent the use or disclosure of a patient’s Protected Health Information other than as permitted under HIPAA. The Parties will make their internal practices, books, and records relating to the use and disclosure of a patient’s Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations and the Federal Security Regulations.

C. Non-Discrimination and Affirmative Action. The Parties agree 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 Assistant 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. The Parties also agree to abide by the requirements of the Americans with Disabilities Act of 1990. The Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

D. Compliance with Federal Law. Both Parties and their respective officers, directors, employees and agents (including, as to LSU, the HSC-S Faculty) shall comply with the applicable provisions of the Federal Criminal False Claims Act (18 U.S.C. § 287 et seq.), the Federal Civil False Claims Act (31 U.S.C. § 3729 et seq.), the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a), the Federal Physician Self-Referral Law (42 U.S.C. § 1395rm) (“Stark II”), the Louisiana Medical Assistance Programs Integrity Law (La. R.S. 46:437.1 et seq.) and other applicable Federal and Louisiana statutes and regulations relating to health care.

E. Certain Lobbying and Political Activities Prohibited. OLPG shall not use any funds paid to or received by OLPG pursuant to this Agreement for services rendered to urge any elector to vote for or against any candidate or proposition on an election ballot, or to use such funds to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on an election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority.

F. Use of Premises by HSC-S Faculty. LSU shall not use or permit HSC-S Faculty to use any part of the premises of OLPG or the OLH facilities where services may be provided under this Agreement for any purpose other than those related to the performance of PSA Services hereunder, unless otherwise mutually agreed to by the Parties in writing.

G. Payment of Taxes. OLPG accepts the responsibility for payment of all state, federal and local taxes due from the funds received by it under this Agreement under Tax ID Number [to be inserted]. LSU accepts the responsibility for payment of all state, federal or local taxes due from the funds received by it under this Agreement under Tax ID Number 36-4774713.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

The Parties hereby execute this Agreement effective as provided for herein.

**LSU HEALTH SCIENCES CENTER-  
SHREVEPORT FACULTY GROUP  
PRACTICE D/B/A OCHSNER LSU  
PHYSICIAN GROUP**

By: \_\_\_\_\_  
Charles Fox, M.D.  
President

Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
G.E. Ghali, M.D., DDS  
Chancellor  
Louisiana State University  
Health Sciences Center – Shreveport

Date: \_\_\_\_\_

## Exhibit A

### HSC-S Faculty Payments

The HSC-S Faculty Payments shall be paid by OLPG to LSU as follows:

1. Startup Period. Subject to LSU's compliance with the terms and conditions of this Agreement, during the Startup Period (as defined in the PSA), OLPG shall pay LSU for making HSC-S Faculty available to provide the PSA Services One Hundred Percent (100%) of OLPG's Collections ("Startup Period Payments"), provided that in no event, regardless of the amount of OLPG's Collections, shall the annual Startup Period Payments be (i) less than than Twenty Two Million Dollars (\$22,000,000.00) ("Base Payment") unless a negative adjustment under the PSA has occurred that is more than an "Immaterial Amount" (as such term is defined in the PSA) has occurred, nor (ii) more than Ninety-Two Million Dollars (\$92,000,000.00) ("Cap Payment") unless a positive adjustment under the PSA has occurred that is more than an Immaterial Amount. For this purpose, (w) OLPG's "Collections" shall be OLPG's total revenue under the PSA attributable to payments from the Hospitals plus Net Third Party Collections, (x) an "Immaterial Amount" has the same meaning as is ascribed to such term in the PSA, (y) "Net Third Party Collections" means the amount the OLPG collects from patients, third-party payers, and healthcare providers other than the Hospitals for Other Services minus the amount paid by OLPG to Administrator for providing the Administrative Services as set forth in Section **[5]** of the Administrative Support Agreement. Any adjustments to the Startup Period Payments due to a negative or positive adjustment that is more than an Immaterial Amount will be made to the Base Payment in proportion to the negative or positive adjustment, as applicable. Any adjustment to the Base Payment or the Cap Payment shall be expressly agreed to in writing by the Parties.

- a. During the Startup Period, OLPG shall pay LSU the Startup Period Payments monthly in the amount of Seven Million, Six Hundred Sixty Six Thousand and Six Hundred Sixty Seven Dollars (\$7,666,667.00), subject to reconciliation as provided in paragraph (b) below ("Target Monthly Payment").
- b. OLPG's Net Third Party Collections shall be calculated quarterly. To the extent the Net Third Party Collections for the quarter exceed Seventeen Million, Five Hundred Thousand Dollars (\$17,500,000.00) ("Benchmark Collections"), no adjustment to the Startup Period Payments will be made. To the extent the Net Third Party Payment Collections for the quarter are less than the Benchmark Collections, however, the Target Monthly Payments for the next quarter will be reduced by one-third (1/3) of the shortfall between the Benchmark Collections and actual Net Third Party Collections; provided, however, that in the event OLPG's Net Third Party Collections for any subsequent quarter during the Startup Period exceed the Benchmark Collections, OLPG shall use the full amount by which the Net Third Party Collections exceed the Benchmark Collections to reimburse any deficit between the Target Monthly Payments and the amount paid to HSC-S for any prior month.

- c. To the extent OLPG's annual Net Third Party Collections exceed Seventy Million Dollars (\$70,000,000.00) during the Startup Period, such excess shall be paid to LSU only upon written agreement of the Parties.

2. Subsequent Period. Beginning on the second anniversary of the Effective Date, OLPG shall compensate LSU consistent with the "Program Budget" and "True-up/Settlement Process" as those terms are defined and described in Article Five of the PSA ("Subsequent Period Payments") and as agreed upon between OLPG and LSUHSC-S on an annual basis.

The Parties hereby acknowledge and agree that the compensation arrangements set forth in this Agreement were negotiated at arms' length and provide for fair market value compensation to LSU for provision of the PSA Services and other rights and benefits provided under this Agreement including, without limitation, LSU's assignment to OLPG of all billing and collection for the Other Services.

EXHIBIT B  
**HSC-S Faculty FTEs**

**Academic Affiliation Agreement Schedule 1(a)**  
**HSC-S Faculty - OLH Shreveport**

<b>Clinical Department/Section</b>	<b>Current FTE</b>
Anesthesiology & Pain Medicine	14
Emergency Medicine	20
Family Medicine	18
Medicine: Interventional Cardiology	9
Medicine: Cardiology Electrophysiology	
Medicine: Cardiology Noninvasive	
Medicine: Endocrinology	2.5
Medicine: Gastroenterology	5
Medicine: Geriatrics	1
Medicine: Hematology & Radiation Oncology	22
Medicine: Infectious Diseases	4
Medicine: Internal Medicine	15.7
Medicine: Nephrology	7.3
Medicine: Pulmonary and Critical Care	5.5
Medicine: Rheumatology	4
Medicine: Pediatrics	3
Neurology	13.5
Sleep Medicine	2.5
Neurosurgery: General	6.9
Neurosurgery: Endovascular/Interventional	
Neurosurgery: Pediatric	
OB/GYN	8.2
OB/GYN: Gynecology Oncology	
OB/GYN: MFM	
Ophthalmology	7
Orthopedic Surgery: General	11
Orthopedic Surgery: Hip & Joint	
Orthopedic Surgery: Hand	
Orthopedic Surgery: Sports Medicine	
Orthopedic Surgery: Trauma	
Otolaryngology	9.1
Otolaryngology: Pediatric ENT	
Pathology: Anatomical & Clinical	18.2
Pediatrics: General	39
Pediatrics: Allergy / Immunology	
Pediatrics: Cardiology	
Pediatrics: Critical Care/Intensivist	
Pediatrics: Endocrinology	
Pediatrics: Gastroenterology	
Pediatrics: Genetics	
Pediatrics: Hospitalist	
Pediatrics: Hematology & Oncology	

Clinical Department/Section	Current FTE
Pediatrics: Infectious Disease	
Pediatrics: Neonatal Medicine	
Pediatrics: Nephrology	
Pediatrics: Pulmonology	
Psychiatry	13
Radiology: Diagnostic	16.6
Radiology: Interventional	
Radiology: Neurological	
Radiology: Nuclear Medicine	
Surgery: General	20
Surgery: Cardiovascular	
Surgery: Colon and Rectal	
Surgery: Oncology	
Surgery: Pediatrics	
Surgery: Plastics	
Surgery: Vascular	
Surgery: Trauma	
Oral/Maxillofacial Surgery	6
Urology	4
<b>TOTAL</b>	<b>306.00</b>

**Advanced Practice Providers FTE**

Department	FTE
Medicine/Family Medicine	4.00
Medicine/Family Medicine - Psychology	3.00
Neurology	1.00
Neurosurgery	3.00
Orthopedic Surgery	2.00
Pediatrics	1.00
Psychiatry	2.00
Surgery	1.00

**HSC-S Faculty - OLH Monroe  
Physician FTE**

Clinical Department/Section	Current FTE
-----------------------------	-------------

Department	Specialty	FTE
Anesthesiology		2.00
Emergency Medicine		3.00
Family Medicine		8.25
Medicine	Cardiology	1.00
Medicine	Hematology/Me	1.00
Medicine	Internal Medicin	3.50
Medicine	Nephrology	1.00
Obstetrics and Gynecology		5.00
Ophthalmology		1.25
Oral and Maxillofacial Surgery		1.00
Orthopaedic Surgery		1.50
Pathology		2.00
Pediatrics		2.00
Psychiatry		1.00
Surgery		4.15
<b>Physician Total</b>		<b>37.65</b>

#### Advanced Practice Providers FTE

Department	FTE
Anesthesiology - CRNA	6.00
Medicine/Family Medicine	6.00
OBGYN	2.00
Pediatrics	1.00

Clinical Department/Section	Current FTE
Orthopedic Surgery	1.00

OHS / KS DRAFT: 9/6/2018  
SUBJECT TO FURTHER REVIEW AND COMMENT

**MEMBERSHIP INTEREST TRANSFER AGREEMENT**

**BY AND AMONG**

**BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**

**AND**

**OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**

**DATED AS OF \_\_\_\_\_, 2018**

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## EXHIBITS

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<u>Schedule Number</u>	<u>Title</u>
Schedule 2.7	Net Assets Payment
Schedule ____	[To be updated]

## MEMBERSHIP INTEREST TRANSFER AGREEMENT

THIS MEMBERSHIP INTEREST TRANSFER AGREEMENT (this “Agreement”), dated as of September \_\_, 2018 (the “Execution Date”), is made and entered into by and among **BIOMEDICAL RESEARCH FOUNDATION OF NORTHWEST LOUISIANA**, a Louisiana nonprofit corporation (“BRF”), and **OCHSNER LSU HEALTH SYSTEM OF NORTH LOUISIANA**, a Louisiana nonprofit corporation (“OLHS-NL”). OLHS-NL and BRF are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, BRF is a community foundation dedicated to a mission of diversifying and growing the economy of the Northwest Louisiana region through promoting research and entrepreneurship and in 2013, in furtherance of its mission and for the benefit of the Northwest Louisiana region and under the terms of the Current CEA (as defined below), BRF acquired hospital operations and associated outpatient clinic operations known as University Health Shreveport in Shreveport, Louisiana (“UH Shreveport”) and University Health Conway in Monroe, Louisiana (“UH Conway,” and together with UH Shreveport the “Hospitals”) from the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”) which had opted to privatize the Hospitals;

WHEREAS, Ochsner Clinic Foundation (“Ochsner”) and LSU have formed OLHS-NL as an exclusive joint venture through which Ochsner and LSU will provide inpatient and outpatient medical care in North Louisiana;

WHEREAS, after owning and operating the Hospitals for almost five years, BRF now wishes to transfer the Hospitals to OLHS-NL to own and operate for the benefit of the Northwest Louisiana region;

WHEREAS, the State of Louisiana, LSU, BRF, and BRF Hospital Holdings, L.L.C., a Louisiana limited liability company and a wholly owned subsidiary of BRF (“BRFH”), are parties to that certain Cooperative Endeavor Agreement (the “Current CEA”), effective as of October 1, 2013 (the “Current CEA Effective Time”), which Current CEA will be terminated pursuant to that certain Termination and Release Agreement anticipated to be effective on or prior to the Effective Time (the “Termination and Release Agreement”);

WHEREAS, BRF is the sole member and owns 100% of the membership interest of BRFH (the “BRFH Membership Interest”) and BRFH, in turn, is the sole member and owns 100% of the membership interest of BRFH Shreveport, L.L.C. (“Old BRFH-S”) and BRFH Monroe, L.L.C. (“BRFH-M”) which respectively own and operate UH Shreveport and UH Conway, respectively;

WHEREAS, prior to the Effective Time, Old BRFH-S wishes to transfer all assets and liabilities of Old BRFH-S to University Health Shreveport, LLC, a newly formed subsidiary of BRFH (“New BRFH-S”) in a manner that will result in New BRFH-S owning and operating the hospital operations and associated outpatient clinic operations of UH Shreveport *except* for the W-K Claims (as defined below) which will remain with Old BRFH-S and BRFH wishes to distribute its membership interest in Old BRFH-S to BRF (such transfers and distribution collectively the “Shreveport Transfer”);

WHEREAS, the State of Louisiana, LSU and OLHS-NL are entering into a new Cooperative Endeavor Agreement (the “New CEA”), pursuant to which OLHS-NL has, among other things, agreed to assume the operations of the Hospitals on terms consistent with this Agreement;

WHEREAS, in connection with the New CEA, BRF desires to transfer 100% of the outstanding BRFHH Membership Interest to OLHS-NL and OLHS-NL desires to acquire such BRFHH Membership Interest from BRF (the “Membership Interest Transfer”);

WHEREAS, in transferring ownership and operations of the Hospitals, BRF, OLHS-NL, Ochsner, LSU and the State of Louisiana wish to further the Public Purpose stated in the Current CEA and the New CEA to operate the Hospitals in a manner that promotes, enhances, supports and is consistent with (i) the goals and commitments of LSU, OLHS-NL, and the State of Louisiana; and (ii) the State’s and LSU’s historical commitment to providing high-quality safety net services to the State’s most vulnerable populations; and

WHEREAS, the Parties desire to make certain representations, warranties, agreements, and covenants in connection with the Membership Interest Transfer and the other transactions contemplated hereby.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, each Party hereby agrees as follows:

## **ARTICLE I DEFINITIONS**

Section 1.1 Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Exhibit A.

Section 1.2 Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

## **ARTICLE II MEMBERSHIP TRANSFER**

Section 2.1 Membership Interest Transfer. Subject to the terms and conditions set forth in this Agreement, at the Closing, BRF shall assign, transfer and deliver to OLHS-NL, free and clear of all Encumbrances, and OLHS-NL shall acquire and assume from BRF, the BRFHH Membership Interest. At the Closing, title to the BRFHH Membership Interest shall pass to OLHS-NL, as owner of record and beneficial owner. OLHS-NL shall then be entitled to all rights, including voting rights, as the owner of the BRFHH Membership Interest.

Section 2.2 BRFHH, BRFHH-S, and BRFHH-M Articles of Organization. BRFHH, BRFHH-S, and BRFHH-M shall adopt as of the Effective Time Amended and Restated Articles of organization substantially in the form attached hereto as Exhibit B (“Restated BRFHH Articles”), and incorporated by reference herein, providing among other things, that OLHS-NL is the sole member of BRFHH and changing the names of each of BRFHH, New BRFHH-S, and BRFHH-M, as set forth therein. BRFHH agrees that such Restated BRFHH Articles shall be filed (and its officers are authorized to file) with the Louisiana Secretary of State effective as of the Effective Time.

Section 2.3 BRFHH, New BRFHH-S, and BRFHH-M LLC Agreements. BRFHH, BRFHH-S, and BRFHH-M shall adopt as of the Effective Time Amended and Restated Limited Liability Company Agreements substantially in the form attached hereto as Exhibit C (“Amended BRFHH Agreements”) and incorporated by reference herein.

Section 2.4 Shreveport Transfer. As soon as practicable after the Execution Date, BRF shall cause Old BRFHH-S to transfer to New BRFHH-S all of the assets and liabilities of Old BRFHH-S (the “Shreveport Assets and Liabilities”) and New BRFHH-S to assume all such Shreveport Assets and Liabilities pursuant to an Asset Transfer Agreement in substantially the form attached hereto as Exhibit D (the “Shreveport Transfer Agreement”). As provided in the Shreveport Transfer Agreement, the Shreveport Assets and Liabilities shall expressly *exclude* (a) all rights, interest, and title to any and all presently pending, potential and future claims, causes of action, rights of recovery or rights of recoupment of every kind and nature including all claims for damages relating to harm to past UH Shreveport hospital operations and all claims for injunctive relief relating to threatened harm to ongoing and future UH Shreveport hospital operations (collectively, “Claims”) against Willis-Knighton Medical Center and/or its affiliates or successors (“W-K”), including (i) the right to pursue, collect on and obtain relief relating to any Claims (*provided*, however, that nothing herein shall be construed as prohibiting OLHS-NL, New BRFHH-S, or their respective affiliates from pursuing injunctive relief in the future separate and apart from the relief sought in the Antitrust Litigation (as defined below)), and (ii) all rights, interest, and title to the litigation between Old BRFHH-S and W-K pending in the United States District Court for the Western District of Louisiana Shreveport Division, styled *BRFHH Shreveport, L.L.C. v. Willis-Knighton Medical Center*, Cause No. 5:15-cv-2057, and any other litigation related to any of the allegations therein (the “Antitrust Litigation” and, together with the Claims, collectively the “W-K Claims”) and (b) any and all Old BRFHH-S liability for counterclaims or costs arising from the W-K Claims, all of which shall be retained by Old BRFHH-S. As soon as practicable after the effective time of the Shreveport Transfer (the “Shreveport Transfer Effective Time”), BRFHH shall distribute all of the membership interest in Old BRFHH-S to BRF which shall become the sole member and owner of 100% of the membership interest in Old BRFHH-S. The Shreveport Transfer shall be subject to the terms and conditions in the Shreveport Transfer Agreement. The Termination and Release Agreement shall include a written acknowledgment from LSU and the State of Louisiana that the Shreveport Transfer will not cause a termination of the Current CEA. As provided in Section 6.5(f), BRF shall use Commercially Reasonable Efforts to (i) transfer Old BRFHH-S’ Medicare provider number to New BRFHH-S and (ii) take such other actions as described therein, as soon as practicable after the Execution Date. As used herein, “BRFHH-S” means Old BRFHH-S prior to the Shreveport Transfer Effective Time and New BRFHH-S thereafter.

Section 2.5 Rights and Obligations. As a result of the Membership Interest Transfer and except as provided in Section 2.4 and Section 2.6, all assets, rights, liabilities and obligations of BRFHH will remain with BRFHH, and all assets, rights, liabilities and obligations of the Hospitals will remain with Hospitals.

Section 2.6 Excluded Liabilities. Notwithstanding anything herein to the contrary, the Parties agree to the following:

(a) Specifically, and without in any way limiting the generality of Section 2.5, the following liabilities of BRFHH, BRFHH-S, and BRFHH-M shall be transferred to and become obligations of BRF or Old BRFHH-S (the “Excluded Liabilities”): to the extent not retained by Old BRFHH-S under the Shreveport Transfer Agreement, the Old BRFHH-S liabilities and obligations for counterclaims against Old BRFHH-S or costs arising on or after the Shreveport Transfer Effective Time from the W-K Claims (subject to Section 8.2, specifically excluding any liability to LSU relating to the W-K Claims) (“Antitrust Litigation Liability”). In no event shall OLHS-NL or its affiliates assume, agree to pay, discharge or satisfy any liability or obligation hereunder or otherwise have any responsibility for any of the Excluded Liabilities, and BRF or Old BRFHH-S, as the case may be, shall be responsible for payment, performance and discharge of all Excluded Liabilities. Such Excluded Liabilities shall include all claims, actions, litigation and proceedings relating to any or all of the foregoing and all costs and expenses in connection therewith.

Section 2.7 Net Assets Payment. The Parties will calculate the Net Assets of BRFHH as of the Closing Date in accordance with Schedule 2.7 and OLHS-NL will pay the Net Assets to BRF at the times and in accordance with the procedures set forth in Schedule 2.7.

Section 2.8 Termination and Release Agreement and Settlement Agreement. Prior to the Closing, (i) LSU, BRF, BRFHH, and the State of Louisiana, acting through the DOA will enter into the Termination and Release Agreement in substantially the form attached hereto as Exhibit E and (ii) LSU and BRFHH on behalf of itself and BRFHH-S and BRFHH-M will enter into the Settlement Agreement in substantially the form attached hereto as Exhibit F.

Section 2.9 OLHS-NL Documents. The Parties acknowledge that the New CEA, the Academic and Clinical Collaboration Agreement among LSU, OLHS-NL, and Ochsner (“ACCA”), and certain other documents related to the transactions contemplated by the New CEA will become public documents and accessible to BRF following the specially called LSU Board of Supervisors and Joint Legislative Committee on the Budget meetings to approve such transactions (collectively the “OLHS-NL Documents”). In recognition of the potential effect that certain provisions in OLHS-NL Documents and the Articles of Incorporation and Bylaws of OLHS-NL (“Governance Documents”) may have on the rights and interests of BRF under this Agreement, OLHS-NL shall require that any material action under or material modification of any (i) agreement between OLHS-NL and BRF (collectively, the “OLHS-NL-BRF Agreements”) or (ii) this Agreement will require approval of a supermajority of the members of the Board of Directors of OLHS-NL including at least one Director appointed by Ochsner.

### ARTICLE III CLOSING

Section 3.1 Closing. The consummation of the Transactions (the “Closing”) shall take place at 10:00 a.m. Central time on the last Business Day of the month in which the conditions set forth in Article 7 and Article 8 (other than those conditions that by their terms are to be satisfied at the Closing) have been satisfied or waived, or at such other date and/or at such other location as the Parties may mutually designate in writing (the “Closing Date”). Unless otherwise agreed in writing by the Parties, the Transactions shall be effective for accounting purposes as of 12:01 a.m. on the Closing Date or such other time as mutually agreed to by the Parties (the “Effective Time”) and the Closing shall be deemed to occur as of the Effective Time. The Closing shall take place remotely via electronic exchange of documents or at a location agreed upon by the Parties.

Section 3.2 Additional Acts. From time to time after the Closing, BRF and OLHS-NL shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to assure fully to OLHS-NL and its respective successors or permitted assigns, all of the properties, rights, titles, interests, estates, remedies, powers and privileges relating to the Membership Interest Transfer and the Transactions hereunder and to assure fully to BRF and their Affiliates and their respective successors and permitted assigns, the assumption of the liabilities and obligations intended to be assumed by OLHS-NL under this Agreement and the Ancillary Documents, and to otherwise make effective the Membership Interest Transfer and the Transactions. BRF also shall furnish OLHS-NL with such information and documents in BRF’s possession or under BRF’s control, or which BRF can execute or cause to be executed, as will enable OLHS-NL to give effect to the Membership Interest Transfer and the Transactions.

## **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BRF**

BRF represents and warrants to OLHS-NL that the statements contained in this Article 4 are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date (except in the case of representations and warranties that are made as of a specified date, in which case such representations and warranties will be true and correct as of such specified date) except as set forth on the BRF Disclosure Schedules attached to this Agreement (the “BRF Disclosure Schedules”), which exceptions shall be deemed to be part of the representations and warranties made hereunder. The BRF Disclosure Schedules shall be arranged in sections corresponding to the numbered and lettered sections and subsections contained in this Article 4, and the disclosures in any section or subsection of the BRF Disclosure Schedules shall qualify other sections and subsections in this Article 4 to the extent it is reasonably apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections. The Parties acknowledge and agree that all references in the representations and warranties contained in this Agreement including the representations and warranties contained in this Article 4 to BRFHH-S, shall apply to both Old BRFHH-S and/or New BRFHH-S, unless expressly stated otherwise in this Agreement or the context in which such reference to BRFHH-S occurs in this Agreement can only be reasonably interpreted as applying individually to either Old BRFHH-S or New BRFHH-S, as applicable.

Section 4.1 Organization; Capacity. Each of BRF, BRFHH, BRFHH-S, and BRFHH-M is a non-profit corporation or a limited liability company duly created and organized and validly existing in good standing under the Laws of the State of Louisiana. Each of BRF, BRFHH, BRFHH-S, and BRFHH-M is duly authorized, qualified to do business and in good standing under all applicable Laws of any Governmental Entity having jurisdiction over the Business and to own its properties and conduct its business in the place and manner now conducted. The execution and delivery of this Agreement by BRF and the Ancillary Documents to which BRF, BRFHH, BRFHH-S, or BRFHH-M is a party or will become a party, the performance by each of BRF, BRFHH, BRFHH-S, or BRFHH-M of its obligations under this Agreement and the Ancillary Documents to which it is a party and the consummation by each of BRF, BRFHH, BRFHH-S, or BRFHH-M of the transactions contemplated by this Agreement (the “Transactions”) and the Ancillary Documents to which it is a party have been duly and validly authorized and approved by all necessary actions on the part of each of BRF, BRFHH, BRFHH-S, and BRFHH-M, none of which actions has been modified or rescinded and all of which actions remain in full force and effect.

Section 4.2 Authorization. Each of BRF, BRFHH, BRFHH-S, and BRFHH-M has full power and authority to execute and deliver this Agreement and the Ancillary Documents to which it is a party and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents by each of BRF, BRFHH, BRFHH-S, and BRFHH-M and the performance by each of BRF, BRFHH, BRFHH-S, and BRFHH-M of its obligations hereunder and thereunder and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary board and member action on the part of BRF, BRFHH, BRFHH-S, and BRFHH-M. This Agreement has been, and the Ancillary Documents shall be as of the Closing Date, duly executed and delivered by each of BRF, BRFHH, BRFHH-S, and BRFHH-M, as applicable, and does or shall, as the case may be, constitute the valid and binding agreements of BRF, BRFHH, BRFHH-S, and BRFHH-M, enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar Laws affecting the enforceability of creditors’ rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 4.3 Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the terms and conditions hereof and thereof do not or shall not (as the case may be), with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, permit the acceleration of any obligation under or create in any party the right to terminate, modify or cancel, (a) any term or provision of the charter or other organizational or operational documents of BRF, BRFHH, BRFHH-S, or BRFHH-M, (b) any material permit, License or other instrument applicable to BRF, BRFHH, BRFHH-S, or BRFHH-M or the Business, (c) any Material Contract, (d) any material judgment, decree or order of any Governmental Entity to which BRF, BRFHH, BRFHH-S, or BRFHH-M is a party or by which BRF, BRFHH, BRFHH-S, or BRFHH-M or any of their respective properties are bound or (e) any material Law or arbitration award in any material respect applicable to BRF, BRFHH, BRFHH-S, BRFHH-M, the Hospitals or the Business. Except as disclosed on Schedule 4.3, no consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required with respect to BRF, BRFHH, BRFHH-S, BRFHH-M, the Hospitals or the Business in connection with the execution, delivery or performance of this Agreement or the Ancillary Documents or the consummation of the transactions contemplated hereby or thereby.

Section 4.4 Title to Assets; Related Matters.

(a) The assets owned by BRFHH, BRFHH-S, and BRFHH-M (the “Assets”) constitute all of the assets necessary and sufficient to conduct the operations of the Business in accordance with BRFHH, BRFHH-S, and BRFHH-M’s past practices. Except as set forth on Schedule 4.4(a), BRFHH, BRFHH-S, and BRFHH-M have good and marketable title to the Assets, free and clear of all material Encumbrances. All material equipment and other material items of tangible personal property and assets included in the Assets (a) are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, (b) are usable in the regular and ordinary course of business and (c) conform to all applicable Laws in all material respects. Except as set forth on Schedule 4.4(a), no Person other than BRFHH, BRFHH-S, or BRFHH-M owns any equipment or other tangible personal property or assets situated on the premises of either BRFHH, BRFHH-S or BRFHH-M that are necessary to the operation of the Business, except for the leased items that are subject to personal property leases. Since the Balance Sheet Date, neither BRFHH, BRFHH-S, or BRFHH-M has sold, transferred or disposed of any of the Assets, other than sales of inventory in the ordinary course of business. Schedule 4.4 sets forth a true, correct and complete list and general description of each item of tangible personal property of BRFHH and the Hospitals having a book value of more than \$5,000.

(b) The ownership of each of BRFHH, BRFHH-S, and BRFHH-M is set forth on Schedule 4.4(b). Other than BRFHH-S and BRFHH-M, BRFHH has no ownership in any other Persons, and BRFHH-S and BRFHH-M have no ownership in any Persons.

(c) To the Knowledge of BRF, there are no facts or conditions affecting the Assets that reasonably could, individually or in the aggregate, interfere in any material respect with the use, occupancy or operation of the Assets as currently used, occupied or operated, or their adequacy for such use.

(d) There are no outstanding rights (including any right of first refusal), options, or Contracts giving any Person any current or future right to require BRFHH, BRFHH-S, or BRFHH-M to sell or transfer to such Person or to any third party any interest in any of the Assets.

(e) Schedule 4.4(e), sets forth the ownership of each of BRFHH, BRFHH-S, or BRFHH-M as of the date hereof, including the following: (A) issued and outstanding membership interests and (B) rights to purchase or acquire any membership interest or other equity securities in either BRFHH, BRFHH-S, or BRFHH-M, if any; (C) granted options to purchase membership interests or other equity securities in either BRFHH, BRFHH-S, or BRFHH-M; (D) profits interests or other equity securities reserved for future award grants under any equity incentive plan; and (E) warrants or equity purchase rights, if any. Except as set forth on Schedule 4.4(e) and for changes after the date hereof resulting from the exercise of any options or warrants that are outstanding on the date hereof, there are no issued, reserved for issuance or outstanding (i) equity securities of or ownership interests in BRFHH, BRFHH-S, or BRFHH-M, (ii) securities or Indebtedness of either BRFHH, BRFHH-S, or BRFHH-M convertible into or exchangeable for membership interests or other voting securities of or ownership interests in BRFHH, BRFHH-S, or BRFHH-M, (iii) warrants, calls, options, subscription rights, conversion rights, exchange rights or other rights to acquire from BRFHH, BRFHH-S, or BRFHH-M, or other obligations of BRFHH, BRFHH-S, or BRFHH-M to issue, any membership interests or other equity securities or ownership interest in BRFHH, BRFHH-S, or BRFHH-M or (iv) restricted shares, stock appreciation rights, performance units, contingent value rights, profit participation rights, “phantom” stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any membership interests or other equity securities of or ownership interests in BRFHH, BRFHH-S, or BRFHH-M (the items described in clauses (i)-(iv) of this Section 4.4(e) being referred to collectively as the “Company Securities”). There are no outstanding obligations of BRFHH, BRFHH-S, or BRFHH-M or any subsidiary of BRFHH, BRFHH-S, or BRFHH-M to repurchase, redeem or otherwise acquire any Company Securities. Except as set forth in the Organizational Documents of BRFHH, BRFHH-S, or BRFHH-M, there are no voting trusts, proxies, or other contracts with respect to the voting of the membership interests in BRFHH, BRFHH-S, or BRFHH-M. All outstanding membership interests in BRFHH, BRFHH-S, and BRFHH-M have been duly authorized and validly issued and are fully paid and non-assessable and were not issued in violation of any preemptive right or similar obligation. With respect to all outstanding membership interests in either BRFHH, BRFHH-S, or BRFHH-M, neither BRFHH, BRFHH-S, or BRFHH-M’s members have any obligation to make further payments for their purchase of such membership interests or contributions to either BRFHH, BRFHH-S, or BRFHH-M based solely on their ownership of such membership interests.

(f) BRF owns and holds good and marketable title to the BRFHH Membership Interest, free and clear of all Encumbrances, restrictions, rights of first refusal, voting trusts, voting agreements, buy/sell agreements, preemptive rights or any other interest, other than those set forth in the organizational documents. BRF has provided OLHS-NL with true and complete copies of the organizational documents of each of BRFHH, BRFHH-S and BRFHH-M. The BRFHH Membership Interest was issued to and acquired by BRF in compliance with all applicable state and federal securities Laws. Each of BRFHH, BRFHH-S, and BRFHH-M has issued all membership interests to its owners in compliance with all applicable state and federal securities Laws.

**Section 4.5 Subsidiaries; Minority Interests.** Neither BRFHH, BRFHH-S, or BRFHH-M have any subsidiaries, or own any equity securities of or other ownership interests in any Person, except as set forth on Schedule 4.5. Except as set forth on Schedule 4.5, neither BRFHH, BRFHH-S, or BRFHH-M, directly or indirectly, own any equity, membership or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity, membership or similar interest in, any nonprofit corporation, corporation, partnership, limited liability company, joint venture, trust or other business association or entity. Except as set forth on Schedule 4.5, the Business is not conducted

through any Person other than BRFHH, BRFHH-S, or BRFHH-M. Schedule 4.5 identifies as to any such equity securities or ownership interest (the “BRFHH Subsidiary Securities”): (i) the name of the entity, type of organization of the entity (e.g., corporation, limited partnership, limited liability company) and the state of such entity’s organization; (ii) the type of interest held by BRFHH, BRFHH-S, or BRFHH-M (e.g., membership, partnership); (iii) the percent of such interest held by BRFHH, BRFHH-S, or BRFHH-M as compared to the total outstanding interests in such entity; and (iv) all other Persons holding an interest in such entity and the percentage interest held by each such other Persons. Either BRFHH, BRFHH-S, or BRFHH-M, as applicable, owns and holds good and marketable title to the BRFHH Subsidiary Securities free and clear of all Encumbrances, restrictions, rights of first refusal, voting trusts, voting agreements, buy/sell agreements, preemptive rights or any other interest. BRF has provided OLHS-NL with true and complete copies of the organizational documents (i.e., articles of incorporation, bylaws, partnership agreements, articles of organization, etc.) of all entities in which BRFHH, BRFHH-S, or BRFHH-M hold the BRFHH Subsidiary Securities.

Section 4.6 Inventory. The Inventory (a) is sufficient for the operation of the Business in the ordinary course consistent with past practice, (b) consists of items that are good and merchantable sufficient to conduct the normal operations of the Business, and (c) is of a quality and quantity presently usable or saleable in the ordinary course of the Business. The Inventory is maintained within the range of levels normally maintained by hospitals of similar size and offering similar services as the Hospitals.

Section 4.7 Financial Statements. BRFHH has delivered to OLHS-NL the Financial Statements for BRFHH, BRFHH-S, and BRFHH-M. The Financial Statements have been prepared from, and are in accordance with GAAP (except as expressly noted on Schedule 4.7) consistently applied throughout the periods indicated, and such books and records have been maintained on a basis consistent with the past practice of BRFHH, BRFHH-S, and BRFHH-M. Each balance sheet included in the Financial Statements (including the related notes and schedules) fairly presents in all material respects the financial position of BRFHH, BRFHH-S, and BRFHH-M as of the date of such balance sheet, and each statement of income and cash flows included in the Financial Statements (including the related notes and schedules) fairly presents in all material respects the results of operations and changes in cash flows, as the case may be, of BRFHH, BRFHH-S, and BRFHH-M for the periods set forth therein, in each case in accordance with GAAP (except as expressly noted therein or on Schedule 4.7) consistently applied during the periods involved. Since Balance Sheet Date, there has been no change in any accounting (or tax accounting) policy, practice or procedure of BRFHH, BRFHH-S, or BRFHH-M except as noted in the Financial Statements or as required by GAAP or applicable Laws.

Section 4.8 No Undisclosed Liabilities. Except as disclosed on Schedule 4.8, neither BRFHH, BRFHH-S, or BRFHH-M have any liabilities or obligations (whether absolute, accrued, contingent or otherwise) that are not adequately reflected or provided for in the unaudited balance sheet of such entity at [June 30, 2018], except liabilities and obligations that have been incurred since the date of such balance sheet in the ordinary course of business, consistent with the past practice of BRFHH, BRFHH-S, and BRFHH-M, and are not (singly or in the aggregate) material to the Business.

Section 4.9 Absence of Certain Changes. Since the Balance Sheet Date and except as set forth on Schedule 4.9, there has not been (i) any Material Adverse Effect, (ii) any damage, destruction, loss or casualty to property or assets of BRFHH, BRFHH-S, or BRFHH-M (including the Assets) with a value in excess of \$25,000 whether or not covered by insurance, or (iii) any action taken of the type described in Section 6.1, that, had such action occurred following the date hereof without OLHS-NL’s prior approval, would be in violation of such Section 6.1.

Section 4.10 Legal Proceedings.

(a) Schedule 4.10 contains an accurate and complete list and summary description of all current Proceedings with respect to BRFHH, BRFHH-S, and BRFHH-M, the Business or the Assets, as well as all Orders and settlement agreements that either BRFHH, BRFHH-S, or BRFHH-M or any of their Affiliates have current or future obligations relating to BRFHH, either of the Hospitals or the Business. Except as set forth on Schedule 4.10, there are no Proceedings, Orders, material compliance reports, or information requests, subpoenas, or production requests by a Governmental Entity pending or, to the Knowledge of BRF, threatened against or affecting BRFHH, BRFHH-S, BRFHH-M, the Hospitals or any of their Affiliates with respect to the Business or the Assets. There are no material Proceedings pending or threatened by BRFHH, BRFHH-S, or BRFHH-M against any Person. To the Knowledge of BRF, no event has occurred or circumstances exist that would reasonably be expected to give rise to, or serve as a basis for any of the foregoing.

(b) There is no Proceeding or Order pending or, to the Knowledge of BRF, threatened against or affecting BRF, BRFHH, BRFHH-S, BRFHH-M, the Hospitals or the Business before any court or Governmental Entity that has or would reasonably be expected to have a Material Adverse Effect on BRF, BRFHH, BRFHH-S, or BRFHH-M's ability to perform this Agreement or any aspect of the Transactions. Neither BRFHH, BRFHH-S, or BRFHH-M are subject to any Order or other governmental restriction that would materially adversely affect the consummation of the Transactions or the performance of this Agreement.

#### Section 4.11 Compliance with Law.

(a) (i) Since the Current CEA Effective Time, each of BRF, BRFHH, BRFHH-S, and BRFHH-M have conducted, and are conducting, the Business in material compliance with all Laws, relating to the operation and conduct of the Business or any of its properties or facilities; and (ii) none of BRF, BRFHH, BRFHH-S, or BRFHH-M have received notice, correspondence or other written or oral communication from any Governmental Entity with competent jurisdiction of (x) any material violation, alleged material violation or potential material violation of, or material Liability under, any such Laws, or to the effect that BRFHH, BRFHH-S, or BRFHH-M or any Affiliate or Representative of, or any Person acting on behalf of, BRFHH, BRFHH-S, or BRFHH-M, is or reasonably could potentially be under investigation or inquiry with respect to any material violation or alleged material violation of any Law, applicable to BRFHH, BRFHH-S, or BRFHH-M or (y) any actual, alleged, or potential material obligation on the part of BRFHH, BRFHH-S, or BRFHH-M to undertake, or to bear all or any material portion of the cost of, any remedial action.

(b) To the Knowledge of BRF, no event has occurred, and no condition exists, that would reasonably be expected to (with or without notice or lapse of time) constitute or result directly or indirectly in (x) a material violation by BRF, BRFHH, BRFHH-S, or BRFHH-M of, or a material failure on the part of BRF, BRFHH, BRFHH-S, or BRFHH-M to materially comply with, any Law relating to the operation and conduct of the Business or any of its properties or facilities or (y) any material obligation on the part of BRF, BRFHH, BRFHH-S, or BRFHH-M to undertake, or to bear all or any material portion of the cost of, any remedial action.

(c) Since the Current CEA Effective Time, none of BRFHH, BRFHH-S, BRFHH-M, nor any of their respective officers, directors or employees, has been convicted of, charged with or, to the Knowledge of BRF, investigated for or engaged in, conduct that would constitute, a material violation of any Health Care Laws. None of BRFHH, BRFHH-S, BRFHH-M, nor any officer, director, employee or independent contractor of BRFHH or either of BRFHH-S or BRFHH-M (whether an individual or entity), has been excluded from participating in any Federal Health

Care Program (as defined in 42 U.S.C. § 1320a-7b(f)), subject to sanction pursuant to 42 U.S.C. § 1320a-7a or § 1320a-8, or been convicted of a crime described at 42 U.S.C. § 1320a-7b, nor are any such exclusions, sanctions or charges pending or, to the Knowledge of BRF, threatened.

(d) Since the Current CEA Effective Time, BRFHH, BRFHH-S, BRFHH-M and the Business have been and are presently in material compliance with all applicable Laws, including the following federal and state Laws and regulations promulgated thereunder relating to the health care products or services: Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended, or “Stark Law,” 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute (the “Federal Anti-Kickback Statute”), 42 U.S.C. § 1320a-7b(b); the False Claims Act, as amended (the “False Claims Act”), 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA; any similar state and local Laws that address the subject matter of the foregoing; any state Law or precedent relating to the corporate practice of the licensed healthcare professions; any state Law concerning the splitting of healthcare professional fees or kickbacks; any state Law concerning healthcare professional self-referrals; any state healthcare professional licensure Laws, qualifications or requirements for the practice of medicine or other licensed healthcare profession; any state requirements for business corporations or professional corporations or associations that provide medical services or practice medicine or related healthcare profession; workers compensation; any state and federal controlled substance and drug diversion Laws, including, the Federal Controlled Substances Act (21 U.S.C. § 801 *et seq.*) and the regulations promulgated thereunder; any Laws regarding the selection, deselection, and credentialing of current physicians and other practitioners, including verification of licensing status and eligibility for reimbursement under federal or state health care programs; and all applicable implementing regulations, rules, ordinances and orders related to any of the foregoing (collectively, “Health Care Laws”).

(e) None of BRF, BRFHH BRFHH-S, or BRFHH-M have received any notification, correspondence, or any other oral or written communication, including notification of any pending or threatened Proceeding or other action from any Governmental Entity, Private Program or patient, of any potential or actual non-compliance by, or Liability of, BRFHH, the Hospitals or the Assets under any Law. Since the Current CEA Effective Time, each of BRFHH, BRFHH-S, and BRFHH-M have timely filed all material reports, data, and other information required to be filed with any Governmental Entity.

(f) Since the Current CEA Effective Time, all of BRFHH’s and each of BRFHH-S and BRFHH-M’s Contracts with referring physicians or immediate family members of any referring physicians, or entities in which physicians or immediate family members of any physicians are equity owners, and all of BRFHH’s and each of the BRFHH-S and BRFHH-M’s leases of personal or real property with such referring physicians, or immediate family members of referring physicians, have been in writing, signed by the appropriate parties, set forth the services to be provided, provide for a fair market value compensation in exchange for such services, space, or goods, and comply in all material respects with all applicable Laws.

(g) Except in material compliance with applicable Law, none of BRFHH, BRFHH-S, BRFHH-M, or to the Knowledge of BRF any of their officers, directors or employees are party to any Contract to provide services, lease space, lease equipment or engage in any other venture or activity related to BRFHH, either of BRFHH-S and BRFHH-M, the Business or the Assets with

any physician, immediate family member of a physician, or other Person that is in a position to make or influence referrals to or otherwise generate business with respect to the Hospitals or the Assets.

(h) Since the Current CEA Effective Time, all billing and collection practices of BRFH, BRFH-S, and BRFH-M with respect to all third party payors have been in material compliance with all applicable Laws, regulations and policies of, and agreements with, such Private Programs. None of BRFH, BRFH-S, or BRFH-M has submitted any claims that are cause for civil penalties or overpayments under, or mandatory or permissive exclusion from, any Federal Healthcare Program or under the terms of a payor agreement. Each of BRFH, BRFH-S, and BRFH-M have maintained records as required by applicable Law or third party payor policy supporting the provision of services billed.

(i) Since the Current CEA Effective Time, each individual now or formerly employed by or contracted by BRFH, BRFH-S, or BRFH-M to provide professional services, including each practitioner, is or was duly licensed to provide such services, is or was in material compliance with all Laws relating to such professional licensure and meets or met the qualifications to provide such professional services under applicable Law and the terms and conditions of Contracts to which either BRFH, BRFH-S, or BRFH-M is a party, in each case during the periods during which such employee or independent contractor provided such services on behalf of any of them.

(j) Since the Current CEA Effective Time, all off-campus locations of each of the Hospitals that are treated by such Hospitals as being a provider-based location or department of such Hospitals were in material compliance with all applicable requirements under 42 C.F.R. § 413.65.

Section 4.12 Licenses. Schedule 4.12 sets forth a true and complete list of all Licenses held by BRFH, BRFH-S, or BRFH-M and used in connection with the Business. BRFH, BRFH-S, and BRFH-M own or possess all material Licenses that are necessary to enable each of them to (a) own, occupy and lease the Assets, and (b) operate the Business as presently operated. All such material Licenses are valid, binding, unrestricted and in full force and effect, and none of BRFH, BRFH-S, or BRFH-M are in material default under any such License. The execution, delivery and performance hereof and the consummation of the transactions contemplated hereby shall not adversely affect any material License. BRF, BRFH, BRFH-S, and BRFH-M have taken all necessary action to maintain each License, except where the failure to so act shall not have a Material Adverse Effect on BRFH, BRFH-S, BRFH-M, or the Business. BRF has received no notice of any loss or expiration of any material License (other than expiration upon the end of any term). To BRF's Knowledge, no event has occurred or other fact exists with respect to the Licenses that would cause, now or after notice or the lapse of time or both, revocation or termination of any such License, or would result in any other material impairment in the rights of any holder thereof. Without limiting the generality of the foregoing, to BRF's Knowledge, the facilities, equipment, staffing and operations of the Business satisfy the applicable hospital licensing requirements of the State of Louisiana and the conditions of participation under the Government Programs. BRF has previously delivered to OLHS-NL a true and correct copy of (i) each License, (ii) the most recent state licensure reports and lists of deficiencies, if any, and (iii) the most recent fire marshal's surveys and deficiency lists, if any. Since the Current CEA Effective Time, none of BRF, BRFH, BRFH-S, BRFH-M have received any notice from any Governmental Entity with respect to the revocation, termination, suspension or limitation of any material License, or of the proposed or threatened issuance of any such notice. UH Conway and UH Shreveport are and at the Closing Date will be licensed for 452 and 244 beds, respectively. There are, and at Closing there will be, no Contracts relating to any Licenses which would materially preclude or limit BRF, BRFH-S, and BRFH-M from

owning the Assets, operating the Business, operating all of the beds of the Hospitals as they are currently operated, or offering the services presently offered by BRF, BRFHH-S, and BRFHH-M.

Section 4.13 Accreditation. Each of the Hospitals is duly accredited, without conditions, by The Joint Commission through the period set forth on Schedule 4.13. Since the date of their most recent Joint Commission survey, none of BRF, BRFHH, BRFHH-S, or BRFHH-M have made any material changes in policy or operations that would cause the Hospitals to lose such accreditations. BRF has delivered to OLHS-NL a copy of each Hospital's most recent Joint Commission accreditation report and any reports, documents, or correspondence relating thereto.

#### Section 4.14 Information Privacy and Security Compliance.

(a) BRFHH, BRFHH-S, and BRFHH-M (i) to the extent applicable, are, and at all times have been, materially in compliance with HIPAA and (ii) are, and at all times have been, in material compliance with all other applicable Information Privacy or Security Laws. BRFHH, BRFHH-S, and BRFHH-M are materially in compliance in all respects with all of their contractual commitments with respect to Personal Information that constitutes an Asset and have commercially reasonable safeguards in place to protect such Personal Information in their possession or control from unauthorized access or use consistent with Information Privacy or Security Laws, privacy policies, and contractual commitments.

(b) BRF has provided to OLHS-NL accurate and complete copies of the compliance policies and/or procedures and privacy notices of the Hospitals relating to Information Privacy or Security Laws.

(c) The Hospitals and, if required pursuant to applicable Law, BRFHH, have entered into business associate agreements with all third parties acting as business associates as defined in 45 C.F.R. § 160.103. None of BRFHH, BRFHH-S, or BRFHH-M (i) are under investigation by any Governmental Entity for a violation of any Information Privacy or Security Law; (ii) have received any notices from the United States Department of Health and Human Services Office for Civil Rights, Department of Justice, Federal Trade Commission, or the Attorney General of any state or territory of the United States relating to any such violations; and (iii) except as provided on Schedule 4.14 have not acted in any manner, and do not have Knowledge of any incident, that would trigger a notification or reporting requirement under any HIPAA business associate agreement or any Information Privacy or Security Law, including a breach with respect to any unsecured protected health information maintained by or on behalf of the Business.

(d) BRF has provided to OLHS-NL accurate and complete copies of any written complaint(s) delivered to BRF, BRFHH, or either of BRFHH-S or BRFHH-M with respect to the Business during the past three years alleging a violation of any Information Privacy or Security Laws.

(e) To the Knowledge of BRF, for all applicable periods since the Current CEA Effective Time, no material breach or potential material breach has occurred with respect to any Unsecured Protected Health Information (as such terms are defined in 45 C.F.R. § 164.402) maintained by or for BRF with respect to the Business, BRFHH, BRFHH-S, or BRFHH-M, and no material information security or privacy breach event has occurred that would require notification to any Person under any other applicable Information Privacy or Security Laws.

(f) For all applicable periods since the Current CEA Effective Time, prior to the Effective Time, each of BRFHH-S and BRFHH-M has (i) met the requirements of, and qualified

for incentive payments under, the Medicare and Medicaid electronic health record incentive programs, (ii) timely filed all reports, data, attestations and other information to be filed with CMS regarding such Person's use of certified electronic health record technology ("CEHRT") as required by the HITECH Act and its implementing regulations, and (iii) successfully attested to meaningful use of CEHRT as required by the HITECH Act.

Section 4.15 Government Program Participation; Private Programs; Reimbursement. Each of the Hospitals is participating in certain Government Programs (including Medicare, Louisiana Medicaid, and TRICARE) and has current and valid Payor Agreements with those Government Programs from which they presently receive payments on account of services provided by such Hospital. The Hospitals also are parties to, or otherwise entitled to bill under, current Payor Agreements with certain private non-governmental payors or programs, such as private insurance payors or programs, self-insured employers, and/or other non-governmental third-party payor (each, a "Private Program"), under which the Hospitals directly or indirectly receive payments, each as set forth on Schedule 4.15(a). BRF has delivered accurate and complete copies of all such Payor Agreements to OLHS-NL. Each of the Hospitals is in material compliance with the applicable Government Programs's conditions of participation and with the terms, conditions, and provisions of the Payor Agreements. The Payor Agreements are each in full force and effect, and to BRF's Knowledge, no material events or facts exist that would cause any Payor Agreement to be suspended, terminated, restricted or withdrawn. To BRF's Knowledge, none of BRF, BRFHH, BRFHH-S, or BRFHH-M has received notice from any Government Program or Private Program to the effect that it intends to cease or materially alter its business relationship with the Hospitals (whether as a result of the Transactions or otherwise). No Government Program or Private Program has notified BRF (i) that it intends to terminate or materially modify its relationship with the Hospitals, or (ii) of any alleged material breach or dispute. There is no Proceeding, survey, or other material action pending against the Hospitals, or, to the Knowledge of BRF, threatened, involving any of the Government Programs or any of the Private Programs, including with respect to the Hospitals' participation in and the reimbursement received from the Government Programs or any Private Program. None of BRF, BRFHH, BRFHH-S, or BRFHH-M, to the Knowledge of BRF, any of their employees, officers, or directors have committed a violation of any Law relating to payments and reimbursements under any Government Program or any Private Program. Schedule 4.15(b) contains a list of all NPIs and all provider numbers under the Government Programs issued to and held by BRFHH and each of the Hospitals, all of which are in full force and effect.

Section 4.16 Medical Staff. BRF has previously made available to OLHS-NL a true, correct and complete copy of medical staff privilege and membership application forms, delineation of privilege forms, all current medical staff bylaws, rules and regulations and amendments thereto, all credentials and appeals procedures not incorporated therein, and all contracts with physicians, physician groups, or other members of the medical staff of the Hospitals. With regard to the medical staff of each of the Hospitals, there are no pending or threatened appeals, challenges, disciplinary or corrective actions, or disputes involving applicants, staff members, or allied health professionals except as set forth in Schedule 4.16(a). Schedule 4.16(b) sets forth a complete and accurate list of the name of each member of the medical staff of each of the Hospitals.

#### Section 4.17 Hill-Burton and Other Encumbrances.

(a) Except as set forth on Schedule 4.17, to the Knowledge of BRF, neither BRFHH, BRFHH-S, or BRFHH-M, nor, any of their respective predecessors in interest have received any loans, grants or loan guarantees pursuant to the United States Hill-Burton Act (42 U.S.C. 291a, *et seq.*) program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Pharmacy and Resources Development Act or the Community Mental Health Centers Act. All of the obligations set forth on Schedule 4.17 have been fully satisfied. The

Transactions will not result in any obligation of OLHS-NL to repay any such loan, grant or loan guarantee or to provide uncompensated care in consideration thereof.

(b) Except as set forth on Schedule 4.17, none of the Assets are subject to any liability in respect of amounts received by BRF, BRFHH, the Hospitals or others for the purchase or improvement of the Assets or any part thereof under restricted or conditioned grants or donations.

Section 4.18 Compliance Program. Since the Current CEA Effective Time, BRFHH and each of BRFHH-S and BRFHH-M have conducted their operations in all material respects in accordance with their respective compliance programs. Since the Current CEA Effective Time, none of BRF, BRFHH, BRFHH-S, or BRFHH-M (a) is a party to a Corporate Integrity Agreement with the OIG; (b) has reporting obligations pursuant to any settlement agreement entered into with any Governmental Entity; (c) to the Knowledge of BRF, has been the subject of any Government Program investigation conducted by any federal or state enforcement agency; (d) has been a defendant in any qui tam/False Claims Act litigation (other than by reason of a sealed complaint of which BRF has no Knowledge); (e) has been served with or received any search warrant, subpoena, civil investigation demand, contact letter, or, to the Knowledge of BRF, telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the Business); or (f) has received any verified complaints through such Person's compliance "hotline" from employees, independent contractors, vendors, physicians, patients, or any other Persons that could reasonably be considered to indicate that BRFHH, BRFHH-S, or BRFHH-M have materially violated, or are currently in material violation of, any Health Care Law. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in compliance guidance published by the OIG.

#### Section 4.19 Contracts.

(a) With the exception of the Excluded Contracts, the Employment Agreements and the Company Benefits Plans, Schedule 4.19 includes a list of all Material Contracts (as defined below) and BRF has made a good faith effort to list or otherwise describe on Schedule 4.19 all Contracts. Schedule 4.19 identifies with an asterisk each Material Contract set forth therein that requires the consent of or notice to the other party thereto to avoid any material breach, material default or material violation of such Contract in connection with the Transactions.

(b) BRF, BRFHH, BRFHH-S and BRFHH-M have made available to OLHS-NL true, correct and complete copies of each Contract (whether in the online data room or whether provided directly) which (i) requires the payment by BRF, BRFHH, BRFHH-S or BRFHH-M with respect to the operation of the Business during the remaining term of such instrument in excess of Ten Thousand Dollars (\$10,000), (ii) has a remaining term in excess of twelve (12) months, and (iii) cannot be terminated by BRF, BRFHH, BRFHH-S or BRFHH-M without cause upon notice of ninety (90) calendar days or less ("Material Contracts"), and each such document is the complete copy of each such agreement.

(c) Except as set forth on Schedule 4.19(b), (i) BRF, BRFHH, BRFHH-S and BRFHH-M have not received written notice that any Person intends to cancel or terminate any Material Contract or exercise or not exercise any right, remedy or other option thereunder, (ii) to BRF's Knowledge all of the Material Contracts are in full force and effect, (iii) the consummation of the Transactions will not constitute and, to BRF's Knowledge, no event has occurred, with or without the passage of time or the giving of notice, which would constitute a material breach or material default by any party to any such Material Contract, (iv) BRFHH is compliance with all material terms and conditions of the 2013 Facility Lease and 2013 Equipment Lease, and (v) none of BRF,

BRFHH, BRFHH-S or BRFHH-M have waived in writing any material right under any Material Contract.

Section 4.20 Tax. Except as otherwise disclosed on Schedule 4.20: (i) all Tax Returns due to have been filed by BRFHH, BRFHH-S, and BRFHH-M or by BRF on their behalf through the date hereof in accordance with all applicable Laws have been duly and timely filed (taking into account valid extensions duly obtained) and are true, correct and complete in all material respects; (ii) all Taxes, deposits and other payments for which BRFHH, BRFHH-S, or BRFHH-M may have any material liability (whether or not shown on any Tax Return) have been paid in full or are accrued as liabilities for Taxes on the books and records of BRFHH, BRFHH-S, or BRFHH-M as applicable; (iii) the amounts so paid, together with all amounts accrued as liabilities for Taxes (including Taxes accrued as currently payable) on the books of BRFHH, BRFHH-S, or BRFHH-M, as applicable, shall be adequate, based on the tax rates and applicable Laws in effect, to satisfy all liabilities for Taxes of BRFHH, BRFHH-S, or BRFHH-M as applicable in any jurisdiction through the Closing Date, including Taxes accruable upon income earned through the Closing Date; (iv) there are not now any extensions of time in effect with respect to the dates on which any Tax Returns were or are due to be filed by or on behalf of BRFHH, BRFHH-S, or BRFHH-M; (v) all deficiencies asserted as a result of any completed examination of a Tax Return of BRFHH, BRFHH-S, or BRFHH-M have been paid in full, accrued on the books of BRFHH, BRFHH-S, or BRFHH-M, as applicable, or finally settled, and no issue has been raised in any such examination that, by application of the same or similar principles, reasonably could be expected to result in a material proposed deficiency for any other period not so examined; (vi) no claims have been asserted and no proposals or deficiencies for any Taxes of BRFHH, BRFHH-S, or BRFHH-M being asserted, proposed or threatened, and no audit or investigation of any Tax Return of BRFHH, BRFHH-S, or BRFHH-M is currently underway, pending or, to BRF's Knowledge, threatened; (vii) none of BRFHH, BRFHH-S, or BRFHH-M has Knowledge of any claim made against BRFHH, BRFHH-S, or BRFHH-M by any Governmental Entity in a jurisdiction where BRFHH, BRFHH-S, or BRFHH-M as applicable do not file Tax Returns and where they are is or may be subject to taxation; (viii) BRFHH, BRFHH-S, or BRFHH-M have withheld and paid all Taxes required to have been paid by any of them in connection with amounts paid or owing to any employee, independent contractor, creditor or stockholder thereof or other third party; (ix) there are no outstanding waivers or agreements by BRFHH, BRFHH-S, or BRFHH-M for the extension of time for the assessment of any Taxes or deficiency thereof, nor are there any requests for rulings, outstanding subpoenas or requests for information, notice of proposed reassessment of any property owned or leased by BRFHH, BRFHH-S, or BRFHH-M as applicable or any other matter pending between BRFHH, BRFHH-S, or BRFHH-M and any taxing authority; and (x) there are no Encumbrances for Taxes with respect to BRFHH, BRFHH-S, or BRFHH-M or the Assets other than Encumbrances for Taxes that are not yet due and payable, and no such Encumbrances are pending or threatened.

#### Section 4.21 Officers; Employees; Consultants; Independent Contractors.

(a) Schedule 4.21(a) contains a true and complete list of all current officers, employees (whether full-time, part-time or otherwise) and independent contractors of BRFHH, BRFHH-S, or BRFHH-M as of the date hereof, specifying their position, status as exempt or non-exempt under applicable Laws, annual base salary, hourly rate of pay or independent contractor fees (as applicable), target incentive compensation, date of hire, work location, and other benefits provided to each of them, respectively, together with an appropriate notation next to the name of any individual on such list who is subject to any written Employment Agreement or any other written term or other document describing the terms or conditions of employment of such employee or of the rendering of services by such independent contractor. Except as set forth on Schedule 4.21(a), none of BRFHH, BRFHH-S, or BRFHH-M is a party to or bound by any

written Employment Agreement. BRF has provided to OLHS-NL true, correct and complete copies of each such Employment Agreement.

(b) Except as set forth on Schedule 4.21(b), (i) all employees of BRFHH, BRFHH-S, and BRFHH-M are employed on an at-will basis and their employment can be terminated at any time for any reason without any amounts being owed to such individual other than compensation for services rendered prior to such termination, (ii) all employees of BRFHH, BRFHH-S, and BRFHH-M have been properly classified and compensated for all time worked in accordance with all applicable Laws since the Current CEA effective time, (iii) all individuals who have provided services to the Business as independent contractors have been properly classified as independent contractors, rather than as employees of BRFHH, BRFHH-S, or BRFHH-M, for purposes of all applicable Laws since the Current CEA effective time, and (iv) none of BRF, BRFHH, BRFHH-S, or BRFHH-M has made any commitments to any officer, employee, former employee, consultant or independent contractor of BRFHH, BRFHH-S, or BRFHH-M with respect to compensation, promotion, retention, termination, severance or similar matters in connection with the transactions contemplated hereby or otherwise.

#### Section 4.22 Company Benefit Plans.

(a) Schedule 4.22(a) contains a true and complete list of each Company Benefit Plan, as well as whether any BRF employees (by name) are participating in such plans.

(b) Except as set forth on Schedule 4.22(b):

(i) With respect to each Company Benefit Plan, BRF has heretofore made available to OLHS-NL true and complete copies of the plan documents, any amendments thereto (or, in the event the plan is not written, a written description thereof), the most recent determination or opinion letter received from the Internal Revenue Service, if applicable, the most current summary plan description, and the most recently filed Form 5500 annual report.

(ii) No Company Benefit Plan or ERISA Affiliate Plan is or was subject to Title IV of ERISA, sections 302 or 303 of ERISA, or sections 412 or 436 of the Code, nor is or was any Company Benefit Plan or ERISA Affiliate Plan a “multiemployer pension plan” (as defined in section 3(37) of ERISA) or a “multiple employer plan” as defined in section 413(c) of the Code. BRF has not terminated or withdrawn from or sought a funding waiver with respect to, and no fact exists that could reasonably be expected to result in the imposition of a lien with respect to, a termination or withdrawal from, or seeking a funding waiver with respect to, any Company Benefit Plan that is subject to Title IV or section 302 of ERISA or section 412 of the Code. Neither BRFHH, BRFHH-S, or BRFHH-M has incurred, and no fact exists that reasonably could be expected to result in, material liability to BRFHH, BRFHH-S, or BRFHH-M as a result of a termination, withdrawal, funding waiver or Encumbrance with respect to an ERISA Affiliate Plan.

(iii) Each Company Benefit Plan has been established, operated and administered in all respects in accordance with its terms and in compliance with ERISA, the Code and all Applicable Benefit Laws except to the extent as would not result in a material Liability.

(iv) To the Knowledge of BRF, no fact or circumstance exists that would reasonably be expected to adversely affect the tax-exempt status of a Company Benefit Plan that is intended to be tax-exempt. Further, each Company Benefit Plan intended to be “qualified” within the meaning of section 401(a) of the Code and the trusts maintained thereunder that are intended to be exempt from taxation under section 501(a) of the Code has received a favorable determination or opinion letter

indicating that it is so qualified, and to the Knowledge of BRF, nothing has occurred whether by action or failure to act, that would reasonably be expected to result in the loss of such qualification.

(v) There is no pending or threatened complaint, claim (other than a routine claim for benefits), proceeding, examination, audit, investigation or other proceeding or action of any kind in or before any Governmental Entity with respect to any Company Benefit Plan and to the Knowledge of BRF, there exists no state of facts that after notice or lapse of time or both reasonably could be expected to give rise to any such claim, investigation, examination, audit or other proceeding. No Company Benefit Plan provides for post-termination health care or life insurance benefits to any employee (other than as required by COBRA Coverage).

(vi) As applicable, BRF, BRFHH, BRFHH-S, or BRFHH-M has made full payment of contributions or premiums required under applicable law or under any Company Benefit Plan (or any agreement relating to any Company Benefit Plan) or have properly accrued such amounts in the account records of BRF, BRFHH, BRFHH-S, and/or BRFHH-M, as applicable. Neither the execution of this Agreement and the consummation of the transactions contemplated hereby (either alone or upon the occurrence of any additional or subsequent event) will result in any severance or other payment, “parachute payment” (as such term is defined in section 280G of the Code), acceleration of vesting or increase in benefits to any present or former employee of BRFHH, BRFHH-S, or BRFHH-M. None of BRF, BRFHH, BRFHH-S, or BRFHH-M (a) has incurred or expects to incur any material liability (including additional contributions, fines, taxes or penalties) as a result of a failure to administer or operate any Company Benefit Plan that is a “group health plan” (as such term is defined in Section 607(1) of ERISA or Section 5000(b)(1) of the Code) in compliance with the applicable requirements of COBRA, or (b) has filed, or is considering filing, an application under the IRS Employee Plans Compliance Resolution System or the Department of Labor’s Voluntary Fiduciary Correction Program with respect to any Company Benefit Plan.

Section 4.23 Labor Relations. Except as set forth on Schedule 4.23: (a) no employee of BRFHH, BRFHH-S, or BRFHH-M is, or within the last three (3) years has been, represented by any labor union or other labor organization, and neither BRFHH, BRFHH-S, or BRFHH-M is currently engaged in any negotiation with any such labor union or other labor organization; (b) there is no representation election petition involving either BRFHH, BRFHH-S, or BRFHH-M pending or, to the Knowledge of BRF, threatened before the NLRB or any other labor relations board; (c) to the Knowledge of BRF, there is no, and during the last three (3) years there has been no, union organization effort, labor strike, dispute, slowdown, stoppage, handbilling or other “concerted activity” within the meaning of the National Labor Relations Act actually pending or threatened against or involving BRFHH, BRFHH-S, or BRFHH-M; (d) in the three (3) months preceding the Closing Date, neither BRFHH, BRFHH-S, or BRFHH-M will have taken any action that would constitute a “mass layoff” or “plant closing” within the meaning of WARN or otherwise trigger notice requirements or liability under any federal, local, state, or foreign plant closing notice or collective dismissal law, and no such action is currently planned or anticipated; (e) no claim, complaint, charge, or investigation has been filed in the last twelve (12) months or is pending or, to the Knowledge of BRF, threatened against either BRFHH, BRFHH-S, or BRFHH-M under any Labor Law; and (f) no workers’ compensation or retaliation claim, complaint, charge or investigation has been filed or is pending or, to the Knowledge of BRF, threatened against either BRFHH, BRFHH-S, or BRFHH-M in the last twelve (12) months.

Section 4.24 Insurance Policies. Schedule 4.24 contains a complete and correct list of all insurance policies carried by or for the benefit of either BRFHH, BRFHH-S, or BRFHH-M (other than those related to any Company Benefit Plan), specifying the insurer, the amount of and nature of coverage, the risk insured against, the deductible amount (if any) and the date through which coverage shall continue by virtue of premiums already paid. BRF, BRFHH, BRFHH-S, and BRFHH-M

maintain insurance with reputable insurers for the Business and Assets against all risks normally insured against, and in amounts normally carried, by Persons of similar size engaged in lines of business similar to the Business, and such coverage is sufficient. All insurance policies and bonds with respect to the Business and Assets are in full force and effect and shall be maintained by BRF, BRFH, BRFH-S, or BRFH-M, as applicable, in full force and effect as they apply to any matter, action or event occurring through the Closing Date, and none of BRF, BRFH, BRFH-S, or BRFH-M has reached or exceeded its policy limits for any insurance policy in effect at any time during the past five years with respect to the Business or Assets.

Section 4.25 Environmental, Health and Safety Matters. Except as set forth on Schedule 4.25, BRFH, BRFH-S, and BRFH-M possess all permits and regulatory approvals required under, and are in material compliance with, all Environmental Laws, and are in material compliance with all applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in all Environmental Laws or any Order issued thereunder.

#### Section 4.26 Intellectual Property.

(a) Schedule 4.26(a) contains a list of all BRFH Registered Intellectual Property, including for each item listed, as applicable, the owner, the jurisdiction, the application/serial number, the registration number, the filing date, and the issuance/registration date. No BRFH Intellectual Property or product or service of the Business is subject to any proceeding or outstanding Order, agreement or stipulation (i) restricting in any material respect the use, transfer or licensing thereof by BRFH, BRFH-S, or BRFH-M or (ii) that may materially and adversely affect the validity, use or enforceability of the BRFH Intellectual Property or any such product or service. Each item of BRFH Registered Intellectual Property is valid, enforceable and subsisting. All necessary registration, maintenance and renewal fees currently due in connection with BRFH Registered Intellectual Property have been made and all necessary documents, recordations and certifications in connection with such BRFH Registered Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purpose of maintaining such BRFH Registered Intellectual Property and recording such BRFH Registered Intellectual Property with the applicable intellectual property offices in the name of either BRFH, BRFH-S, or BRFH-M, as appropriate.

(b) Either BRFH, BRFH-S, or BRFH-M own and have good and exclusive title to, or has licenses (sufficient for the conduct of the Business as currently conducted) to, each item of BRFH Intellectual Property, free and clear of any Encumbrance (excluding licenses and related restrictions); and either BRFH, BRFH-S, or BRFH-M is the exclusive owner or exclusive licensee of all trademarks and service marks, trade names and domain names used in connection with and material to the operation or conduct of the Business, including the sale of any products or the provision of any services by the Business, free and clear of all Encumbrances.

(c) Except as provided on Schedule 4.26(c), (i) the consummation of the transactions contemplated by this Agreement will neither violate nor result in the breach, modification, cancellation, termination or suspension of, or acceleration of any payments under, any of the Material Contracts relating to the BRFH Intellectual Property; and (ii) on the Closing Date, BRFH, BRFH-S, or BRFH-M will have and be permitted to exercise all of BRFH's, BRFH-S's, or BRFH-M's respective rights under and to all BRFH Intellectual Property, including under or pursuant to all Material Contracts relating to the BRFH Intellectual Property, to the same extent BRFH, BRFH-S, or BRFH-M, as applicable, would have been able to had the Transactions not occurred and without being required to pay any additional amounts or

consideration other than fees, royalties or payments that BRFHH, BRFHH-S, or BRFHH-M, as applicable, would otherwise be required to pay had such Transactions not occurred.

(d) To the extent that any BRFHH Intellectual Property has been developed or created by a third party for BRFHH, BRFHH-S, or BRFHH-M, BRFHH BRFHH-S, or BRFHH-M, as applicable, has a written agreement with such third party with respect thereto and either BRFHH, BRFHH-S, or BRFHH-M thereby either (i) has obtained ownership of and is the exclusive owner of, or (ii) has obtained a license (sufficient for the conduct of the Business as currently conducted and as proposed to be conducted) to, all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment, to the fullest extent it is legally possible to do so.

(e) Schedule 4.26(e) lists all Material Contracts to which either BRFHH, BRFHH-S, or BRFHH-M are a party (i) with respect to BRFHH Intellectual Property licensed or transferred to any third party (other than end-user licenses in the ordinary course of business) or (ii) pursuant to which a third party has licensed or transferred any BRFHH Intellectual Property to either BRFHH, BRFHH-S, or BRFHH-M.

(f) The operation of the Business as it is currently conducted and as proposed to be conducted has not, does not and shall not materially infringe or misappropriate in any manner the Intellectual Property of any third party or, to the Knowledge of BRF, constitute unfair competition or trade practices under the Laws of any jurisdiction.

(g) Except as provided on Schedule 4.26(g), neither BRFHH, BRFHH-S, or BRFHH-M own and have developed any BRFHH Proprietary Software. Schedule 4.26(g) sets forth a true and complete list of: (i) the BRFHH Licensed Software and (ii) all technical and restricted materials relating to the acquisition, design, development, use or maintenance of computer code program documentation and materials used in connection with the Business. The use of the BRF Licensed Software in the Business does not materially breach any term of any Material Contract between either BRFHH, BRFHH-S, or BRFHH-M and any third party. BRFHH and the Hospitals are in compliance with the terms and conditions of all license agreements with any third party relating to the BRFHH Licensed Software. None of BRF, BRFHH, BRFHH-S, or BRFHH-M have granted rights in the BRFHH Software to any third party.

Section 4.27 Bank Accounts. Schedule 4.27 lists all accounts maintained by or on behalf of BRFHH, BRFHH-S, or BRFHH-M at any financial institution, which Schedule includes for each account the name of the financial institution holding such account, the account number and the type of account (e.g., operating account, depository account).

Section 4.28 Brokers, Finders and Investment Bankers. Except as set forth on Schedule 4.28, none of BRF, BRFHH, BRFHH-S, or BRFHH-M, or any officer, member, director or employee of BRF, BRFHH, BRFHH-S, or BRFHH-M nor any their Affiliates, has employed any broker, finder or investment banker or incurred any liability for any investment banking fees, financial advisory fees, brokerage fees or finders' fees in connection with the transactions contemplated hereby.

Section 4.29 No Other Representations and Warranties. Except for the representations and warranties contained in this Article IV, none of BRF, BRFHH, BRFHH-S, BRFHH-M, any of their Affiliates, or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of BRF, BRFHH, BRFHH-S, BRFHH-M or any of their Affiliates, including any representation or warranty as to the future financial condition of BRFHH, BRFHH-S, BRFHH-M or any of their Affiliates.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES OF OLHS-NL**

OLHS-NL hereby represents and warrants to BRF as follows:

Section 5.1 Organization. OLHS-NL is a Louisiana nonprofit corporation, with duties and powers established by law and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

Section 5.2 Authorization; Binding Agreements. OLHS-NL has full power and authority to execute and deliver this Agreement and the Ancillary Documents to which it is a party and, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents by OLHS-NL, the performance by OLHS-NL of its obligations hereunder and thereunder, and the consummation of the transactions provided for herein and therein have been duly and validly authorized by all necessary action on the part of OLHS-NL. This Agreement has been and, as of the Closing Date, the Ancillary Documents shall be, duly executed and delivered by OLHS-NL and do or shall, as the case may be, constitute the valid and binding agreements of OLHS-NL and, enforceable against OLHS-NL in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforceability of creditors' rights generally, general equitable principles and the discretion of courts in granting equitable remedies.

Section 5.3 Absence of Restrictions and Conflicts. The execution, delivery and performance of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated hereby and thereby and the fulfillment of, and compliance with, the terms and conditions hereof this Agreement and thereof do not or shall not (as the case may be), with the passing of time or the giving of notice or both, violate or conflict with, constitute a breach of or default under, result in the loss of any benefit under, or permit the acceleration of any obligation under, (a) any term or provision of the charter documents of OLHS-NL, (b) any material contract to which OLHS-NL is a party, (c) any judgment, decree or order of any Governmental Entity to which OLHS-NL is a party or by which OLHS-NL or any of its respective properties is bound or (d) any material Law applicable to OLHS-NL.

Section 5.4 Tax-Exempt and Public Charity Status of OLHS-NL. OLHS-NL is organized and operates in such a manner as to make it eligible for recognition by the Internal Revenue Service ("IRS") as a tax-exempt organization described in section 501(c)(3) of the Code and as a public charity and not a "private foundation" within the meaning of section 509(a) of the Code; and OLHS-NL has filed and pending with the IRS an application for recognition of such tax-exempt, public charity status. OLHS-NL is in compliance in all material respects with all provisions of the Code pertaining to the maintenance of its requested status as such a tax-exempt, public charity, and the IRS has not (a) taken, or to the Knowledge of OLHS-NL, proposed to take, any action to reject such pending application in any material respect, or (b) notified OLHS-NL of any inquiry concerning the eligibility of OLHS-NL for its requested tax-exempt public charity status.

Section 5.5 New CEA and OLHS-NL Documents. OLHS-NL provided to BRF true and complete copies of (a) the OLHS-NL Documents that have been made publicly available following the LSU Board of Supervisors meeting and Joint Legislative Committee on the Budget meeting and (b) the Governance Documents. The OLHS-NL Documents and Governance Documents will, as of the Effective Time, be legal, valid, binding and enforceable by and against OLHS-NL in accordance with their terms, subject to applicable bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally, general equitable principles, and the discretion of courts in granting equitable remedies.

Section 5.6 Brokers, Finders and Investment Bankers. Except as set forth on Schedule 5.6, neither OLHS-NL, nor any officer, member, director or employee of OLHS-NL nor any Affiliate of OLHS-NL, has employed any broker, finder or investment banker or incurred any liability for any investment banking fees, financial advisory fees, brokerage fees or finders' fees in connection with the transactions contemplated hereby.

## **ARTICLE VI CERTAIN PRE-CLOSING COVENANTS AND AGREEMENTS**

Section 6.1 Conduct of Business by BRF, BRFH, BRFH-S, and BRFH-M.  
M. For the period commencing on the date hereof and ending on the Closing Date, BRF, BRFH, BRFH-S, and BRFH-M shall, except as expressly required hereby and except as otherwise contemplated in this Agreement (including in connection with the Membership Interest Transfer, Shreveport Transfer, the Shreveport Transfer Agreement, and the Excluded Asset Agreement) or consented to in advance in writing by OLHS-NL (such consent not to be unreasonably withheld), use Commercially Reasonable Efforts to:

(a) conduct the Business in the ordinary course on a basis consistent with past practice and not engage in any new line of business or enter into any agreement, transaction or activity or make any commitment with respect to the Business or the Assets, except those in the ordinary course of business and not otherwise prohibited under this Section 6.1(a);

(b) preserve intact the goodwill and business organization of BRFH, BRFH-S, and BRFH-M, keep the officers and employees of BRFH, BRFH-S, and BRFH-M available to OLHS-NL and preserve the relationships and goodwill of BRFH, BRFH-S, and BRFH-M with patients, customers, distributors, suppliers, payers, medical staff, employees and other Persons having business relations with BRFH, BRFH-S, and BRFH-M;

(c) maintain their existence and good standing in its jurisdiction of organization and in each jurisdiction in which the ownership or leasing of their respective property or the conduct of their respective business requires such qualification;

(d) keep in force all Licenses required to operate the Business;

(e) duly and timely file or cause to be filed all reports and returns required to be filed with any Governmental Entity and promptly pay or cause to be paid when due all Taxes, assessments and governmental charges, including interest and penalties levied or assessed, unless diligently contested in good faith by appropriate proceedings;

(f) maintain in existing condition and repair (ordinary wear and tear excepted), consistent with past practices, all buildings, offices, shops and other structures located on the Real Property, and all equipment, fixtures and other tangible personal property located on the Real Property;

(g) perform in all material respects all of its obligations under all, and not default or suffer to exist any event or condition that with notice or lapse of time or both could reasonably constitute a default under any Material Contract (except those being contested in good faith and except for Material Contracts that are being terminated, replaced or modified pursuant to this Agreement) and not enter into, assume or amend any Material Contract or commitment with respect to the Business;

(h) maintain in full force and effect and in the same amounts policies of insurance comparable in amount and scope of coverage to that now maintained by or on behalf of BRFH, BRFH-S, and BRFH-M;

(i) not (i) sell any Asset with a value in excess of Five Thousand Dollars (\$5,000), other than in the ordinary course of business, (ii) create, incur or assume any funded indebtedness secured by the Assets except under any line of credit to which BRFH, BRFH-S and/or BRFH-M is party on the date hereof, (iii) grant, create, incur or suffer to exist in an amount exceeding Ten Thousand Dollars (\$10,000) any Encumbrances on the Assets that did not exist on the date hereof except for Permitted Encumbrances, (iv) incur any liability or obligation (absolute, accrued or contingent), except in the ordinary course of business consistent with past practice, (v) write-off any guaranteed check, note or account receivable, except in the ordinary course of business consistent with past practice, (vi) write-down the value of any asset or investment (including any Asset) on the books or records of BRFH, BRFH-S, or BRFH-M, except for depreciation and amortization in the ordinary course of business and consistent with past practice, (vii) cancel any debt or waive any claim or right, except in the ordinary course of business consistent with past practice, (viii) make any commitment for any capital expenditure to be made on or following the date hereof in excess of Ten Thousand Dollars (\$10,000) in the case of any single expenditure or One Hundred Thousand Dollars (\$100,000) in the case of all capital expenditures or (ix) enter into any Material Contract without the written consent of OLHS-NL;

(j) not increase in any manner the base compensation of, or enter into any new bonus or incentive agreement or arrangement with, any of their employees, officers, directors or consultants, except in the ordinary course of business to the extent consistent with the past practice of BRFH, BRFH-S, or BRFH-M;

(k) not pay, discharge or satisfy any claim, liability or obligation (absolute, contingent or otherwise) other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice of claims, liabilities and obligations reflected or reserved against in the unaudited balance sheets of BRFH, BRFH-S, and BRFH-M at [June 30, 2018] or incurred in the ordinary course of business consistent with past practice; and

(l) not authorize, or commit or agree (i) not to take any of the actions required in Section 6.1(a) - (h), or (ii) to take any of the actions prohibited in Section 6.1(h) - (k).

In connection with the continued operation of the Business during the period commencing on the date hereof and ending on the Closing Date, BRF, BRFH, BRFH-S, and BRFH-M shall confer in good faith on a regular and frequent basis with OLHS-NL regarding operational matters and the general status of on-going operations of BRFH, BRFH-S, and BRFH-M. BRF hereby acknowledges that OLHS-NL does not and shall not waive any right it may have hereunder as a result of such consultations. BRF shall not, and shall cause BRFH, BRFH-S, and BRFH-M to not, take any action that would, or that could reasonably be expected to, result in any representation or warranty of BRF set forth herein to become untrue. For the avoidance of doubt, nothing in this Section 6.1 is intended to impair in any way the ability of BRF or Old BRFH-S to pursue the W-K Claims.

**Section 6.2 Inspection and Access to Information.** During the period commencing on the date hereof and ending on the Closing Date, and as consistent with applicable Law, BRF shall (and shall cause their officers, directors, employees, auditors and agents to) provide OLHS-NL and its accountants, investment bankers, counsel, environmental consultants and other authorized representatives reasonable access, during reasonable hours and under reasonable circumstances and upon advance notice and in accordance with applicable Laws, to any and all of BRFH, BRFH-S, and

BRFHH-M's premises, employees (including executive officers), properties, contracts, commitments, books, records and other information (including Tax Returns filed and those in preparation) and shall cause their officers to furnish to OLHS-NL and its authorized representatives, promptly upon request therefor, any and all financial, technical and operating data and other information pertaining to BRFHH, BRFHH-S, and BRFHH-M, and the Business and otherwise fully cooperate with the conduct of due diligence by OLHS-NL and its representatives.

Section 6.3 Notices of Certain Events. BRF shall promptly notify OLHS-NL of:

(a) any change or event that, individually or in the aggregate, have had or could reasonably be expected to have a Material Adverse Effect on the Business or otherwise result in any representation or warranty of BRF hereunder being inaccurate in any material respect;

(b) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the Transactions;

(c) any notice or other communication from any Governmental Entity in connection with the Transactions;

(d) any action, suit, claim, investigation or proceeding commenced or, to its Knowledge, threatened against, relating to or involving or otherwise affecting BRFHH, BRFHH-S, BRFHH-M, the Hospitals, or the Business that, if pending on the date hereof, would have been required to have been disclosed pursuant to Section 4.10; and

(e) (i) the damage or destruction by fire or other casualty of any Asset or part thereof with a value in excess of Ten Thousand Dollars (\$10,000) or (ii) any Asset or part thereof becoming the subject of any proceeding (or, to the Knowledge of BRF, threatened proceeding) for the taking thereof or of any right relating thereto by condemnation, eminent domain or other similar governmental action.

BRF hereby acknowledges that OLHS-NL does not and shall not waive any right it may have hereunder as a result of such notifications. The Parties acknowledge and agree that the provisions of this Section 6.3 are not intended to impair in any way the ability of BRF or Old BRFHH-S to pursue the W-K Claims.

Section 6.4 Interim Financials. As promptly as practicable following each calendar month subsequent to the end of the most recent fiscal year and prior to the Closing Date (on at least a monthly basis), BRF shall deliver to OLHS-NL periodic financial reports in the form that it customarily prepares for its internal purposes concerning the Business and, if available, unaudited statements of the financial position of the Business as of the last day of each month and consolidated statements of income and changes in financial position of such entities for the period then ended. BRF covenants that such interim statements (i) shall present fairly the financial condition of the Business as of their respective dates and the related results of their respective operations for the respective periods then ended, and (ii) shall be prepared on a basis consistent with prior interim periods.

Section 6.5 Reasonable Efforts; Further Assurances; Cooperation. Subject to the other provisions hereof, each Party shall each use Commercially Reasonable Efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable Law to obtain all consents required as described on Schedule 4.19 and all regulatory approvals and to satisfy all conditions to its obligations hereunder and to cause the transactions contemplated herein to be effected as soon as practicable, but in any event on or prior to the

Expiration Date, in accordance with the terms hereof and shall cooperate fully with each other Party and its officers, directors, employees, agents, counsel, accountants and other designees in connection with any step required to be taken as a part of its obligations hereunder, including the following:

(a) Each Party promptly shall make its filings and submissions and shall take all reasonable actions necessary, proper or advisable under applicable Laws to obtain any required approval of any Governmental Entity with jurisdiction over the transactions contemplated hereby. Each Party shall furnish all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated hereby.

(b) The Parties shall use Commercially Reasonable Efforts to obtain either (i) approval of the Louisiana Attorney General for the Transactions contemplated by this Agreement in accordance with La. R.S. § 40:2115.11 *et seq.* or (ii) satisfactory assurances that the Transactions contemplated by this Agreement do not require approval of the Louisiana Attorney General through a written opinion or letter of the Attorney General, or through such other avenues mutually acceptable to the Parties (either (i) or (ii) referred to herein as (“AG Clearance”)). The Parties acknowledge and agree that, as provided in Article VII, receipt of AG Clearance is a condition precedent to each Party’s obligation to consummate the Transactions contemplated herein.

(c) In the event any claim, action, suit, investigation or other proceeding by any Governmental Entity or other Person is commenced that questions the validity or legality of the Membership Interest Transfer or the Transactions or seeks damages in connection therewith, the Parties shall (i) cooperate and use Commercially Reasonable Efforts to defend against such claim, action, suit, investigation or other proceeding, (ii) in the event an injunction or other order is issued in any such action, suit or other proceeding, use Commercially Reasonable Efforts to have such injunction or other order lifted, and (iii) cooperate reasonably regarding any other impediment to the consummation of the transactions contemplated hereby.

(d) BRF shall give, or shall cause BRFH, BRFH-S, or BRFH-M to give, all notices to third parties and use its Commercially Reasonable Efforts (in consultation with OLHS-NL) to obtain all third-party consents and approvals (i) necessary to consummate the Transactions, (ii) required to be given or obtained, including those required to be given or obtained on Schedule 4.3, Schedule 4.19 (including written consent of the lending institution to any line of credit to which BRFH, BRFH-S, or BRFH-M is a party) and the other Schedules, (iii) required to avoid a material breach of or material default under any Material Contract in connection with the consummation of the transactions contemplated hereby, or (iv) required to prevent a Material Adverse Effect, whether prior to, on or following the Closing Date.

(e) If, prior to the Closing, OLHS-NL discovers information regarding a Contract that causes OLHS-NL to determine in its reasonable discretion that such Contract violates applicable Law, OLHS-NL shall have the right to designate no later than fifteen (15) days prior to Closing (unless BRF consents to such designation) such Contract as an Excluded Contract by giving BRF written notice of such election prior to the Closing and such Contract shall be deemed an Excluded Contract, *provided*, however, that OLHS-NL may not designate any Contract to which LSU or the State of Louisiana, or any of their respective agencies or instrumentalities, is a party as an Excluded Contract, and, *provided further*, however, that no Contract shall be deemed an Excluded Contract if (i) BRF provides a legal opinion to OLHS-NL regarding the lawfulness of such Contract; (ii) BRF terminates such Contract in accordance with its terms; or (iii) BRF modifies such Contract such that it no longer violates applicable Law and such modification is reasonably acceptable to OLHS-NL.

(f) Each Party shall give prompt notice to the other Party if it becomes aware of (i) the occurrence, or failure to occur, of any event that the occurrence or failure of which would be likely to cause any representation or warranty of BRF or OLHS-NL, as the case may be, contained herein to be untrue or inaccurate at any time from the date hereof to the Closing Date or that shall or may result in the failure to satisfy any condition specified in Article VII or Article VIII and (ii) any failure of BRF or OLHS-NL, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any of them hereunder. Each Party hereby acknowledges that the other Party does not and shall not waive any right it may have hereunder as a result of such notifications.

(g) BRF shall use Commercially Reasonable Efforts to complete the Shreveport Transfer promptly after the Execution Date and in any event prior to the Closing Date. BRF shall (a) to the extent not already filed, promptly after the Execution Date make a Change of Ownership (“CHOW”) filing in form and substance satisfactory to OLHS-NL with CMS in connection with the Shreveport Transfer and use Commercially Reasonable Efforts to obtain approval from CMS of such CHOW (“CHOW Approval”); (b) use Commercially Reasonable Efforts to make such other submissions and obtain such consents and approvals as necessary to transfer Licenses held at Old BRFHH-S to New BRFHH-S (“License Approvals”); and (c) use Commercially Reasonable Efforts take such other actions as are required to effectuate the Shreveport Transfer in a manner reasonably satisfactory to OLHS-NL including seeking all consents, notices, approvals, orders or authorizations of, or registrations, declarations or filings with, any Governmental Entity required in connection with the execution, delivery or performance of the Shreveport Transfer, including those set forth on Schedule 6.5(g) (“Other Approvals”), all as soon as practicable after the Execution Date and in any event prior to the Closing Date (the CHOW Approval, License Approvals, and Other Approvals are collectively referred to herein as the “Required Consents”); *provided, however*, that OLHS-NL acknowledges and agrees that certain final approvals under the Required Consents as identified by BRF on Schedule 6.5(g) will not be received prior to Closing. BRF further agrees to (x) collaborate with OLHS-NL in its efforts to obtain the Required Consents and (y) provide regular updates to OLHS-NL concerning the status of the Required Consents. The Parties acknowledge and agree that the provisions of this Section 6.5 are not intended to impair in any way the ability of BRF or Old BRFHH-S to pursue the W-K Claims.

**Section 6.6 License Applications.** BRF shall cooperate and shall cause BRFHH, New BRFHH-S, Old BRFHH-S, BRFHH-M, and the Hospitals to cooperate in all reasonable respects with OLHS-NL in its application to obtain or update all Licenses that are required as a result of OLHS-NL acquiring the BRFHH Membership Interest. In connection with each such application on the part of OLHS-NL, BRF will furnish or will cause to be furnished promptly with such information and data as may reasonably be necessary or desirable and shall otherwise assist OLHS-NL in any reasonable way requested.

**Section 6.7 Supplements to Schedules.** At least [five (5)] days prior to Closing, BRF shall deliver updated Schedules that have supplements or amendments with respect to any matter first existing or occurring following the date hereof that (a) if existing or occurring at or prior to the date hereof, would have been required to be set forth or described in the Schedules, or (b) is necessary to correct any information in the Schedules that has been rendered inaccurate thereby. No supplement or amendment to any Schedule shall have any effect for the purpose of determining satisfaction of the conditions set forth in Section 7.1.

**Section 6.8 Taxes.** Each Party shall cooperate with the other Party in the preparation, execution and filing of all returns, questionnaires, applications and other documents

regarding Taxes and all transfer, recording, registration and other fees that may become payable in connection with the Transactions that are required or permitted to be filed by a Party at or prior to the Closing.

**Section 6.9 Insurance.** If requested by OLHS-NL, BRF shall in good faith cooperate with OLHS-NL and take all actions reasonably requested by OLHS-NL that are necessary or desirable to permit OLHS-NL to have available to it following the Closing the benefits (whether direct or indirect) of the insurance policies maintained by or on behalf of the BRFH, BRFH-S, or BRFH-M that are currently in force. All costs relating to the actions described in this Section 6.9 shall be borne by OLHS-NL.

**Section 6.10 Casualty.** If any part of the Assets (including the Hospitals) is damaged, lost or destroyed (whether by fire, theft, vandalism or other cause or casualty) in whole or in part prior to the Closing (such damaged, lost or destroyed assets, the "Damaged Assets"), and the fair market value of such damage, loss or destruction is less than \$5,000,000, BRF shall transfer the proceeds (or the right to the proceeds) of applicable insurance held by BRF to OLHS-NL at the Closing (including business interruption insurance) and the amount of any deductibles paid or incurred by BRF, BRFH, BRFH-S, BRFH-M, and OLHS-NL to replace or restore the Damaged Assets shall be taken into account in the determination of Net Assets under Schedule 2.7. If the fair market value of damage, loss or destruction to Damaged Assets is greater than \$5,000,000, OLHS-NL may, at its option, either (x) require BRF to transfer the proceeds (or the right to the proceeds) of applicable insurance (including business interruption insurance), and OLHS-NL may restore or replace the Damaged Assets, or (y) terminate this Agreement in its entirety.

## **ARTICLE VII CONDITIONS TO CLOSING**

**Section 7.1 Conditions to Obligations of OLHS-NL.** The obligations of OLHS-NL to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of each of the following additional conditions:

(a) Injunction. There shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a Governmental Entity of competent jurisdiction to the effect that the Transactions may not be consummated as provided herein, no proceeding or lawsuit shall have been commenced by any Governmental Entity for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Governmental Entity indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated hereby, in each case where the Closing would (or would be reasonably likely to) result in a material fine or penalty payable by OLHS-NL or any of its Affiliates or to impose any restraint or restriction on OLHS-NL's operation of the Business following the Closing.

(b) Governmental Consents; Required Consents. (i) All consents, notices, approvals, orders or authorizations of, or registrations, declarations or filings with, all Governmental Entities required in connection with the execution, delivery or performance hereof including the AG Clearance described in Section 6.5(b) ("Governmental Consents") and (ii) all Required Consents shall have been obtained or made as provided in Section 6.5(g), except where the failure to have obtained or made any such Governmental Consents or Required Consents would not result in a material fine or penalty payable by BRFH, BRFH-S, BRFH-M, OLHS-NL or any of OLHS-NL's Affiliates or any adverse effect on the assets, liabilities, results of operations, business or prospects of the Business following the Closing.

(c) Representations and Warranties. The representations and warranties of BRF set forth in Article IV shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, except that those representations and warranties that by their terms are qualified by materiality shall be true and correct in all respects.

(d) Performance of Obligations of BRF. BRF shall have performed or cause to be performed in all material respects all covenants and agreements required to be performed by it or its Affiliates hereunder at or prior to the Closing.

(e) No Material Adverse Effect. Between the date hereof and the Closing Date, there shall not have occurred (nor shall OLHS-NL have become aware of) any Material Adverse Effect or any development reasonably likely to result in a Material Adverse Effect.

(f) Company Certificate. As authorized officer of each BRF shall have executed and delivered to OLHS-NL a certificate as to compliance with the conditions set forth in Sections 7.1(b), (c), (d), and (e).

(g) Consents. BRF shall have obtained and delivered to OLHS-NL the written consents (or waivers with respect thereto) as described on Schedule 4.19 (all such consents and waivers shall be in full force and effect), including written consent of the lending institution to any line of credit to which BRFHH, BRFHH-S, or BRFHH-M is a party.

(h) Licenses. OLHS-NL shall have been issued, or shall have received approval of the transfer of, all Licenses necessary to enable OLHS-NL to own, occupy and lease the Assets and operate the Business.

(i) Resignations. OLHS-NL shall have received resignations, in form and substance reasonably acceptable to OLHS-NL, effective as of the Closing Date, of each of the officers, directors and managers of each of BRFHH, BRFHH-S, and BRFHH-M listed on Schedule 7.1(i).

(j) Concurrent Transaction Documents. OLHS-NL shall have received the following: (collectively, the "Concurrent Transaction Documents"):

(i) the Termination and Release Agreement substantially in the form of Exhibit E, evidencing, among other things, (a) the termination of that certain Master Hospital Lease (as amended, the "2013 Facility Lease") dated as of September 30, 2013, by and among LSU, BRF, the State of Louisiana, acting through the DOA, the DOA, and BRFHH; (b) the termination of that certain Equipment Lease Agreement (as amended, the "2013 Equipment Lease") dated as of September 30, 2013, by and between LSU and BRFHH; and (iii) the termination of such other agreements as listed therein, fully executed by the parties thereto and effective immediately prior to the Effective Time;

(ii) the Settlement Agreement substantially in the form of Exhibit F evidencing, among other things, (a) such parties' resolution of certain disputed payments between LSU and BRFHH-S and BRFHH-M, and (b) the termination of the Physician Services Agreement between BRFHH-M and LSU (as amended) dated as of October 1, 2013, Agreement for Physician, Teaching and Medical Administrative Services for Physician, Teaching and Medical Administrative Services between BRFHH-S and LSU (as amended) dated October 1, 2013, and such other agreements as listed therein, fully executed by the parties thereto;

(iii) the New CEA, fully executed by [\_\_\_\_\_] and effective as of the Effective Time;

(iv) the Facility Lease Agreement, fully executed by [\_\_\_\_\_] and effective as of the Effective Time;

(v) the Equipment Lease Agreement, fully executed by [\_\_\_\_\_] and effective as of the Effective Time; and

(vi) the Imaging Services Agreement Amendment, in substantially the form as Exhibit F (“Imaging Services Agreement”), fully executed by [\_\_\_\_\_] and [\_\_\_\_\_].

(k) Ancillary Documents. BRF shall have delivered, or caused to be delivered, to OLHS-NL the following:

(i) An Assignment of BRFHH Membership Interest, in form and substance acceptable to OLHS-NL and fully executed by BRF, assigning and transferring to OLHS-NL good title to BRF’s interest in BRFHH, free and clear of any restrictions (other than any restrictions under applicable Law), liens, encumbrances, security interests, hypothecations, liabilities, taxes, agreements, claims, assessments and demands;

(ii) a certificate by the Secretary or any Assistant Secretary of BRF, dated the Closing Date, as to (1) the good standing of BRF, BRFHH, BRFHH-S, and BRFHH-M in their jurisdiction of formation and in each other jurisdiction where it they are qualified to do business, (2) no amendments to BRF, BRFHH, BRFHH-S, or BRFHH-M charter documents, other than as contemplated in Section 2.2, (3) the effectiveness of the resolutions of the board of directors of BRF authorizing the execution, delivery and performance hereof by BRF passed in connection herewith and the Transactions, which certificate shall set forth such resolutions, (4) the effectiveness of the resolutions of BRF, as sole member of BRFHH, authorizing the execution, delivery and performance hereof by BRFHH passed in connection herewith and the Transactions, which certificate shall set forth such resolutions and (5) [effectiveness of resolutions of BRFHH if required];**[subject to review of organizational documents of BRFHH, BRFHH-S, and BRFHH-M]**; and

(iii) all other documents required to be entered into by BRF pursuant hereto or reasonably requested by OLHS-NL to convey the Assets to OLHS-NL or to otherwise consummate the Transactions.

Section 7.2 Conditions to Obligations of BRF. The obligations of BRF to consummate the Transactions shall be subject to the fulfillment at or prior to the Closing of each of the following additional conditions:

(a) Injunction. There shall be no effective injunction, writ or preliminary restraining order or any order of any nature issued by a Governmental Entity of competent jurisdiction to the effect that the Transactions may not be consummated as provided herein, no proceeding or lawsuit shall have been commenced by any Governmental Entity for the purpose of obtaining any such injunction, writ or preliminary restraining order and no written notice shall have been received from any Governmental Entity indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated hereby, in each case where the Closing would (or would be reasonably likely to) result in a material fine or penalty payable by BRF or a material restriction on BRF’s operations as a result of such matter.

(b) Governmental Consents. All Governmental Consents, including the AG Clearance in form and substance satisfactory to BRF, shall have been obtained or made, except where the failure to have obtained or made any such Governmental Consent would not result in a material fine or penalty payable by BRF or a material restriction on BRF's operations or on BRF's or Old BRFHH-S's ability to pursue the W-K Claims.

(c) Representations and Warranties. The representations and warranties of OLHS-NL set forth in Article V shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Closing Date as though made on and as of the Closing Date, except that those representations and warranties that by their terms are qualified by materiality shall be true and correct in all respects.

(d) Performance of Obligations by OLHS-NL. OLHS-NL shall have performed in all material respects all covenants and agreements required to be performed by it hereunder on or prior to the Closing Date.

(e) Certificates. OLHS-NL shall have delivered to BRF a certificate of an authorized officer as to compliance with the conditions set forth in Sections 7.2(b), (c) and (d).

(f) Shreveport Transfer. The Shreveport Transfer shall have been consummated in accordance with the terms of the Shreveport Transfer Agreement.

(g) OLHS-NL Documents. BRF shall have received copies of the final OLHS-NL Documents and the Governance Documents.

(h) Concurrent Transaction Documents. The Termination and Release Agreement and other Concurrent Transaction Documents shall have been fully executed and delivered by the parties thereto and shall be in effect as of the Effective Time.

(i) Ancillary Documents. OLHS-NL shall have delivered, or caused to be delivered, to BRF all documents required to be entered into or delivered by OLHS-NL at or prior to the Closing pursuant hereto or reasonably requested by BRF to otherwise consummate the Transactions.

(j) Payments. All payments required to be made under the Concurrent Transaction Documents to BRF, BRFHH, BRFHH-S and BRFHH-M shall have been made and received and BRF shall have received written confirmation from the State of Louisiana of its commitment to pay the Disproportionate Share Hospital (DSH) payment due to BRFHH, BRFHH-S and BRFHH-M for the period ending September 30, 2018 shall be paid no later than October 2, 2018.

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(k) BRF Board Approval. BRF's Board of Directors shall have approved the Transactions.

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<sup>1</sup> NTD: Final arrangements for DSH payments to be made on or prior to Closing are to be determined.

**ARTICLE VIII  
POST-CLOSING COVENANTS AND AGREEMENTS**

Section 8.1 Cost Reports.

(a) OLHS-NL, at its own cost and expense, will timely prepare and file on behalf of the Hospitals any required Cost Reports for BRFH-S or BRFH-M with respect to any reportable period ending at or before the Effective Time.

(b) BRF and OLHS-NL acknowledge that all rights, liabilities and obligations associated with Agency Settlements and Cost Reports including any amounts receivable or payable in respect of such reports filed with CMS prior to or after the Effective Time shall remain the assets and liabilities of New BRFH-S and BRFH-M, as the case may be, and not Old BRFH-S or BRF. Such rights shall include the right to appeal any Medicare determinations relating to Agency Settlements and Cost Reports. The Hospitals shall retain the originals of Cost Reports, correspondence, work papers and other documents relating to Cost Reports and the Agency Settlements.

(c) Except as otherwise provided in this Article VIII if either Party receives any amount from patients, third-party payors, group purchasing organizations or suppliers which relate to the Business' provision of services rendered prior to or after the Effective Time or the purchase of goods or services prior to or after the Effective Time ("Misdirected Payments"), the Party receiving such Misdirected Payments shall remit such Misdirected Payments to BRFH-S or BRFH-M within thirty (30) days.

Section 8.2 W-K Claims. In connection with Old BRFH's and BRF's retention and pursuit of the W-K Claims, OLHS-NL, BRFH, New BRFH-S, and BRFH-M shall provide to BRF and Old BRFH-S reasonable access to the records and personnel of BRFH, BRFH-S, and BRFH-M, and shall reasonably cooperate with BRF and Old BRFH-S, *provided* that such reasonable access to records and personnel and reasonable cooperation shall not unreasonably interfere with OLHS-NL's future operation of the Business. Such access and cooperation shall include access as reasonably necessary in connection with or as reasonably necessary to support the W-K Claims in Old BRFH-S' reasonable discretion (a) for production of documents and data, (b) for preparation for and appearance at depositions and at trial, and (c) for assistance in legal investigations and for all other proper purposes related to the W-K Claims. Such reasonable cooperation and access shall also apply to any discovery of Ochsner and OLHS-NL by W-K in connection with the W-K Claims. In furtherance of the foregoing, upon Old BRFH-S's request, New BRFH-S shall use commercially reasonable efforts to assist Old BRFH-S in entering into consulting agreements with New BRFH-S and BRFH personnel as contemplated in the Shreveport Transfer Agreement. BRF shall reimburse OLHS-NL within thirty (30) days of OLHS-NL's written request for (i) any and all out-of-pocket expenses reasonably incurred by OLHS-NL, BRFH, BRFH-S, and/or BRFH-M related to their provision of such reasonable access to records and personnel to BRF and (ii) the time spent by the personnel of OLHS-NL or its Affiliates in connection with the assistance provided to BRF for the Antitrust Litigation at reasonable hourly or per diem rates consistent with the rates at which such personnel are made available for similar purposes. BRF also hereby agrees that it shall indemnify, defend and hold harmless the OLHS-NL Indemnified Parties (as defined in Section 9.5) from any and all Losses incurred or suffered by the OLHS-NL Indemnified Parties, directly or indirectly, as a result of Antitrust Litigation Liability, *provided*, however, that the foregoing indemnity shall only protect LSU or any personnel of LSU in their capacities as directors, trustees, officers, employees, agents and other representatives of OLHS-NL.

Section 8.3 Collection and Payment Per Schedule 2.7. As more fully set forth in Schedule 2.7, OLHS-NL agrees to use Commercially Reasonable Efforts to collect Accounts Receivable in the same manner as collected prior to Closing and to pay Accounts Payable in the same manner as prior to Closing consistent with the terms of those accounts.

#### Section 8.4 Post-Closing Employment.

(a) For a period of not less than one year following the Effective Time, OLHS-NL shall provide, or shall cause BRFH, BRFH-S, and BRFH-M to provide, as applicable, to each employee of BRFH, BRFH-S, and BRFH-M who remains an employee of any such entity following the Closing Date (a “Retained Employee”): (i) base salary or base wages, as applicable, and bonus opportunity that, in each case, are the same or greater than such Retained Employee’s base salary or wages and bonus opportunity immediately prior to the Closing; and (ii) all other compensation and benefits that are comparable in the aggregate to the other compensation and benefits provided to such Retained Employee immediately prior to the Closing.

(b) As of the Effective Time, BRF, BRFH, BRFH-S, or BRFH-M, as applicable, shall have fully funded all benefits provided under any Company Benefit Plan.

(c) With respect to each Employee Benefit Plan maintained by OLHS-NL or its Affiliates following the Effective Time (other than a Company Benefit Plan) and in which any of the Retained Employees participate (“New Plans”), for purposes of determining eligibility to participate and vesting (other than for post-employment health benefits or defined pension benefits, or where such crediting would not result in a duplication of benefits for the same period of service), service with the BRFH, BRFH-S, and BRFH-M, as applicable, shall be treated as service with OLHS-NL and its Affiliates. Each applicable New Plan shall, to the extent permitted by the terms of the applicable New Plan, waive eligibility waiting periods and pre-existing condition limitations to the extent waived or not included under the corresponding Company Benefit Plan. To the extent permitted under the applicable New Plan, OLHS-NL agrees to give or cause its Affiliates to give the Retained Employees credit under the New Plan for amounts paid prior to the Effective Time during the calendar year in which the Effective Time occurs under a corresponding Company Benefit Plan for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the New Plan.

(d) Nothing in this Section 8.4 or elsewhere in this Agreement shall be deemed to make any employee of BRF, BRFH, BRFH-S, and BRFH-M a third party beneficiary of this Section 8.4 or provide any employee rights relating to this Section 8.4, including any right to continued employment or right under any Company Benefit Plan or New Plan.

(e) Effective as of the Closing Date, BRF shall have amended each Company Benefit Plan and taken all other appropriate and necessary actions to discontinue the participation of those employees of BRF who remain employed by BRF on and after Closing (the “BRF Employees”). Effective as of the Closing Date, BRF shall have amended the Company 401(k) plan and taken all other appropriate and necessary actions to transfer sponsorship of the Company 401(k) Plan to BRFH. As soon as administratively practicable following the Closing Date, BRFH shall cause the Company 401(k) Plan account balances attributable to the BRF Employees to be transferred from the Company 401(k) Plan to a 401(k) retirement plan established by BRF for the benefit of such BRF Employees in a trustee-to-trustee transfer in accordance with the requirements of Section 414(l) of the Code.

Section 8.5 WARN Compliance. Neither OLHS-NL nor its Affiliates shall, at any time prior to ninety-one (91) days after the Closing Date, effectuate a “mass layoff” as that term is defined under the WARN Act, or comparable conduct under any applicable state Law requirement, affecting in whole or in part any facility, site of employment, operating unit or employee of BRFHH, BRFHH-S or BRFHH-M without complying fully with the requirements of WARN or such applicable state Law requirement.

Section 8.6 Directors’ and Officers’ Indemnification.

(a) From the Closing until the sixth (6<sup>th</sup>) anniversary of the Closing Date, OLHS-NL or its affiliate shall subject to Section 8.6(c) below indemnify, defend and hold harmless, to the fullest extent permitted under applicable Law, each of the individuals who on or prior to the Closing Date was a director or officer of BRFHH, BRFHH-S or BRFHH-M (collectively, the “BRFHH Indemnitees”) with respect to all acts or omissions by them in their capacities as such or taken at the request of BRFHH, BRFHH-S or BRFHH-M, as applicable, at any time prior to the Closing. OLHS-NL agrees that all rights of the BRFHH Indemnitees to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Closing as provided in the respective articles of organization or operating agreement or comparable organizational documents of BRFHH, BRFHH-S and BRFHH-M as now in effect, and any indemnification agreements or arrangements of BRFHH, BRFHH-S or BRFHH-M shall survive the Closing and shall continue in full force and effect in accordance with their terms until the sixth (6<sup>th</sup>) anniversary of the Closing Date. Subject to Section 8.6(c) below, such rights shall not be amended, or otherwise modified in any manner that would adversely affect the rights of the BRFHH Indemnitees, unless such modification is required by Law.<sup>2</sup>

(b) OLHS-NL, from and after the Closing Date, shall cause the articles or organization and operating agreements or comparable organizational documents of BRFHH, BRFHH-S and BRFHH-M to contain provisions no less favorable to the BRFHH Indemnitees with respect to limitation of certain liabilities of directors, officers, employees and agents and indemnification than are set forth as of the date of this Agreement in the articles of organization and operating agreements or comparable organizational documents of BRFHH, BRFHH-S and BRFHH-M, which provisions shall not be amended, repealed or otherwise modified in a manner that would adversely affect the rights thereunder of the BRFHH Indemnitees other than as may be required by Law from time to time.

(c) Prior to the Closing, BRFHH, BRFHH-S and BRFHH-M shall obtain a “tail” insurance policy or policies to become effective on the Closing with a claims period of six (6) years following the Closing Date with respect to the directors’ and officers’ liability insurance covering those individuals who are covered by the directors’ and officers’ and corporate liability insurance policy or policies provided for directors and officers of BRFHH, BRFHH-S and BRFHH-M as of the date hereof (the “Existing Policy”) on terms comparable in all respects to the Existing Policy and such coverage shall contain minimum aggregate limits of liability for directors’ and officers’ and corporate liability insurance coverage for directors and officers of BRFHH, BRFHH-S and BRFHH-M with the amount of coverage at

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<sup>2</sup> BRF proposes the inclusion of BRF officers and directors as BRFHH Indemnitees based on insurance arrangements to be discussed in view of shared limits.

least equal to that of the Existing Policy and deductibles no larger than those customary for such type of insurance coverage. Notwithstanding anything herein to the contrary, OLHS-NL's obligation under Section 8.6(a) to indemnify the BRFHH Indemnitees are conditioned upon the BRFHH Indemnitees (i) providing timely notice to OLHS-NL of any claim for indemnification arising under Section 8.6(a), and (ii) making a timely claim against the tail insurance policy provided hereunder. In addition, OLHS-NL's obligation under Section 8.6(a) to indemnify the BRFHH Indemnitees shall be limited to any amounts not covered by the tail insurance policy following a timely claim made by the BRFHH Indemnitees for such coverage, recognizing that the coverage limited under the tail endorsement may be exhausted by payment of claims on behalf of any BRFHH Indemnitee.

(d) The provisions of this Section 8.6: (i) are intended to be for the benefit of, and shall be enforceable by, each BRFHH Indemnitee, his or her heirs and his or her representatives; and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise.

(e) In the event that OLHS-NL, BRFHH, BRFHH-S or BRFHH-M or any of their respective successors or assigns (i) consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger; or (ii) transfers or conveys all or substantially all of its assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of OLHS-NL, BRFHH, BRFHH-S or BRFHH-M shall assume all of the obligations thereof set forth in this Section 8.6.

(f) subject to Section 8.6(c), the obligations of OLHS-NL under this Section 8.6 shall not be terminated or modified in such a manner as to adversely affect any BRFHH Indemnitee to whom this Section 8.6 applies without the consent of the affected BRFHH Indemnitee (it being expressly agreed that the BRFHH Indemnitees to whom this Section 8.6 applies shall be third party beneficiaries of this Section 8.6).

**Section 8.7** 501(c)(3) Status. OLHS-NL and its Affiliates shall each use their best efforts to promptly obtain a determination letter from the IRS confirming OLHS-NL's status as a tax-exempt organization described in Section 501(c)(3) of the Code and as a public charity within the meaning of Section 509(a) of the Code (collectively, "Exempt Status") and at all times thereafter maintain such Exempt Status; provided, however, that if, as of the Closing Date, OLHS-NL's Exempt Status has not been so confirmed by the IRS, then subsequent to the Closing Date and thereafter unless or until OLHS-NL has received confirmation of its Exempt Status from the IRS, each of Ochsner, LSU and OLHS-NL shall do any and all things necessary or desirable to ensure that OLHS-NL as the sole member of BRFHH, operates and uses the assets held or controlled by BRFHH (directly or indirectly through BRFHH's affiliates) in the same manner and for the same purposes as if OLHS-NL had such Exempt Status.

**Section 8.8** IRS Notification. OLHS-NL and its Affiliates shall each take such additional actions as may be necessary or appropriate to provide notice to the IRS of any changes to any organizational documents of OLHS-NL, BRFHH, and/or any affiliates controlled by BRFHH, as a result of the Membership Interest Transfer and the Transactions contemplated hereunder.

## **ARTICLE IX TERMINATION; RIGHT OF OFFSET; AND INDEMNIFICATION**

**Section 9.1** Termination. This Agreement may be terminated:

(a) in writing by mutual consent of the Parties;

(b) by written notice from BRF to OLHS-NL, in the event OLHS-NL (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it at or prior to the Closing or (ii) materially breaches any of its representations and warranties contained herein, which failure or breach is not cured within ten (10) days following BRF having notified OLHS-NL of its intent to terminate this Agreement pursuant to this Section 9.1(b);

(c) by written notice from OLHS-NL to BRF, in the event BRF (i) fails to perform in any material respect any of its agreements contained herein required to be performed by it at or prior to the Closing (ii) materially breaches any of its representations and warranties contained herein, which failure or breach is not cured within ten (10) days following OLHS-NL having notified BRF of its intent to terminate this Agreement pursuant to this Section 9.1(c);

(d) by written notice by BRF to OLHS-NL or OLHS-NL to BRF, as the case may be, in the event the Closing has not occurred on or prior to [REDACTED], provided that such date shall be extended to [REDACTED] if the Closing has not occurred because of the failure of the condition set forth in Section 7.1(a), Section 7.1(b) to have been satisfied (the “Expiration Date”) for any reason other than delay or nonperformance of the Party seeking such termination.

**Section 9.2 Specific Performance and Other Remedies.** Each Party hereby acknowledges that the rights of each Party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, in the event that any Party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching Party may be without an adequate remedy at law. In the event that any Party violates or fails or refuses to perform any covenant or agreement made by such Party herein, the non-breaching Party or Parties may, without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting any bond or other security, subject to the terms hereof and in addition to any remedy at law for damages or other relief, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other equitable relief.

**Section 9.3 Effect of Termination.** In the event of termination of this Agreement prior to Closing pursuant to this Article IX, this Agreement shall forthwith become void and there shall be no liability on the part of any Party or its partners, officers, directors or stockholders, except for obligations under Section 10.12 (Public Announcements), Section 10.1 (Notices), Section 10.6 (Controlling Law; Amendment), Section 10.7 (Consent to Jurisdiction, Etc.) and Section 10.16 (Transaction Costs) and this Section 9.3, all of which shall survive the Termination Date. Notwithstanding the foregoing, nothing contained herein shall relieve any Party from liability for any breach hereof.

**Section 9.4 Right of Offset.** The OLHS-NL Indemnified Parties shall be entitled to offset and retain (“Right of Offset”) any payments or portions of payments otherwise payable to BRF under the Net Assets Payment for any Losses incurred or suffered by the OLHS-NL Indemnified Parties, to the extent arising or resulting from the items set forth in Section 9.5(a)(i-iv):

#### **Section 9.5 Indemnification.**

(a) Indemnification by BRF. BRF shall keep and save OLHS-NL, OLHS-NL’s Affiliates, and their respective directors, trustees, officers, employees, agents and other representatives (collectively, “OLHS-NL Indemnified Parties”), harmless from and shall indemnify and defend the OLHS-NL Indemnified Parties, except to the extent precluded by law,

against any and all actions, suits, proceedings, judgments, liabilities, fees, claims, losses, demands, direct damages, and expenses including reasonable attorneys' fees (collectively, "Losses"), to the extent arising or resulting from:

- (i) the fraud or willful misconduct of BRF or BRF's Affiliates; and
- (ii) any material liabilities or obligations of BRF, BRFHH, BRFHH-S, or BRFHH-M in respect of periods prior to the Closing Date that the BRF Knowledge Parties knowingly and intentionally failed to disclose, provided that any information included in the Schedules shall be deemed to have been disclosed for purposes of this Section 9.5(a)(ii);
- (iii) the Excluded Liabilities; and
- (iv) the costs incurred by OLHS-NL in connection with the W-K Claims as described in Section 8.2 including any claim for Indemnification under Section 8.2, *provided*, however, that any provisions of this Section 9.5(a)(iv) and the indemnity provided in Section 8.2 shall only protect LSU or any personnel of LSU in their capacities as directors, trustees, officers, employees, agents and other representatives of OLHS-NL.

Notwithstanding anything to the contrary in this Agreement, under no circumstances shall BRF have any obligation to indemnify any OLHS-NL Indemnified Parties for any Losses to the extent connected with or arising or resulting from payments made by or on behalf of BRF, BRFHH, BRFHH-S, or BRFHH-M to LSU or its Affiliates or the State of Louisiana prior to or as of the Closing Date.

(b) Indemnification by OLHS-NL. OLHS-NL shall keep and save BRF, BRF's Affiliates, and their respective directors, trustees, officers, employees, agents and other representatives (collectively, "BRF Indemnified Parties") and together with the OLHS-NL Indemnified parties, the "Indemnified Parties"), harmless from and shall indemnify and defend the BRF Indemnified Parties against any and all Losses, to the extent connected with or arising or resulting from:

- (i) the fraud or willful misconduct of OLHS-NL or its Affiliates; and
- (ii) the ownership or operation of the Hospitals and the conduct of the Business after the Closing.

Section 9.6 Limitation of Remedies. Each Party acknowledges and agrees that, from and after the Closing (except for disputes under Schedule 2.7 (Net Assets Payment), which disputes will be resolved in accordance with the dispute mechanism set forth in Schedule 2.7), except in the case of fraud or knowing and intentional misrepresentation, its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement and the transactions contemplated hereby shall be pursuant to the indemnification provisions set forth in this Article IX. In furtherance of the foregoing, each Indemnified Party under this Article IX hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action it may have against any Indemnifying Party relating to the subject matter of this Agreement and the transactions contemplated hereby, whether arising under or based upon any federal, state, local or foreign statute, law, ordinance, rule or regulation or otherwise (including any right, whether arising at law or in equity, to seek indemnification, contribution, cost recovery, damages, or any other recourse or remedy). Notwithstanding the foregoing, nothing contained herein shall impair the right of any party to compel specific performance by another party of its obligations or seek injunctive relief under this Agreement or the other agreements entered into as contemplated in Sections 2.4 or 7.

Section 9.7 Notice and Defense of Third Party Claims. If either Party seeks Indemnification under this Section 9.7 with respect to any Proceeding or other claim brought against it by a third party (a “Third-Party Claim”), the Indemnified Party shall promptly give written notice to the Indemnifying Party after receiving written notice of such Third-Party Claim, describing the Third-Party Claim, the amount thereof (if known and quantifiable), and the basis thereof, together with a copy of the Third-Party Claim; provided that any failure to so notify or any delay in notifying the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure or delay. With respect to any Third-Party Claim which, if adversely determined, would entitle the Indemnified Party to Indemnification under this Section 9.7, the Indemnified Party may defend against, and with the written consent of the Indemnifying Party, which consent may not be unreasonably withheld, delayed or conditioned, may consent to the entry of any judgment or enter into any settlement with respect to, the Third-Party Claim in any manner it may deem appropriate, and the fees and disbursements of the Indemnified Party’s counsel shall be at the expense of the Indemnifying Party.

Section 9.8 Notice of Non-Third-Party Claims. If either Party seeks Indemnification under this Section 9.8 with respect to any matter which does not involve a Third-Party Claim, the Indemnified Party shall give written notice to the Indemnifying Party promptly after discovering the liability, obligation or facts giving rise to such claim for Indemnification, describing the nature of the claim in reasonable detail, the amount thereof (if known and quantifiable), and the basis thereof; provided that any failure to so notify or any delay in notifying the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure or delay. If the Indemnifying Party does not notify the Indemnified Party in writing within thirty (30) days from its receipt of the indemnification notice that the Indemnifying Party disputes such claim, the Indemnifying Party shall be deemed to have accepted and agreed to the Indemnified Party’s indemnification claim under this Section 9.8, as applicable, for the entirety of any Losses described in the indemnification notice. If the Indemnifying Party has delivered notice to the Indemnifying Party that it disputes such Indemnification claim, the Parties shall proceed in good faith to negotiate a resolution to such dispute.

Section 9.9 Survival. Neither Party shall be liable with respect to any claim for Indemnification under this Article IX unless written notice of such claim is delivered to the Indemnifying Party prior to the later of the fifth (5<sup>th</sup>) anniversary of the Effective Time or the applicable prescriptive period (the “Claims Expiration Date”). The Parties agree that so long as written notice is given on or prior to the Claims Expiration Date with respect to such claim, the representations and warranties and covenants and obligations with respect to such breach shall continue to survive until such matter is finally resolved. All post-Closing covenants and agreements herein, including in Article VIII, shall survive the Closing in accordance with their respective terms or for the applicable prescriptive period if no survival period is specified.

## **ARTICLE X MISCELLANEOUS PROVISIONS**

Section 10.1 Notices. All notices, communications and deliveries hereunder shall be made in writing signed by or on behalf of the Party making the same, shall specify the Section pursuant to which it is given or being made, and shall be delivered personally or by UPS Next Day Air or other overnight courier service (with evidence of delivery and postage and other fees prepaid) as follows:

To OLHS-NL:

with a copy to:

and to: King & Spalding LLP  
1180 Peachtree Street  
Atlanta, Georgia 30309  
Attn: Jon R. Harris, Jr.  
Telephone No.: (404) 572-3324  
Telecopy No.: (404) 572-5139  
E-mail: jrharris@kslaw.com

To BRF: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Telecopy No.: \_\_\_\_\_  
E-mail: \_\_\_\_\_

with a copy to: Hogan Lovells US, LLP  
555 13<sup>th</sup> Street, NW  
Washington DC 20004  
Attention: Clifford D. Stromberg  
Telephone No.: 202-637-5699  
Telecopy No.: 202-637-5910  
E-mail: clifford.stromberg@hoganlovells.com

or to such other representative or at such other address of a Party as such Party may furnish to the other Party in writing. Any such notice, communication or delivery shall be deemed given or made (a) on the date of delivery, if delivered in person, or (b) on the first (1<sup>st</sup>) Business Day following delivery to an overnight courier service.

Section 10.2 Schedules and Exhibits. The Schedules and Exhibits are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

Section 10.3 Assignment; Successors in Interest. No assignment or transfer by any Party of such Party's rights and obligations hereunder shall be made except with the prior written consent of the other Parties. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns, and any reference to a Party shall also be a reference to the successors and permitted assigns thereof.

Section 10.4 Captions. The titles, captions and table of contents contained herein are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

Section 10.5 Construction. Unless the context of this Agreement otherwise clearly requires, (a) references to the plural include the singular, and references to the singular include the plural, (b) references to any gender include the other genders, (c) the words "include," "includes" and "including" do not limit the preceding terms or words and shall be deemed to be followed by the words "without limitation", (d) the term "or" has the inclusive meaning represented by the phrase "and/or",

(e) the terms “hereof”, “herein”, “hereunder”, “hereto” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (f) the terms “day” and “days” mean and refer to calendar day(s) and (g) the terms “year” and “years” mean and refer to calendar year(s). Unless otherwise set forth herein, references in this Agreement to (i) any document, instrument or agreement (including this Agreement) (A) includes and incorporates all exhibits, schedules and other attachments thereto, (B) includes all documents, instruments or agreements issued or executed in replacement thereof and (C) means such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified or supplemented from time to time in accordance with its terms and in effect at any given time, and (ii) a particular Law (as hereinafter defined) means such Law as amended, modified, supplemented or succeeded, from time to time and in effect at any given time. All Article, Section, Exhibit and Schedule references herein are to Articles, Sections, Exhibits and Schedules of this Agreement, unless otherwise specified. This Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

Section 10.6 Controlling Law; Amendment. This Agreement shall be governed by and construed and enforced in accordance with the internal Laws of the State of Louisiana without reference to its choice of law rules. This Agreement may not be amended, modified or supplemented except by written agreement of the Parties.

Section 10.7 Consent to Jurisdiction, Etc. Each Party hereby irrevocably agrees that any Legal Dispute resulting in a claim for injunctive relief or other equitable remedies shall be brought only to the exclusive jurisdiction of the courts of the State of Louisiana or the federal courts located in Shreveport, Louisiana, and each Party hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that they any such suit, action or proceeding that is brought in any such court has been brought in an inconvenient forum. During the period a dispute that is filed in accordance with this Section 10.7 is pending before a court, all actions, suits or proceedings with respect to such dispute or any other dispute, including any counterclaim, cross-claim or interpleader, shall be subject to the exclusive jurisdiction of such court. Each Party hereby waives, and shall not assert as a defense in any such dispute, that (a) such Party is not subject thereto, (b) such action, suit or proceeding may not be brought or is not maintainable in such court, (c) such Party’s property is exempt or immune from execution, (d) such action, suit or proceeding is brought in an inconvenient forum or (e) the venue of such action, suit or proceeding is improper. A final judgment in any action, suit or proceeding described in this Section 10.7 following the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Laws.

Section 10.8 Severability. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Law, each Party hereby waives any provision of law that renders any such provision prohibited or unenforceable in any respect.

Section 10.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms hereof to produce or account for more than one of such counterparts.

Section 10.10 Enforcement of Certain Rights. Nothing expressed or implied herein is intended, or shall be construed, to confer upon or give any Person other than the Parties, and

their successors or permitted assigns, any right, remedy, obligation or liability under or by reason of this Agreement, or result in such Person being deemed a third-party beneficiary hereof.

**Section 10.11 Waiver.** Any agreement on the part of a Party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such Party. A waiver by a Party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any Party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

**Section 10.12 Public Announcements.** Any public announcement of the Transactions made prior to Closing shall be made pursuant to a communication plan agreed to by the Parties, and neither OLHS-NL nor BRF nor their Affiliates may directly or indirectly issue any press release or make any other announcement prior to Closing disclosing the existence of this Agreement, or the matters contemplated herein, without the prior written consent of the other Party, except where a press release or other announcement is required by law, as reasonably determined by the disclosing Party (in which event the Party shall, as soon as reasonably practicable but in any such event prior to the announcement, give notice to the other Party of such determination and consult with the other Party concerning the terms of such announcement). If either BRF or OLHS-NL or their Affiliates directly or indirectly issue any press release or make any other announcement prior to Closing as contemplated by this Section 9.12 then the other Party shall have the right to issue a press release or make an announcement with respect to such matters contemporaneously.

**Section 10.13 Confidentiality.** It is understood by the Parties hereto that the information, documents, and instruments delivered by a Party to the other Party hereto are of a confidential and proprietary nature. Each Party shall comply with and recognize all confidentiality and non-disclosure requirements that apply to the other Party, specifically including the privacy requirements of HIPAA and state Law requirements, and shall comply with all policies and safeguards of the other Party relating to protected health information (as defined by federal regulations implementing HIPAA). Each Party hereto agrees that, both prior and subsequent to the Closing, it shall maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by the other Party or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and shall disclose such information, documents, and instruments only to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each Party), applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom, and other third parties (such as debt holders) to the extent that disclosure may as a practical matter be necessary to complete the Transactions. Each Party hereto further agrees that, if the Transactions are not consummated, it shall return all such documents and instruments and all copies thereof in its possession to the other Party to this Agreement. Nothing in this Section 10.13, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of a Party's counsel are required by Law, are required to comply with a request by a Governmental Entity for information in connection with an investigation of the Transactions described herein, or are otherwise required to be disclosed pursuant to applicable state Law, provided, however, that notice and opportunity to respond is provided to the Party whose information is being sought.

**Section 10.14 Integration.** This Agreement and the documents executed pursuant hereto supersede all negotiations, agreements and understandings among the Parties with respect to the subject matter hereof and constitute the entire agreement among the Parties with respect thereto.

Section 10.15 Cooperation Following the Closing. Following the Closing, each Party shall deliver to the other Parties such further information and documents and shall execute and deliver to the other Parties such further instruments and agreements as any other Party shall reasonably request to consummate or confirm the transactions provided for herein, to accomplish the purpose hereof or to assure to any other Party the benefits hereof.

Section 10.16 Transaction Costs. Except as provided above or as otherwise expressly provided herein, (a) OLHS-NL shall pay its own fees, costs and expenses incurred in connection herewith and the transactions contemplated hereby, including the fees, costs and expenses of its financial advisors, accountants and counsel, and (b) BRF shall pay the fees, costs and expenses of BRF incurred in connection herewith and the transactions contemplated hereby, including the fees, costs and expenses of their financial advisors, accountants and counsel.

Section 10.17 Dispute Resolution. Except for actions seeking specific performance pursuant to Section 9.2, in the event that any dispute arises between BRF and OLHS-NL with respect to the enforcement or interpretation of this Agreement, or any specific terms and provisions set forth in this Agreement, BRF and OLHS-NL shall use their Commercially Reasonable Efforts to reach an agreement for the resolution of such dispute as quickly as reasonably feasible.

(a) If the Parties fail to resolve any dispute within thirty (30) days, such dispute shall be submitted to the Chief Executive Officer of BRF (or his or her designee) and the Chief Executive Officer of OLHS-NL (or his or her designee) for discussion and amicable resolution.

(b) In the event the Chief Executive Officer of BRF (or his or her designee) and the Chief Executive Officer of OLHS-NL (or his or her designee) are unable to resolve such dispute within thirty (30) days, such dispute shall be submitted to a disinterested third party mediator chosen jointly by BRF and OLHS-NL for nonbinding mediation for a period not exceeding sixty (60) days. The mediator shall be a healthcare executive who has experience in hospital administration. The Parties agree to participate in the mediation of the dispute in good faith. The mediator shall be disqualified as a witness, expert, or counsel for any party with respect to the dispute and any related matters. The entire mediation process shall be confidential, and no conduct, statements, promises, offers, views, or opinions associated with the mediation process shall be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence that is otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the mediation. The Parties shall share equally the fees and related expenses of the mediator.

(c) If such mediation does not resolve the dispute to the satisfaction of the Parties, either Party may elect to resort to binding arbitration for the purpose of resolving the Material Dispute by sending written notice to the other Party demanding binding arbitration. The binding arbitration shall be conducted by a single neutral arbitrator in accordance with the relevant Commercial Arbitration Rules (the “Rules”) of the American Arbitration Association (the “AAA”). The arbitrator shall be selected by the parties and shall have experience in healthcare disputes. If the Parties are unable to agree upon the selection of the arbitrator within thirty (30) days of the date that notice of arbitration demand is given, the arbitrator shall be selected by the AAA in accordance with Section R-11 of the Rules. Any arbitration shall be conducted in accordance with the procedural and evidentiary rules of the Rules and shall be conducted in Shreveport, Louisiana, or such other venue as the parties may agree, and any judgment on the award rendered in such arbitration shall be entered in any state or federal court in Shreveport, Louisiana having jurisdiction. The Parties shall share equally the fees and related expenses of the arbitrator. The arbitrator’s decision shall be final and may be enforced pursuant to this Section

10.17(c). The arbitrator shall be disqualified as a witness, expert, or counsel for any party with respect to the dispute and any related matters.

(d) Except for actions seeking specific performance pursuant to Section 9.2, the foregoing provisions of this Section shall be the exclusive dispute resolution procedure available to the Parties with respect to the enforcement or interpretation of this Agreement or the OLHS-NL-BRF Agreements, or any specific terms and provisions set forth in this Agreement or in the OLHS-NL-BRF Agreements.

**Section 10.18 Legal Fees and Costs of Disputes.** In the event either Party incurs legal expenses to enforce or interpret any provision of this Agreement by mediation, arbitration or judicial means, the prevailing Party will be entitled to recover such legal expenses, including attorney's fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

**Section 10.19 Waiver of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS.

**Section 10.20 Waiver of Breach.** The waiver by any Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or other provision hereof.

**Section 10.21 No Inferences; Sophisticated Parties.** Each of the Parties acknowledges and agrees to the following: (a) all of the Parties are sophisticated and represented by experienced healthcare and transactional counsel in the negotiation and preparation of this Agreement; (b) this Agreement is the result of lengthy and extensive negotiations between the Parties and an equal amount of drafting by all Parties; (c) this Agreement embodies the justifiable expectations of sophisticated parties derived from arm's-length negotiations; and (d) no inference in favor of, or against, any Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Person.

**Section 10.22 No Third-Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of OLHS-NL and BRF and such Parties' respective successors and permitted assigns or delegates, and it is not the intention of the Parties to confer, and, this Agreement shall not confer, third-party beneficiary rights upon any other Person.

**Section 10.23 Amendment.** No modifications of, amendments to, or waivers of any rights or duties under this Agreement shall be valid or enforceable unless and until made in writing and signed by all Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed, as of the date first above written.

**BRF:**

**BIOMEDICAL RESEARCH FOUNDATION OF  
NORTHWEST LOUISIANA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OLHS-NL:**

**OCHSNER LSU HEALTH SYSTEM OF  
NORTH LOUISIANA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### **Definitions**

Certain Definitions. The following terms, as used in this Agreement, have the following meanings:

“Accounts Receivable” means (i) to the extent legally transferable, all accounts receivable and other rights to receive payment arising from the rendering of services and the provision of medicine, drugs and supplies to patients of the Facilities prior to the Effective Time and other claims of the Facilities for the rendering of services and the provision of medicine, drugs and supplies to patients of the Facilities prior to the Effective Time due from beneficiaries, non-governmental third party payors or Governmental Entities, including, with respect to all of the foregoing, any such accounts receivable or other rights to receive payment that have been charged off as bad debt; and (ii) all notes, accounts receivable and other rights to receive payment in connection with the Business and operation of the Business prior to the Effective Time, including any such notes, accounts receivable and other rights to receive payment that have been charged off as bad debt, including all notes, accounts receivable and other rights to receive payment that the Facilities account for as “Other Receivables”.

“Affiliate” of any specified Person means any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

“Agency Settlements” means any settlements and retroactive adjustments for open cost reporting periods ending at or prior to the end of the cost reporting period during which the Effective Time occurs (whether open or closed) arising from or against the U.S. Government or any state under the terms of the Government Programs and from or against any commercial third-party payor programs that settle on a cost report basis and amounts received following the Closing as a result of settlements of appeals and other risk settlements related to periods ending at or prior to the Effective Time.

“Applicable Benefit Laws” means all Laws or other legislative, administrative or judicial promulgations, other than ERISA and the Code, including those of a jurisdiction outside the United State of America, applicable to any Company Benefit Plan.

“Ancillary Documents” means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by any Party in connection with the transactions contemplated hereby.

“Balance Sheet Date” means June 30, 2018.

“BRFHH Intellectual Property” means any Intellectual Property that is owned by or licensed to BRFHH, BRFHH-S, or BRFHH-M and used or held for use in connection with the

Business, including the BRFHH Software.

“BRFHH Licensed Software” means all Software (other than BRFHH Proprietary Software) used or held for use in the Business.

“BRFHH Proprietary Software” means all Software owned by any of BRFHH, BRFHH-S, or BRFHH-M or any of their Affiliates used or held for use in the Business.

“BRFHH Registered Intellectual Property” means all of the Registered Intellectual Property owned by, filed in the name of, or licensed to BRFHH, BRFHH-S, or BRFHH-M or any of their Affiliates and used or held for use in the Business.

“BRFHH Software” means the BRFHH Licensed Software and the BRFHH Proprietary Software.

“BRFHH Information Technology Systems” means the Information Technology Systems owned, licensed, used or controlled by BRFHH, BRFHH-S, or BRFHH-M or any of their Affiliates used or held for use in the Business.

“Business” means BRFHH, BRFHH-S, and BRFHH-M’s business, including their business of providing inpatient and outpatient hospital services and related services and other business operations of the Hospitals excluding the Antitrust Litigation.

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in New Orleans, Louisiana.

“CERCLA” means the United States Comprehensive Environmental Response, Compensation and Liability Act and the rules and regulations promulgated thereunder.

“CMS” means the U.S. Department of Health & Human Services Centers for Medicare and Medicaid Services.

“COBRA” or COBRA Coverage” means continuation coverage required under Section 4980B of the Code and Part 6 of Title I of ERISA.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Commercially Reasonable Efforts” means, with respect to a Party’s obligations under this Agreement, those efforts, activities, measures and resources that similarly situated third-parties, operating in the same business as the obligated Party, would consider to be commercially reasonable in pursuing the applicable obligations, taking into account efficacy, safety, regulatory considerations, present and future market conditions, and all other relevant factors.

“Company Benefit Plan” means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by or on behalf of BRFHH, BRFHH-S, or BRFHH-M to which BRFHH BRFHH-S, or BRFHH-M make or in the last six (6) years have made, or have in the last six (6) years had an obligation to make, contributions.

“Company 401(k) Plan” means the BRF/BRFHH Retirement Plan.

“Contracts” means any legally binding oral or written commitment, contract, lease, sublease, license, sublicense or other agreement or arrangements of any kind relating to the Business, BRFHH, BRFHH-S, or BRFHH-M.

“Control,” “Controlled” or “Controlling” means, when used with respect to any specified Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Cost Report” means any cost report required to be filed in respect of the Business pursuant to the Government Programs or any third-party payor program.

“Employee Benefit Plan” means, with respect to any Person, each plan, fund, program, agreement, arrangement or scheme, in each case, that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing for employee benefits or for the remuneration, direct or indirect, of the employees, former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents or beneficiaries of any of them (whether written or oral), including each deferred compensation, bonus, incentive compensation, pension, retirement, stock purchase, stock option and other equity compensation plan, “welfare” plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), “pension” plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA), severance plan or agreement, health, vacation, summer hours, supplemental unemployment benefit, hospitalization insurance, medical, dental or legal plan, fund, program or arrangement, and any other similar employee benefit plan, fund, program, agreement or arrangement.

“Employment Agreement” means any employment contract, consulting agreement, termination, retention or severance agreement, change of control agreement or any other agreement respecting the terms and conditions of employment or payment of compensation, or of a consulting or independent contractor relationship in respect to any current or former officer, employee, consultant or independent contractor.

“Encumbrance” means any claim, charge, easement, servitude, assessment, encumbrance, encroachment, defect in title, security interest, bailment (in the nature of a pledge or for purposes of security), mortgage, deed of trust, the grant of a power to confess judgment, conditional sales and title retention, lease, sublease, option, right of first refusal or first offer, lien, hypothecation, pledge, restriction or other similar arrangement or interest in real or personal property, whether imposed by Contract, Law, equity or otherwise.

“Environmental Laws” means all local, state and federal Laws relating to protection of surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or ambient air, pollution control, product registration and Hazardous Materials.

“ERISA” means the United States Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any Person (whether incorporated or unincorporated) that together with BRFHH or an Affiliate of BRFHH would be deemed a “single employer” within the meaning of Section 414 of the Code.

“ERISA Affiliate Plan” means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by any ERISA Affiliate, or to which such ERISA Affiliate makes or in the last six (6) years has made, or has or in the last six (6) years has had an obligation to make, contributions.

“Financial Statements” means (a) unaudited balance sheet of BRFHH and the Hospitals for the periods ending December 31, 2017, December 31, 2016, December 31, 2015 and the unaudited statements of income and cash flows of BRFHH and the Hospitals for the periods then ended and (b) the unaudited balance sheet of BRFHH and the Hospitals for the \_\_\_\_-month period ending at [REDACTED], 2018 and the unaudited statements of income and cash flows of BRFHH and the Hospitals for the period then ended.

“FMLA” means the United States Family and Medical Leave Act and the rules and regulations promulgated thereunder.

“GAAP” means generally accepted accounting principles as applied in the United States.

“Governmental Entity” means any federal, state, local, municipal or foreign government, any political subdivision thereof or any court, administrative or regulatory agency, department, instrumentality, body or commission or other Governmental Entity or agency, domestic or foreign, or any entity contracted to administer a government funded program (including Medicare and Louisiana Medicaid contractors, intermediaries and carriers).

“Government Programs” means Medicare, Medicaid and TRICARE, and any other federal health care program as defined in 42 U.S.C. §1320a-7(b)(f).

“Hazardous Materials” means any pollutant, contaminant, hazardous substance, toxic, ignitable, reactive or corrosive substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, or any constituent of any such substance or waste, the use, handling or disposal of which by BRFHH, BRFHH-S, or BRFHH-M is in any way governed by or subject to any applicable Environmental Law.

“Healthcare Information Laws” means all federal and state Laws relating to patient or individual healthcare information, including HIPAA, the HITECH Act and any rules or regulations promulgated under any of the foregoing.

“HIPAA” means the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, as amended, the HITECH Act and any rules or regulations promulgated under any of the foregoing.

“HITECH Act” means the Health Information Technology for Economic and Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), as amended.

“HITECH Payments” means payments applicable to the Hospitals or the Business made pursuant to the HITECH Act (and rights to such payments) from Medicare and Medicaid with respect to meaningful use of electronic health records.

“Indebtedness” means, at any specified time (without duplication), any of the following Liabilities of any Person (whether or not contingent and including, any and all principal, accrued and unpaid interest, prepayment premiums or penalties, related expenses, commitment and other

fees, sale or liquidity participation amounts, reimbursements, indemnities and other amounts which would be payable in connection therewith): (a) any Liabilities of such Person for borrowed money or in respect of loans or advances; (b) any Liabilities evidenced by bonds, debentures, notes, or other similar instruments or debt securities; (c) any Liabilities of such Person as lessee under any lease or similar arrangement required to be recorded as a capital lease in accordance with GAAP; (d) all Liabilities of such Person under or in connection with letters of credit or bankers' acceptances, performance bonds, sureties or similar obligations; (e) any Liabilities of such Person to pay the deferred purchase price of property, goods or services other than those trade payables incurred in the ordinary course of business, which are not more than sixty (60) days past due; (f) all Liabilities of such Person arising from cash/book overdrafts; (g) all Liabilities of such Person under conditional sale or other title retention agreements; (h) all Liabilities of such Person with respect to vendor advances or any other advances made to such Person; (i) all Liabilities of such Person arising out of interest rate and currency swap arrangements and any other arrangements designed to provide protection against fluctuations in interest or currency rates; and (j) any Liabilities of others guaranteed by, or secured by any Encumbrance on the assets of, such Person, whether or not such indebtedness, liabilities or obligations shall have been assumed by such Person or is limited in recourse.

“Information Privacy or Security Laws” means HIPAA and all other Laws concerning the privacy or security of Personal Information, including state data breach notification Laws, Healthcare Information Laws, the FTC Act, the FTC Red Flag Rules and state consumer protection Laws.

“Information Technology Systems” means all information technology systems and equipment, Software, computers, workstations, databases, routers, hubs, switches, and networks.

“Intellectual Property” means any or all of the following and all rights, arising out of or associated therewith: (i) all United States, international and foreign patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (ii) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing throughout the world; (iii) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto throughout the world; (iv) all industrial designs and any registrations and applications therefor throughout the world; (v) all internet uniform resource locators, domain names, social media identifiers, names and profiles, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations and applications therefor throughout the world; (vi) Software; (vii) all databases, data collections and data, including Personal Information, and all rights therein throughout the world; (viii) all moral and economic rights of authors and inventors, however denominated, throughout the world; and (ix) any similar or equivalent rights to any of the foregoing anywhere in the world.

“Knowledge” (i) with respect to BRF means all facts known by those individuals listed on Exhibit H to this Agreement under the heading “BRF Knowledge Parties” on the date hereof with respect to the matters at hand, and (ii) with respect to OLHS-NL means all facts known by those individuals listed on Exhibit H to this Agreement under the heading “OLHS-NL Knowledge Parties” on the date hereof with respect to the matters at hand.

“Labor Laws” means all Laws and all contracts or collective bargaining agreements governing or concerning labor relations, unions and collective bargaining, conditions of employment, employment discrimination and harassment, wages, hours or occupational safety

and health, including ERISA, the United States Immigration Reform and Control Act of 1986, the United States National Labor Relations Act, the United States Civil Rights Acts of 1866 and 1964, the United States Equal Pay Act, the United States Age Discrimination in Employment Act, the United States Americans with Disabilities Act, FMLA, WARN, OSHA, the United States Davis Bacon Act, the United States Walsh-Healy Act, the United States Service Contract Act, United States Executive Order 11246, the United States Fair Labor Standards Act, the United States Rehabilitation Act of 1973, the Sarbanes-Oxley Act, any state workers' compensation Law, and all rules and regulations promulgated under all of the foregoing Laws.

“Laws” means all statutes, rules, codes, regulations, restrictions, ordinances, Orders, decrees, approvals, directives, judgments, injunctions, writs, binding guidance, awards and decrees of, or issued by, all Governmental Entities.

“Leased Real Property” means all parcels of real property leased, subleased or licensed to BRFH, the Hospitals, or their Affiliates and used in connection with the Business (together with all fixtures, improvements, rights, easements and privileges appertaining or relating to such real property).

“Legal Dispute” means any action, suit or proceeding between or among the Parties and their respective Affiliates arising in connection with any disagreement, dispute, controversy or claim arising out of or relating to this Agreement or any related document.

“Liability” means any liability, Indebtedness, obligation, deficiency, interest, Tax, penalty, fine, claim, demand, judgment, cause of action or other Loss (including loss of benefit or relief), cost or expense of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, recorded or unrecorded, due or to become due or otherwise, and regardless of when asserted.

“Licenses” means all notifications, licenses, permits (including environmental, construction and operation permits), filings, franchises, certificates, certifications, certificates of need, accreditations, approvals, exemptions, waivers, classifications, registrations and other similar documents and authorizations issued or required by any Governmental Entity in order to conduct the Business.

“Losses” shall mean any damages, claims, costs, losses (which shall include any diminution in value), liabilities, expenses or obligations (including interest, penalties, costs of preparation and investigation, reasonable attorneys', accountants' and other professional advisors' fees and associated expenses).

“Material Adverse Effect” means any state of facts, change, event, effect or occurrence (when taken together with all other states of fact, changes, events, effects or occurrences) that has had or may reasonably be expected to have a material adverse impact, in the amount of Five Million Dollars (\$5,000,000) as to each instance or Twenty Million Dollars (\$20,000,000) in the aggregate, on (i) the financial condition, results of operations, properties, assets or liabilities (including contingent liabilities) of BRFH, BRFH-S, or BRFH-M, the Business or the Assets, taken as a whole, or (ii) the ability of BRF to consummate the Transactions contemplated by, or to perform its obligations in accordance with this Agreement, *other than* any such state of facts, change, event, effect or occurrence to the extent resulting from or arising in connection with: (a) changes in Laws, legislation, regulations, circumstances or conditions generally affecting the hospital industry or any other industry in which BRF or its Affiliates participate, (b) changes affecting economic or political conditions or financial markets in Louisiana or in the

United States generally, (c) a change in GAAP, (d) any act of war, terrorism, military action, hostilities or sabotage (or any escalation thereof) or political or social conditions generally of the United States or any jurisdiction in which BRF operates, (e), the negotiation, execution, public announcement, or consummation of the Transactions, (f) any actions reasonably taken in order to consummate the Transactions in accordance with the terms hereof or which are taken with OLHS-NL specific written consent, (g) any acts of God, including any earthquakes, hurricanes, tornadoes, floods, mudslides, tsunamis or other natural disasters, or (h) any failure by BRF or its Affiliates to achieve any earnings or other financial projections or forecasts caused by the changes referred to in clauses (a), (b) or (d) above.

“NLRB” means the United States National Labor Relations Board.

“OIG” means the U.S. Department of Health & Human Services Office of Inspector General.

“Order” means any judgment, order, writ, injunction, decree, determination, or award of any Governmental Entity.

“Owned Real Property” means the all parcels of real property owned by BRFH, BRFH-S, or BRFH-M used or held for use, or currently under development for use, in connection with the Business (together with all fixtures, improvements, buildings, or fixtures located thereon or therein, all easements, rights of way, and other appurtenances thereto, all architectural plans or design specifications relating to the development thereof, and all claims and recorded or unrecorded interests therein, including any and all options to acquire such real property).

“OSHA” means the United States Occupational Safety and Health Administration.

“Payor Agreement” means any Contract between either BRFH or either of the Hospitals and a Government Program or a Private Program under which the Business directly or indirectly receives payments for medical services provided to such Program’s beneficiaries.

“Permitted Encumbrances” means, collectively, (i) Encumbrances for Taxes, assessments, governmental charges or levies being contested in good faith or that may thereafter be paid without penalty; (ii) Encumbrances disclosed on the financial statements of BRFH and/or its Affiliates; (iii) with respect to the Real Property, any Encumbrances or other matters recorded in the real property records or disclosed in policies of title insurance delivered to or obtained by OLHS-NL or included on a title report of the applicable property delivered to OLHS-NL or which would have been shown on a survey of the applicable property delivered to OLHS-NL or would be shown by a physical inspection of the Real Property; (iv) mechanics’ Encumbrances and similar Encumbrances with respect to amounts not yet due and payable or due but not delinquent or being contested in good faith; (v) pledges, deposits or other Encumbrances to the performance of bids, trade contracts (other than for borrowed money), leases or statutory obligations (including workers’ compensation, unemployment insurance or other social security legislation, but excluding Encumbrances for Taxes); (vi) zoning, entitlement and other land use regulations by any Governmental Entity so long as BRF or its Affiliates are in compliance with such legal requirements; (vii) any Encumbrance affecting the fee interest of any Leased Real Property not created by BRF or its Affiliates; (viii) title of a lessor under a capital or operating lease; (ix) any lien arising from OLHS-NL’s or its Affiliates’ acts and (x) such other imperfections of title, easements, covenants, rights of way, building and use restrictions arising as a matter of law or otherwise, exceptions, encumbrances, reservations and limitations that do not materially impair

the current use of the Real Property in the ordinary course of the business of BRF and its Affiliates.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, trust, unincorporated organization or Governmental Entity.

“Personal Information” means in addition to any definition provided by BRF for any similar term (e.g., “personal information”, “personally identifiable information” or “PII”) in any privacy policy or other public-facing state, all recorded information used or that could reasonably be used to identify, contact or locate an individual, including name, physical address, telephone number, email address, financial account number, government-issued identifier (including Social Security number and driver’s license number), medical, health or insurance information, gender, date of birth, educational or employment information, religious or political views or affiliations, marital or other status, photograph, face geometry or biometric information and Internet Protocol addresses or other persistent identifiers, including all “individually identifiable health information” as defined in 45 C.F.R § 160.103. Personal Information may relate to any individual, including a current, prospective or former employee, patient, customer, supplier or vendor, and includes any of the foregoing information in any form, whether printed, electronic or otherwise.

“Proceeding” means any action, arbitration, charge, claim, complaint, demand, dispute, audit, grievance, hearing, inquiry, investigation, litigation, proceeding, qui tam action, suit (whether civil, criminal, administrative, judicial, or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any (a) Governmental Entity, (b) Medicare fiscal intermediary or administrative contractor, recovery audit contractor or zone program integrity contractor, or (c) arbitrator, whether at law or in equity.

“Real Property” means the Owned Real Property and the Leased Real Property.

“Registered Intellectual Property” means all United States, international and foreign: (i) patents and patent applications (including provisional applications); (ii) registered trademarks and service marks, applications to register trademarks and service marks, intent-to-use applications, or other registrations or applications related to trademarks and service marks; (iii) registered copyrights and applications for copyright registration; (iv) domain name registrations; and (v) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with any federal, state, local or foreign Governmental Entity or other public body.

“Release” means, with respect to any Hazardous Material, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or the ambient air.

“Software” means any and all (a) computer programs and other software, including software implementations of algorithms, models, and methodologies, whether in source code, object code or other form, including libraries, subroutines and other components thereof; (b) computerized databases and other computerized compilations and collections of data or information, including all data and information included in such databases, compilations or collections (whether machine readable or otherwise) and rights therein; and (c) all documentation, including development, diagnostic, support, user and training documentation related to any of the foregoing.

“**Taxes**” means all taxes, assessments, charges, duties, fees, levies and other governmental charges, including income, franchise, capital stock, real property, personal property, tangible, intangible, withholding, employment, payroll, social security, social contribution, unemployment compensation, disability, transfer, sales, use, excise, license, escheat, unclaimed property, occupation, registration, stamp, premium, environmental, customs duties, alternative or add-on minimum, estimated, gross receipts, value-added and all other taxes of any kind for which BRF with respect to the Business, BRFHH, BRFHH-S, or BRFHH-M may have any liability imposed by any Governmental Entity, whether disputed or not, and any charges, interest or penalties imposed by any Governmental Entity.

“**Tax Return**” means any report, return, declaration or other information required to be supplied to a Governmental Entity in connection with Taxes, including estimated returns and reports of every kind with respect to Taxes.

“**Termination Date**” means the date prior to the Closing when this Agreement is terminated in accordance with Article IX.

“**Treasury Regulations**” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code.

“**WARN**” means the United States Worker Adjustment and Retraining Notification Act and the rules and regulations promulgated thereunder.

(b) **Terms Defined Elsewhere in the Agreement.** For purposes of this Agreement, the following terms have meanings set forth in the sections indicated:

<b>Term</b>	<b>Section</b>
2013 Equipment Lease	Section 7.1(j)(i)
2013 Facility Lease	Section 7.1(j)(i)
AAA	Section 10.17(c)
ACCA	Section 2.9
Agreement	Preamble
Amended BRFHH Agreements	Section 2.3
Antitrust Litigation	Section 2.4
Antitrust Litigation Liability	Section 2.6(a)
Assets	Section 4.4(a)
BRF	Preamble
BRF Disclosure Schedules	Article IV
BRFHH	Recitals
BRFHH Indemnitees	Section 8.6(a)
BRFHH-M	Recitals
BRFHH Membership Interest	Recitals
BRFHH-S	Section 2.4
BRFHH Subsidiary Securities	Section 4.5
BRF Indemnified Parties	Section 9.5(b)
CEHRT	Section 4.14(f)
CHOW	Section 6.5(g)
CHOW Approval	Section 6.5(g)
Claims	Section 2.4

Claims Expiration Date	Section 9.9
Closing	Section 3.1
Closing Date	Section 3.1
Company Securities	Section 4.4(e)
Concurrent Transaction Documents	Section 7.1(j)
Current CEA	Recitals
Current CEA Effective Time	Recitals
Damaged Assets	Section 6.10
Effective Time	Section 3.1
Excluded Liabilities	Section 2.6(a)
Execution Date	Preamble
Exempt Status	Section 8.7
Existing Policy	Section 8.6(c)
Expiration Date	Section 9.1(d)
False Claims Act	Section 4.11(d)
Federal Anti-Kickback Statute	Section 4.11(d)
Future State Agreement	Section 7.1(j)(vi)
Governance Documents	Section 2.9
Health Care Laws	Section 4.11(d)
Hospitals	Recitals
Imaging Services Agreement	Section 7.1(j)(vi)
Indemnified Parties	Section 9.5(b)
IRS	Section 5.4
License Approvals	Section 6.5(g)
LSU	Recitals
Material Contracts	Section 4.19(b)
Membership Interest Transfer	Recitals
Misdirected Payments	Section 8.1(c)
New BRFH-S	Recitals
New CEA	Recitals
New Plans	Section 8.4(d)
Ochsner	Recitals
Ochsner-LSU Joint Venture Documents	Section 5.5
Old BRFH-S	Recitals
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OLHS-NL Documents	Section 2.9
OLHS-NL Indemnified Parties	Section 9.5(a)
Other Approvals	Section 6.5(g)
Parties	Preamble

Party	Preamble
Private Program	Section 4.15
Restated BRFH Articles	Section 2.2
Retained Employee	Section 8.4(a)
Required Consents	Section 6.5(g)
Rules	Section 10.17(c)
Shreveport Assets and Liabilities	Section 2.4
Shreveport Transfer	Recitals
Shreveport Transfer Agreement	Section 2.4
Shreveport Transfer Effective Time	Section 2.4
Stark Law	Section 4.11(d)
Termination and Release Agreement	Recitals
Third-Party Claim	Section 9.7
Transactions	Section 4.1
UH Conway	Recitals
UH Shreveport	Recitals
W-K	Section 2.4
W-K Claims	Section 2.4

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## SCHEDULE 2.7

### **Net Assets Payment<sup>3</sup>**

This Schedule 2.7 shall govern the calculation of Net Assets and the timing and payment of Net Assets by OLHS-NL to BRF.

**Definitions.** For purposes of this Schedule 2.7, the following terms have the meanings set forth below:

“Audited Balance Sheet” means the audited consolidated balance sheet of BRFH for the fiscal year ended September 30, 2017 or September 30, 2018, as applicable.

“Closing Date” has the meaning ascribed in Agreement.

“Net Assets” means “Net Assets” of BRFH calculated as of a particular date in accordance with GAAP applied in a manner consistent with BRFH’s past practices and the 2017 Audited Balance Sheet, provided, that, notwithstanding BRFH’s past practices, such calculation shall be in accordance with GAAP.

#### **Determination of Net Assets and Payment Amounts**

Initial Payment Amount. On or before the Closing Date, BRFH shall calculate the estimated Net Assets as of the Closing Date (“Initial Net Assets”) and deliver to OLHS-NL a statement (the “Initial Statement”) setting forth in reasonable detail the calculation of the Initial Net Assets as of the Closing Date.

Final Payment Amount. No later than the earlier of (a) completion and delivery to BRFH of the 2018 Audited Balance Sheet or (b) 240 days following the Closing Date, OLHS-NL shall (i) review the calculation the Initial Net Assets, (ii) make a final calculation of Net Assets as of the Closing Date based on the 2018 Audited Balance Sheet (“Final Net Assets”), and (iii) deliver to BRF a statement (the “Final Statement”) setting forth in reasonable detail the Final Net Assets calculation. The Final Statement shall also set forth the difference between the Initial Payment Amount (defined below) and the Final Net Assets (the “Final Payment Amount”).

#### **Payment of Net Assets**

Payment of Initial Net Assets. On the Closing Date, OLHS-NL shall (i) pay BRF an amount equal to seventy-five percent (75%) of the Initial Net Assets by wire transfer of immediately available funds to a bank account designated by BRF and (ii) deposit twenty-five percent (25%) of the Initial Net Assets in immediately available funds (the “Escrow Amount”) to be held by \_\_\_\_\_ (the “Escrow Agent”) in accordance with the escrow agreement attached as Exhibit 2.7-A (“Escrow Agreement”).

Final Payment Amount. As soon as practicable after delivery of the Final Statement but in no event more than 30 days following the completion and delivery to BRFH of the 2018 Audited Balance Sheet: (i) in the event the Final Payment is a positive number, OLHS-NL shall (A) instruct the Escrow Agent to pay to BRF from the Escrow Amount the Final Payment Amount, and any remaining balance of the Escrow Amount would be paid to OLHS-NL, and (B) if the Escrow Amount is less than the Final Payment Amount, OLHS-NL will make payment to BRF; or (ii) in the event the Final Payment Amount is a negative number, (A) OLHS-NL shall instruct the Escrow Agent to release the Escrow Amount to OLHS-NL, and (B) BRF shall pay OLHS-NL the difference between the Escrow Amount and the Final Payment

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<sup>3</sup> NTD: This Schedule is open given the parties’ current discussions.

Amount if it is a negative number. Any payment made hereunder shall be made by wire transfer of immediately available funds to a bank account designated by payee.

Notwithstanding the foregoing, if BRF notifies OLHS-NL of a dispute within 30 days after BRF's receipt of the Initial or Final Statement from OLHS-NL, the payment of the specifically disputed portion of Initial Net Assets or Final Net Assets, as the case may be, shall be delayed until three Business Days after the determination by the Independent Accountant as contemplated below.

### **Resolution of Disputes**

If BRF disputes any entry on the Initial Statement or Final Statement that affects the calculation of the Initial Net Assets or the Final Net Assets, BRF shall notify OLHS-NL in writing (which writing shall contain BRF's determination of the amount of the disputed entry) within 30 days after BRF's receipt of the Initial or Final Statement from OLHS-NL. If BRF and OLHS-NL cannot resolve such dispute within thirty (30) days after BRF notifies OLHS-NL in writing of such dispute, then KPMG (the "**Independent Accountant**") shall review the matter in dispute and, solely as to disputes relating to accounting issues and acting as an expert and not as an arbitrator, shall promptly determine the proper amounts of the Initial Net Assets, Final Net Assets, or the Final Payment Amount, as the case may be. Such determination of the Independent Accountant shall be conclusive and binding on the Parties, except in the case of fraud or manifest clerical error. The costs of such review shall be borne by BRF; *provided*, that in the event that BRF ultimately prevails in such dispute (resulting in an adjustment favorable to BRF of at least \$25,000), OLHS-NL shall reimburse BRF for the costs of such review.

### **Prorations**

For purposes of determining Net Assets as of the Closing Date, the component accounts that make up Accounts Receivable and Accounts Payable shall be prorated as of the Closing Date.



## **LSU Board of Supervisors Meeting**

**Friday, 9/7/2018**

**1:00 - 3:00 PM CT**

LSU University Administration Building

Board Room

3810 W. Lakeshore Drive

Baton Rouge, Louisiana 70808

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Election of the Chair-Elect for 2018-2019
4. Oath of Office for the New Board Leadership
5. Approval of the Minutes of the Board Meeting held on June 29, 2018  
*BOS Meeting Minutes.06292018*
6. Reports from Council of Staff Advisors and Council of Faculty Advisors
7. President's Report
8. Reports to the Board
  - a. FY18 4th Quarter Consolidated Report on Personnel Actions Not Requiring Board Approval  
*4th Quarter Informational Board Report*
  - b. FY18 4th Quarter Consolidated Investment Report  
*Report\_LSU System\_Quarterly Investment Report\_17-18\_Q41*
  - c. FY18 4th Semi-Annual Consolidated Financial Report  
*Report\_LSU FY 2017-2018 Semi-annual Financial Report for period ending June 30 2018*
  - d. New 403B Supplemental Retirement Structure  
*403(b)(BOA)Final*
  - e. Facility Summary Reports  
*Capital Improvements Projects above \$175000 Report*  
*Design Contracts Report*  
*Grants of Mineral Rights*  
*Other Agreements and Approval Requests*  
*Property Leases Report*  
*Schematic Design Report*  
*Servitudes Report*  
*Timber Sales Report*  
*Transfers of Title Immovable Property*
  - f. FY19 Internal Audit Plan

*FY19 Internal Audit Plan*

g. FY18 3rd Quarter Audit Summary

*FY18 3rd Quarter Audit Summary*

9. Committee Reports

10. Chairman's Report

11. Adjournment

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MINUTES

REGULAR BOARD MEETING

June 29, 2018

1. Call to Order, Oath of Office for New Board Members, and Roll Call

Mr. Stephen Perry, Chair, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the University Administration Building, Baton Rouge, Louisiana, on June 29, 2018 at 2:45 p.m.

Mr. James M Williams, administered the Oath of Office to new Board member, Mr. Jack “Jay” A. Blossman, representing Congressional District 1.

Ms. Pamela Starns, administered the Oath of Office to new Board member, Mr. Rémy Voisin Starns, representing Congressional District 1.

Ms. Regina Woods, administered the Oath of Office to new Board member, Mr. Jimmie M. Woods, representing Congressional District 2.

Mr. James M. Williams, administered the Oath of Office to new Board member, Mr. B. Wayne Brown, representing Congressional District 4.

Mr. Benjamin H. Dampf, administered the Oath of Office to new Board member, Mr. Robert S. Dampf, representing Congressional District 6.

Mr. James Williams, administered the Oath of Office to reappointed Board member, Mr. Lee Mallett, representing as a Member-At-Large.

Mr. James Williams, administered the Oath of Office to reappointed Board member, Ms. Mary L. Werner, representing Congressional District 3.

Mr. James Williams, administered the Oath of Office to new Board member, Mr. Stewart Lockett, representing as the Student member from LSU.

The secretary called the roll.

PRESENT

Mr. Stephen Perry  
Chair

Mr. Robert “Bobby” Yarborough  
Past Chair

Mr. Jack “Jay” Blossman

Mr. Blake Chatelain

Ms. Valencia Sarpy Jones

Mr. James W. Moore

Ms. Mary L. Werner

Mr. Stewart Lockett

Mr. James Williams

Chair-Elect

Mr. Ronnie Anderson

Mr. Glenn Armentor

Mr. B. Wayne Brown

Mr. Robert S. Dampf

Mr. Lee Mallett

Mr. Rémy Voisin Starns

Mr. Jimmie M. Woods

ABSENT

None absent.

Also present for the meeting were the following: Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel; LSU officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comments

There were no public comments.

2. Invocation and Pledge of Allegiance

Mr. Perry, Chair, recognized Chancellor Kimberley Russell, Chancellor of LSUE. Chancellor Russell introduced the two (2) student representatives and one (1) coach addressing the Board.

Mr. Hayden Mixon gave the Invocation. Mr. Zach Hester led the Pledge of Allegiance.

Head Baseball Coach & Athletic Director Jeff Willis presented to the Board.

3. Approval of the Minutes of the Board Meeting held on May 4, 2018

Upon motion of Mr. Yarborough, seconded by Mr. Anderson, the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on May 4, 2018.

4. Personnel Actions Requiring Board Approval

Mr. Perry, Chair, requested approval of the Personnel Actions.

Upon motion of Mr. Chatelain, seconded by Mr. Mallett, the Board voted unanimously to approve the Personnel Actions Requiring Board Approval as presented.

5. Reports from Staff Advisors and Faculty Advisors

Dr. Ken McMillan, Council of Faculty Advisors gave an informational report. Tammy Millican, Council of Staff Advisors gave an informational report.

6. President's Report

Dr. F. King Alexander, President of LSU, advised the Board on various matters including:

Dr. Alexander recognized everyone who worked on our budget and during the legislative session to ensure our we stay fully funded.

Dr. Alexander recognized Board member Stewart Lockett for hosting the Rally for Tops at the State capitol.

Dr. Alexander reported on the status of enrollment numbers for the upcoming academic year.

Dr. Alexander reported on our involvement in various Congressional acts related to Higher Education.

Dr. Alexander mentioned the Greek implementation committee completed their work and is implementing a new scorecard for our Greek system.

Dr. Alexander mentioned the LIGO facility in Livingston, LA was recognized as a National Historic Site.

Dr. Alexander noted the quiet phase of our capital campaign is moving forward and will ultimately be a \$1.5 billion campaign.

Dr. Alexander commented on our efforts around Title IX and reminded everyone to report any violations to our Title IX Coordinator, Jennie Stewart.

Dr. Alexander congratulated Dr. Vicente & the Office of Strategic Initiatives for their Presidential Award for Excellence in Science, Mathematics, and Engineering Mentoring.

Dr. Alexander mentioned our capital campaign continues to move forward and we will do a large public announcement next Spring.

Dr. Alexander recognized:

Mr. Dan Layzell, Executive Vice President & CFO for an update on Charity Hospital Redevelopment Project.

Dr. Bill Richardson, Vice President for Agriculture and Dean of the College of Agriculture, for an update on the therapeutic cannabis program.

7. Committee Reports

A motion was made by Mr. Anderson, seconded by Mr. Blossman, to approve the Committee resolutions that were approved by the Committees. The Board voted unanimously to approve all Committee resolutions.

7A. Academic and Student Affairs, Achievement and Distinction Committee

Mr. Armentor, Chair of the Academic and Student Affairs, Achievement and Distinction Committee, reported the Committee received eight (8) consent agenda items for approval.

7A1. CONSENT AGENDA

- i. Recommendation to Approve Conferral of Degrees at Summer Commencement Exercises
- ii. Request from LSU A&M for Approval of a Letter of Intent to Establish a BA in Integrative Arts
- iii. Request from LSU A&M for Approval of a Letter of Intent to Establish an MS in Healthcare Systems Engineering
- iv. Request from LSU Health Sciences Center Shreveport for Approval of a Letter of Intent to Establish a PhD in Rehabilitation Sciences
- v. Request from LSU A&M to Name 19 Facilities within the Renovated Patrick F. Taylor Hall
- vi. Request from LSU Health Sciences Center New Orleans to Name the Dental School Annex Building the "Dr. Allen A. Copping Advanced Clinical Care and Research Building"
- vii. Request from Pennington Biomedical Research Center for Continued Approval of the Institute for Dementia Research and Prevention
- viii. Request from LSU Health Sciences Center New Orleans for Continued Approval of the Early Intervention Institute

The Committee voted unanimously to approve the Consent resolutions:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University does hereby approve the degrees to be conferred on candidates meeting degree requirements for graduation from the campuses of the University at 2018 summer commencement exercises (August 3, 8, 11, 13, 29, and September 14).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Letter of Intent to develop a proposal for a Bachelor of Arts in Integrative Arts at LSU A&M, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Letter of Intent to develop a proposal for a Master of Science in Healthcare Systems Engineering at LSU A&M, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Letter of Intent to develop a proposal for a Doctor of Philosophy in Rehabilitation Science at LSU Health Sciences Center at Shreveport, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the LSU Board of Supervisors does hereby approve the request from LSU A&M to name the following 19 facilities:

1. William "Bill" Bethea Student Gathering Space
2. ConocoPhillips Student Gathering Space
3. Dr. William A. Brookshire Student Services Office
4. Warren S. Hawkins and Gary R. Wooley Petroleum Engineering Department Suite
5. Performance Contractors Inc. Construction Management Learning Complex
6. Gene Perdue and Malcolm C. Lowe Jr. Chemical Engineering Laboratory
7. Edward A. and Karen Wax Schmitt Chemical Engineering Undergraduate Computer Laboratory
8. Alfredo and Maria Lopez Chemical Engineering Seminar Room
9. Cambre Atrium
10. Chevron Center for Engineering Education
11. Chevron Reservoir Mechanics Laboratory
12. Dominion Gas - Lucien and Suzan Tujaque Computer Laboratory
13. Entergy Capstone Design Classroom
14. Entergy Electrical Engineering MicroGrid and Relay Laboratory
15. Freeport-McMoRan Classroom
16. Phillips 66 Interactive Classroom
17. Randy and Carol Limbacher Lecture Hall
18. Valero Capstone Design Studio
19. Dow Chemical Engineering Unit Operations Laboratory

**NOW, THEREFORE, BE IT RESOLVED** that the LSU Board of Supervisors does hereby approve the request from the LSU Health Sciences Center at New Orleans to name the Dental School Annex Building as the "Dr. Allen A. Copping Advanced Clinical Care and Research Building".

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Request for Continued Approval of the Institute for Dementia Research and Prevention from Pennington Biomedical Research Center, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Request for Continued Approval of the Early Intervention Institute from LSU Health Sciences Center at New Orleans, subject to approval by the Louisiana Board of Regents.

7B. Finance, Infrastructure, and Core Development Committee

Mr. Chatelain, Chair of the Finance, Infrastructure, and Core Development Committee, reported the Committee received one (4) requests for Board approval and (2) consent items.

7B1. Approval of FY 2018 Supplemental Appropriation and FY 2019 Appropriation

Upon motion of Mr. Mallett, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

**WHEREAS**, Article VII, Section 5 [D] [4] of the Louisiana Constitution requires the Board of Regents to develop a funding formula as a component of the Master Plan for Public Postsecondary Education for the equitable distribution of funds to the institutions of postsecondary education; and

**WHEREAS**, Article VIII, Section 12 of the Louisiana Constitution states that appropriations for the institutions of higher education shall be made to their managing boards and the funds appropriated shall be administered by the managing boards and used solely as provided by law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (Board) that the Board authorizes the President of LSU F. King Alexander, or his designee, to act on behalf of the Board in presenting the methodology and distribution of appropriations and related budget information for FY 2019 to the institutions of the University, the Board of Regents, the Governor and his agencies, and the Legislature or its committees as required between meetings of the Board, and hereby delegates all such authority necessary to accomplish such purposes; and

**BE IT FURTHER RESOLVED** that the actions taken herein constitute approvals of the appropriations, not specific approval of the FY 2019 operating budgets of any budget entity of the University, as required, which approvals remain with the Board or President of LSU, each respectively, pursuant to the Bylaws and as provided by law.

7B2. Recommendation to Approve Fees Pursuant to Act 293 of the 2017 Regular Legislative Session

Mr. Williams distributed a handout to the Board detailing tuition and fees for the public Universities in the South Eastern Conference (SEC) and the median household income for their respective states. Mr. Williams commented on how this fee may impact working-class families and their decision for their student to attend LSU. He also mentioned his concern when you compare LSU's fees and median household income with SEC peers Mr. Chatelain asked what other states have a similar program comparable to the TOPS program and Dr. Alexander stated the HOPE program in Georgia is the most comparable. Mr. Williams asked if this is a critical situation at this juncture and if truly urgent is there a way to do this fee for a year and use the year to hire a consultant to look at revenue options. Mr. Layzell, Executive Vice President & CFO, mentioned under our fee autonomy we must set aside 5% for a hardship waiver of the fees. He also noted the University is looking at diversifying our revenue portfolio and this fee is for the general operating budget considering the state funding level for this year. Dr. Alexander commented 80% of our middle-class students are receiving some form of aid in addition to TOPS. The President commented the chart is correct but does not account for the challenge of state appropriations because we are dead last in state appropriations.

Mr. Williams remarked on how the resolution on the fee is not specific as to where the money from the fee is allocated and what category of students will not be impacted by the fee. He noted the Board has a responsibility to do everything we can to try and avoid these types of increases when we are already having the most expensive fees in the SEC and we are talking about increasing them. Mr. Perry replied to Mr. Williams comments and noted we have failed as a state to fund higher education and support higher education, especially when you realize it is the

research & development of our country. Mr. Perry commented there is a reason in 2017 the legislature passed the fee autonomy and it is because they did not want to vote on tuition. He mentioned the Board is appointed officials and we are appointed with the trust of how do we advance this enterprise and drive it to excellence. He further stated how unfortunately the government of Louisiana has reduced our options and next year is an election year but the ability in an election year to get a remedy for the State on funding streams is a pipe dream. He noted LSU has taken a 20% hit in the last decade in terms of funding and Dr. Alexander commented it is actually 53%. Mr. Perry continued stating the operational efficiencies have been rung out of us in every way. He further stated there is a risk when you continue to put burdens on those families that are middle class and lower income and LSU has done everything we can to fight legislative battles. Mr. Perry commented we are now at the point for a dramatic solution and it will take some time to get there. He continued that LSU has a crisis of faculty poaching and problems with retention and recruitment. He believes LSU has done everything in its power to reallocate dollars in every direction to help those families but the greater crisis is we are at a tipping point as the flagship and research institution and we need to support our faculty. He further stated we can't do what the legislature has done of kicking the can down the road and in an election year a one-year sunset exposes us. He urged the committee and the Board to adopt this and reminded the Board we have the right to roll back these fees anytime we want to as we find new ways moving forward.

Dr. Alexander pointed out that the fee goes to helping every student succeed and currently we have the highest faculty to student ratio in the SEC and we are lowest in the SEC in student loan debt but we spend less on our students because we have less. Mr. Mallett commented Mr. Perry & Mr. Williams are both right but our staff and faculty have been fighting for years and we've lost a lot of good people already so what is the point of coming to LSU if it is not about the quality. Mr. Lockett mentioned how there is no plan set in the proposal for the fee on how faculty will be evaluated because this fee is going to hurt our students especially letting them know one month in advance and we are going to lose some students in the working class which will mean minority, working-class students. Dr. Alexander commented this is not just faculty but with the population coming to LSU we have to have more academic counselors, more staff for the health center, and more academic tutors.

Dr. Haynie, Interim Executive Vice President & Provost, pointed out how difficult this issue will be to receive a two-thirds vote of the legislature on fees so we have the autonomy now. She further commented that due to the delay of the legislature in making a decision this is when we received the information on what we will need moving forward. She further noted we have planned and focused efforts on students in the working class and provided additional aid to those students. Dr. Haynie stated that asking our faculty to do more with less is what we have asked of them for years. She commented how the state funding us to the level of last year does not cover our increased operating costs so we already have to find resources to fill that gap. She mentioned if we can't ensure the quality of the classroom experience and retain the talent necessary to provide the quality then the mission of the institution is compromised. She continued stating that the Board supporting this fee sends a very clear statement to our faculty and staff and to students coming in that you are committed to ensuring the quality of education will continue. Dr. Haynie addressed Mr. Lockett's point about the future and the focus is on recruitment and retention and creating programs to support students once they get here but those things take resources. She noted if we don't have the initial capital to achieve the new initiatives like online programs then we are not able to eventually roll back fees because we haven't generated new revenue.

Ms. Jones noted how we are in a dire situation in regards to our talent and we need to address it immediately, however, she has similar concerns of Mr. Williams and would like to see outside help figure out what are some ways to raise revenue. She further stated she can support the increase because she understands the needs but only if we are committed to other solutions because the short notice will be hard on families. Mr. Layzell replied the leadership team looks every day for ways to increase revenue because none of us want to be in this position and this is

not the optimal path but we are the fiduciaries and have to provide the quality of education our students deserve. Mr. Layzell also commented that we have already started this with capital improvements with public-private partnerships. Mr. Perry commented the reality is we have exhausted everything we can think of for the last decade but we do need to look outside and get new solutions. He further stated it will be the purpose of this new Board to start the discussion on new models that could change the entire construct of how we work and we need to do this simultaneously with looking at shorter-term solutions.

Mr. Dampf remarked how important this decision is for the Board because of all the concerns of leaving anyone behind but we have to maintain the quality of our education so is there a way we could raise the hardship waiver. Mr. Williams remarked that in the Fall this fee came up because we are losing our talent, in December the Board was asked to consider a fee for our buildings and deferred maintenance, and then we decided we ought to take our time and now its June and we need this now for people. He commented his one-year amendment to the fee is because throughout the year there has been no presentation on the things we have tried to do to raise the revenue. He remarked if we approve this fee today and say we can roll back the fee when we have the revenue and then next year there will be no revenue increase and it will be another fee increase. He stated the reason why he suggested one year we will send the message that we are committed to a world-class education and keeping access to LSU and force us to do the hard work. Mr. Blossman asked if it is possible to do a two-year fee because in an election year it will be difficult to get revenue but then the legislature will look different and we may get more money from the state. Mr. Chatelain stated we could do one year or we could do two-year but the challenge is, are we comfortable basing our fixed costs on a fee that expires. Mr. Blossman further stated we also have the challenge of our authority expiring in two years. Mr. Chatelain commented we did consider a specific fee in December that is still a problem but the conclusion was not our path and there is more urgency for our faculty and staff. Mr. Williams remarked the fee was considered and was pulled down and then the conversation involved into focusing on the people. Mr. Chatelain commented Mr. Williams is correct but the thought from the Board at the time was let's preserve any needs of increases to be invested in our people as opposed to facilities. Mr. Brown asked if we will have an opportunity to include our deferred items in the capital outlay budget. Mr. Chatelain stated we do and it is always included the challenge is there is never any money to fund it. Mr. Brown commented there is a possibility state revenue increases this year with the tax changes and that could allow more money for capital outlay budget.

Mr. Mallett remarked he agreed with Mr. Williams and we are a new board and can roll this back but the real concern is the legislature could get involved in this and a good decision is a compromise. He further stated he would support three (3) years and increasing the set-aside hardship waiver amount from 5% to 10% or 15% because we have to compromise to do what is good for the faculty and students. Mr. Williams stated that is a valid point and called for the Board to go into executive session on potential litigation. Mr. Anderson asked we resolve the issue now and further stated the legislature is not going to do anything next year and the reason we are so late in asking is because they didn't do anything in three (3) special sessions so no one knew what the revenue was going to be until a few days ago. He further stated he agrees with all points but we have to do something to take care of our faculty and needs and you can't do that on a one-year basis but we need to act on this. Mr. Chatelain said the executive session is related to this issue and General Counsel Skinner remarked the committee could take action now and when the matter is before the full Board for consideration we could adjourn to executive session for the purposes of litigation and have the whole Board participate. Mr. Williams stated he'd like to do the session prior to the committee taking action. Mr. Blossman asked when the fee autonomy would sunset and Mr. Layzell replied It is June of 2020. Ms. Jones remarked she understand the autonomy will sunset in two years but nothing stops us from doing the fee for one year. Mr. Perry stated this would leave us open to potential legislation that rolls back the one year of authority we have left and Mr. Chatelain said the big concern is committing the money to the budget for only

one year. Ms. Jones replied she understands both points but if we go forward and say it is for one year then nothing stops us from saying it is a good investment to continue on. Mr. Chatelain stated nothing stops us today from doing that. Mr. Chatelain called for a motion to go into executive session to discuss potential litigation.

Upon motion of Mr. Moore, seconded by Mr. Williams, the Board voted unanimously to go into Executive Session. The session informed the Board of the potential for litigation on the fee authority of the Board.

The Committee returned from Executive Session. Mr. Chatelain called for a motion to exit Executive Session.

Upon motion by Mr. Williams, second by Ms. Jones, the Committee voted unanimously to exit Executive Session. Mr. Williams proposed an amended motion to increase the hardship fee waiver requirement from 5% to 15% and the Board requested they receive the hardship criteria and number of students impacted from the CFO & Provost.

Upon motion of Mr. Williams, seconded by Mr. Mallett, and no vote for Mr. Lockett, the Committee voted to approve the amended resolution:

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that the Board approves the proposed Student Excellence Fee increase at LSU, LSU Paul M. Hebert Law Center, and the LSU School of Veterinary Medicine; contingent upon the University setting aside 15% of the fee revenue for hardship waivers, using the standard definition of hardship waiver, and any unassigned hardship waiver amount will be returned for general purpose; and, the Board will contract a consultant whose scope includes reviewing the tuition, fee, and aid structure and seeking out innovative ways to generate revenue. The consultants final report is due to the Board in twelve (12) months; and,

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that the Board approves the proposed removal of the Student Yearbook Fee, the proposed Children's Center Fee decrease, the proposed Student Excellence Fee increase, the proposed Student Activity Fee increase, the proposed Student Government Fee increase, the proposed Business Course Fee, and the proposed Aviation Management Fee at LSU at Alexandria; and,

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that the Board approves the proposed Athletic Fee increase, and Student Excellence Fee increase at LSU at Eunice; and,

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that the Board approves the proposed Academic Excellence Fee increase at LSU in Shreveport; and,

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that the Board approves the proposed Blood Borne Pathogen Insurance Fee increase at Louisiana State University Health Shreveport;

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) that President of LSU F. King Alexander, or his designee, is hereby authorized to make any adjustments necessary in finalizing and implementing these fee increases within the maximum fee amounts presented and authorized for each campus in this item, in accordance with Act 293 of the 2017 Regular Legislative Session.

7B3. Recommendation to Approve Amended Uniform Affiliation Agreement Form

Mr. Chatelain stated the committee will defer action on this item.

7B4. Recommendation to Approve a Cooperative Endeavor Agreement by and among LSU Research and Technology Foundation and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College for FY 2019

Upon motion of Mr. Mallett, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes its President, F. King Alexander, or his designee to execute the Cooperative Endeavor Agreement with the LSU Research and Technology Foundation (RTF) dated July 1, 2018 and any related documents and to make any changes that he deems to be in the best interest of the University; and,

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby directs its President, F. King Alexander and the University administration to work collaboratively with the University's Research Campuses and RTF during FY 2019 to evaluate and make recommendations on the future role and scope of the RTF after FY 2019, including the overall roles and responsibilities of the President's Office, Research Campuses, and RTF regarding the University's technology transfer function; the future role, organizational location, and funding of current RTF operations and programmatic functions; the future use and operations of the Louisiana Emerging Technology Center (LETC) facility; and the scope and nature of the future relationship between the University and RTF, including accountability and oversight for RTF operations going forward.

7B5. CONSENT AGENDA

- i. Request from LSU Health Science Center in Shreveport to Approve the FY 2019 Expenditure of Carroll W. Feist Legacy Funds for the Feist Weiller Cancer Center and to Make a Determination of Acceptable University Purposes
- ii. Recommendation to Define Personnel Actions Included on the Quarterly Consolidated Report on Personnel Actions Not Requiring Board Approval

Upon motion of Mr. Mallett, seconded by Mr. Moore, the Committee voted unanimously to approve the Consent resolutions:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby (a) approve the budget request of \$4,135,000 from the CFeist Legacy Account for the benefit of the Feist Weiller Cancer Center programs at the LSU Health Sciences Center – Shreveport and (b) that the Board determines that the use of those funds constitute an appropriate and acceptable university purpose.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College approves the recommended *Quarterly Informational Board Report Personnel Actions Criteria* for the *Quarterly Consolidated Report on Personnel Actions Not Requiring Board Approval*.

7C. Property and Facilities Committee

Ms. Werner, Chair of the Property and Facilities Committee, reported the Committee received seven (7) requests for Board approval.

7C1. Request from LSU AgCenter to Accept a Donation of Property from the LSU Property Foundation at Grant Walker Educational Center in Grant Parish, Louisiana

Upon motion of Mr. Anderson, seconded by Mr. Brown, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, or his designee, to approve and execute the Act of Donation of the 10.557 acres of immovable property in Grant Parish, Louisiana from LSU Property Foundation and to include in the Act of Donation such terms and conditions as he deems to be in the best interests of LSU.

7C2. Request to Extend Authorization to the President to Nominate Land to be Leased by the State Mineral Board

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, in legal session convened that, it does hereby delegate authority for determining which land should be leased through the Mineral and Energy Board to its President.

**BE IT FURTHER RESOLVED** pursuant to the provisions of La. R.S. 30:153.A, it does hereby authorize the Louisiana State Mineral and Energy Board and the Office of Mineral Resources, on behalf of said Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, to accept nominations and advertise for oil, gas and mineral leases, accept bids, award and execute oil, gas, and mineral leases, on such specific tracts of land as may be hereinafter designated in writing by its President with the written concurrence of the Chair of the Board of Supervisors.

**BE IT FURTHER RESOLVED** that this Resolution shall remain in effect until June 30, 2023, unless sooner revoked by the Board, in which case this Resolution shall remain in effect until written notice of such revocation is provided to the State Mineral and Energy Board or the Secretary of the Department of Natural Resources.

**BE IT FURTHER RESOLVED** that the President shall notify the members of the Board of Supervisors prior to taking any action pursuant to the authority granted herein, provided that failure to provide such notice with the written concurrence of the Chair of the Board of Supervisors shall not affect the validity of any such actions taken by the President.

7C3. Request from LSU AgCenter to Execute a Lease Agreement to Participate in BREC's Capital Area Pathways Project at the Burden Center Botanic Garden, East Baton Rouge Parish, Louisiana

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of Louisiana State University, at his sole discretion, to accept or renounce, in whole or in part, and subject to a satisfactory completion of any regulatory or environmental requirements, the inclusion of the LSU AgCenter Burden Botanic Gardens participation in BREC's Capital Area Pathways Project, and to execute any and all documents necessary to effectuate any such acceptance.

**BE IT FURTHER RESOLVED** F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute any and all agreements related to this participation in order to protect the interests of the Louisiana State University Board of Supervisors and the Louisiana State University Agricultural Center.

7C4. Request from LSU Shreveport to Authorize the Purchase of Radio Station KPXI as Part of the Red River Radio Public Radio Network

Upon motion of Mr. Anderson, seconded by Mr. Brown, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, or his designee to execute a Purchase Agreement and subsequent Act of Sale., including in such agreement those terms and conditions which the President deems to be in the best interests of LSU.

7C5. Request from LSU Health Sciences Center-New Orleans to Approve a Joint Agreement to Develop Residential Housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans and Approval of Acceptable University Purpose

Upon motion of Mr. Anderson, seconded by Mr. Armentor, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of Louisiana State University, or his designee, to execute a Joint Agreement among Board of Supervisors of LSU, LSU Health Foundation, New Orleans and Provident Group- HSC Properties, Inc.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute such other consents, approvals, amendments and agreements as are necessary to effectuate said Joint Agreement and to include in the Joint Agreement and in such other consents, approvals, amendments and agreements those terms and conditions as he deems to be in the best interest of the Board of Supervisors of LSU.

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, pursuant to the Uniform Affiliation Agreement by and between the LSU Board of Supervisors and the LSU Health Foundation, New Orleans finds an Acceptable University Purpose for the LSU Health Foundation, New Orleans to be party to the Joint Agreement and to accept a donation of immovable property as a part of the overall transaction with Provident Group- HSC Properties, Inc.

7C6. Request LSU Eunice to Transfer Student Housing from the Eunice Student Housing Foundation, Inc. to the LSU Real Estate and Facilities Foundation

Upon motion of Mr. Yarbrough, seconded by Mr. Brown, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") authorizes F. King Alexander, in his capacity as President of LSU, to authorize, approve, and consent to the transfer of the LSU-Eunice student housing complex known as Bengal Village (the "Facilities") from Eunice Student Housing Foundation, Inc. to LSU Real Estate and Facilities Foundation ("REFF"), and to include in such authorizations, approvals, and consents such terms and conditions as he deems to be in the best interests of LSU; and

**BE IT FURTHER RESOLVED** that the Board authorizes F. King Alexander, in his capacity as President of LSU, to execute and deliver a new or amended ground lease, facilities lease, operating agreements, and other related agreements with REFF as necessary or appropriate for the operation and maintenance of the Facilities, with the understanding that such agreements will result in LSU-Eunice becoming liable to make lease payments which will be used for the outstanding debt service payments on the existing loans related to the Facilities, and a new loan to be obtained by REFF for necessary capital repairs and improvements, and to include in such leases, loans, and other agreements such terms and conditions as he deems to be in the best interests of LSU; and

**BE IT FURTHER RESOLVED** that the Board authorizes counsel to the Board to make application to the Louisiana State Bond Commission on behalf of the Board for the approval of the facilities lease; and

**BE IT FURTHER RESOLVED** that the Board, pursuant to the Uniform Affiliation Agreement between it and REFF, finds an acceptable University purpose for REFF to: (1) acquire the assets and liabilities of the Eunice Student Housing Foundation, Inc., namely the Facilities and the loans and other obligations relating thereto, (2) to enter into a new or amended ground lease, facilities lease, operating agreements, and any related or ancillary contracts and agreements reasonably necessary, and (3) to borrow the additional sum of \$300,000 for capital repairs and improvements to the Facilities to accomplish the transactions described herein.

7D. Athletic Committee

Mr. Moore, Chair of the Athletic Committee, reported the Committee received four (4) requests for Board approval.

7D1. Request from LSU A&M to Amend the LSU Athletics Ticket, Parking and Tradition Fund Policy

Mr. Moore stated the committee will defer action on this item.

7D2. Request from LSU A&M to Amend the Additional Compensation Policy for Post-Season Athletic & Special Events

Upon motion of Mr. Anderson, seconded by Ms. Werner, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approves the proposed Additional Compensation Policy for Post-Season Athletic & Special Events at Louisiana State University.

7D3. Request from LSU A&M to Approve Employment Contracts with Five Head Coaches and Two Co-Head Coaches

Mr. Moore noted the committee received an updated resolution for consideration on this item in their folders.

Upon motion of Mr. Chatelain, seconded by Mr. Anderson, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contracts with Russell L Brock, Sara “DD” Breaux, Charles Winstead, Garrett Runion, Julia Sell, and Michael Sell as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

7D4. Request from LSU Alexandria to Approve Amended Employment Contract with Larry M. Cordaro, Head Coach Men’s Basketball

Upon motion of Mr. Chatelain, seconded by Mr. Williams, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the employment agreement of Head Coach Larry M. Cordaro as described in this item, and to include in such contracts any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

Mr. Moore asked for a motion to adjourn the Committee meeting.

Upon motion of Mr. Williams, seconded by Mr. Armentor, the Committee meeting was adjourned.

7E. Audit Committee

Mr. Anderson, Chair of the Audit Committee, reported the Committee received two (2) presentations.

7E1. FY 2018 3rd Quarter Internal Audit Summary

The FY 2018 3rd Quarter Internal Audit Summary was presented to the Audit Committee. A copy of the report is on file in the Office of the LSU Board of Supervisors.

7E2. FY 2019 Internal Audit Plan

The FY 2019 Internal Audit Plan was presented to the Audit Committee. A copy of the report is on file in the Office of the LSU Board of Supervisors.

7F. Healthcare and Medical Education Committee

Ms. Jones, Chair of the Healthcare and Medical Education Committee, reported the Committee had one (1) item on the agenda.

7F1. NOTICE: The LSU Board of Supervisors may go into executive session pursuant to La. R.S. 42:17(A)(2).

Ms. Jones called for a motion go into Executive Session to discuss potential litigation with the Cooperative Endeavour Agreement (CEA) with the Biomedical Research Foundation (BRF).

Upon motion of Ms. Werner, seconded by Mr. Anderson, the Board voted unanimously to go into Executive Session. The session informed the Board of the cooperation of the University with the State of Louisiana Division of Administration, the current fiscal impacts on the LSU Health Sciences Center – Shreveport, and the next potential legal course of action with the letter of intent and forthcoming CEA with Ochsner.

The Committee returned from Executive Session. Ms. Jones called for a motion to exit Executive Session.

Upon motion by Ms. Werner, second by Mr. Armentor, the Committee voted unanimously to exit Executive Session.

10. Chairman's Report

The Chair Mr. Perry announced the next Board of Supervisors meeting will be held in Baton Rouge at the LSU Administration Building on September 7, 2018.

11. Adjournment

Chairman Mr. Perry asked for a motion to adjourn with no further business before the Board. Upon motion by Mr. Moore, seconded by Mr. Dampf, the meeting was adjourned.

Stephanie Tomlinson  
Executive Assistant  
LSU Board of Supervisors

FY 2017-18 4th Quarter Consolidated Report on  
Personnel Actions Not Requiring Board Approval  
in accordance with the  
Regulations of the Board of Supervisors

September 7, 2018

**Personnel Actions Information Report**  
**Reporting Period: April 1, 2018 - June 30, 2018**

<b>LSU</b>							
<b>Leave of Absence</b>							
<b>Name</b>	<b>Effective Date</b>	<b>Academic rank</b>		<b>Last day of Leave - Estimated</b>	<b>Transaction</b>		
Doubleday, Richard	5/1/2018	Associate Professor		6/30/2018	Subvention		
<b>Honorific Appointments</b>							
<b>Name</b>	<b>Effective Date</b>	<b>Academic rank</b>	<b>Named Professorship</b>		<b>Stipend</b>		
Earle, Jonathan	6/1/2018	Dean	Donald Cecil Delaune Professorship in the Honors College		-	New appointment	
Arai, Paula	5/29/2018	Associate Professor	Urmila Gopal Singhal Professorship in the Religions of India		\$900	New appointment	
Mitchell, Roland	6/18/2018	Dean	Dean E.B. "Ted" Robert Professorship in the College of Education		\$5,000	New appointment	
<b>Personnel Transactions</b>							
<b>Name</b>	<b>Effective Date</b>	<b>Title</b>	<b>Tenure Status</b>	<b>Prev Salary</b>	<b>New Salary</b>	<b>% Change</b>	<b>Transaction</b>
Cruz, Trey	6/1/2018	Assistant Coach	-	\$48,000	\$65,000	35.42%	New Hire
Thackaberry, Alexandra	5/7/2018	Vice Provost	-	\$170,000	\$170,000	0%	Promotion
Aviles, Jose	5/1/2018	Vice President	-	\$230,000	\$250,000	9%	Promotion
Capello Jr., Henry	4/1/2018	Associate Director	-	\$112,812.70	\$152,297	35%	Equity Adjustment
Murphy, Mike	6/15/2018	Director of Development	-	-	\$130,000	-	New Hire
Mitchell, Roland	6/18/2018	Interim Dean	Tenured	\$105,826	\$129,341	22%	Appointment
Richardson, Malcolm	6/25/2018	Interim Dean	Tenured	\$121,796	\$148,860	22%	Appointment
Blanchard, Troy	5/1/2018	Interim Dean	Tenured	\$124,720	\$124,720	0%	Appointment
Spillman, Herndon	5/14/2018	Professor	Tenured	-	-	-	Emeritus Status
Sirridge, Mary	6/30/2018	Professor	Tenured	-	-	-	Emeritus Status
Portier, Ralph	5/14/2018	Professor	Tenured	-	-	-	Emeritus Status
Grimes, William	6/23/2018	Alumni Professor	Tenured	-	-	-	Emeritus Status
Hill, R. Carter	5/9/2018	Professor	Tenured	-	-	-	Emeritus Status
<b>LSU at Shreveport</b>							
<b>Name</b>	<b>Effective Date</b>	<b>Title</b>		<b>Prev Salary</b>	<b>New Salary</b>	<b>% Change</b>	<b>Transaction</b>
Jordan, Nancy	5/1/2018	Vice Chancellor for Academic Affairs		-	\$165,000	-	New Hire
Lessiter, Julie	4/30/2018	Vice Chancellor for Strategic Initiatives		\$138,150	\$150,000	9%	Promotion
Taylor, Helen	6/1/2018	Associate Vice Chancellor		\$52,994	\$80,000	51%	Promotion
Knotts, Tami	6/28/2018	Associate Vice Chancellor		\$138,959	\$158,959	14%	Promotion
Singleary, Cathy	5/14/2018	Associate Professor		-	-	-	Retirement
Evans, James	6/27/2018	Assistant Librarian		-	-	-	Retirement
Vassar, John	5/14/2018	Professor		-	-	-	Retirement
Welch, Michael	5/14/2018	Assistant Librarian		-	-	-	Retirement
Doerr, Patricia	6/28/2018	Associate Dean		-	-	-	Retirement
<b>LSU AgCenter</b>							
<b>Name</b>	<b>Effective Date</b>	<b>Title</b>		<b>Prev Salary</b>	<b>New Salary</b>	<b>% Change</b>	<b>Transaction</b>
Eggleston, Gillian	6/1/2018	Professor	Tenured	-	\$160,000	-	New Faculty Hire with Tenure
Lepley, Toby	4/1/2018	Associate Vice President	Tenured	-	\$175,000	-	New Faculty Hire with Tenure

**LSUHSC-New Orleans**

Name	Effective Date	Academic Rank	Named Professorship	Prev Salary	New Salary	% Net Change	Transaction
Cehreli,Zafer Cavit	3/29/2018	Professor		-	\$156,000	100%	HIR Appointment Unclassified
Hilton,Deborah C	6/1/2018	Associate Professor	Henry Jolly, MD Professorship in Dermatology	-	-		Initial Appointment
Parker Jr.,Robert S	6/1/2018	Director of Purchasing		\$136,894	\$156,059	14%	PAY Sal Inc-Expan/Upgrade Duties
Prince,James Dale	5/14/2018	Director of Major Academic Area		-	\$128,000	100%	HIR Appointment Unclassified
Rao,Aravinda K.	6/1/2018	Associate Professor	Dominick D. and Wilhelmina L. Aiena Professorship in Ophthalmology	-	-		Initial Appointment
Rappold,Randy	6/1/2018	Director of Data Processing/CO		\$124,996	\$143,745	15%	PRO Promotion-Unclass/Admin Duties
Smith,Dean G.	4/1/2018	Professor	Richard Culbertson Professorship	-	-		Initial Appointment
Tseng,Tung Sung	4/1/2018	Associate Professor	Charles Brown Professorship	-	-		Initial Appointment
Watts,Raymond G.	6/1/2018	Professor	Nelson K. Ordway, MD Professorship of Pediatric Research	-	-		Joint Appointment
Whitworth Jr.,Richard H	4/32/53	Director Emeritus of Cell Biology and Anatomy		-	-		Emeritus

**LSUHSC-Shreveport**

Name	Effective Date	Title	Prev Salary	New Salary	% Net Change	Transaction
Eggerstedt, Jane M.	5/21/2018	Vice Chancellor for Academic Affairs	\$260,000	\$360,000	38%	PRO Change to Acting Position Uncl
Fox III, Charles J.	6/1/2018	Vice Chancellor Clinical Affairs	\$183,872	\$200,000	9%	PRO Promotion-Unclass/Admin Duties
Lewis, David F.	6/1/2018	Dean of School of Medicine	\$208,000	\$208,000	0%	PRO Promotion-Unclass/Admin Duties
McAlister, David F.	5/1/2018	Associate Director of Accounting	\$85,280	\$130,000	52%	PRO Promotion-Unclass/Admin Duties
Platt, Mark	6/1/2018	Associate Dean of Student Affairs	\$161,268	\$171,268	6%	PRO Promotion in Faculty Rank

**LSU**  
**Deposit and Collateral Report**  
**For the Quarter Ended June 30, 2018**

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
<b>LSU A&amp;M, LSU Alexandria, LSU Eunice, LSU Shreveport, and LSU Health New Orleans</b>				
Chase - LSU, Health Plan Premium	\$ 124,090,017		\$ 124,090,017	\$ 167,123,672
Cottonport Bank-LSU Ag Center	1,000,000		1,000,000	1,172,926
Capital One - LSU-A	3,178,449		3,178,449	3,178,449
St. Landry Bank - LSU-E	722,351		722,351	994,390
Campus Federal Credit Union - LSU-S		\$ 100,239	100,239	250,000
Capital One (Hibernia National Bank) - LSU-S	20,899,315		20,899,315	20,904,658
Chase-HSCNO	31,784,780	18,600	31,803,380	53,012,500
<b>Total</b>	<b>\$ 181,674,912</b>	<b>\$ 118,839</b>	<b>\$ 181,793,751</b>	<b>\$ 246,636,595</b>
<b>LSU Health Shreveport</b>				
US Bank	\$ 5,484		\$ 5,484	\$ 250,000
Regions Bank-Shreveport	21,772,380		21,772,380	22,202,828
JPMC-Shreveport	49,883,154		49,883,154	73,250,000
JPMC-Shreveport Endowment Fds	10,875,343		10,875,343	-
<b>Total</b>	<b>\$ 82,536,361</b>	<b>\$ -</b>	<b>\$ 82,536,361</b>	<b>\$ 95,702,828</b>
<b>LSU Health Care Services Division</b>				
JP Morgan Chase (HCSD)	\$ 75,481,759		\$ 75,481,759	\$ 78,550,000
Capital One (MCLNO Trust Fund)	3,028,809		3,028,809	3,084,386
<b>Total</b>	<b>\$ 78,510,568</b>	<b>\$ -</b>	<b>\$ 78,510,568</b>	<b>\$ 81,634,386</b>
<b>Total Requiring Collateral</b>	<b>\$ 342,721,841</b>	<b>\$ 118,839</b>	<b>\$ 342,840,680</b>	<b>\$ 423,973,809</b>
<b>Deposits In Trust or Federal Obligations Not Requiring Collateral</b>				
Federated Money Markets	\$ 32,259,648		\$ 32,259,648	
Federated Funds-Treas. Oblig. (2)				-
<b>Total</b>	<b>\$ 32,259,648</b>	<b>\$ -</b>	<b>\$ 32,259,648</b>	
<b>Total Deposits</b>	<b>\$ 374,981,489</b>	<b>\$ 118,839</b>	<b>\$ 375,100,328</b>	

- (1) Collateral amounts include FDIC coverage of \$250,000 on Demand Deposits, \$250,000 on CD's and \$250,000 by the National Credit Union Share Insurance Fund on deposits with Campus Federal Credit Union.
- (2) One Group & Federated Funds are no-load, open ended mutual funds investing in U.S. Treasury obligations.



**LSU**  
**Investment Summary**  
**For the Quarter Ended June 30, 2018**

Fund Description	As of 7/1/2017	As of 9/30/2017		As of 12/31/2017		As of 3/31/2018		As of 06/30/2018	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
<b>LSU Health Shreveport</b>									
<b>Current Funds</b>									
Cash/Sweeps S.	\$57,669,013	\$53,477,458	\$53,477,458	\$67,313,752	\$67,313,752	\$67,712,559	\$67,712,559	\$71,661,018	\$71,661,018
<b>Cash/Sweeps</b>	<b>\$57,669,013</b>	<b>\$53,477,458</b>	<b>\$53,477,458</b>	<b>\$67,313,752</b>	<b>\$67,313,752</b>	<b>\$67,712,559</b>	<b>\$67,712,559</b>	<b>\$71,661,018</b>	<b>\$71,661,018</b>
Money Market Accounts/Repos (A)	\$118	\$6	\$6	\$17	\$17	\$65	\$65	\$28,531	\$28,531
Treasury Notes (B)	\$998,960	\$1,000,000	\$999,330	\$1,734,836	\$1,733,178	\$484,905	\$484,302	\$484,931	\$484,811
Agency Securities (B)	\$6,073,394	\$5,609,045	\$5,573,248	\$4,855,809	\$4,804,698	\$4,855,388	\$4,774,546	\$4,855,591	\$4,766,775
Mortgaged Backed Securities (B)	\$441,044	\$331,842	\$323,821	\$271,211	\$265,015	\$250,408	\$243,611	\$149,982	\$143,818
Municipal Bonds (E)	\$15,944,949	\$17,535,599	\$17,448,017	\$18,498,299	\$18,312,114	\$18,953,835	\$18,693,895	\$17,255,512	\$16,927,029
Corporate Bonds (D)	\$1,257,980	\$1,263,637	\$1,264,595	\$252,125	\$251,875	\$252,125	\$252,188	\$0	\$0
<b>Total</b>	<b>\$82,385,458</b>	<b>\$79,217,587</b>	<b>\$79,086,475</b>	<b>\$92,926,049</b>	<b>\$92,680,649</b>	<b>\$92,509,285</b>	<b>\$92,161,166</b>	<b>\$94,435,565</b>	<b>\$94,011,982</b>
<b>Endowment Funds</b>									
Cash/Sweeps	\$6,883,023	\$6,880,687	\$6,880,687	\$8,429,003	\$8,429,003	\$8,723,520	\$8,723,520	\$10,875,343	\$10,875,343
Equity Securities (C)	\$15,006	\$7,650	\$14,821	\$7,650	\$15,523	\$7,650	\$14,472	\$7,650	\$14,612
Mutual Funds	\$53,956,268	\$50,429,841	\$55,246,699	\$48,460,320	\$53,627,499	\$47,418,530	\$51,530,223	\$46,149,928	\$49,822,343
<b>Total</b>	<b>\$60,854,297</b>	<b>\$57,318,178</b>	<b>\$62,142,207</b>	<b>\$56,896,973</b>	<b>\$62,072,025</b>	<b>\$56,149,700</b>	<b>\$60,268,215</b>	<b>\$57,032,921</b>	<b>\$60,712,298</b>
<b>Grand Total</b>	<b>\$143,239,755</b>	<b>\$136,535,765</b>	<b>\$141,228,682</b>	<b>\$149,823,022</b>	<b>\$154,752,674</b>	<b>\$148,658,985</b>	<b>\$152,429,381</b>	<b>\$151,468,486</b>	<b>\$154,724,280</b>
<b>LSU HCSD</b>									
<b>Current Funds</b>									
Cash/Sweeps	\$72,234,882	\$71,049,717	\$71,049,717	\$80,382,971	\$80,382,971	\$78,090,222	\$78,090,222	\$75,481,759	\$75,481,759
<b>Total</b>	<b>\$72,234,882</b>	<b>\$71,049,717</b>	<b>\$71,049,717</b>	<b>\$80,382,971</b>	<b>\$80,382,971</b>	<b>\$78,090,222</b>	<b>\$78,090,222</b>	<b>\$75,481,759</b>	<b>\$75,481,759</b>
<b>Other Funds</b>									
Cash/Sweeps	\$4,879,243	\$3,684,891	\$3,684,891	\$4,029,716	\$4,029,716	\$4,183,308	\$4,183,308	\$3,028,809	\$3,028,809
Money Market Accounts/Repos (A)	\$8,504,473	\$8,525,204	\$8,525,204	\$8,545,270	\$8,545,270	\$8,571,343	\$8,571,343	\$8,605,080	\$8,605,080
Equity Securities (C)	\$400,421	\$406,621	\$406,621	\$414,854	\$414,854	\$370,066	\$370,066	\$410,341	\$410,341
US Gov Related Securities	\$6,404	\$2,697	\$2,697	\$1,769	\$1,769	\$733	\$733		
<b>Total</b>	<b>\$13,790,541</b>	<b>\$12,212,792</b>	<b>\$12,619,413</b>	<b>\$12,576,755</b>	<b>\$12,991,609</b>	<b>\$12,755,384</b>	<b>\$13,125,450</b>	<b>\$11,633,889</b>	<b>\$12,044,230</b>
<b>Grand Total</b>	<b>\$86,025,423</b>	<b>\$83,262,509</b>	<b>\$83,669,130</b>	<b>\$92,959,726</b>	<b>\$93,374,580</b>	<b>\$90,845,606</b>	<b>\$91,215,672</b>	<b>\$87,115,648</b>	<b>\$87,525,989</b>
<b>System Total</b>	<b>\$815,087,569</b>	<b>\$912,460,635</b>	<b>\$912,569,579</b>	<b>\$861,718,888</b>	<b>\$861,093,439</b>	<b>\$854,700,731</b>	<b>\$845,068,167</b>	<b>\$849,329,488</b>	<b>\$836,688,097</b>

\* Negative balance in the cash/Sweeps section of the current funds does not represent an actual negative bank balance, rather it represents a timing difference of the allocation of the current funds.

\*\* Small endowment funds at LSUS were moved to the LSUS Foundation to accommodate Workday.

\*\*\* LSU Paid Campuses include the following: LSU, LSU Ag Center, LSUA, LSUE, LSUS, and the Pennington Biomedical Research Center.

**BENCHMARK NOTES (Example Only)**

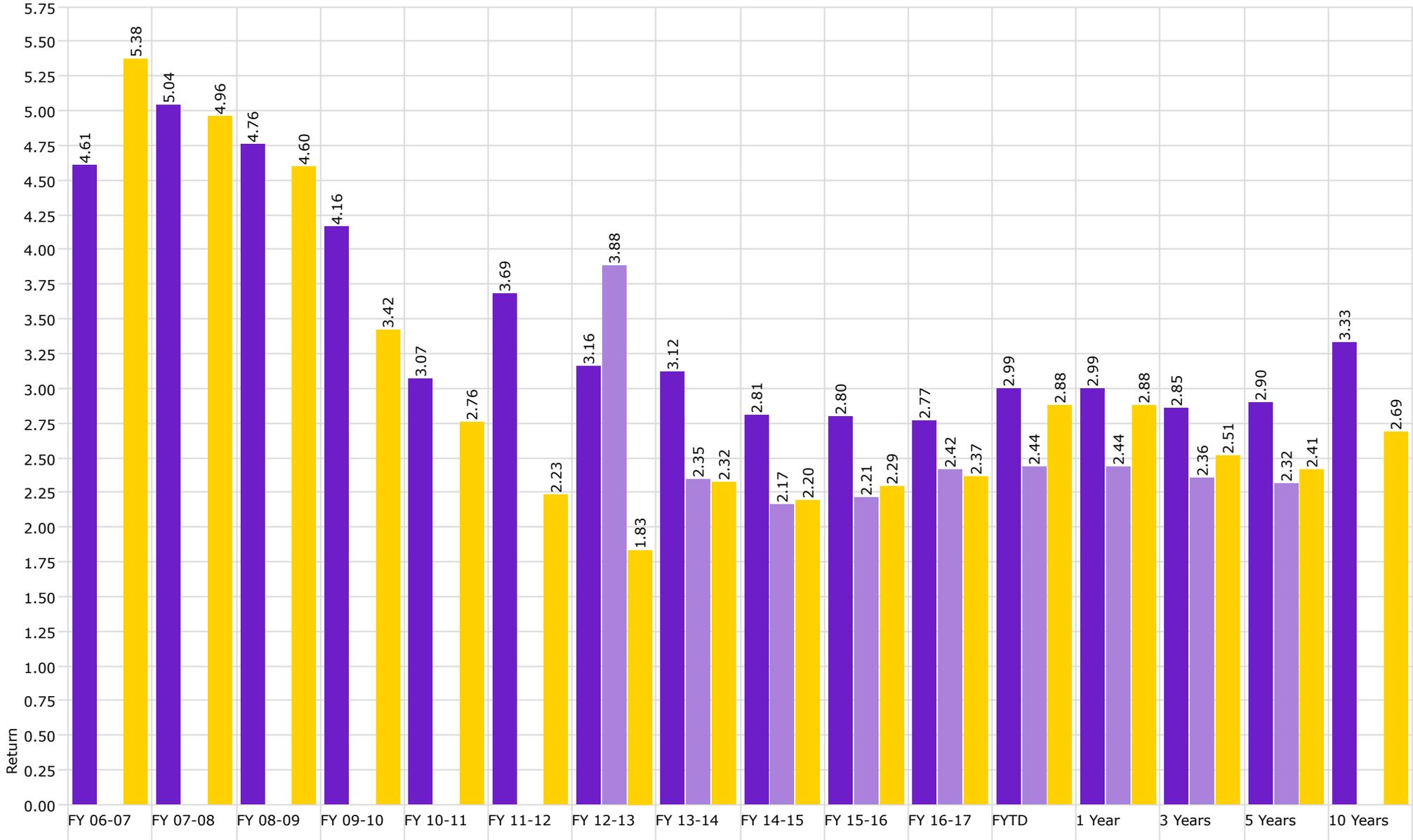
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

Disclaimer: Pursuant to PM-9, corporate bonds/notes only available for investment beginning 7-1-2011. Louisiana law provides for restrictions on maturity and allocation and may effect benchmark comparisons.



# Investment Management Program Non Endowed Accounts **Realized Yield**

As of 6/30/2018



■ Non Endowed

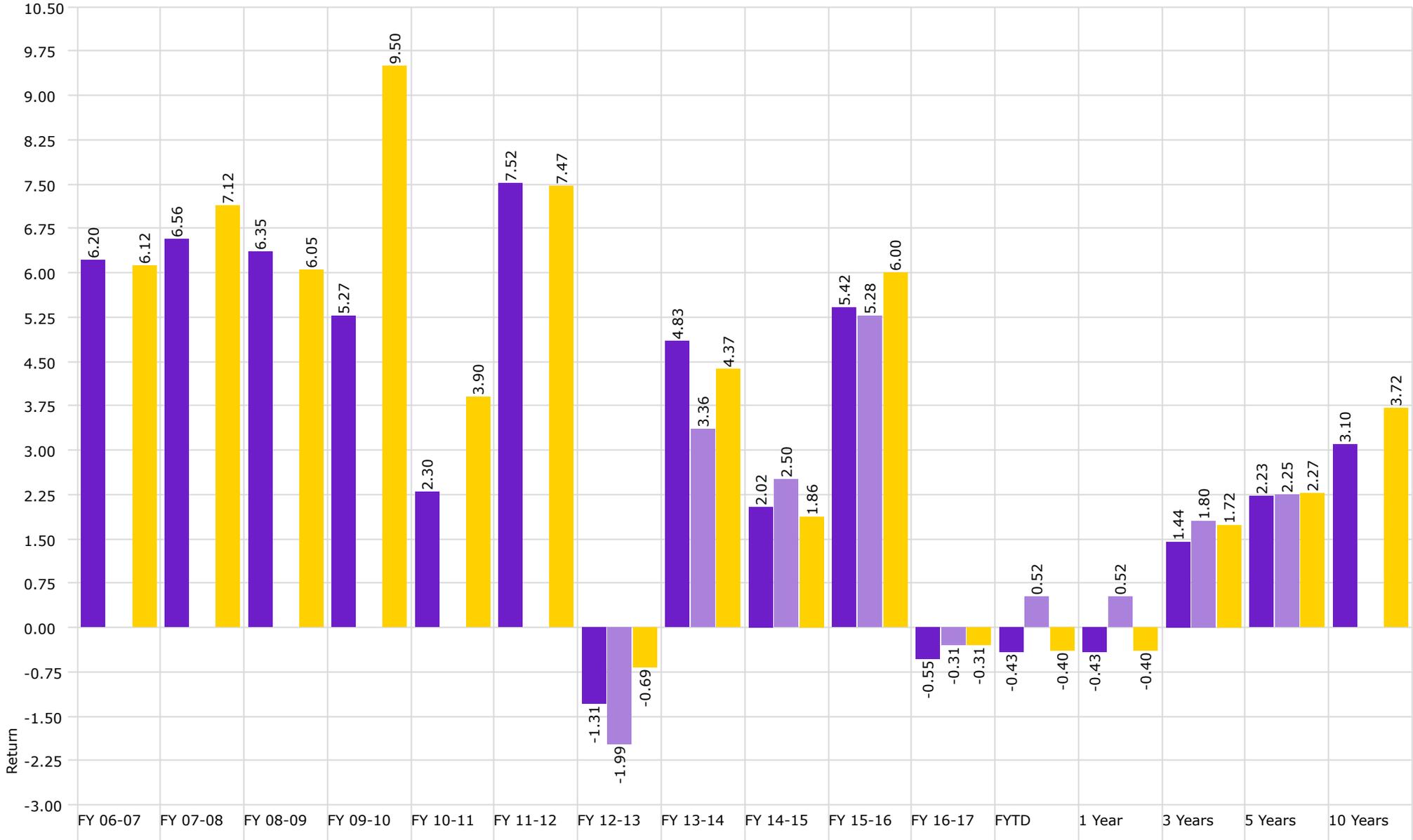
■ Health Plan

■ Barclays Aggregate Bond Index



# Investment Management Program Non Endowed Accounts **Total Return**

As of 6/30/2018



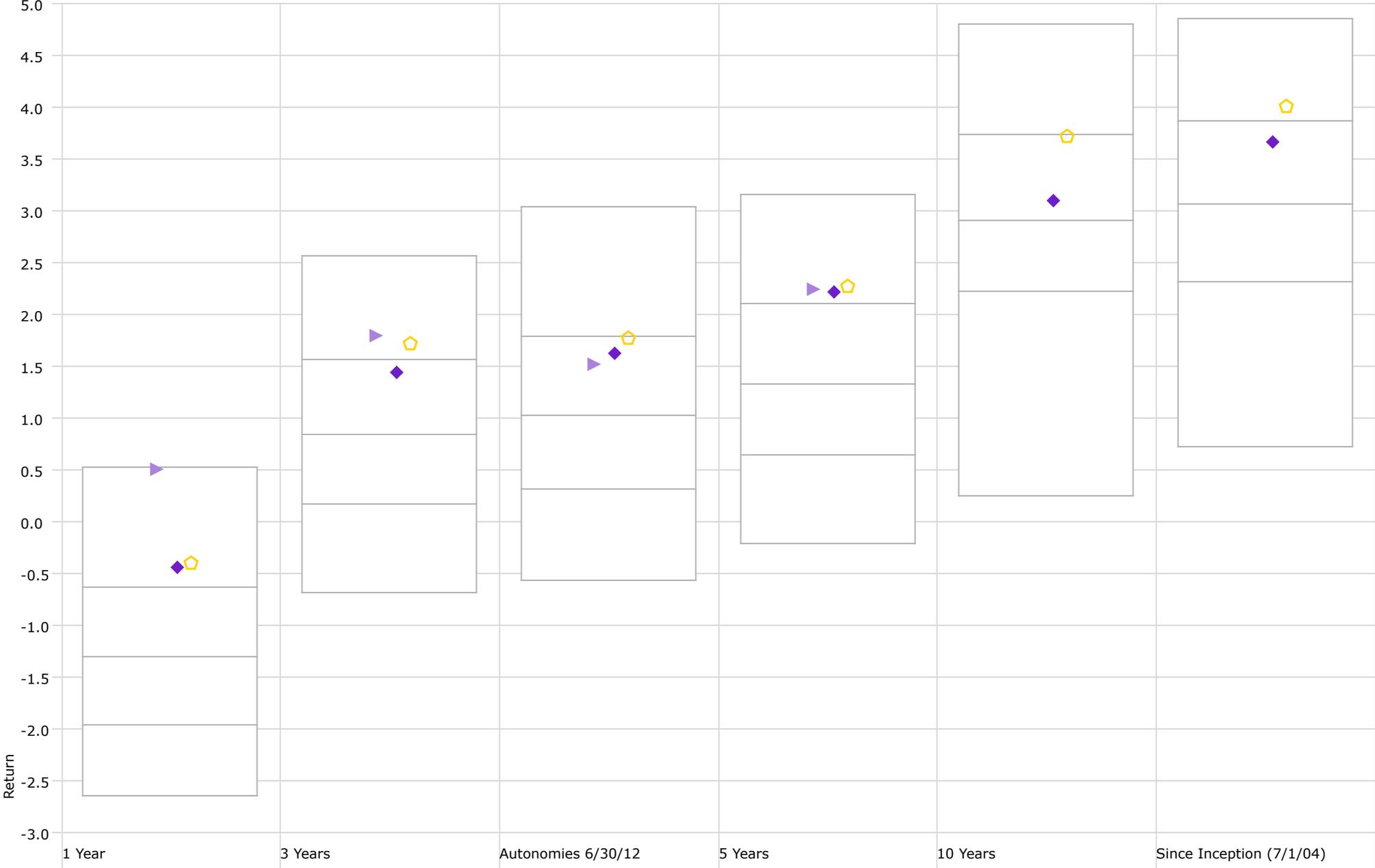
■ Non Endowed

■ Health Plan

■ Barclays Aggregate Bond Index

# Performance Relative to Peer Group (Total Return)

Peer Group (5-95%): All Managed Investments - U.S. - Intermediate-Term Bond



◆ Non Endowed

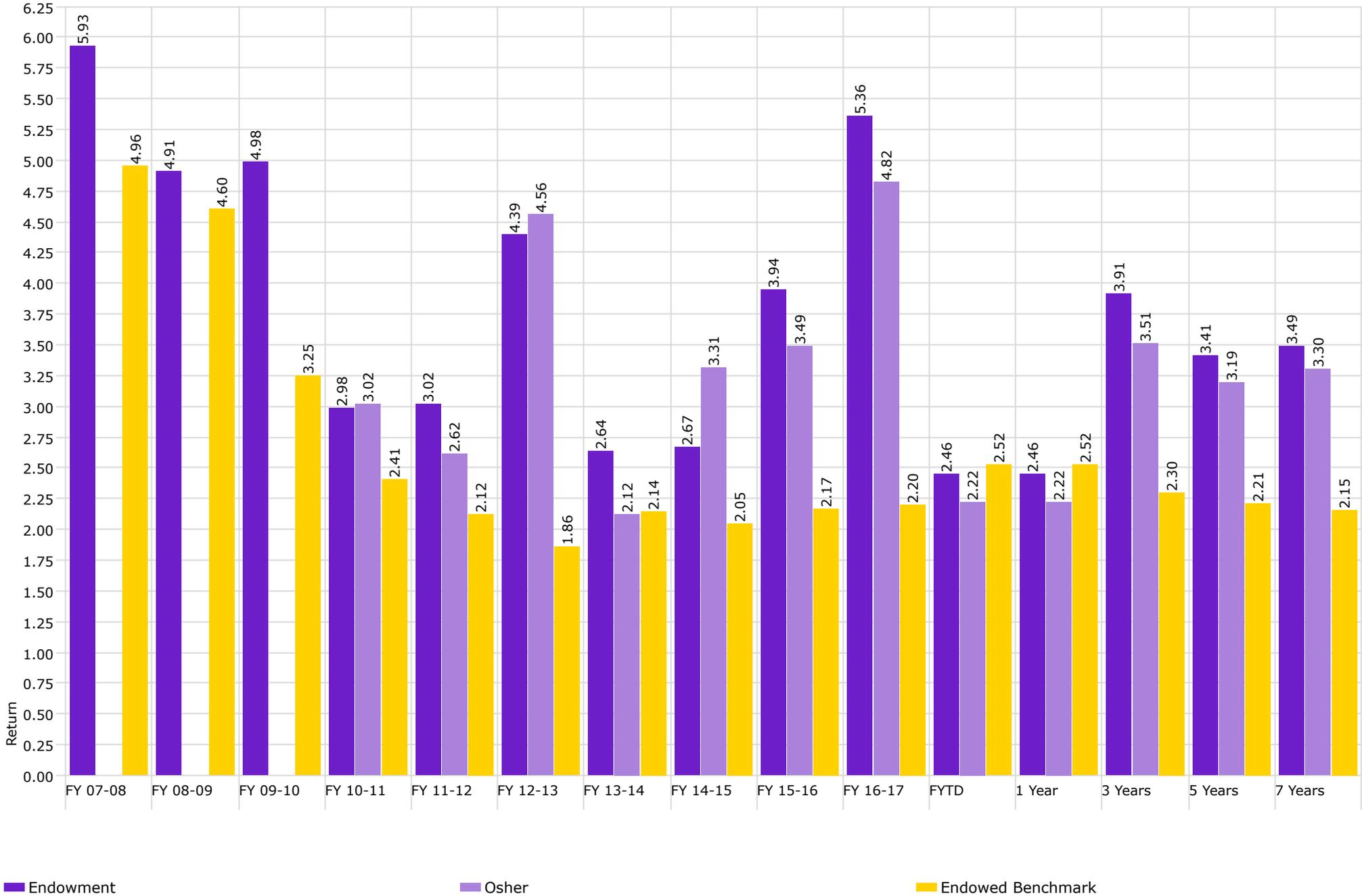
▶ Health Plan

⬠ Barclays Aggregate Bond Index



# Investment Management Program Endowed Accounts **Realized Yield**

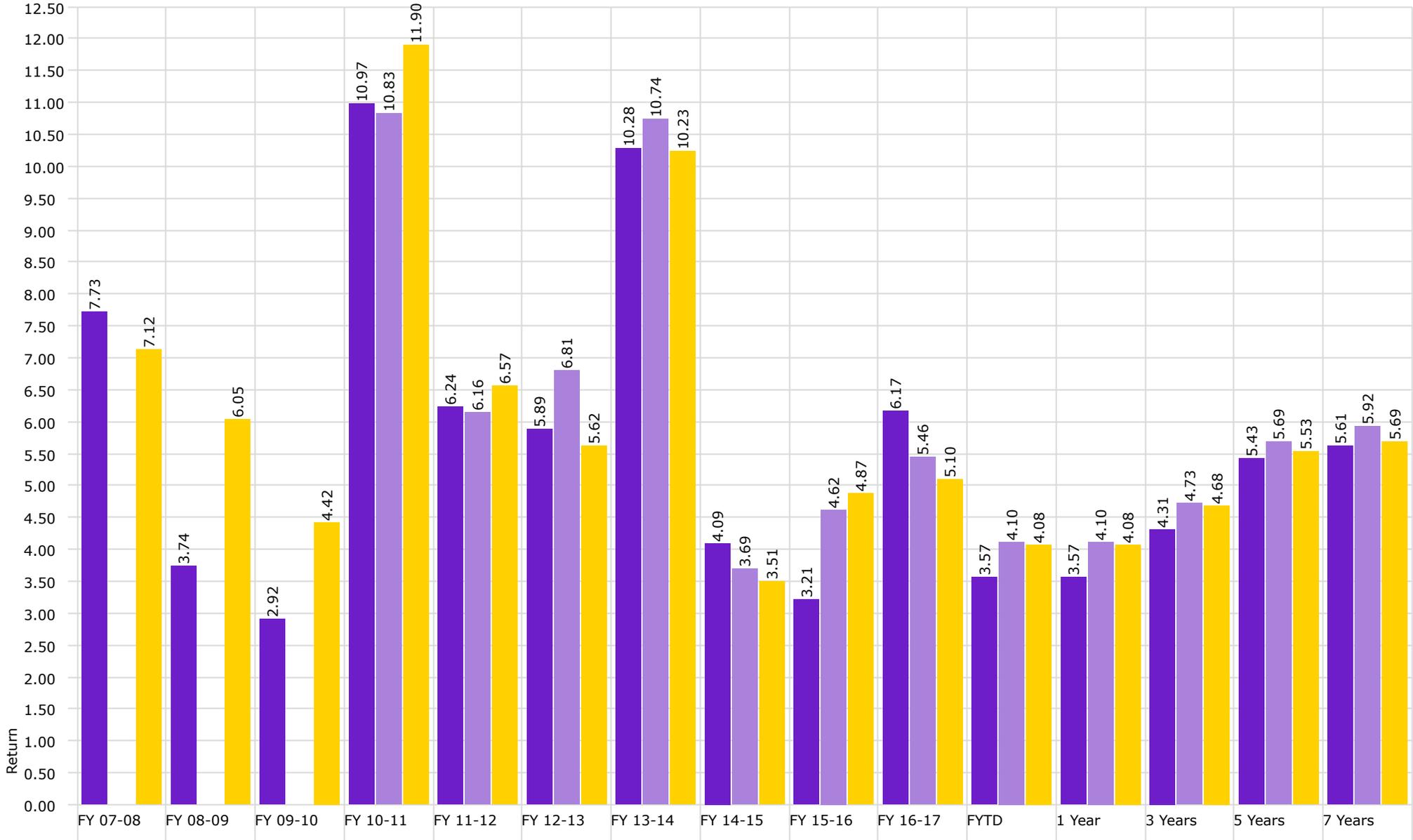
As of 6/30/2018





# Investment Management Program Endowed Accounts **Total Return**

As of 6/30/2018



Endowment

Osher

Endowed Benchmark

# **Louisiana State University**



**Semi-Annual Financial Report  
For Six-Month Period Ending June 30, 2018**

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## CAMPUS CORRESPONDENCE

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*To:* F. King Alexander  
President

Date: August 27, 2018

*From:* Daniel T. Layzell  
Executive Vice President for Finance and Administration & CFO

*Subject:* Semi-Annual FY 2017-2018 Financial Report

LSU has completed the 2017-2018 fiscal year within its authorized budget authority. Ending the fiscal year within the authorized budget authority was the result of the cooperation, hard work, and dedication of hundreds of LSU employees from the vice presidents, deans, heads of budgetary units, down through the departmental personnel, to individual faculty and staff. All deserve credit for this accomplishment.

Due to the required submission date of the quarterly report, it should be noted that actual expenditure and revenue data presented in this report are preliminary. The data will be finalized once financial reporting entries are complete and audited by the Legislative Auditors. Thank you for your leadership and continued support of LSU. Please contact me should you have any questions concerning this report.

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
		<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>
<b>Revenues</b>				
General Fund	117,513,766	67,383,030	50,130,736	117,513,766
Statutory Dedications	13,214,363	3,375,429	9,501,318	12,876,747
Interim Emergency Board	0	0		0
Interagency Transfers	7,519,106	3,749,895	3,669,150	7,419,045
Interagency Transfers - Federal Stimulus	0	0		0
Self Generated Revenues	413,816,716	347,246,073	49,100,474	396,346,547
Federal Funds	0	0		0
<b>Total Revenues</b>	<b>552,063,951</b>	<b>421,754,427</b>	<b>112,401,678</b>	<b>534,156,105</b>
<b>Expenditures by Object:</b>				
Salaries		120,587,166	126,850,664	247,437,830
Other Compensation		16,240,383	15,722,029	31,962,412
Related Benefits		49,759,696	56,467,767	106,227,464
<b>Personal Services</b>		<b>186,587,245</b>	<b>199,040,460</b>	<b>385,627,705</b>
Travel		1,734,215	2,699,169	4,433,384
Operating Services		17,078,292	9,066,343	26,144,635
Supplies		7,435,520	11,084,074	18,519,594
<b>Operating Expenses</b>		<b>26,248,027</b>	<b>22,849,586</b>	<b>49,097,614</b>
Professional Services		2,810,927	3,323,431	6,134,358
Other Charges		67,058,317	16,508,214	83,566,531
Debt Services		0	0	0
Interagency Transfers		824,497	10,836	835,333
<b>Other Charges</b>		<b>70,693,742</b>	<b>19,842,480</b>	<b>90,536,222</b>
General Acquisitions		3,932,847	4,439,010	8,371,857
Library Acquisitions		140,241	382,466	522,707
Major Repairs		0	0	0
<b>Acquisitions and Major Repairs</b>		<b>4,073,088</b>	<b>4,821,476</b>	<b>8,894,564</b>
<b>Total Expenditures</b>		<b>287,602,102</b>	<b>246,554,002</b>	<b>534,156,105</b>
<b>Expenditures by Function:</b>				
Instruction		99,174,300	110,799,106	209,973,405
Research		27,786,510	33,989,189	61,775,699
Public Service		2,499,812	2,983,062	5,482,875
Academic Support (Includes Library)		34,445,634	39,999,457	74,445,090
<b>Academic Expenditures</b>		<b>163,906,255</b>	<b>187,770,814</b>	<b>351,677,069</b>
Student Services		8,558,897	9,839,114	18,398,011
Institutional Support		18,218,375	11,240,594	29,458,969
Scholarships/Fellowships		66,735,212	12,385,006	79,120,218
Plant Operations/Maintenance		29,789,657	26,926,257	56,715,914
Hospital		0	0	0
Transfers out of agency		393,705	(1,607,782)	(1,214,077)
Athletics		0	0	0
Other		0	0	0
<b>Non-Academic Expenditures</b>		<b>123,695,846</b>	<b>58,783,189</b>	<b>182,479,035</b>
<b>Total Expenditures</b>		<b>287,602,102</b>	<b>246,554,003</b>	<b>534,156,105</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	22,901,527	36,444,969	22,201,293
Sales and Services of Educational Activities	13,601,076	13,773,215	14,606,477
Auxiliaries	35,666,501	62,665,093	37,578,838
Endowment Income	17,392,835	16,943,488	17,655,496
Grants and Contracts	2,573,658	13,915,632	659,110
Indirect Cost Recovered	46,781,606	44,494,813	41,214,556
Gifts	10,541,467	9,961,907	9,200,707
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	30,174,546	29,144,793	28,615,815
<b>TOTAL</b>	<b>179,633,216</b>	<b>227,343,911</b>	<b>171,732,292</b>

**Overview and Analysis of Campus Operations**

Revenues:

A budget amendment increasing the State General Fund by \$2,000,000 was processed per HB 874 Supplemental Appropriations Bill. Also included in HB 874 was a \$3,787 reduction in Interagency Transfers. There was a mid-year Laboratory School Minimum Foundation Program adjustment decreasing Interagency Transfer revenues by \$96,274. The shortfall in Statutory Dedicated funding is attributable to the Firemen Training (\$98,662) and SELF (\$238,954) fund revenues being less than the state Revenue Estimating Conference's estimate.

Expenditures:

The negative expenditure in the Transfer function is the Athletic Department transfer. This transfer is reflected as a negative expenditure due to the original source of the revenues being recorded in the Athletic Department and so not to "double count" the revenue as prescribed by the Governmental Accounting Standards Board (GASB).

# Semi -Annual Overview of Restricted Operations

Campus: *Louisiana State University A&M*

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations	0	0	0	0	0	0	0
Restricted Fees	22,901,527	27,648,556	14,105,114	36,444,969	11,293,283	25,536,959	22,201,293
Sales & Svcs of Educ. Activ's	13,601,076	10,920,173	10,748,033	13,773,215	9,374,206	8,540,944	14,606,477
Auxiliaries (List)							
1 - Athletic Department	1,562,287	58,325,724	65,439,069	(5,551,059)	74,571,243	67,266,024	1,754,160
2 - Golf Course	1,087,472	448,609	396,856	1,139,225	431,482	663,817	906,890
3 - Residential Life	8,546,080	33,454,848	14,506,919	27,494,010	5,946,181	25,722,309	7,717,882
4 - Lab School Cafeteria	427,154	399,944	198,754	628,344	53,590	256,654	425,280
5 - Copier Mgmt & Mailing Services	4,902,522	1,012,943	671,047	5,244,418	1,239,817	576,387	5,907,848
6 - University Stores	449,343	2,453,153	2,372,972	529,524	2,990,358	3,141,125	378,758
7 - Parking, Traffic & Transportation	5,326,774	9,324,456	4,910,611	9,740,619	3,225,595	7,404,927	5,561,288
8 - Student Health	2,394,400	8,138,376	4,247,305	6,285,472	1,561,448	6,223,962	1,622,958
9 - Student Media	584,673	988,409	464,263	1,108,819	175,477	519,219	765,077
10 - University Auxiliary Services	3,644,542	2,144,141	1,190,865	4,597,818	1,292,822	1,321,038	4,569,601
11 - Union	6,741,254	7,554,710	2,848,062	11,447,902	2,238,780	5,717,587	7,969,096
12							
13							
14							
15							
Endowment Income	17,392,835	1,005,746	1,455,093	16,943,488	2,896,110	2,184,101	17,655,496
Grants and Contracts							
Federal	363,068	48,849,557	49,575,981	(363,355)	51,143,289	51,405,629	(625,694)
State and Local	1,294,660	19,636,023	17,363,754	3,566,929	16,884,888	20,188,846	262,970
Private	915,930	17,479,783	7,683,654	10,712,058	1,846,633	11,536,857	1,021,834
Indirect Cost Recovered	46,781,606	4,170,603	6,457,396	44,494,813	15,938,269	19,218,527	41,214,556
Gifts	10,541,467	9,854,187	10,433,747	9,961,907	12,710,061	13,471,261	9,200,707
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	30,174,546	4,078,143	5,107,896	29,144,793	7,710,571	8,239,548	28,615,815
<b>TOTAL</b>	<b>179,633,216</b>	<b>267,888,085</b>	<b>220,177,390</b>	<b>227,343,911</b>	<b>223,524,104</b>	<b>279,135,723</b>	<b>171,732,292</b>

## Report on Restricted Operations

**Federal Grants:** The University must incur the expenses and seek reimbursement. Revenue is recognized after the expenses are incurred.

**State Grants:** Board of Regents grants provide a large part of the funding in advance, which provides positive cash flow for state projects.

**Indirect Cost Recovered:** The fund balance is comprised of funds that are earmarked to be used as start-up funds for new faculty members, matching funds for grants, high cost maintenance expenses for research equipment or lab renovations, and other unexpected costs. The start up costs can range from \$100,000 for a researcher in Humanities and Social Sciences to \$500,000 for researchers in Engineering to amounts in excess of \$3 million for an internationally renowned researcher in the College of Science.



Office of Vice President for Agriculture

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and Diversity  
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(225) 578-6030

Date: August 28, 2018

To: F. King Alexander, President and Chancellor  
LSU System

From: William Richardson, Vice President for Agriculture  
LSU Agricultural Center

RE: Fourth Quarter Budget Report for FY 2017-2018

FY2017-2018 was a stable budget year for the AgCenter in terms of appropriations. Base funding was not reduced July 1, 2017, and there were no mid-year reductions. There was a reduction in statutory dedications, however. In FY2016-17, the AgCenter minimized spending in an effort to realign expenditures with available funds. This was largely successful in the short-term and the AgCenter started FY17-18 on a positive note. However new budget pressures are always present and FY17-18 was not an exception.

After minimizing spending in FY16-17, by July 1, 2017 there were critical positions the AgCenter could no longer hold off on filling. These were almost entirely faculty level positions essential to the overall research and extension programs and having major impact on teaching needs of the LSU A&M College of Agriculture. At the beginning of FY17-18, a faculty merit raise plan was implemented. This was imperative to avoid increased problems with recruiting and retention. Numerous employees were assigned various duty changes which required a number of salary adjustments. These latter moves will save funds in the long run, but were an additional cost in FY17-18 that will continue in FY18-19. Collectively, these actions constitute significant budget pressure. Thus, the challenge of insufficient resources to meet programmatic/clientele demand continues.

As noted in previous reports, well over 500 positions have been eliminated since 2008; multiple research stations closed; departments merged; 124 positions lost in three retirement incentive programs offered; and many programs downsized, re-missioned or eliminated. It is extremely difficult to meet the normal demands of the agricultural industry, much less emerging issues, new threats, and forward-looking research to ensure the industry is well-positioned many years into the future.

As always, we note that because the AgCenter is a nonstudent campus, increases in tuition and student fees are not available as a revenue source. The GRAD Act does not provide relief for the AgCenter in terms of funding.

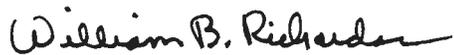
As noted above, significant hiring occurred in FY17-18 to meet critical needs. An increasing challenge associated with new faculty hires is the expectation for a significant start-up package. This created a serious burden that will continue to strain the AgCenter's budget.

Dr. F. King Alexander  
August 28, 2018  
Page Two

During FY17-18, the AgCenter continued to identify ways of streamlining costs and more effectively utilizing resources. A revised staffing plan for agricultural agents throughout the state was implemented. This involved re-design of staffing for program delivery with the objective of having fewer agents, but making them more specialized. The 4-H program continued a strategic planning process and including detailed review of event-specific expenses. Many departments continued to re-configure course offerings due to the loss of faculty. Several research stations continued to be downsized and streamlined primarily through attrition.

The LSU AgCenter continues to make every effort to utilize resources effectively and to maintain its most critical programs, remain true to the core mission of improving the lives of Louisiana citizens and provide the most it can for every dollar invested in the AgCenter. Your continued support is valued and appreciated.

Sincerely,



William B. Richardson  
Vice President for Agriculture  
and Dean of the College of Agriculture

xc: Ms. Ann Coulon  
Mr. Jim Buras

**Appendix A**  
**Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
	<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>	<b>Cumulative Total</b>
<b>Revenues</b>				
General Fund	68,132,951	39,489,758	28,643,193	68,132,951
Statutory Dedications	4,352,059	1,512,117	2,759,758	4,271,875
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	6,807,967	2,238,153	2,301,285	4,539,438
Federal Funds	13,018,275	2,818,134	9,445,399	12,263,533
<b>Total Revenues</b>	<b>92,311,252</b>	<b>46,058,162</b>	<b>43,149,635</b>	<b>89,207,797</b>
<b>Expenditures by Object:</b>				
Salaries		21,848,374	22,666,217	44,514,592
Other Compensation		1,242,026	1,329,096	2,571,122
Related Benefits		13,609,292	13,214,477	26,823,769
Personal Services		<b>36,699,693</b>	<b>37,209,790</b>	<b>73,909,483</b>
Travel		659,785	742,479	1,402,265
Operating Services		3,242,296	5,603,547	8,845,844
Supplies		1,562,518	2,088,738	3,651,256
Operating Expenses		<b>5,464,600</b>	<b>8,434,765</b>	<b>13,899,365</b>
Professional Services		163,684	270,660	434,344
Other Charges		60,707	140,884	201,591
Debt Services			0	0
Interagency Transfers		0	0	0
Other Charges		<b>224,392</b>	<b>411,544</b>	<b>635,936</b>
General Acquisitions		423,221	339,793	763,013
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		<b>423,221</b>	<b>339,793</b>	<b>763,013</b>
<b>Total Expenditures</b>		<b>42,811,905</b>	<b>46,395,892</b>	<b>89,207,797</b>
<b>Expenditures by Function:</b>				
Instruction		264,576	(264,576)	0
Research		18,322,550	19,831,201	38,153,751
Public Service		14,562,924	15,632,176	30,195,100
Academic Support (Includes Library)		1,777,838	1,669,723	3,447,562
Academic Expenditures		<b>34,927,888</b>	<b>36,868,525</b>	<b>71,796,413</b>
Student Services		42	(42)	0
Institutional Support		5,369,068	6,985,185	12,354,253
Scholarships/Fellowships		3,351	(3,351)	0
Plant Operations/Maintenance		2,511,556	2,545,575	5,057,131
Hospital			0	0
Transfers out of agency			0	0
Athletics			0	0
Other			0	0
Non-Academic Expenditures		<b>7,884,017</b>	<b>9,527,367</b>	<b>17,411,384</b>
<b>Total Expenditures</b>		<b>42,811,905</b>	<b>46,395,892</b>	<b>89,207,797</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees		0	0
Sales and Services of Educational Activities	2,551,067	2,699,066	2,770,298
Auxiliaries	0	0	
Endowment Income	488,539	474,745	445,525
Grants and Contracts	4,674,698	6,364,974	3,964,845
Indirect Cost Recovered	142,508	140,547	133,031
Gifts	5,784,257	5,390,698	5,028,747
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	10,588,942	11,226,948	10,169,735
<b>TOTAL</b>	<b>24,230,011</b>	<b>26,296,978</b>	<b>22,512,181</b>

**Overview and Analysis of Campus Operations**

Having no budget reduction in FY17-18 was very positive. On the negative side, costs continue to rise including salaries. For retention and recruiting purposes, it was critical that faculty merit raise plans be administered and funds for that must come from existing revenue. This has put a significant strain on funding. However, without adequate pay plans, there is an upturn in turnover with corresponding increases in costs for term pay, recruiting, training, start-up costs, etc. The AgCenter continues to seek ways to maximize use of its resources and also streamline programs. A revised staffing plan for agricultural agents throughout the state was implemented in FY17-18 to better serve clientele needs. Five research stations have been identified as focus areas so that resources can gradually be consolidated at these locations. The staffing structure of departmental teaching, research and extension faculty is also being studied. The AgCenter continues to seek to maximize revenue sources by identifying new opportunities for grant funding.

**Semi -Annual Overview of Restricted Operations**

Campus: LSU AgCenter

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's	2,551,067	1,081,083	933,084	2,699,066	1,574,380	1,503,148	2,770,298
Auxiliaries (List)							0
1		0		0	0		0
2		0		0	0		0
3		0		0	0		0
4		0		0	0		0
5		0		0	0		0
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income	488,539	23,854	37,648	474,745	72,051	101,271	445,525
Grants and Contracts							
Federal	(93,264)	3,309,059	3,566,496	(350,701)	3,648,110	3,323,990	(26,581)
State and Local	3,522,324	7,913,867	7,564,976	3,871,215	7,483,930	8,784,434	2,570,711
Private	1,245,638	4,651,161	3,052,339	2,844,460	886,122	2,309,867	1,420,715
Indirect Cost Recovered	142,508	0	1,961	140,547	0	7,516	133,031
Gifts	5,784,257	1,250,826	1,644,385	5,390,698	1,390,286	1,752,237	5,028,747
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	10,588,942	6,763,819	6,125,813	11,226,948	4,050,724	5,107,936	10,169,735
<b>TOTAL</b>	<b>24,230,011</b>	<b>24,993,669</b>	<b>22,926,702</b>	<b>26,296,978</b>	<b>19,105,602</b>	<b>22,890,400</b>	<b>22,512,181</b>

**Report on Restricted Operations**

**Federal Grants:** The University must incur the expenses and seek reimbursement. Revenue is recognized after the expenses are incurred.



## Semi-Annual Budget Summary Narrative

For the Period Ending June 30, 2018

### Revenues

Unrestricted Revenues were received as anticipated, with the exception of statutory dedications – the “Support Education in Louisiana Fund” (SELF) was short \$2,692. Restricted revenues in the form of gifts, grants and contracts were received at expected levels. All other collections are within expected levels.

The Pennington Biomedical Research Center Stores Auxiliary revenues were as anticipated for the first half of the fiscal year, with expenditures exceeding revenues in the second half. The pricing structure for Stores has been adjusted to achieve a more uniform mark-up, and we continue to closely monitor the Stores operations to ensure operations remain viable.

### Expenditures

Unrestricted expenditures are at anticipated levels. Restricted funds expenditures are within expected parameters. There are no unexpected or material variances in relation to the budget. Overall, expenditure budgets are in line with expected expenditures for the fiscal year.

A handwritten signature in blue ink, appearing to read "John P. Kirwan".

---

John P. Kirwan, Ph.D.  
Executive Director

Unrestricted Operations		Actual Amount for each semi-annual period in 2017-2018		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
<b>Revenues</b>				
General Fund	16,182,659	9,439,831	6,742,828	16,182,659
Statutory Dedications	96,556	36,740	57,219	93,959
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	845,561	123,886	721,675	845,561
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>17,124,776</b>	<b>9,600,457</b>	<b>7,521,722</b>	<b>17,122,179</b>
<b>Expenditures by Object:</b>				
Salaries		5,900,488	5,411,446	11,311,934
Other Compensation		539,923	833,338	1,373,261
Related Benefits		2,207,726	2,032,217	4,239,943
Personal Services		<b>8,648,137</b>	<b>8,277,001</b>	<b>16,925,138</b>
Travel		22,302	18,249	40,551
Operating Services		422,351	(1,722,326)	(1,299,975)
Supplies		570,213	765,781	1,335,994
Operating Expenses		<b>1,014,866</b>	<b>(938,297)</b>	<b>76,570</b>
Professional Services		29,177	4,525	33,702
Other Charges		3,650	9,477	13,127
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		<b>32,827</b>	<b>14,002</b>	<b>46,829</b>
General Acquisitions		0	0	0
Library Acquisitions		0	0	0
Major Repairs		64,222	9,421	73,643
Acquisitions and Major Repairs		<b>64,222</b>	<b>9,421</b>	<b>73,643</b>
<b>Total Expenditures</b>		<b>9,760,052</b>	<b>7,362,126</b>	<b>17,122,179</b>
<b>Expenditures by Function:</b>				
Instruction		1,812	(1,812)	0
Research		1,699,826	1,501,006	3,200,832
Public Service		80,184	126,055	206,239
Academic Support (Includes Library)		3,047,090	2,617,667	5,664,757
Academic Expenditures		<b>4,828,912</b>	<b>4,242,916</b>	<b>9,071,828</b>
Student Services		0	0	0
Institutional Support		2,674,999	2,126,902	4,801,901
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		2,255,745	992,705	3,248,450
Hospital		0	0	0
Transfers out of agency		396	(396)	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>4,931,140</b>	<b>3,119,210</b>	<b>8,050,350</b>
<b>Total Expenditures</b>		<b>9,760,052</b>	<b>7,362,127</b>	<b>17,122,179</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	0	0	0
Sales and Services of Educational Activities	175,065	194,545	236,452
Auxiliaries	104,444	0	73,680
Endowment Income	0	161,570	0
Grants and Contracts	4,269,096	0	2,092,261
Indirect Cost Recovered	4,742,828	0	3,053,491
Gifts	510,583	0	592,556
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	644,311	0	1,236,884
<b>TOTAL</b>	<b>10,446,327</b>	<b>12,554,480</b>	<b>7,285,324</b>

**Overview and Analysis of Campus Operations**

See Executive Director's narrative.

# Semi -Annual Overview of Restricted Operations

Campus: Pennington Biomedical Research Center

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0	0	0	0	0	0
Sales & Svcs of Educ. Activ's	175,065	82,378	62,898	194,545	136,291	94,384	236,452
Auxiliaries (List)							0
1 Stores	104,444	622,426	565,300	161,570	923,650	1,011,540	73,680
2		0		0	0		0
3		0		0	0		0
4		0		0	0		0
5		0		0	0		0
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income		0		0	0		0
Grants and Contracts							
Federal	(65,540)	10,797,036	10,323,915	407,581	9,207,492	9,614,362	710
State and Local	1,999,516	328,691	1,498,582	829,625	726,149	896,615	659,159
Private	2,335,120	4,200,880	3,357,204	3,178,796	3,820,990	5,567,394	1,432,392
Indirect Cost Recovered	4,742,828	4,006,649	2,844,606	5,904,871	3,378,810	6,230,190	3,053,491
Gifts	510,583	1,531,306	1,086,007	955,882	876,289	1,239,615	592,556
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	644,311	386,720	109,421	921,610	952,902	637,628	1,236,884
<b>TOTAL</b>	<b>10,446,327</b>	<b>21,956,086</b>	<b>19,847,933</b>	<b>12,554,480</b>	<b>20,022,572</b>	<b>25,291,729</b>	<b>7,285,324</b>

## Report on Restricted Operations

See Executive Director's narrative.

**Louisiana State University of Alexandria**  
**Semi-Annual Financial Report Narrative**

Overview and Analysis of Campus Operations:

Overall campus operations are as expected. Total enrollment for Fall 2017 has increased by 3% over Fall 2016, which represents a 51.3% increase in the past 4 years. Continuing with the increased budget authority received in FY 17, LSUA was able to give merit increases to all faculty and staff for the first time in several years. Variances in unrestricted revenues and expenditures were immaterial.

Report on Restricted Operations:

Restricted operations are also as anticipated. The Athletic Department cost savings measures that were put in place by the Athletic Director for FY18 reduced the deficit during the 1st and 2nd quarters. However, expenses of post season play has increased the overall deficit. All seven athletics teams had winning seasons. Children's Center deficit is a result of lower enrollment numbers. Adjustments are being made going in to the new fiscal year to compensate for lower numbers while at the same time increasing marketing in order to bring in additional students and revenue. Grants & Contracts historically run in a deficit due to the timing of the revenue posted.

**Appendix A  
Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
	<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>	<b>Cumulative Total</b>
<b>Revenues</b>				
General Fund	4,847,690	2,827,818	2,019,872	4,847,690
Statutory Dedications	275,077	104,514	163,164	267,678
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	16,391,127	14,868,315	1,091,076	15,959,391
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>21,513,894</b>	<b>17,800,647</b>	<b>3,274,112</b>	<b>21,074,759</b>
<b>Expenditures by Object:</b>				
Salaries		4,814,446	5,083,935	9,898,381
Other Compensation		125,603	158,687	284,290
Related Benefits		2,380,034	2,749,073	5,129,107
Personal Services		<b>7,320,083</b>	<b>7,991,695</b>	<b>15,311,778</b>
Travel		58,944	97,981	156,925
Operating Services		919,522	1,007,750	1,927,272
Supplies		344,653	279,197	623,850
Operating Expenses		<b>1,323,119</b>	<b>1,384,928</b>	<b>2,708,047</b>
Professional Services		404,959	864,510	1,269,469
Other Charges		975,124	576,936	1,552,060
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		<b>1,380,083</b>	<b>1,441,446</b>	<b>2,821,529</b>
General Acquisitions		114,961	58,551	173,512
Library Acquisitions		2,797	14,537	17,334
Major Repairs		51,300	(8,742)	42,558
Acquisitions and Major Repairs		<b>169,058</b>	<b>64,346</b>	<b>233,404</b>
<b>Total Expenditures</b>		<b>10,192,344</b>	<b>10,882,415</b>	<b>21,074,759</b>
<b>Expenditures by Function:</b>				
Instruction		4,891,355	5,562,372	10,453,727
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		808,424	633,222	1,441,646
Academic Expenditures		<b>5,699,779</b>	<b>6,195,594</b>	<b>11,895,373</b>
Student Services		734,053	1,057,931	1,791,984
Institutional Support		1,508,435	1,481,902	2,990,337
Scholarships/Fellowships		813,856	781,270	1,595,126
Plant Operations/Maintenance		1,436,221	1,495,487	2,931,708
Hospital		0	0	0
Transfers out of agency		0	(129,769)	(129,769)
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>4,492,566</b>	<b>4,686,821</b>	<b>9,179,387</b>
<b>Total Expenditures</b>		<b>10,192,344</b>	<b>10,882,415</b>	<b>21,074,759</b>

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	0
Restricted Fees	1,338,816	1,990,738	1,646,307
Sales and Services of Educational Activities	451,374	499,471	359,511
Auxiliaries	1,753,355	2,238,329	1,655,019
Endowment Income	374,656	366,273	663,197
Grants and Contracts	(3,630)	(2,356,260)	78,516
Indirect Cost Recovered	14,876	14,876	14,876
Gifts	102,399	181,440	81,804
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	73,355	(40,724)	163,817
<b>TOTAL</b>	<b>4,105,201</b>	<b>2,894,143</b>	<b>4,663,047</b>

**Overview and Analysis of Campus Operations**

Overall campus operations are as expected. Total enrollment for Fall 2017 has increased by 3% over Fall 2016, which represents a 51.3% increase in the past 4 years. Continuing with the increased budget authority received in FY 17, LSUA was able to give merit increases to all faculty and staff for the first time in several years. Variances in unrestricted revenues and expenditures were immaterial.

# Semi -Annual Overview of Restricted Operations

Campus: LSU of Alexandria

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees	1,338,816	1,035,444	383,522	1,990,738	191,876	536,307	1,646,307
Sales & Svcs of Educ. Activ's	451,374	156,102	108,005	499,471	50,665	190,625	359,511
Auxiliaries (List)							0
1 - Athletic Department	(478,876)	848,646	714,541	(344,771)	132,178	591,896	(804,489)
2 - Bookstore	1,072,520	74,274	5,437	1,141,356	94,071	149,439	1,085,988
3 - Child Care Center	(9,776)	74,890	63,723	1,391	49,410	87,839	(37,038)
4 - Campus Housing	39,982	4,977	53,353	(8,394)	102,311	67,755	26,162
5 - Campus Card Operations	(3,330)	570	3,125	(5,885)	39,632	24,711	9,036
6 - Duplications & Copy	168,133	55,262	74,435	148,960	66,900	85,050	130,810
7 - Golf Course	100,784	26,234	47,943	79,076	21,688	60,888	39,876
8 - Museum	7,303	175,000	192,902	(10,599)	275,273	195,908	68,766
9 - Newspaper	77,671	3,710	2,686	78,695	1,778	68,126	12,347
10 - Parking, Street & Safety	378,558	145,976	(2,427)	526,961	23,188	9,007	541,142
11 - Union	343,388	416,169	194,911	564,646	54,187	105,081	513,752
12 - Yearbook	56,998	9,894		66,892	1,774		68,666
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income	374,656	26,228	34,611	366,273	290,013	(6,911)	663,197
Grants and Contracts							
Federal	(14,614)	550,323	3,084,932	(2,549,223)	5,711,442	3,163,598	(1,379)
State and Local	(2,517)	444,071	257,731	183,823	158,175	275,604	66,394
Private	13,501	87,545	91,905	9,141	(9,308)	(13,669)	13,501
Indirect Cost Recovered	14,876	0		14,876	0		14,876
Gifts	102,399	224,733	145,692	181,440	142,042	241,678	81,804
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	73,355	(114,079)		(40,724)	(2,965,608)	(3,170,149)	163,817
<b>TOTAL</b>	<b>4,105,201</b>	<b>4,245,968</b>	<b>5,457,026</b>	<b>2,894,143</b>	<b>4,431,687</b>	<b>2,662,783</b>	<b>4,663,047</b>

## Report on Restricted Operations

Restricted operations are also as anticipated.

The Athletic Department cost savings measures that were put in place by the Athletic Director for FY18 reduced the deficit during the 1st and 2nd quarters. However, expenses of post season play has increased the overall deficit. All seven athletics teams had winning seasons.

Children's Center deficit is a result of lower enrollment numbers. Adjustments are being made going in to the new fiscal year to compensate for lower numbers while at the same time increasing marketing in order to bring in additional students and revenue.

Grants & Contracts historically run in a deficit due to the timing of the revenue posted.



## Semi-Annual Financial Report Narrative FY 2017-18

### Overview and Analysis of Campus Operations

LSU Eunice's unrestricted actual revenue for FY 2017-18 is \$13,943,512 and represents a small increase from the 2016-17 fiscal year due to an increase in FTE enrollment. LSUE serves a student population of over 3,044 (Fall 2017) and relies on self-generated revenue (65%) and state of Louisiana appropriations (35%) to operate. As compared to the 2016-17 fiscal year, LSUE realized a 4.7% increase in headcount and a 4.8% increase in semester credit hours.

In addition, LSUE has implemented significant cost-saving programs that further share resources with LSUA and LSU A&M. During the 2017-18 academic year, LSUE has completed the following projects through external grants, the reallocation of current funds and/or the sharing of LSU resources:

- Partnered with LSU's IT division to hire a new director of information technology for LSUE with oversight from the LSU's Office of Information Technology. The new director manages LSUE's Workday Student implementation and will continue to assess IT infrastructure for greater efficiencies and cost-effectiveness.
- Revised and expanded the LSUE Academy for high achieving students from four surrounding parishes with over 100 students to continue in the Fall of 2018. LSUE also continues its role with the U.S. Department of Education as an Experimental Site for federal Title IV funding for Louisiana high school students.
- Launched a new Associate of Applied Science Degree in Diagnostic Medical Sonography in the fall of 2017. (LA Rapid Response Grant)
- Launched a new Associate of Applied Science Degree in Surgical Technology that began in June of 2018. (LA Rapid Response Grant and funding from local hospitals)
- After an accreditation site visit to all LSUE off-site locations in the Fall of 2017, SACSCOC approved our continuing accreditation with no follow-up reporting requirements.
- LSUE is in the process of transferring our residential property to the LSU Real Estate Foundation; LSUE began the management of Bengal Village in the fall of 2017.
- During the summer of 2018, LSUE began renovation of the library to accommodate a new Testing Center that will provide a much-needed service to our students but also provide an additional revenue stream for the university.
- During the summer of 2018, LSUE began construction of a new Soccer Complex for LSUE Men's and Women's Soccer teams and expanded varsity sports offerings from three to six.

**Report on restricted operations:**

Auxiliary operations include athletics, bookstore, student media and union operations. Bookstore revenues remain strong providing a portion of funding to help offset the start-up costs of new academic programs and equipment. Restricted operations ended the year with a balance of \$1,052,395. In addition, LSUE has increased its fees for student athletics and activities for the 18-19 academic year and will be in a much stronger financial position moving forward. LSUE's mission is to provide a quality education, student life experiences, and community service opportunities to educate the whole student, and its student athlete program remains a vital part of the overall LSUE experience.

**FY 2018-19 priorities:**

Our immediate priority is to continue to provide merit increases for our faculty, professional staff, and classified staff. We must reward our dedicated employees who have served the university long-term, and we must attract new employees who seek positions at institutions that are willing to invest in their people. Our students deserve a high-quality education from a talented and productive faculty and staff.

While LSUE has improved its financial position through self-generated revenue and continues to increase enrollment, our focus for the 2018-19 academic year is improving student success. LSUE will increase course completions, program completions and graduate rates over the next academic year.

We expect Fall 2018 enrollment to surpass enrollment from the fall of 2017 in both headcount and semester credit hours. This increase will help generate funding for additional student support services and scholarships.

Other initiatives include increasing university-wide marketing and advertising, improving residential and student life, renovating critical facilities to improve the efficiency and the physical appearance of the campus, restructuring online learning, and enhancing resources for campus safety and security. In addition, LSUE will continue to invest in its employees to provide a positive, friendly, and diverse working environment reflective of LSUE's mission and values.

**Appendix A**  
**Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		Actual Amount for each semi-annual period in 2017-2018		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
<b>Revenues</b>				
General Fund	4,620,901	2,695,525	1,925,376	4,620,901
Statutory Dedications	256,030	97,277	151,866	249,144
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	9,328,383	8,636,223	437,244	9,073,467
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>14,205,314</b>	<b>11,429,025</b>	<b>2,514,486</b>	<b>13,943,512</b>
<b>Expenditures by Object:</b>				
Salaries		3,821,892	3,988,135	7,810,027
Other Compensation		89,379	71,499	160,878
Related Benefits		1,793,412	2,194,754	3,988,167
Personal Services		<b>5,704,684</b>	<b>6,254,388</b>	<b>11,959,072</b>
Travel		48,073	52,152	100,224
Operating Services		959,557	126,692	1,086,250
Supplies		432,278	101,435	533,712
Operating Expenses		<b>1,439,908</b>	<b>280,278</b>	<b>1,720,186</b>
Professional Services		37,873	18,576	56,449
Other Charges		288,564	(157,300)	131,265
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		<b>326,437</b>	<b>(138,724)</b>	<b>187,714</b>
General Acquisitions		53,704	22,836	76,540
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		<b>53,704</b>	<b>22,836</b>	<b>76,540</b>
<b>Total Expenditures</b>		<b>7,524,732</b>	<b>6,418,779</b>	<b>13,943,512</b>
<b>Expenditures by Function:</b>				
Instruction		3,642,706	1,482,985	5,125,691
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		309,504	141,131	450,635
Academic Expenditures		<b>3,952,210</b>	<b>1,624,116</b>	<b>5,576,326</b>
Student Services		689,136	227,336	916,472
Institutional Support		1,407,643	4,487,406	5,895,049
Scholarships/Fellowships		276,715	294,573	571,288
Plant Operations/Maintenance		1,199,029	(214,652)	984,377
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>3,572,522</b>	<b>4,794,664</b>	<b>8,367,186</b>
<b>Total Expenditures</b>		<b>7,524,732</b>	<b>6,418,780</b>	<b>13,943,512</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	566,547	1,076,930	338,619
Sales and Services of Educational Activities	0	0	0
Auxiliaries	725,112	831,969	228,184
Endowment Income	99,636	98,761	99,126
Grants and Contracts	(51,047)	129,224	382,377
Indirect Cost Recovered	100,000	100,000	0
Gifts	27,801	52,346	(5,682)
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	20,805	23,405	9,770
<b>TOTAL</b>	<b>1,488,853</b>	<b>2,312,635</b>	<b>1,052,395</b>

**Overview and Analysis of Campus Operations**

LSU Eunice’s unrestricted actual revenue for FY 2017-18 budget is \$13,943,512 and represents an increase from the 2016-17 fiscal year due to an increase in FTE enrollment. LSUE serves a student population of approximately 3,044 and relies on self-generated revenue (65%) and state of Louisiana appropriations (35%) to operate. As compared to the 2016-17 fiscal year, LSUE realized a 4.7% increase in headcount in the fall of 2017. The growth in enrollment resulted in a slight increase in tuition and fee revenue for fiscal year 2017-18.

# Semi -Annual Overview of Restricted Operations

Campus: LSU Eunice

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees	566,547	708,024	197,641	1,076,930	(165,492)	572,819	338,619
Sales & Svcs of Educ. Activ's		0		0	0		0
Auxiliaries (List)							0
1 Bookstore	889,039	864,934	1,051,029	702,945	682,715	894,248	491,412
2 Union	254,979	170,740	86,252	339,468	24,268	84,094	279,642
3 Athletics	(489,550)	440,125	228,695	(278,121)	46,802	375,000	(606,320)
4 Media	70,644	7,284	10,250	67,678	1,666	5,894	63,450
5		0		0	0		0
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income	99,636	3,051	3,926	98,761	24,601	24,235	99,126
Grants and Contracts							
Federal	(6,455)	2,579,590	2,605,563	(32,428)	2,590,786	2,558,358	0
State and Local	(98,831)	362,109	156,865	106,413	418,549	241,824	283,137
Private	54,239	1,384	384	55,239	45,000	999	99,240
Indirect Cost Recovered	100,000	0		100,000	0	100,000	0
Gifts	27,801	199,069	174,523	52,346	231,451	289,479	(5,682)
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	20,805	2,861	262	23,405	(8,876)	4,759	9,770
<b>TOTAL</b>	<b>1,488,853</b>	<b>5,339,171</b>	<b>4,515,390</b>	<b>2,312,635</b>	<b>3,891,469</b>	<b>5,151,709</b>	<b>1,052,395</b>

## Report on Restricted Operations

Restricted operations are relatively stable. Student excellence fees and a portion of auxiliary revenue helped LSUE offset the start-up costs of new academic programs and equipment during the year. Our State and Local grant revenue increased due to two new Louisiana Rapid Response grants benefitting sonography and surgical technology programs.

The Athletic Department increase was due to the expenses of post-season play for three teams, and LSUE Baseball advancing to win its 6th NJCAA National Championship. In addition, LSUE expanded its varsity sports from three to six and incurred salary and equipment expenses for a portion of the 17-18 academic year. LSU approved an increase in the athletic fee for 18-19 to offset the additional costs of adding men's basketball and men's and women's soccer.

August 7, 2018

Dr. F. King Alexander  
President  
Louisiana State University  
3810 West Lakeshore Drive  
Baton Rouge, La 70808

Subject: Fiscal Year 2017-18  
4<sup>th</sup> Quarter Financial Report

Dear Dr. Alexander:

We are pleased to share that LSUS finished FY 17-18 with a Balanced Budget. This was our first full fiscal year with our new Vice Chancellor for Business Affairs and Director of Accounting Services in place. They have provided great leadership in helping LSUS to implement critically needed internal processes and controls while overseeing final steps in our transition to LSU Shared Services and the implementation to Workday. I want to also note and thank VP/CFO Dan Layzell and his leadership team for their high level and quality of interaction and support. We finished the year in a very stable financial condition.

1. LSUS set an all-time record for enrollment this past academic year (6,069 enrolled for Spring, 2018 (versus 4,606 for Spring, 2017), mainly through a large increase in our graduate online programs. We expect 6,300 students for Fall, 2018.
2. LSUS graduated over 1,000 students for the year for the first time ever (actual count: 1,317).
3. LSUS created a self-funded 3% raise pool for faculty and professional staff (first pay raise since FY07/08 for Classified and FY08/09 for Unclassified) and a 4% across the board raise to classified staff. Unfortunately, this did not begin to address significant, continuing salary compaction and market issues. Because of the uncertainty of future MBA enrollment, because of significantly increased competition in the market, LSUS will not provide pay raises for faculty and professional staff in FY 18-19.
4. LSUS chose not to implement an increase in the Academic Excellence Fee for FY 17-18 due to the stable financial condition. We have for FY 18-19. It will help fund the creation of our new CyberCollaboratory (to be housed where our bookstore presently is located in the Technology Center).
5. In Spring 2018, LSUS began utilizing the professional services of Ruffalo Noel Levitz for them to provide comprehensive enrollment management services to address our continuing challenges in re-growing our undergraduate, on-campus enrollment. LSUS is receiving significant financial support for this engagement contract from the LSUS Foundation and the Noel Foundation.

6. Ruffalo Noel-Levitz has already identified our student housing situation to be the #1 challenge in our attracting and retaining undergraduate students to LSUS. We have been attempting to resolve this situation for my full four years at LSUS. We **must** get resolution.
7. LSUS brought back men's and women's soccer in FY 17-18 which contributed to an increase in international student enrollment from 25 to 63 students representing a wide range of countries.
8. Our new Student Success Center, located in the Noel Memorial Library, opened in September 2017. Construction should begin early this fall on the conversion of a space in the Technology Center for our new Veterans Resource Center. Upgrades to the University Center have begun this summer.
9. LSUS completed the process to outsource the LSUS bookstore to Barnes & Noble. It will re-locate to the University Center to make room for our forthcoming CyberCollaboratory. LSUS received a \$300K gift from AEP (SWEPCO) Foundation for the CyberCollaboratory.

Appreciation is extended to our dedicated Faculty and Staff who made it possible for our campus to exceed enrollment goals and experience financial stability. In addition, we value the much needed support and assistance provided by the LSUS Foundation and the LSUS Alumni Association.

Sincerely,

*Larry Clark*

Larry Clark  
Chancellor

Unrestricted Operations		Actual Amount for each semi-annual period in 2017-2018		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
<b>Revenues</b>				
General Fund	7,615,400	4,442,318	3,173,082	7,615,400
Statutory Dedications	647,443	245,992	384,036	630,029
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	32,994,397	25,017,329	9,205,634	34,222,962
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>41,257,240</b>	<b>29,705,639</b>	<b>12,762,752</b>	<b>42,468,391</b>
<b>Expenditures by Object:</b>				
Salaries		8,054,648	7,882,792	15,937,440
Other Compensation		0	446,708	446,708
Related Benefits		3,700,821	4,693,122	8,393,942
Personal Services		<b>11,755,469</b>	<b>13,022,622</b>	<b>24,778,091</b>
Travel		45,987	165,735	211,722
Operating Services		1,262,141	2,881,647	4,143,789
Supplies		439,609	1,142,178	1,581,787
Operating Expenses		<b>1,747,737</b>	<b>4,189,560</b>	<b>5,937,298</b>
Professional Services		3,601,030	5,171,134	8,772,163
Other Charges		1,310,409	831,825	2,142,235
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		<b>4,911,439</b>	<b>6,002,959</b>	<b>10,914,398</b>
General Acquisitions		0	0	0
Library Acquisitions		0	0	0
Major Repairs		85,904	752,701	838,605
Acquisitions and Major Repairs		<b>85,904</b>	<b>752,701</b>	<b>838,605</b>
<b>Total Expenditures</b>		<b>18,500,549</b>	<b>23,967,842</b>	<b>42,468,391</b>
<b>Expenditures by Function:</b>				
Instruction		7,878,628	16,887,443	24,766,071
Research		0	38,996	38,996
Public Service		0	0	0
Academic Support (Includes Library)		1,122,787	2,382,052	3,504,839
Academic Expenditures		<b>9,001,415</b>	<b>19,308,491</b>	<b>28,309,906</b>
Student Services		880,258	2,261,438	3,141,696
Institutional Support		6,603,246	(730,090)	5,873,156
Scholarships/Fellowships		855,042	816,102	1,671,144
Plant Operations/Maintenance		1,160,589	2,311,900	3,472,489
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>9,499,134</b>	<b>4,659,351</b>	<b>14,158,485</b>
<b>Total Expenditures</b>		<b>18,500,549</b>	<b>23,967,842</b>	<b>42,468,391</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	5,811,132	6,857,271	8,433,586
Sales and Services of Educational Activities	45,819	49,997	106,108
Auxiliaries	596,848	1,863,582	147,401
Endowment Income	0	0	0
Grants and Contracts	287,123	65,318	(211,297)
Indirect Cost Recovered	313,595	313,195	357,361
Gifts	613,881	488,146	660,638
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	316,265	314,774	893,020
<b>TOTAL</b>	<b>7,984,663</b>	<b>9,952,283</b>	<b>10,386,816</b>

**Overview and Analysis of Campus Operations**

A negative balance of \$730,090 for Institutional Support, Expenditures by Function resulted due to a change in the way data was retrieved for reporting. First and Second Quarter reporting was based on Common Book vs. Third and Fourth Quarter reporting based on operating reporting. Allocations were affected but total figures for both reporting periods remain unaffected.

# Semi -Annual Overview of Restricted Operations

Campus: Louisiana State University Shreveport

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees	5,811,132	3,026,542	1,980,403	6,857,271	1,789,856	213,541	8,433,586
Sales & Svcs of Educ. Activ's	45,819	11,202	7,024	49,997	58,513	2,402	106,108
Auxiliaries (List)							0
1 - University Center	123,966	167,661	80,330	211,297	75,834	292,072	(4,941)
2 - Food service	(26,123)	96,029	106,774	(36,868)	97,865	119,544	(58,547)
3 - Bookstore	187,735	716,986	177,310	727,411	397,277	1,477,089	(352,401)
4 - University Court Apts - Leases	8,541	0	0	8,541	1,000	0	9,541
5 - Athletics	302,729	1,089,535	439,063	953,201	258,736	658,188	553,749
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income		0		0	0		0
Grants and Contracts							
Federal	(929)	2,821,878	2,988,269	(167,320)	2,356,876	2,461,177	(271,621)
State and Local	213,605	1,857,895	1,854,194	217,306	(3,341,196)	(3,108,219)	(15,671)
Private	74,448	(1,135)	57,980	15,333	10,154	(50,508)	75,995
Indirect Cost Recovered	313,595	0	400	313,195	43,766	(400)	357,361
Gifts	613,881	304,357	430,092	488,146	844,888	672,396	660,638
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	316,265	303,546	305,037	314,774	877,786	299,540	893,020
<b>TOTAL</b>	<b>7,984,663</b>	<b>10,394,496</b>	<b>8,426,876</b>	<b>9,952,283</b>	<b>3,471,355</b>	<b>3,036,822</b>	<b>10,386,816</b>

## Report on Restricted Operations

A negative balance occurred for the University Center due to last miute year end expenses for one time projects which included painting, carpet, and furniture for the University Center.

LSUS outsourced the bookstore to Barnes & Noble. The agreement between Barnes & Noble limited the inventory which they would purchase from LSUS and the remaining inventory was transferred to departments on campus.

State and Local Grants and Contracts reflects negative revenues and negative expenses due to a change in reporting. LSUS has previously reported TOPS, 529 Plan and Go Grants as a grant with revenues and expenditures. To conform to the presentation of LSUAM reporting balances of both revenues and expenses were transferred to liability clearing accounts.



## **Executive Summary**

### **FY 2017-18 Semi-Annual Report on the Budget**

The Fiscal Year 2017-2018 appropriation for LSU Health Sciences Center in New Orleans is \$141,678,431, which includes \$2,600,000 in supplemental appropriation payable from the general fund to pay indirect costs related to the master lease and occupancy agreement with the Louisiana Cancer Research Center.

#### **Threats**

- Continued increase in employer contributions to health insurance and unfunded actuarial liability portion of retirement costs.
- Inconsistent level of state support for higher education and hospital partnerships.
- Inability to significantly increase revenue from tuition.

#### **Mechanisms for Coping with Threats**

- Revenue Generation
  - LSUHSC-NO continues to seek new and/or expanded sources of funding by enhancing relationships with private and not-for-profit health care entities.
  - LSUHSC-NO continues to leverage investments we are making in cardiovascular and genomic research.
- Cost Containment
  - Salary increases, with faculty promotions in rank being the notable exception, were not generally granted for an extended period before this fiscal year.
  - LSUHSC at New Orleans tries to limit new hires to critical needs mainly in the areas of direct patient care and sponsored research, where external funding from grants and contracts are available.
  - Management is evaluating and controlling expenditures for travel, professional services, and acquisitions as much as possible.

#### **Unrestricted Operations**

- Revenues
  - General Fund Appropriations have been drawn down completely.
  - The General Fund Appropriations include \$2,600,000 in supplemental appropriation payable from the general fund to pay indirect costs related to the master lease and occupancy agreement with the Louisiana Cancer Research Center.

- Statutory Dedications Revenue are derived from the SELF fund for past faculty pay plans. 97% of these funds have been collected.
- Self-Generated Revenue: There are three major components to this means of financing: student tuition and fees; sales and services of educational departments (primarily the Dental Student and Resident Clinics); and other sources.
- Expenditures
  - Spending was within the parameters of our overall operating budget.
  - Related Benefits increased 12% since 2017 in group health insurance and retirement system.
  - Other Charges and Operating Services experienced change due to the Tobacco Tax Fund. In 2017, the pass-through payments to the Cancer Consortium for research and smoking cessation went through LSUHSC-NO. In 2018, this ceased and HB 464 was implemented to facilitate the partnership with LSUHSC-NO and the Louisiana Cancer Research Consortium.

### **Restricted Operations**

- Nearly all of the growth was in private grants and contracts and physician practice plans. This validates our emphasis on increasing contracts for graduate medical education and clinical care.
- Federal grants and contract revenue is down 5% along with state grants and contract revenue down 2%. The university continues to examine revenue resources outside this category as funding at these levels have decreased over the years.
- Auxiliaries operations have maintained a positive fund balance overall. We are examining corrective actions to limit losses in the cafeteria and bookstore in the future. Corrective actions to limit losses include consolidating management to implement a consistent approach to control operating performance, some cost cutting measures such as reducing inventory costs along with anticipated increases in revenues as a result of selective price increases.
- The report excludes projects we maintain on behalf of the HCSD and FEMA/ORM related activity for project worksheets and contents replacement.

**Appendix A**  
**Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
	<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>	<b>Cumulative Total</b>
<b>Revenues</b>				
General Fund	78,447,984	44,244,657	34,203,327	78,447,984
Statutory Dedications	4,234,423	1,608,845	2,511,685	4,120,530
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	58,996,024	49,478,835	9,517,189	58,996,024
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>141,678,431</b>	<b>95,332,337</b>	<b>46,232,201</b>	<b>141,564,538</b>
<b>Expenditures by Object:</b>				
Salaries		33,246,445	33,056,565	66,303,010
Other Compensation		1,303,702	131,431	1,435,133
Related Benefits		11,147,461	12,214,759	23,362,220
Personal Services		<b>45,697,608</b>	<b>45,402,755</b>	<b>91,100,363</b>
Travel		150,146	152,160	302,305
Operating Services		8,973,740	15,988,903	24,962,643
Supplies		4,270,901	1,202,424	5,473,325
Operating Expenses		<b>13,394,786</b>	<b>17,343,486</b>	<b>30,738,273</b>
Professional Services		525,115	501,434	1,026,549
Other Charges		6,545,418	(734,141)	5,811,276
Debt Services		56,861	353,777	410,638
Interagency Transfers		46,385	8,411,844	8,458,228
Other Charges		<b>7,173,779</b>	<b>8,532,912</b>	<b>15,706,691</b>
General Acquisitions		124,140	576,784	700,924
Library Acquisitions		14,629	(11,163)	3,466
Major Repairs		2,705,078	609,744	3,314,822
Acquisitions and Major Repairs		<b>2,843,846</b>	<b>1,175,365</b>	<b>4,019,211</b>
<b>Total Expenditures</b>		<b>69,110,019</b>	<b>72,454,519</b>	<b>141,564,538</b>
<b>Expenditures by Function:</b>				
Instruction		30,289,048	30,262,641	60,551,690
Research		1,966,656	4,819,812	6,786,468
Public Service		(358,020)	358,020	0
Academic Support (Includes Library)		7,993,867	6,763,466	14,757,332
Academic Expenditures		<b>39,891,551</b>	<b>42,203,939</b>	<b>82,095,490</b>
Student Services		2,207,396	1,366,251	3,573,647
Institutional Support		10,306,630	8,473,490	18,780,120
Scholarships/Fellowships		2,293,952	1,763,458	4,057,410
Plant Operations/Maintenance		14,353,629	18,293,603	32,647,232
Hospital		0	0	0
Transfers out of agency		56,861	353,777	410,638
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>29,218,468</b>	<b>30,250,580</b>	<b>59,469,047</b>
<b>Total Expenditures</b>		<b>69,110,019</b>	<b>72,454,519</b>	<b>141,564,538</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	3,350,129	3,904,505	3,577,964
Sales and Services of Educational Activities	(8,687,826)	(11,117,184)	(11,279,230)
Auxiliaries	4,611,876	6,406,748	4,223,203
Endowment Income	1,186,495	831,472	1,107,715
Grants and Contracts	108,712,868	70,112,638	123,306,308
Indirect Cost Recovered	21,453,312	18,153,904	34,948,941
Gifts	620,856	325,492	258,523
Federal Funds	0	0	0
Hospitals	16,760,503	22,423,332	25,668,921
All Other Sources	3,691,558	3,333,442	3,415,895
<b>TOTAL</b>	<b>151,699,772</b>	<b>114,374,349</b>	<b>185,228,240</b>

**Overview and Analysis of Campus Operations**

See attached Executive Summary

# Semi -Annual Overview of Restricted Operations

Campus: LSU Health Sciences Center - New Orleans

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees	3,350,129	1,722,248	1,167,872	3,904,505	187,513	514,054	3,577,964
Sales & Svcs of Educ. Activ's	(8,687,826)	916,108	3,345,466	(11,117,184)	3,623,151	3,785,197	(11,279,230)
Auxiliaries (List)	0						0
1 Bookstore	(1,672,285)	3,742,233	2,443,160	(373,212)	2,179,434	3,134,834	(1,328,613)
2 Cafeteria	(871,273)	684,637	707,134	(893,769)	398,768	952,282	(1,447,283)
3 Student Housing	2,122,031	1,121,242	1,192,237	2,051,036	1,012,202	1,185,065	1,878,174
4 Parking	4,520,195	728,011	518,567	4,729,638	730,702	920,570	4,539,771
5 HSC Stores	513,208	1,904,340	1,524,494	893,054	876,447	1,188,346	581,155
6		0	0	0	0		0
7		0	0	0	0		0
8		0	0	0	0		0
9		0	0	0	0		0
10		0	0	0	0		0
11		0	0	0	0		0
12		0	0	0	0		0
13		0	0	0	0		0
14		0	0	0	0		0
15		0	0	0	0		0
Endowment Income	1,186,495	478,408	833,431	831,472	1,239,874	963,630	1,107,715
Grants and Contracts							
Federal	356,054	10,604,620	16,433,582	(5,472,908)	26,275,247	20,846,415	(44,075)
State and Local	11,753,636	3,594,700	5,841,311	9,507,025	7,916,962	6,293,494	11,130,493
Private	96,603,177	96,560,107	127,084,763	66,078,521	251,325,450	205,184,081	112,219,891
Indirect Cost Recovered	21,453,312	7,584,044	10,883,452	18,153,904	26,639,049	9,844,013	34,948,941
Gifts	620,856	745,366	1,040,730	325,492	1,043,513	1,110,482	258,523
Federal Funds	0	0	0	0	0		0
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0		0
Physician Practice Plans	16,760,503	7,405,020	1,742,191	22,423,332	4,346,252	1,100,663	25,668,921
Medicare	0	0	0	0	0		0
Medicaid	0	0	0	0	0		0
Uncompensated Care Costs	0	0	0	0	0		0
Sponsored Grants and Contracts	0	0	0	0	0		0
Sales and Services Other	0	0	0	0	0		0
All Other Sources	3,691,558	356,748	714,864	3,333,442	4,265,615	4,183,163	3,415,895
<b>TOTAL</b>	<b>151,699,772</b>	<b>138,147,832</b>	<b>175,473,255</b>	<b>114,374,349</b>	<b>332,060,180</b>	<b>261,206,289</b>	<b>185,228,240</b>

## Report on Restricted Operations

See attached Executive Summary

**LSU Health Sciences Center - Shreveport  
Bi-Annual Financial Reporting Narrative  
FY 2017-2018 as of June 30, 2018**

**LSU Health Shreveport**

**Unrestricted Revenues and Expenditures:**

Operating Budget revenue includes state general funds direct, statutory dedications (tobacco tax and self-fund), and self-generated (tuition and fees) funding. The Operating Budget expenditures include costs associated with the operation of the three schools, as well as costs associated with the transition of three hospitals.

The original academic FY 2017-2018 operating budget appropriation of \$87,012,526 includes the following spending authority:

State General Funds Direct	58,202,700
Statutory Dedications	7,400,747
University Fees and Miscellaneous	21,409,079
<b>TOTAL</b>	<b>\$87,012,526</b>

The State General Funds Direct appropriation of \$58,202,700 includes \$18,047,374 dedicated to support the hospital (SHV Hospital, EACMC, and HPLMC) legacy costs including risk management premiums, retiree health and life, residual HPLMC property maintenance.

**Restricted Revenues and Expenditures:**

The restricted revenues and expenditures primarily include the sales and services of educational activities, auxiliary services, and grants & contracts. The revenue activity from the faculty group practice and hospital partner agreements with BRFHH are recorded in the private grants and contracts revenue category.

The hospital sales and services other revenue and expenditures include the BRFHH, LLC hospital partner building and equipment lease payments to the State. As payments are processed through LSUHSC-S, the total receipts are recorded as revenue and then expensed when transferred to the State Treasury.

**LSU Health Sciences Center - Shreveport  
Bi-Annual Financial Reporting Narrative  
FY 2017-2018 as of June 30, 2018**

**Public-Private Hospital Partnerships:**

**LSU Shreveport Hospital**

The LSU Shreveport Hospital transferred from state to private management effective October 1, 2013.

**Expenditures:**

The residual operational expenditures associated with the October 1, 2013 hospital transition (retiree benefits and other mandated costs) are now reflected under LSUHSC-S operating budget as legacy costs.

**E.A. Conway Medical Center in Monroe**

E.A. Conway Medical Center in Monroe transferred from state to private management effective October 1, 2013.

**Expenditures:**

The residual operational expenditures associated with the October 1, 2013 hospital transition (retiree benefits and other mandated costs) are now reflected under LSUHSC-S operating budget as legacy costs.

**Huey P. Long Medical Center in Pineville**

Huey P. Long Medical Center in Pineville discontinued patient care services on June 30, 2014.

**Expenditures:**

The residual operational expenditures associated with the hospital closure to include retiree benefits and other mandated costs, building maintenance, etc. are now reflected under LSUHSC-S operating budget as legacy costs.

**Appendix A**  
**Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
		<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>
<b>Revenues</b>				
General Fund	58,202,700	33,951,575	24,251,125	58,202,700
Statutory Dedications	7,400,747	2,332,482	4,994,196	7,326,678
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	21,409,079	20,416,766	784,406	21,201,172
Federal Funds	0	0	0	0
<b>Total Revenues</b>	<b>87,012,526</b>	<b>56,700,823</b>	<b>30,029,727</b>	<b>86,730,550</b>
<b>Expenditures by Object:</b>				
Salaries		12,762,015	16,946,416	29,708,431
Other Compensation		1,897,354	(1,097,015)	800,339
Related Benefits		11,689,980	12,633,248	24,323,228
Personal Services		<b>26,349,349</b>	<b>28,482,649</b>	<b>54,831,998</b>
Travel		37,185	50,198	87,383
Operating Services		9,230,684	8,918,084	18,148,768
Supplies		51,736	523,090	574,826
Operating Expenses		<b>9,319,605</b>	<b>9,491,372</b>	<b>18,810,977</b>
Professional Services		1,091,925	2,524,109	3,616,034
Other Charges		1,129,686	1,104,392	2,234,078
Debt Services		0	0	0
Interagency Transfers		3,472,221	3,303,701	6,775,922
Other Charges		<b>5,693,832</b>	<b>6,932,202</b>	<b>12,626,034</b>
General Acquisitions		234,442	227,099	461,541
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		<b>234,442</b>	<b>227,099</b>	<b>461,541</b>
<b>Total Expenditures</b>		<b>41,597,228</b>	<b>45,133,322</b>	<b>86,730,550</b>
<b>Expenditures by Function:</b>				
Instruction		10,026,175	10,633,479	20,659,654
Research		8,552,976	9,921,148	18,474,124
Public Service		394,002	651,626	1,045,628
Academic Support (Includes Library)		3,786,996	2,890,597	6,677,593
Academic Expenditures		<b>22,760,149</b>	<b>24,096,850</b>	<b>46,856,999</b>
Student Services		592,313	619,654	1,211,967
Institutional Support		12,131,944	13,798,788	25,930,732
Scholarships/Fellowships		1,163,707	1,209,381	2,373,088
Plant Operations/Maintenance		2,091,754	2,571,876	4,663,630
Hospital		2,857,361	2,832,573	5,689,934
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	4,200	4,200
Non-Academic Expenditures		<b>18,837,079</b>	<b>21,036,472</b>	<b>39,873,551</b>
<b>Total Expenditures</b>		<b>41,597,228</b>	<b>45,133,322</b>	<b>86,730,550</b>

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	1,383,677	1,424,460	1,238,217
Sales and Services of Educational Activities	2,258,891	(21,429,396)	16,421,439
Auxiliaries	13,142,889	13,385,588	13,201,731
Endowment Income	13,332,980	12,992,914	12,815,059
Grants and Contracts	66,477,221	84,741,752	78,338,721
Indirect Cost Recovered	3,237,883	564,688	(1,650,782)
Gifts	(12,025)	(12,025)	(12,025)
Federal Funds	0	0	0
Hospitals	(39,899,229)	(39,850,049)	(37,692,244)
All Other Sources	989,334	979,087	980,069
<b>TOTAL</b>	<b>60,911,621</b>	<b>52,797,019</b>	<b>83,640,185</b>

**Overview and Analysis of Campus Operations**

**Ending [June 30th] :**

**UNRESTRICTED OPERATIONS** -- Revenue: (1) Statutory Dedication [Self Fund] reflects a \$74,069 shortfall for the fiscal year; (2) Self-Generated Revenues reflect a \$207,907 shortfall for the fiscal year

**RESTRICTED OPERATIONS** -- (1) The fund balance change in Sales & Services of Educational Activities can be attributed to the end of the fiscal year final transfer of expenditures to Grants and Contracts hospital public-private partnership agreements; (2) The fund balance change in State & Local under Grants and Contracts can be attributed to an interagency agreement for educating physicians, biomedical scientists, fellows, and allied health professionals and providing state of the art clinical care; (3) The fund balance under Hospitals include the EACMC fund balance of (\$7,259,848) and HPLMC fund balance of (\$3,457,568).

# Semi -Annual Overview of Restricted Operations

Campus: *LSUHSC-Shreveport*

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations	0	0	0	0	0	0	0
Restricted Fees	1,383,677	237,002	196,219	1,424,460	109,348	295,591	1,238,217
Sales & Svcs of Educ. Activ's	2,258,891	3,051,134	26,739,421	(21,429,396)	13,578,211	(24,272,624)	16,421,439
Auxiliaries (List)							0
Bookstores	2,393,042	412,619	358,316	2,447,345	363,801	427,054	2,384,092
Cafeterias	3,799,996	9,097	0	3,809,093	32,364	309	3,841,148
Computer Networking	662,124	130,640	13,167	779,597	113,889	152,047	741,439
General Service Store	(636,434)	357,412	393,321	(672,343)	715,217	637,372	(594,498)
Gift Shop	22,987	0	0	22,987	142	0	23,129
Linwood Properties	1,016,797	0	0	1,016,797	5,090	0	1,021,887
Microsystems	(224,071)	293,699	302,539	(232,911)	117,994	126,969	(241,886)
Parking	(44,507)	182,639	202,762	(64,630)	136,250	257,775	(186,155)
Printing	1,060,411	127,032	119,502	1,067,941	142,060	102,962	1,107,039
Rental Property	849,247	117,605	27,157	939,695	65,850	18,881	986,664
Student Union	822,346	94,468	6,615	910,199	9,985	18,079	902,105
Telecommunications	3,420,951	608,918	668,051	3,361,818	623,490	768,541	3,216,767
Endowment Income	13,332,980	1,347,712	1,687,778	12,992,914	1,665,095	1,842,950	12,815,059
Grants and Contracts							
Federal	405,869	5,429,843	5,644,466	191,246	6,560,016	7,666,995	(915,733)
State and Local	(3,831,700)	1,326,694	1,789,920	(4,294,926)	17,901,592	2,340,532	11,266,134
Private	69,903,052	81,250,324	62,307,944	88,845,432	103,791,602	124,648,714	67,988,320
Indirect Cost Recovered	3,237,883	381,378	3,054,573	564,688	420,008	2,635,478	(1,650,782)
Gifts	(12,025)	0	0	(12,025)	0		(12,025)
Federal Funds	0	0	0	0	0		0
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0		0
Physician Practice Plans	0	0	0	0	0		0
Medicare	0	0	0	0	0		0
Medicaid	0	0	0	0	0		0
Uncompensated Care Costs	0	0	0	0	0		0
Sponsored Grants and Contracts	0	0	0	0	0		0
Sales and Services Other	(39,899,229)	19,528,560	19,479,380	(39,850,049)	30,317,572	28,159,767	(37,692,244)
All Other Sources	989,334	0	10,247	979,087	16,245	15,263	980,069
<b>TOTAL</b>	<b>60,911,621</b>	<b>114,886,776</b>	<b>123,001,378</b>	<b>52,797,019</b>	<b>176,685,821</b>	<b>145,842,655</b>	<b>83,640,185</b>

## Report on Restricted Operations

### Ending [June 30th] Fund Balance:

**RESTRICTED OPERATIONS** -- (1) The fund balance change in Sales & Services of Educational Activities can be attributed to the end of the fiscal year final transfer of expenditures to Grants and Contracts hospital public-private partnership agreements; (2) The fund balance change in State & Local under Grants and Contracts can be attributed to an interagency agreement for educating physicians, biomedical scientists, fellows, and allied health professionals and providing state of the art clinical care; (3) The fund balance under Hospitals include the EACMC fund balance of (\$7,259,848) and HPLMC fund balance of (\$3,457,568).



• BOGALUSA MEDICAL CENTER - INDEPENDENCE  
• EARL K. LONG MEDICAL CENTER - BATON ROUGE  
• ILLIUM REGIONAL MEDICAL CENTER - INDEPENDENCE  
• LEONARD J. CHABERT MEDICAL CENTER - HOUMA  
• MEDICAL CENTER OF LOUISIANA - NEW ORLEANS  
• UNIVERSITY MEDICAL CENTER - LAFAYETTE  
• W.O. MOSS REGIONAL MEDICAL CENTER - LAKE CHARLES

WWW.LSUHOSPITALS.ORG

TO: Jim Buras  
AVP Finance & Administration  
LSU System

FROM: Lisa Augustus  
Budget  
LSU Health Care Services Division

DATE: August 27, 2018

RE: Semi-Annual Budget Report  
For Six Month Period Ending June 30, 2018

We have compiled the Semi-Annual Budget Report for six-month period ending June 30, 2018 for LSU Health Care Services Division.

Major developments during this year included:

Actual:

Unrestricted Operations

- In FY18, HCSD was appropriated \$20.3M in general fund to cover legacy costs associated with partnered hospitals. The FY2017 general fund appropriation for legacy operations was \$20.8M. This resulted in a reduction of \$493,291 for FY2018.
- A preamble adjustment of \$256,631 in SGF for classified State Employees Civil Service Pay Plan.

Restricted Operations -

- Central Office expenses are off budget this fiscal year. Therefore, Central Office expenses and revenues are being reported in restricted operations.
- \$43,933,030 in lease payment received at end of June 30, 2018.
- \$25,087,866 was received from partners for contracted services performed by HCSD ending June 30, 2018.
- \$1,074,434 was received in FEMA revenue for period ending June 30, 2018. HCSD has \$743K in FEMA expenses.

cc:

Dr. Wayne Wilbright  
Lanette Buie

**Appendix A**  
**Semi-Annual Revenues and Expenditures Executive Summary**

<b>Unrestricted Operations</b>		<b>Actual Amount for each semi-annual period in 2017-2018</b>		
	<b>Adjusted Operating Budget</b>	<b>1st &amp; 2nd Quarter</b>	<b>3rd &amp; 4th Quarter</b>	<b>Cumulative Total</b>
<b>Revenues</b>				
General Fund	27,062,061	12,213,954	14,848,107	27,062,061
Statutory Dedications	1,385,265	0	1,385,265	1,385,265
Interim Emergency Board	0	0	0	0
Interagency Transfers	18,383,724	13,029,694	3,635,066	16,664,760
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	15,472,658	7,369,076	7,047,044	14,416,120
Federal Funds	4,800,336	2,276,003	2,524,333	4,800,336
<b>Total Revenues</b>	<b>67,104,044</b>	<b>34,888,727</b>	<b>29,439,815</b>	<b>64,328,542</b>
<b>Expenditures by Object:</b>				
Salaries		7,852,920	9,077,628	16,930,548
Other Compensation		451,494	587,558	1,039,052
Related Benefits		13,474,517	13,532,507	27,007,024
Personal Services		<b>21,778,931</b>	<b>23,197,693</b>	<b>44,976,624</b>
Travel		105	689	794
Operating Services		1,667,184	5,668,767	7,335,951
Supplies		4,027,206	4,493,989	8,521,195
Operating Expenses		<b>5,694,495</b>	<b>10,163,445</b>	<b>15,857,940</b>
Professional Services		386,225	551,592	937,817
Other Charges		1,878	2,729	4,607
Debt Services		0	0	0
Interagency Transfers		374,961	819,802	1,194,763
Other Charges		<b>763,064</b>	<b>1,374,123</b>	<b>2,137,187</b>
General Acquisitions		0	0	0
Library Acquisitions		0	0	0
Major Repairs		359,615	997,176	1,356,791
Acquisitions and Major Repairs		<b>359,615</b>	<b>997,176</b>	<b>1,356,791</b>
<b>Total Expenditures</b>		<b>28,596,105</b>	<b>35,732,437</b>	<b>64,328,542</b>
<b>Expenditures by Function:</b>				
Instruction		0	0	0
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		0	0	0
Academic Expenditures		<b>0</b>	<b>0</b>	<b>0</b>
Student Services		0	0	0
Institutional Support		0	0	0
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		0	0	0
Hospital		28,596,105	35,732,437	64,328,542
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		<b>28,596,105</b>	<b>35,732,437</b>	<b>64,328,542</b>
<b>Total Expenditures</b>		<b>28,596,105</b>	<b>35,732,437</b>	<b>64,328,542</b>

**LSU HCSD**  
**Restricted Operations**

**Semi-Annual Revenues and Expenditures Executive Summary**

	<b>Beginning Acct/Fund Balance</b>	<b>1st &amp; 2nd Quarter Fund Balance</b>	<b>3rd &amp; 4th Quarter Fund Balance</b>
State Appropriations	0	0	0
Restricted Fees	0	0	0
Sales and Services of Educational Activities	0	0	0
Auxiliaries	0	0	0
Endowment Income	0	0	0
Grants and Contracts	0	0	0
Indirect Cost Recovered	0	0	0
Gifts	0	0	0
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	66,907,782	58,805,815	64,790,760
<b>TOTAL</b>	<b>66,907,782</b>	<b>58,805,815</b>	<b>64,790,760</b>

**Overview and Analysis of Campus Operations**

See attached Executive Summary

# Semi -Annual Overview of Restricted Operations

Campus: LSU HCSD

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2017-2018						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
<b>Revenues</b>							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0
Auxiliaries (List)							0
1		0		0	0		0
2		0		0	0		0
3		0		0	0		0
4		0		0	0		0
5		0		0	0		0
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income		0		0	0		0
Grants and Contracts							
Federal		0		0	0		0
State and Local		0		0	0		0
Private		0		0	0		0
Indirect Cost Recovered		0		0	0		0
Gifts		0		0	0		0
Federal Funds		0		0	0		0
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		0
Physician Practice Plans		0		0	0		0
Medicare		0		0	0		0
Medicaid		0		0	0		0
Uncompensated Care Costs		0		0	0		0
Sponsored Grants and Contracts		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	66,907,782	26,321,667	34,423,634	58,805,815	58,629,082	52,644,137	64,790,760
<b>TOTAL</b>	<b>66,907,782</b>	<b>26,321,667</b>	<b>34,423,634</b>	<b>58,805,815</b>	<b>58,629,082</b>	<b>52,644,137</b>	<b>64,790,760</b>

## Report on Restricted Operations

See attached Executive Summary

The LSU 403(b) and Roth 403(b) Supplemental Retirement Plans provide an important benefit in helping employees save for retirement. Nearly 7,500 employees participate in these plans, with \$590 million in assets in the plan. Average investment and recordkeeping fees within the plan were 0.93% and over 300 investment funds were available between five vendors (Fidelity, MetLife, TIAA, VALIC, and VOYA). This large menu of investment options, which included many expensive investment options, created a more difficult scenario for employees to build their portfolios. Such scenario created an opportunity to restructure our 403 (b) Supplemental Retirement plan and presented the opportunity to improve our employees' ability to increase their retirement savings.

As Plan Sponsor, the HRM-Benefits Administration Office, is continually looking for ways to increase supplemental retirement plan participation through employee education. In order to improve our employees' savings, a Request for Proposal (RFP) was issued this year to solicit bids from Retirement vendors. Through this exercise, our office created a Retirement Investment Committee composed of HRM staff, LSU Administrators, and LSU Faculty. With the assistance of an investment consulting group, our committee drafted an investment policy statement to provide general investment goals and objectives for the LSU community as a whole.

To add, this exercise included the submission of bids by 5 vendors, of which 4 vendors participated in the vendor presentations. As a result of the RFP process, we are excited to announce that LSU and its employees will have access to the following improvements to the 403(b) Supplemental Retirement program beginning this September:

- Significant reduction in the cost of investment funds record-keeping fees (now as low as .295% on average)
- A simplified, low-cost investment lineup of fewer than 30 funds
- Increased LSU's Fiduciary Responsibility as a Retirement Plan Sponsor
- Increased education on voluntary retirement options

Fidelity, TIAA and VALIC were selected to remain as active vendors, while contributions to Voya and MetLife will cease when the new fund structure takes place (September 2018.) Extensive communications regarding upcoming changes is being sent and will continue to be sent to all 403 (b) participants and qualifying employees. Special communication is being sent to those who hold accounts with Voya and MetLife, since those participants will need to choose a new vendor in order to continue participation in this program.

To strengthen our communication efforts for this exciting change, our office has worked with all vendors to coordinate Help Desk/Information Sessions and private consultations with active vendors during the months of August and September. To assist during this transition period, we will continue to provide employees with a variety of decision-support tools such as:

- **Benefits website updates and transition guide** with communications, FAQs, information about the new investment fund lineup, key dates and the steps you will need to take, tools and resources to help employees make informed decisions and information on how to schedule a one-on-one appointment.
- **Group and one-on-one meetings** to give employees the opportunity to learn more about how these plan enhancements will help them save for their future.
- **Legal notices and transitions documents**, including investment options and fees.



Record-keeping Fees and Average Investment Management Costs			
Effective Fall 2018 NEW Recordkeeping Cost %	0.125%	0.38%	0.13%
Effective Fall 2018 NEW Investment Cost %*	0.17%	0.17%	0.17%
<b>Effective Fall 2018 NEW Total Cost %</b>	<b>0.295%</b>	<b>0.55%</b>	<b>0.30%</b>
<b>Prior to 9/5/18 Average Recordkeeping &amp; Investment Management Cost %</b>		<b>0.93%</b>	

**Total Immediate Savings – \$1,087,407**

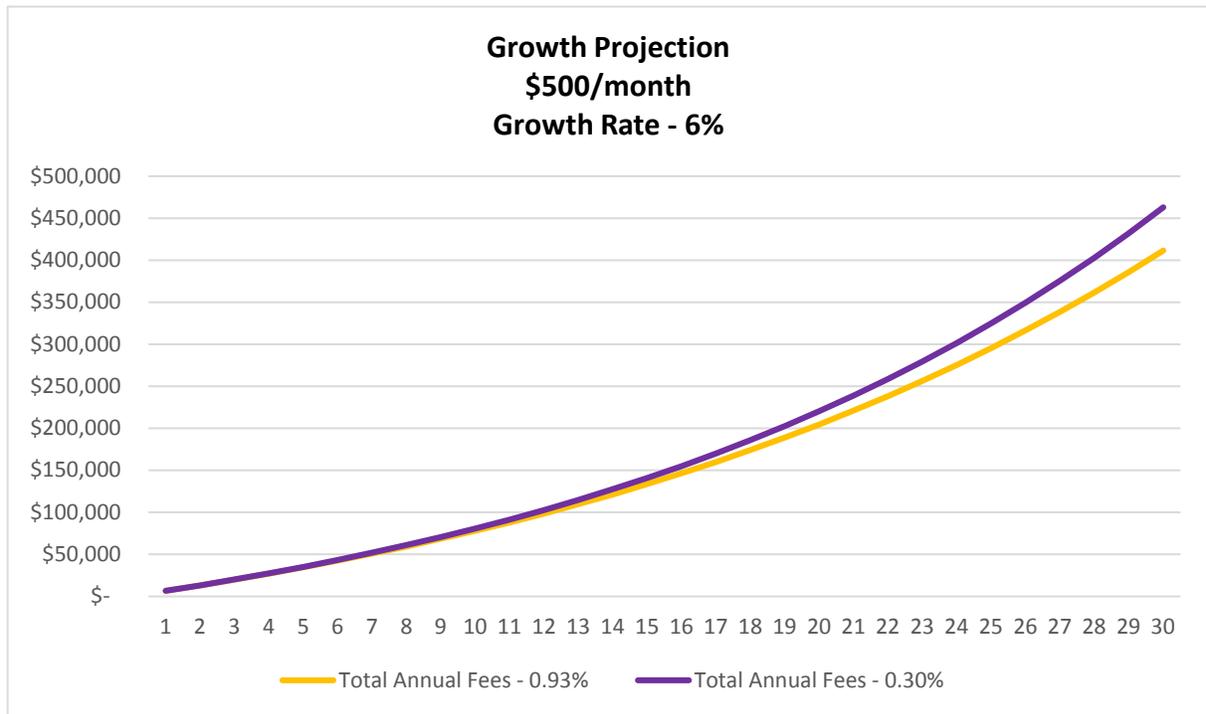
**Total Potential Savings - \$3,997,650\***  
\*Includes Voya, Metlife & Legacy assets

**Cost Savings Illustration**

Average Annual Return	Total Annual Fees	Account Value After 30 Years	Amount Paid in Fees
6%	0.93%*	\$411,528	\$78,601
6%	0.30%*	\$462,976	\$27,152

An employee contributes \$500 per month for 30 years (\$180,000 total)

\*Unweighted average.



**Report to LSU Board of Supervisors: Capital Improvements Projects above \$175,000**  
**All Campuses Last 3 Years**

Updated August 15, 2018

<b>2017-2018</b>		<b>AMOUNT APPROVED</b>	<b>FUNDS SOURCE</b>	<b>APPROVED BY</b>	<b>APPROVAL DATE</b>
<b>LSU</b>	Alex Box Seating Bowl Waterproofing Budget Increase (originally approved for \$300,000 in March 2017)	\$436,700	Auxiliary Funds	EVP Layzell	06/20/17
	Bernie Moore Track Pavilion	\$365,000	Auxiliary Funds	EVP Layzell	05/15/17
	Choppin Hall 2nd Floor Laboratory Renovation	\$300,000	Self Generated Revenues & Operational Funds	EVP Layzell	12/05/17
	Cub Complex Baseball Field Lighting	\$400,000	Auxiliary Funds	EVP Layzell	11/28/17
	Dodson Hall HVAC Replacement	\$483,033	Auxiliary Funds	EVP Layzell	03/26/18
	Enverinmental Test Chamber for Construction Management	\$225,000	Other- Departmental & Grant Funding	EVP Layzell	12/18/17
	Football Operations Practice Field Video Tower Foundations	\$175,000	Auxiliary Funds	EVP Layzell	11/28/17
	Natatorium Toilet Suite Renovations	\$300,000	Auxiliary Funds	EVP Layzell	08/10/17
	Natatorium Toilet Suite Renovations budget increase	\$369,950	Auxiliary Funds	EVP Layzell	08/17/17
	Open Jet Facility	\$255,750	Operational Funds	EVP Layzell	02/19/18
	School of Veterinary Medicine budget increase from \$725,000 to \$851,000	\$851,000	Other- School of Vet. Med. cash reserve funds	Board of Regents	06/06/18
	Tiger Stadium Field Improvements 2017	\$400,000	Auxiliary Funds	EVP Layzell	02/19/17
	Tiger Stadium East Renovations for Concessions	\$458,570	Auxiliary Funds	EVP Layzell	06/20/17
	Vet Med Annex 193A Cage Washer Room Renovations	\$275,000	Operational Funds	EVP Layzell	02/19/17
	Welcome Center Renovations	\$350,000	Operational Funds	EVP Layzell	08/11/17
	<b>Subtotal LSU</b>	<b>\$5,645,003</b>			
<b>AgCenter</b>	Audubon Sugar Institute Roof Replacement	\$496,830	Other-LSU Ancillary Self-Generated Revenue	EVP Layzell	05/08/18
	Equipment Storage Building- Rice Research Building	\$300,000	Other- Rice Research Board Grant	EVP Layzell	11/19/17
	Rice Mill Equipment Installation	\$200,000	Technology Funds	EVP Layzell	03/26/18
	Warehouse Renovations for Food Incubator Bottline Line	\$495,000	Self-Generated Funds	EVP Layzell	09/07/17
	<b>Subtotal AgCenter</b>	<b>\$1,491,830</b>		EVP Layzell	11/20/17
<b>HSCNO</b>	AHSON 3rd & 4th Floor Renovation	\$350,000	Operational Funds	EVP Layzell	10/25/17
	Human Development Center Infant Room Renovation	\$250,000	Self- Generated Funds- Unrestricted Funds	EVP Layzell	10/25/17
	Seton Building Entrance Lobby Renovation	\$350,000	Self- Generated Funds- Unrestricted Funds	EVP Layzell	11/28/17
	Seton Building 2nd Floor Office Renovation- ULL Pharmacy	\$285,000	Self- Generated Funds- Unrestricted Funds	EVP Layzell	02/26/18
	Seton Building 1st Floor Office Renovation	\$478,125	Self- Generated Funds- Unrestricted Funds	EVP Layzell	10/25/17
	<b>Subtotal HSCNO</b>	<b>\$1,713,125</b>			
<b>HSCS</b>	Medical School Educational Space Renovations Phase II	\$350,000	Wise Funding	EVP Layzell	01/22/18
	Medical School Educational Space Renovations Phase I increase scope	\$495,000	Self- Generated Funds- Unrestricted Funds	EVP Layzell	10/25/17
	<b>Subtotal HSCS</b>	<b>\$845,000</b>			
<b>LSUS</b>	HPE Roof Replacement	\$948,000	Self- Generated Funds- from MBA Prgram, BOR Emergency Funds, and BOR Other DM Funds	EVP Layzell	03/01/18
	<b>Subtotal LSUS</b>	<b>\$948,000</b>			
<b>TOTAL CAPITAL PROJECTS APPROVALS 2016-2017</b>		<b>\$9,797,958</b>			

**Report to LSU Board of Supervisors: Capital Improvements Projects above \$175,000**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2016-2017		AMOUNT APPROVED	FUNDS SOURCE	APPROVED BY	APPROVAL DATE
<b>LSU</b>	Alex Box Overflow Parking	\$300,000	Auxiliary Funds	EVP Layzell	05/08/17
	Alex Box Seating Bowl Waterproofing	\$300,000	Auxiliary Funds	EVP Layzell	02/10/17
	Alex Box Suite Level Toilet Addition	\$250,000	Auxiliary Funds	EVP Layzell	12/18/16
	Allen Hall Basement Classroom & Corridor Renovations	\$480,000	Auxiliary Funds	EVP Layzell	03/30/17
	Beach Volleyball Staff Area Renovation	\$297,169	Auxiliary Funds	EVP Layzell	04/11/17
	Design Building Emergency Utility & Courtyard Repairs	\$400,000	Auxiliary Funds	EVP Layzell	04/18/17
	Dub Robinson Stadium Beach Volleyball Renovations revised budget	\$229,100	Auxiliary Funds	Board of Regents	01/17/17
	Environmental Abatement of the East Stadium Dormitory	\$240,000	Auxiliary Funds	EVP Layzell	09/28/16
	Environmental Abatement of the South Stadium Dormitory	\$190,000	Auxiliary Funds	EVP Layzell	09/28/16
	Middleton Library South Side Basement Waterproofing	\$450,000	Auxiliary Funds	EVP Layzell	04/11/17
	Roof Replacement, Military Science Building	\$570,000	Other-Facility Use Fees	EVP Layzell	10/19/16
	Soccer Complex Locker Room Addition & Renovation	\$462,941	Auxiliary Funds	EVP Layzell	03/06/17
	Student Health Center Phase I Fire Damage Renovations	\$480,750	Insurance Claim	EVP Layzell	10/05/16
	Student Health Center Phase I Fire Damage Renovations revised	\$580,000	Insurance Claim	Board of Regents	11/07/16
	Tiger Field Improvements 2017	\$400,000	Auxiliary Funds	EVP Layzell	02/10/17
	Tiger Stadium- Concession Power Enhancements	\$400,000	Auxiliary Funds	EVP Layzell	12/13/16
	Tiger Stadium- Field Power Enhancements	\$300,000	Auxiliary Funds	EVP Layzell	12/13/16
	Vet Med Annex 193A Cage Washer Room Renovations	\$275,000	Operational Funds	EVP Layzell	01/24/17
	Vet Med Equine Recovery Renovations	\$275,000	Operational Funds	EVP Layzell	01/24/17
	Vet Med LADDL Classroom Addition (Build-Out)	\$180,000	Operational Funds	EVP Layzell	10/17/16
	Vet Med Library Renovations	\$725,000	Other- School of Vet. Med. cash reserve funds	EVP Layzell	07/11/16
	Vet Med Raptor Flight Cage	\$250,000	Other- Donor Funds	EVP Layzell	03/22/17
	West Campus Apts Interior Paint Bldgs 1-2-3-4	\$180,000	Auxiliary Funds	EVP Layzell	02/23/17
	West Lavoie Interior Paint Gldgs #457-458	\$177,500	Auxiliary Funds	EVP Layzell	03/05/17
	<b>Subtotal LSU</b>	<b>\$8,392,460</b>			
<b>AgCenter</b>	Rice Research Station Office Building Addition-Renovation	\$400,000	Self-Generated Funds	EVP Layzell	10/19/16
	Warehouse Renovations for Food Incubator Bottline Line	\$495,000	Self-Generated Funds	EVP Layzell	09/07/17
	<b>Subtotal AgCenter</b>	<b>\$400,000</b>		EVP Layzell	
<b>HSCNO</b>	Dental Clinic 8th Floor Oral Pathology Office and Laboratory Renovation	\$250,000	Self- Generated Funds	EVP Layzell	10/25/17
	Dental School 3rd Floor Reception and Waiting Area Renovation	\$450,000	Self- Generated Funds	EVP Layzell	10/25/16
	Dental School Patient Parking Lot	\$365,000	Self- Generated Funds- Unrestricted Funds	EVP Layzell	05/05/16
	Land Acquisition Square First District New Orleans	\$55,000	Unrestricted Funds	Board of Regents	03/06/17
	MEB Mechanical Upgrade of Air Handling Units 6A-6D and Exhaust Systems	\$495,768	Self- Generated Funds	EVP Layzell	10/25/16
	Medical Education Building 3rd Floor Conversion of AHU's 3D and 3C to Variable Air	\$490,000	Self- Generated Funds	EVP Layzell	09/27/16
	Medical Education Building Team-Based Classroom Renovation	\$495,000	Self- Generated Funds	EVP Layzell	11/16/16
	<b>Subtotal HSCNO</b>	<b>\$2,600,768</b>			

**Report to LSU Board of Supervisors:  
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**Capital Improvements Projects above \$175,000**

Updated August 15, 2018

<b>2016-2017</b>		<b>AMOUNT APPROVED</b>	<b>FUNDS SOURCE</b>	<b>APPROVED BY</b>	<b>APPROVAL DATE</b>
<b>HSCS</b>	Medical School Educational Space Renovations	\$495,000	Wise Funding	VP Layzell	12/09/16
<b>Subtotal HSCS</b>		\$495,000			
<b>LSUE</b>	Acadian Center Renovation	\$225,000	Auxiliary Funds	VP Layzell	10/17/16
<b>Subtotal LSUE</b>		<b>\$225,000</b>			
<b>LSUS</b>	Student Success Center	\$372,500	Other- Student Success Center Fees	VP Layzell	09/27/16
	Student Success Center Reapproval	\$470,192	Other- Student Success Center Fees	Board of Regents	04/04/17
<b>Subtotal LSUS</b>		<b>\$372,500</b>			
<b>TOTAL CAPITAL PROJECTS APPROVALS 2016-2017</b>		<b>\$12,485,728</b>			

**Report to LSU Board of Supervisors:  
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**Capital Improvements Projects above \$175,000**

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<b>2015-2016</b>		<b>AMOUNT APPROVED</b>	<b>FUNDS SOURCE</b>	<b>APPROVED BY</b>	<b>APPROVAL DATE</b>
<b>LSU</b>	Annex Bldg Renovations for PDC revised- Additional	\$83,000	University Moving	Pres. Alexander	10/27/15
	Coates Hall Basement Reno	\$470,000	Operational	Pres. Alexander	08/11/15
	Frey Computing Services Upgrade Fire Protection	\$800,000	Operational	Pres. Alexander	12/15/15
	PMAC -West Mechanical Room- HVAC Replacement	\$913,000	Auxiliary	Pres. Alexander	11/09/15
	Tiger Park Outfield Terrace	\$300,000	Auxiliary	Pres. Alexander	08/24/15
	West Laville Annex Roof Replacement	\$221,900	Auxiliary	Pres. Alexander	11/09/15
	Alex Box Stadium Concourse Waterproofing	\$407,500	Auxiliary	VP Layzell	04/28/16
	Athletic Administration- Retrofit HVAC Controls	\$300,000	Auxiliary	VP Layzell	02/10/16
	CAMD- Replace Cooling Tower	\$310,000	Operational	VP Layzell	12/15/15
	Dub Robinson Stadium- Beach Volleyball Renovations	\$180,000	Auxiliary	VP Layzell	04/28/16
	East Campus Apts. Bldgs. 13 & 14 Interior Painting, Flooring & Lighting	\$250,000	Auxiliary	VP Layzell	04/02/16
	FETI Burn Building Addition	\$225,000	Auxiliary	VP Layzell	02/10/16
	Howe Russell Geoscience Concourse Waterproofing	\$190,000	Auxiliary	VP Layzell	04/28/16
	Natorium Repairs from Storm Damage 2015	\$400,000	Auxiliary	VP Layzell	03/08/16
	PMAC Renovations to the Deumite Room	\$220,000	Auxiliary	VP Layzell	12/16/15
	Renovation of Hatcher Hall for Printmaking	\$200,000	Operational	VP Layzell	12/15/15
	Renovation of Hatcher Hall for Printmaking Reapproval	\$352,000	Operational	VP Layzell	05/25/16
	Replacement of the Bridge over Ward 's Creek- Burden Center Rural Life Museum	\$270,000	Operational & Private Funds	VP Layzell	10/27/15
	Replacement of the Bridge over Ward 's Creek- Burden Center Rural Life Museum revised- Additional	\$140,000	Operational	VP Layzell	12/16/15
	Woodin Hall Exterior Ramp Improvement	\$220,000	Others	VP Layzell	05/05/16
	<b>Subtotal LSU</b>	<b>\$6,452,400</b>			
<b>AgCenter</b>	Irrigation Water Well- North Farm Rice Research Station	\$300,000	Self Generated- Technology	Pres. Alexander	10/27/15
	Multi-Purpose 4-H Educational Center	\$195,000	Self Generated	Pres. Alexander	07/17/15
	<b>Subtotal AgCenter</b>	<b>\$495,000</b>			
<b>HSCNO</b>	Dental Clinic 3rd Floor Reception Area Renovation	\$487,000	Self Generated- Unrestricted	VP Layzell	12/15/15
	Resource Building 2nd Floor Lobby Renovation	\$450,000	Self Generated- Unrestricted	VP Layzell	02/10/16
	School of Nursing-Allied Health 3rd Floor Atrium & Elevator Lobby Renovation	\$400,000	Self Generated- Unrestricted	VP Layzell	12/15/15
	SON-AH Auditorium B Renovation	\$487,000	Self Generated- Unrestricted	VP Layzell	01/12/16
	<b>Subtotal HSCNO</b>	<b>\$1,824,000</b>			
<b>TOTAL CAPITAL PROJECTS APPROVALS 2015-2016</b>		<b>\$8,771,400</b>			

**Report to LSU Board of Supervisors: Capital Improvements Projects above \$175,000**  
**All Campuses Last 3 Years**

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2014-2015		AMOUNT APPROVED	FUNDS SOURCE	APPROVED BY	APPROVAL DATE
LSU	Allen Hall Elevator Replacement	\$450,000	Other- Facility Use Fee	Pres. Alexander	02/16/15
	Annex Bldg. Renovations for Planning Design & Construction	\$350,000	Other	Pres. Alexander	05/12/15
	Beauregard Hall Pentagon Barracks Staff Apts.	\$235,000	Auxiliary	Pres. Alexander	02/16/15
	Business Complex Donor Signage	\$253,000	LSU Foundation, Deans Discretionary Funds	Pres. Alexander	08/13/14
	E. Kirby Smith Replace Existing Chiller	\$250,000	Auxiliary Funds	Pres. Alexander	10/28/14
	East & West Lavoie Waterproofing & Painting	\$200,000	Auxiliary	Pres. Alexander	03/16/15
	East Campus Apartments Buildings 10, 11, 12 Flooring, Painting & Lights	\$310,000	Auxiliary	Pres. Alexander	01/15/15
	East Campus Apartments- Replace Split Direct Expansion AC Equipment Buildings 5 - 14	\$490,000	Auxiliary Funds	Pres. Alexander	10/28/14
	FETI Administration Building Roof Project	\$175,000	Operational	Pres. Alexander	11/06/14
	FETI Administration Building Roof Project Reapproval	\$220,000	Operational	Pres. Alexander	02/02/15
	Football Operations Practice Fields 2 & 4 Improvements	\$485,000	Auxiliary	Pres. Alexander	01/15/15
	Geology Replace AHUs 3511 & 3512	\$260,000	Other- Facility Use Fee	Pres. Alexander	10/28/14
	Highland Hall Basement Modifications	\$200,000	Auxiliary	Pres. Alexander	02/16/15
	Jackson Hall- Pentagon Barracks- Roof Replacement	\$205,000	Auxiliary	Pres. Alexander	02/16/15
	JC Miller Classroom Upgrades	\$200,000	Other-Restricted Plant	Pres. Alexander	07/16/14
	Kirby Smith Dorm Renovations- 12th & 14th Floors	\$320,000	Auxiliary	Pres. Alexander	06/15/15
	Kirby Smith Renovations- 11th Floor	\$200,000	Auxiliary	Pres. Alexander	04/17/15
	LSU Vet School Boiler #1 Replacement	\$260,000	Other-Risk Management Insurance Claim	Pres. Alexander	10/13/14
	McVoy Hall Roof Replacement	\$230,000	Auxiliary	Pres. Alexander	02/16/15
	Old President's House Interior Reno Window & Door Replace. & Haz Mat	\$850,000	Auxiliary Funds	Pres. Alexander	11/06/14
	Pentagon Barracks Waterproofing & Painting	\$190,000	Auxiliary	Pres. Alexander	02/16/15
	Renovations for John P. Laborde Energy Law Center	\$750,000	Other- Plant Fund	Pres. Alexander	10/28/14
	Renovations to Woodin Hall 203, 204, 248, 267, 269	\$225,000	Other	Pres. Alexander	05/12/15
	Roof & Window Replacement for Studio Arts Buildings 29 & 31	\$390,000	Operational	Pres. Alexander	04/30/15
	School of Vet Med- Replace AHU 4 & 8	\$350,000	Operational	Pres. Alexander	03/26/15
	Soccer Game & Practice Field Improvements	\$490,000	Auxiliary	Pres. Alexander	03/16/15
	SVM- Office Renovation Rm 1847	\$208,000	Self Generated	Pres. Alexander	06/18/15
	David Boyd Hall- Exterior Repairs- Stucco Repairs	\$450,000	Other-Student Use Fee	Asst. VP Mahaffey	07/16/14
	<b>Subtotal LSU</b>	<b>\$9,196,000</b>			
AgCenter	Building Repairs & Metal Roof-Siding Replace Rice Res Station	\$400,000	Technology	Pres. Alexander	02/24/15
	New Rice Mill Facility	\$495,000	Technology	Pres. Alexander	06/26/15
	<b>Subtotal AgCenter</b>	<b>\$895,000</b>			

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**Capital Improvements Projects above \$175,000**

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	AMOUNT APPROVED	FUNDS SOURCE	APPROVED BY	APPROVAL DATE
<b>HSCNO</b> Dental Clinic 4th Floor Reception Area	\$450,000	Self Generated	Pres. Alexander	06/15/15
School of Nursing 1st Floor Lobby Renovation	\$485,000	Restricted, Self Generated	Asst. VP Mahaffey	07/23/14
<b>Subtotal HSCNO</b>	<b>\$935,000</b>			
<b>HSCS</b> Biochemistry Lab Reno	\$450,000	Self Generated	Pres. Alexander	02/24/15
<b>Subtotal HSCS</b>	<b>\$450,000</b>			
<b>LSUE</b> Health & Physical Education Building Roof	\$626,940	Other- Loan from LSU A&M	Pres. Alexander	08/13/14
<b>Subtotal LSUE</b>	<b>\$626,940</b>			
<b>TOTAL CAPITAL PROJECTS APPROVALS 2014-2015</b>	<b>\$12,102,940</b>			

**Report to LSU Board of Supervisors:  
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**Design Contracts**

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2017-2018 Design Contracts		Designer Fee	Reimbursables or other fees	Revised Designer Fee	Designer	Approved by	Approval Date
<b>LSU A&amp;M</b>	Central Plant CW Piping Assessment & Repair	\$35,029			Infinity Engineering Consultants, LLC	AVP Danny Mahaffey	03/19/18
	College of Science Program Refinement	\$39,400	\$1,500		Holly & Smith Architects	AVP Danny Mahaffey	02/14/18
	Dodson Hall HVAC Bidding through CA	\$19,897			Jerry M. Campbell & Associates	AVP Danny Mahaffey	03/15/18
	Open Jet Proposal (Old River Model Facility)	\$13,661			Forte Tablada	AVP Danny Mahaffey	7/17/2017
	PERTT Building Phase I Repairs	\$42,753	\$500		Neal Johnson, LLC	AVP Danny Mahaffey	05/18/18
	South Stadium Drive Sewer Improvements	\$27,364	\$11,950		Boyd Holmes Engineering, Inc.	AVP Danny Mahaffey	08/17/17
	SVM Louisiana Animal Disease Diagnostic Laboratory (LADDL) 2nd Floor Lab	\$39,246	\$1,000		Foil Wyatt	AVP Danny Mahaffey	08/23/17
	Student Union Interior	\$19,492			GraceHebert Architects, APAC	AVP Danny Mahaffey	06/15/18
	Tiger Stadium Concession Additional Design Services	\$22,000			Nesbit & Associates	AVP Danny Mahaffey	01/23/18
	Tiger Stadium South Stadium Rail Replacement	\$42,307			Wardlaw & Lasseigne, LLC	AVP Danny Mahaffey	04/04/18
	University Administration Building Boardroom Lighting Upgrades	\$13,000			AST Engineers	AVP Danny Mahaffey	10/17/17
	University High Baseball Field Lighting Project	\$35,320			Nesbit & Associates	AVP Danny Mahaffey	10/27/17
	University Lab School Foundation/Lounge Space	\$15,238	\$1,500		Tipton Associates	AVP Danny Mahaffey	09/13/17
	<b>Subtotal</b>	<b>\$364,707</b>	<b>\$16,450</b>	<b>\$0</b>			
	Design Building Skylight	\$78,798			Post Architects	Designer Selected by Architect Selection Board	06/06/18
	Hebert Law Center Roof Replacement	\$41,981			BE-CI, Inc. & Neal Johnson, LLC, AJV	Designer Selected by Architect Selection Board	09/28/17
	Memorial Tower Renovations	\$382,941			Jerry M. Campbell & Associates, APAC	Designer Selected by Architect Selection Board	09/28/17
	Stephenson Veterinary Hospital	\$607,315			Tipton Associates APAC in Association with Architect 449	Designer Selected by Architect Selection Board	09/28/17
	Tiger Stadium Field and Drainage Replacement	\$141,954			Manchac Consulting Groups, Inc.	Designer Selected by Engineer Selection Board	07/27/17
	<b>Subtotal</b>	<b>\$1,174,191</b>	<b>\$0</b>	<b>\$0</b>			
	<b>Total LSU A&amp;M 2017-2018</b>	<b>\$1,538,898</b>	<b>\$16,450</b>	<b>\$0</b>			
<b>AgCenter</b>	Audubon Sugar Institute Roof Replacement	\$51,383		\$0	Jerry M. Campbell & Associates	AVP Mahaffey	07/24/17
	Burden Museum and Gardens Urban Farm Proposal	\$17,750	\$750	\$0	Suzanne Turner & Associates	AVP Mahaffey	07/10/17
	Animal & Food Science Laboratory Shaka Retort & Steam Generator for Lab 100	\$11,668			Henry C. Eyre, Jr., P.E.	AVP Mahaffey	12/18/17
	<b>Total AgCenter 2017-2018</b>	<b>\$80,801</b>	<b>\$750</b>	<b>\$0</b>			
<b>HCS D</b>	Lallie Kemp Medical Center Chiller Plant Upgrade	\$44,365	\$0	\$0	Howell Consultants, LLC	AVP Mahaffey	10/26/17
	<b>Total LSU HCS D 2017-2018</b>	<b>\$44,365</b>	<b>\$0</b>	<b>\$0</b>			
<b>LSUE</b>	Library Renovations for New Testing Center	\$13,500	\$1,500	\$0	The Sellers Group	AVP Mahaffey	11/15/17
	<b>Total LSUE 2017-2018</b>	<b>\$13,500</b>	<b>\$1,500</b>	<b>\$15,000</b>			
<b>LSUS</b>	Replace Roof, Health & Physical Education Building	\$57,424	\$0	\$0	Sutton Beebe Babin Architects	Designer Selected by Architect Selection Board	06/06/18
	<b>Total LSUS 2017-2018</b>	<b>\$57,424</b>	<b>\$0</b>	<b>\$0</b>			
	<b>TOTAL ALL CAMPUSES 2017-2018</b>	<b>\$1,734,988</b>	<b>\$18,700</b>	<b>\$15,000</b>			

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**Design Contracts**

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2016-2017 Design Contracts		Designer Fee	Reimbursables or other fees	Revised Designer Fee	Designer	Approved by	Approval Date
<b>LSU A&amp;M</b>	Alex Box 3rd Floor Kitchen HVAC	\$11,484	\$0	\$0	Henry C. Eyre, Jr., PE, Inc.	Asst. VP Mahaffey	12/09/16
	Alex Box Seating Waterproofing	\$29,728	hourly basis	\$0	GraceHebert Architects	Asst. VP Mahaffey	01/06/17
	Alex Box Suite Level Toilet Addition, HVAC at Concourse Toilets, Film Editing at Players Lounge	\$44,624	\$4,200	\$0	GraceHebert Architects	Asst. VP Mahaffey	10/17/16
	AP Tureaud Sr. Hall Stucco Repairs and Roof Replacement	\$33,568	\$1,000	\$0	GD Architecture, LLC	Asst. VP Mahaffey	09/06/16
	Beach Volleyball Renovations	\$25,184	\$2,000	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	09/15/16
	Champions Substation- Main Breaker Coordination Study Proposal	\$27,125	\$0	\$0	Chicago Bridge & Iron, Inc.	Asst. VP Mahaffey	05/15/17
	Chilled Water Investigation	\$88,937	\$0	\$0	Atkins North America, Inc.	Asst. VP Mahaffey	11/22/16
	College of Arts & Design Master Plan Study	\$38,500	\$1,000	\$0	Eskew+Dumez+Ripple	Asst. VP Mahaffey	09/08/16
	Design Building Courtyard Emergency Repairs`	\$35,115	\$10,675	\$0	Boyd Holmes Engineering, Inc.	Asst. VP Mahaffey	10/24/16
	Food Animal Area Renovation Programming & Preliminary Design	\$16,200	\$400	\$0	Susan Sharp Design, LLC	Asst. VP Mahaffey	03/01/17
	Foster Hall Basement Renovation	\$34,211	actual cost	\$0	Tipton Associates APAC	Asst. VP Mahaffey	08/18/16
	Hill Memorial Library Roof Replacement	\$39,543	\$0	\$0	Neal Johnson, LLC	Asst. VP Mahaffey	09/15/16
	Himes Hall 1st Floor Restroom Renovation	\$14,903	\$1,500	\$0	GD Architecture, LLC	Asst. VP Mahaffey	09/15/16
	Howe Russell E313	\$13,925	\$1,000	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	09/06/16
	Libraries Road Map & Master Plan Revision & Program New Library reapproved	\$44,000	\$0	\$49,480	McMillan Pazdan Smith	Asst. VP Mahaffey	09/26/16
	Main Plant Assessment	\$69,159	\$0	\$0	Atkins North America, Inc.	Asst. VP Mahaffey	05/02/17
	Middleton Library Basement Waterproofing South Side	\$46,938	\$0	\$0	Watts Didier Architects, LLS	Asst. VP Mahaffey	02/14/17
	Prescott Hall 1st Floor Restroom Renovation	\$14,435	\$1,500	\$0	GD Architecture, LLC	Asst. VP Mahaffey	10/13/16
	Renewable Natural Resources Roof Replacement	\$40,402	\$1,000	\$0	Tipton Associates APAC	Asst. VP Mahaffey	09/23/16
	Roger Ogden Honors College ID Signage & Site Master Plan	\$28,800	\$5,000	\$33,800	Tipton Associates APAC	Asst. VP Mahaffey	05/09/17
	Steam Piping Distribution Branch System Replacement	\$42,950	\$0	\$0	Moses Engineers	Asst. VP Mahaffey	11/21/16
	Student Health Center Fire Damage Repair Renovations Phase II	\$105,173	\$7,500	\$0	Remson Haley Herpin Architects	Asst. VP Mahaffey	06/23/16
	Tiger Stadium East Renovations for Concessions	\$43,030	\$2,500	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	09/06/16
	Tiger Stadium Field Power Enhancements	\$26,181	\$1,500	\$0	Ritter Mayer Architects	Asst. VP Mahaffey	12/08/16
	Welcome Center Renovations	\$30,457	\$5,500	\$35,957	Remson Haley Herpin Architects	Asst. VP Mahaffey	05/09/17
	<b>Subtotal</b>	<b>\$944,572</b>	<b>\$46,275</b>	<b>\$119,237</b>			
	Classroom Expansion and Renovation, School of Veterinary Medicine	\$236,785	\$0	\$0	Bradley-Blewster & Associates	Designer Selected by Architect Selection Board	01/25/17
	Facility Upgrades, Carl Maddox Field House	\$270,302	\$0	\$0	Holden Architects APC	Designer Selected by Architect Selection Board	09/22/16
	Fire Damage Repairs- Phase 2, Student Health Center East Building	\$112,875	\$0	\$0	Watts Didier Architect	Designer Selected by Architect Selection Board	02/22/17
	Refurbishment of Library, LSU School of Veterinary Medicine	\$76,086	\$0	\$0	Chenevert Architects	Designer Selected by Architect Selection Board	09/22/16
	Renovation Dub Robinson Tennis Stadium	\$163,589	\$0	\$0	BCB Architects, LLC	Designer Selected by Architect Selection Board	09/22/16
	Renovation of Laboratory, School of Veterinary Medicine	\$202,013	\$0	\$0	Washer Hill Lipscomb Cabaniss Architecture	Designer Selected by Architect Selection Board	02/22/17
	Replace Cooling Tower and Pumps, Central Utilities Plant	\$144,570	\$0	\$0	IMC Consulting Engineers, Inc.	Designer Selected by Architect Selection Board	03/21/17
	Replace, Sewer Line	\$95,197	\$0	\$0	Owen & White, Inc.	Designer Selected by Architect Selection Board	03/21/17
	Roof Replacement Natatorium Building	\$110,433	\$0	\$0	Ritter Maher Architects, LLC	Designer Selected by Architect Selection Board	09/22/16
	Roof Replacement, Military Science Building	\$53,414	\$0	\$0	Jerry M. Campbell & Associates, APAC	Designer Selected by Architect Selection Board	09/22/16
	Tiger Park Indoor Practice Facility	\$244,971	\$0	\$0	Remson Haley Herpin Architects	Designer Selected by Architect Selection Board	02/22/17
	Upgrade Mechanical System, Pete Maravich Assembly Center	\$108,901	\$0	\$0	Henry C. Eyre, P.E. Inc.	Designer Selected by Architect Selection Board	03/21/17
	<b>Subtotal</b>	<b>\$1,819,136</b>	<b>\$0</b>	<b>\$0</b>			
	<b>Total LSU A&amp;M 2016-2017</b>	<b>\$2,763,708</b>	<b>\$46,275</b>	<b>\$119,237</b>			

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**Design Contracts**

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<b>2016-2017 Design Contracts</b>		<b>Designer Fee</b>	<b>Reimbursables or other fees</b>	<b>Revised Designer Fee</b>	<b>Designer</b>	<b>Approved by</b>	<b>Approval Date</b>
<b>AgCenter</b>	Botanical Research & Development Center	\$18,860	actual cost	\$0	Crump Wilson Architects	Asst. VP Mahaffey	01/30/17
	Audubon Sugar Institute Mechanical Upgrades	\$17,290	\$500	\$0	AST Engineers	Asst. VP Mahaffey	03/16/17
	Redesign Restroom Burden Trees & Trails Structural Engineering	\$12,000	\$0	\$0	Fox-Nesbit Engineering, LLC	Asst. VP Mahaffey	02/15/17
	Rice Research Station Office Building Addition	\$36,432	\$4,000	\$0	GD Architecture, LLC	Asst. VP Mahaffey	09/14/16
	<b>Total AgCenter 2016-2017</b>	<b>\$84,582</b>	<b>\$4,500</b>	<b>\$0</b>			
<b>HSCNO</b>	Repurposing Interim Hospital	\$2,617,709	\$0	\$0		Designer Selected by Architect Selection Board	11/29/16
	<b>Total HSCNO 2016-2017</b>	<b>\$2,617,709</b>	<b>\$0</b>	<b>\$0</b>			
<b>HSCS</b>	Medical School Educational Space Renovations	\$55,465	\$0	\$0	Prevot Design Services, APAC	Asst. VP Mahaffey	12/02/16
	Replacement of Cooling Towers, D-Building Medical School Power Plant	\$163,540	\$0	\$0	John J. Guth Associates, Inc.	Designer Selected by Engineer Selection Board	09/15/16
	<b>Total HSCS 2016-2017</b>	<b>\$219,005</b>	<b>\$0</b>	<b>\$0</b>			
<b>LSU</b>	Roof Replacement Chambers Hall	\$21,172	\$0	\$0	Ashe Broussard Weinzettle Architects	Asst. VP Mahaffey	01/09/17
	Roof Replacement University Center	\$18,666	\$0	\$0	Ashe Broussard Weinzettle Architects	Asst. VP Mahaffey	01/25/17
	<b>Subtotal</b>	<b>\$21,172</b>	<b>\$0</b>	<b>\$0</b>			
	Fire Sprinkler System Evaluation and Repair Mulder Hall	\$22,622	\$0	\$0	John J. Guth Associates, Inc.	Direct Appointment	10/14/16
	<b>Subtotal</b>	<b>\$22,622</b>	<b>\$0</b>	<b>\$0</b>			
	<b>Total LSUA 2016-2017</b>	<b>\$43,794</b>	<b>\$0</b>	<b>\$0</b>			
<b>LSUE</b>	Roof Replacement Health & Technology Building	\$40,840	\$0	\$0	The Sellers Group	Asst. VP Mahaffey	12/09/16
	Replacement of Fume Hoods, Science Laboratory Classroom	\$149,193	\$0	\$0	Associated Design Group, Inc.	Designer Selected by Engineer Selection Board	03/21/17
	<b>Total LSUE 2016-2017</b>	<b>\$190,033</b>	<b>\$0</b>	<b>\$0</b>			
<b>LSUS</b>	Student Success Center	\$41,540	\$0	\$0	Prevot Design Services, APAC	Asst. VP Mahaffey	10/11/16
	Reroof, Noel Library	\$40,273	\$0	\$0	Sutton Beebe Babin Architects, LLC	Designer Selected by Architect Selection Board	02/22/17
	<b>Total LSUS 2016-2017</b>	<b>\$81,813</b>	<b>\$0</b>	<b>\$0</b>			
	<b>TOTAL ALL CAMPUSES 2016-2017</b>	<b>\$6,000,644</b>	<b>\$50,775</b>	<b>\$119,237</b>			

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Design Contracts**

Updated August 15, 2018

2015-2016 Design Contracts		Designer Fee	Reimbursables or other fees	Revised Designer Fee	Designer	Approved by	Approval Date
<b>LSU A&amp;M</b>							
	Bernie Moore Track Team Cover	\$28,824	\$0	\$28,824	Ritter Maher Architects, LLC	Asst. VP Mahaffey	05/12/16
	College of Science Phase II Programming	\$41,700	\$0	\$41,700	Holly & Smith Architects, APAC	Asst. VP Mahaffey	04/21/16
	Comprehensive and Strategic Master Plan	\$2,870,000	\$0	\$2,870,000	NBBJ	Asst. VP Mahaffey	01/13/16
	East Stadium Dorm Environmental Abatement	\$20,565	\$25,475	\$46,040	Raynor Consulting Group, LLC	Asst. VP Mahaffey	05/11/16
	Emergency Roof Repairs Natatorium	\$33,833	\$0	\$33,833	Tipton Associates APAC	Asst. VP Mahaffey	08/14/15
	Grace King and Louise Garig	\$48,065	\$0	\$48,065	Bani, Carville & Brown, LLC	Asst. VP Mahaffey	03/09/16
	LADDL Classroom Addition	\$11,158	\$1,000	\$12,158	Foil Wyatt Architects & Planners	Asst. VP Mahaffey	02/20/16
	PMAC Women's Basketball- Squad Room Renovation	\$20,855	\$0	\$20,855	GraceHebert Architects	Asst. VP Mahaffey	12/10/15
	Renovation of Memorial Tower and Veterans & Military Student Center	\$24,500	\$0	\$24,500	Jerry M. Campbell & Associates, APAC	Asst. VP Mahaffey	12/01/15
	Renovations at Middleton Library for Access Services	\$13,745	\$2,000	\$15,745	Remson Haley Herpin Architects	Asst. VP Mahaffey	12/10/15
	Renovations at Middleton Library for Access Services	\$13,745	\$2,000	\$15,745	Remson Haley Herpin Architects	Asst. VP Mahaffey	02/04/16
	South Stadium Dorm Environmental Abatement	\$13,925	\$17,895	\$31,820	Raynor Consulting Group, LLC	Asst. VP Mahaffey	05/11/16
	Student Health Fire Damage Repair Renovation Phase I	\$57,137	\$75,000	\$132,137	Remson Haley Herpin Architects	Asst. VP Mahaffey	06/23/16
	SVM Classroom	\$15,000	\$0	\$15,000	Foil Wyatt Architects & Planners	Asst. VP Mahaffey	02/11/16
	Tiger Stadium Concession Power Upgrades	\$43,030	\$2,500	\$45,530	Holly & Smith Architects, APAC	Asst. VP Mahaffey	06/01/16
	Tiger Stadium Fire Marshal Coordination Services	\$11,505	\$0	\$11,505	Ritter Maher Architects, LLC	Asst. VP Mahaffey	08/10/15
	Vet School Equine Recovery Renovations	\$23,083	\$1,000	\$24,083	Tipton Associates APAC	Asst. VP Mahaffey	04/08/16
	<b>Subtotal</b>	<b>\$3,290,670</b>	<b>\$126,870</b>	<b>\$3,417,540</b>			
	Fire Suppression System, LSU Frey Computer Center	\$75,676	\$0	\$0	Assaf, Simoneaux, Tauzin & Associates, Inc.	Designer Selected by Engineer Selection Board	01/07/16
	<b>Subtotal</b>	<b>\$75,676</b>	<b>\$0</b>	<b>\$0</b>			
	<b>Total LSU A&amp;M 2015-2016</b>	<b>\$3,366,346</b>	<b>\$126,870</b>	<b>\$3,417,540</b>			
<b>AgCenter</b>							
	Burden Gardens & Museum Entrance Road	\$31,217	\$10,300	\$41,517	Monroe & Corie, Inc.	Asst. VP Mahaffey	03/31/16
	Food Incubator Warehouse Renovation	\$49,500	\$495	\$49,995	Bailey & Associates	Asst. VP Mahaffey	02/08/16
	<b>Total AgCenter 2015-2016</b>	<b>\$80,717</b>	<b>\$10,795</b>	<b>\$91,512</b>			
<b>HSCS</b>							
	Roof Replacements and Elevator Modernization Multiple Buildings	\$307,044	\$0	\$0	Newman Marchive Carlisle Inc.	Designer Selected by Architect Selection Board	10/07/15
	<b>Total HSCS 2015-2016</b>	<b>\$307,044</b>	<b>\$10,300</b>	<b>\$41,517</b>			
	<b>TOTAL ALL CAMPUSES 2015-2016</b>	<b>\$3,754,107</b>	<b>\$147,965</b>	<b>\$3,550,569</b>			

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Design Contracts**

Updated August 15, 2018

<b>2014-2015 Design Contracts</b>	<b>Designer Fee</b>	<b>Reimbursables or other fees</b>	<b>Revised Designer Fee</b>	<b>Designer</b>	<b>Approved by</b>	<b>Approval Date</b>
<b>LSU A&amp;M</b>						
Athletic Building Receptionist Desk Mail Room Reno	\$17,119	\$1,250	\$0	GD Architecture, LLC	Asst. VP Mahaffey	11/04/14
Audubon Sugar Factory Code Review	\$12,500	\$0	\$0	URS Architecture	Asst. VP Mahaffey	10/20/14
Coates Hall	\$54,361	\$0	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	01/26/15
College of Science Programming Baton Rouge Campus	\$194,450	\$0	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	03/31/15
Demolition of Former Coastal Studies Building and Hemophilia Lab	\$10,737	\$9,250		Raynor Consulting Group, LLC	Asst. VP Mahaffey	04/01/15
Department Relocation Renovation	\$34,888	\$0	\$0	Tipton Associates APAC	Asst. VP Mahaffey	05/05/15
FETI Laundry Facility & Site Improvements	\$11,036	\$0	\$0	Mazzetti	Asst. VP Mahaffey	10/20/14
Gateway Revisions	\$33,800	\$1,500		GraceHebert Architects	Asst. VP Mahaffey	07/28/14
Hatcher Hall Lobby Renovation Change of Scope	\$47,985	\$1,500	\$54,020	GD Architecture, LLC	Asst. VP Mahaffey	07/15/14
Himes Hall Stucco Repairs	\$51,617	\$0	\$0	Jerry M. Campbell & Associates, APAC	Asst. VP Mahaffey	04/10/15
Huey P. Long Programming Update- Reapproval	\$43,380	\$1,500	\$54,380	Tipton Associates APAC	Asst. VP Mahaffey	07/17/14
JMZ Space student Proposal	\$236,920	\$27,338		JMZ Architects and Planners, P.C.	Asst. VP Mahaffey	11/25/14
Lockett Hall- Allen Hall & EB Doran AHU Replacement	\$28,000	\$0	\$0	IMC Consulting Engineers	Asst. VP Mahaffey	07/10/14
Master Plan Infrastructure update	\$446,412	\$0	\$0	Atkins North America, Inc.	Asst. VP Mahaffey	03/06/15
New HVAC at Dodson Hall	\$53,086	\$0	\$0	Jerry M. Campbell & Associates, APAC	Asst. VP Mahaffey	04/10/15
Replacement of HVAC PMAC	\$76,938	\$1,000		Henry C. Eyre, Jr. PE, Inc.	Asst. VP Mahaffey	06/03/15
Studio Arts Building Re-Roofing Bldg 29 & 31	\$33,029	\$0	\$0	Holly & Smith Architects, APAC	Asst. VP Mahaffey	10/31/14
Tiger Stadium West Side Egress	\$20,000	\$10,000		Forte & Tablada	Asst. VP Mahaffey	10/20/14
Tiger Stadium West Side Lower Measurements & Fire Marshal Compliance Consulting	\$20,000	\$10,000		Forte & Tablada	Asst. VP Mahaffey	10/07/14
Vet Med- Office Renovation	\$35,144	\$0	\$0	GD Architecture, LLC	Asst. VP Mahaffey	07/28/14
Vet Med Small Animal Clinic Emergency & Primary Care	\$47,564	\$1,000		Foil Wyatt Architects & Planners	Asst. VP Mahaffey	09/17/14
Vet School Boiler #1 Replacement	\$17,192	\$500	\$26,516	Assaf, Simoneaux, Tauzin & Associates, Inc.	Asst. VP Mahaffey	11/13/14
<b>Subtotal</b>	<b>\$1,526,158</b>	<b>\$64,838</b>	<b>\$134,916</b>			
Asbestos Abatement, Ceilings & Lighting Law Center Library	\$109,222	\$0	\$0	AIMS Group, Inc.	Designer Selected by Architect Selection Board	12/10/14
Family Housing Complex	\$121,278	\$0	\$0	Remson Haley Herpin Architects + Treanor	Designer Selected by Architect Selection Board	12/02/14
Laborde Energy Law Center Renovation	\$46,146	\$0	\$0	Tipton Associates APAC	Designer Selected by Architect Selection Board	10/23/14
New Linear Accelerator Vault, School of Veterinary Medicine	\$155,332	\$0	\$0	Washer Hill Lipscomb Cabaniss Architecture,	Designer Selected by Architect Selection Board	10/23/14
Nicholson Gateway Infrastructure and Parking Facility	\$1,510,389	\$0	\$0	Remson Haley Herpin Architects	Designer Selected by Architect Selection Board	12/02/14
Old President's House	\$49,712	\$0	\$0	Pascal Architects, LLC	Designer Selected by Architect Selection Board	10/23/14
Replacement of HVAC, Pete Maravich Assembly Center	\$76,938	\$0	\$0	Henry C. Eyre, Jr. PE, Inc.	Designer Selected by Engineer Selection Board	03/25/15
<b>Subtotal</b>	<b>\$2,069,017</b>	<b>\$0</b>	<b>\$0</b>			
<b>TOTAL LSU A&amp;M 2014-2015</b>	<b>\$3,595,175</b>	<b>\$64,838</b>	<b>\$134,916</b>			
<b>AgCenter</b>						
Evaluate Plate Evaporation System at Audubon Sugar Institute	\$38,000	\$0	\$0	American Ingenuity	Asst. VP Mahaffey	02/06/15
Food Innovation Center	\$10,000	\$8,000	\$0	Bailey & Associates	Asst. VP Mahaffey	05/11/15
Food Innovation Center	\$19,500	\$500	\$0	Bailey & Associates	Asst. VP Mahaffey	08/27/14
Valley Reign Rice Mill	\$45,162	\$2,322	\$0	GD Architecture, LLC	Asst. VP Mahaffey	05/28/15
<b>TOTAL AgCenter 2014-2015</b>	<b>\$112,662</b>	<b>\$10,822</b>	<b>\$0</b>			
<b>LSU at Eunice</b>						
Roof Replacement Health and Physical Education Building	\$40,596	\$0	\$0	The Sellers Group	Designer Selected by Architect Selection Board	10/23/14
<b>TOTAL LSU Eunice 2014-2015</b>	<b>\$40,596</b>	<b>\$0</b>	<b>\$0</b>			
<b>Pennington Biomedical Research Center</b>						
Roof Replacement Administrative Building B and Laboratory Building C	\$70,018	\$0	\$72,834	Post Architects, LLC	Designer Selected by Architect Selection Board	03/18/15
<b>TOTAL PENNINGTON BIOMEDICAL RESEARCH CENTER 2014-2015</b>	<b>\$70,018</b>	<b>\$0</b>	<b>\$72,834</b>			
<b>TOTAL ALL CAMPUSES 2014-2015</b>	<b>\$3,818,451</b>	<b>\$75,660</b>	<b>\$207,750</b>			

2013-2014						
	Designer Fee	Reimbursables or other fees	Revised Designer Fee	Designer	Approved by	Approval Date
<b>LSU A&amp;M</b>						
Alex Box Stadium Grandstand Canopy Bird Control System- Misc. Items	\$27,179			GraceHebert Architects	Asst. VP Mahaffey	10/21/13
Allen Hall Building Elevator Installation	\$52,444	\$7,500		Remson Haley Herpin Architects	Asst. VP Mahaffey	02/12/14
Choppin Hall-Williams Emergency Power Modifications	\$12,821	\$500		Assaf, Simoneaux, Tauzin & Associates, Inc.	Asst. VP Mahaffey	12/13/13
Dalrymple Drive Roundabout Reapproval	\$52,140	\$11,600	\$61,095	CSRS	Asst. VP Mahaffey	04/10/14
Department Relocation	\$20,000			Tipton Associates APAC	Asst. VP Mahaffey	04/10/14
Design Building Skylight	\$44,474	\$400		Bani, Carville & Brown, LLC	Asst. VP Mahaffey	06/10/14
Duemitte Room Renovations	\$11,407			GraceHebert Architects	Asst. VP Mahaffey	04/09/14
Engineering Shops HVAC Replacement	\$36,276			IMC Consulting Engineers	Asst. VP Mahaffey	03/27/14
Faculty Club Hotel Guestroom Renovation	\$49,280			Coleman Partners Architects, LLC	Asst. VP Mahaffey	07/10/13
Faculty Club Renovation, Furniture, Fixtures & Equipment	\$17,000			Coleman Partners Architects, LLC	Asst. VP Mahaffey	08/09/13
Firemen Training Center New laundry Building	\$14,400			GD Architecture, LLC	Asst. VP Mahaffey	01/28/14
Geology Field Camp- 3 projects	\$13,500	\$800		CRP Architects	Asst. VP Mahaffey	01/10/14
Greenhouse Program	\$25,385	\$1,500		GD Architecture, LLC	Asst. VP Mahaffey	05/08/14
Library Master Planning and Feasibility Study Services	\$44,000			McMillan Pazdan Smith	Asst. VP Mahaffey	10/08/13
Nicholson Hall Window and Door Replacement	\$48,627	\$7,500		Watts Didier Architects, LLC	Asst. VP Mahaffey	02/18/14
Parking Study Update	\$38,400	\$5,000		Walker Parking Consultants	Asst. VP Mahaffey	02/03/14
Parking Study Update- Revised Scope	\$38,400	\$5,000	\$44,400	Walker Parking Consultants	Asst. VP Mahaffey	03/13/14
School of Veterinary Medicine Facility Planning and Programming	\$17,477			Foil Wyatt Architects & Planners	Asst. VP Mahaffey	05/05/14
Small Animal Clinic Admissions Asbestos Removal added to existing project	\$4,342			Foil Wyatt Architects & Planners	Asst. VP Mahaffey	04/10/14
Stucco Repair LSU Campus Main Quad	\$48,625			Jerry M. Campbell & Associates, APAC	Asst. VP Mahaffey	02/26/14
Temporary Gym Floor and Office Relocation	\$19,676			GraceHebert Architects	Asst. VP Mahaffey	01/31/14
U-High Bleacher & Press Box Addition	\$34,002	\$3,000	\$39,291	Lionel F. Bailey, AIA	Asst. VP Mahaffey	06/02/14
U-High Football Field Re-Lighting AST 13-06-5 Revised Scope Fee Proposal	\$20,800			Assaf, Simoneaux, Tauzin & Associates, Inc.	Asst. VP Mahaffey	07/01/13
Vet School Primary Care Clinic Modular Building Study	\$17,770			Crump Wilson Architects	Asst. VP Mahaffey	10/31/13
Burden- Visitors Center and Outreach Facility Program Completion Renderings	\$19,750			GD Architecture, LLC	Asst. VP Mahaffey	02/13/14
Tree House at Woodland Garden Schematic Design Burden Center	\$17,200	\$1,300		LLC	Asst. VP Mahaffey	01/03/14
Warehouse for Food Incubator	\$19,750			Futch Design Associates	Asst. VP Mahaffey	01/10/14
<b>Subtotal LSU A&amp;M</b>	<b>\$765,125</b>	<b>\$44,100</b>	<b>\$144,786</b>			
<b>Total All Campuses 2013-2014</b>	<b>\$765,125</b>	<b>\$44,100</b>	<b>\$144,786</b>			

(Contracts are with the State of Louisiana)

2013-2014						
	Contract Amount	Reimbursables or other fees	Revised Contract Amount	Designer	Approved by	Contract Date
<b>LSU A&amp;M</b>						
Choppin Hall Annex, Fifth Floor Build-Out	\$423,511			with HDR	Designer Selected by Architect Selection Board	11/20/13
Evangeline Hall Renovation	\$137,544		\$1,026,496	Chenevert Architects	Designer Selected by Architect Selection Board	07/30/13
New Greek House	\$373,993		\$391,118	Post Architects, LLC	Designer Selected by Architect Selection Board	11/20/13
Patrick Taylor Hall Renovation, Planning and Contraction	\$863,049		\$7,350,347	LLC/Perkins+Will	Designer Selected by Architect Selection Board	09/26/13
Renovation and Addition Press Building	\$205,116		\$221,603	Cockfield Jackson Architects	Designer Selected by Architect Selection Board	11/20/13
Reroof CAMD and Office Building 1	\$42,886		\$42,886	Watts Didier Architects, LLC	Designer Selected by Architect Selection Board	11/20/13
Roof Replacement Student Health Center	\$63,425		\$65,603	Remson Haley Herpin Architects	Designer Selected by Architect Selection Board	04/15/14
<b>Subtotal LSU A&amp;M</b>	<b>\$2,109,524</b>	<b>\$0</b>	<b>\$9,098,053</b>			

2013-2014						
	Contract Amount	Reimbursables or other fees	Revised Contract Amount	Designer	Approved by	Contract Date
<b>LSU Health Care Services Division</b>						
Air Handler Replacement University Hospital & Clinics Lafayette General Health	\$113,507		\$0	Ritter Consulting Engineers, Ltd.	Designer Selected by Engineer Selection Board	02/26/14
Demolition of Earl K. Long Hospital Facility	\$93,609			Domain Architecture, APAC	Designer Selected by Architect Selection Board	11/20/13
New Emergency Generator and Chillers	\$124,631		\$128,031	Poche Prouet Associates	Designer Selected by Engineer Selection Board	11/07/13
Replacement of Air Handlers & Chillers, W.O. Moss Memorial Health Clinic	\$110,114		\$115,866	Associated Design Group, Inc.	Designer Selected by Engineer Selection Board	12/18/13
<b>2013-2014</b>						
	Contract Amount	Reimbursables or other fees	Revised Contract Amount	Designer	Approved by	Contract Date
<b>Subtotal LSU Health Care Services Division</b>	\$441,861	\$0	\$243,897			
<b>LSU Health New Orleans</b>						
Renovations Dental School Simulation Lab and Pre-Clinical Teaching Lab	\$347,455			Blitch Knevel Architects, LLC	Designer Selected by Architect Selection Board	04/15/14
<b>Subtotal LSU Health New Orleans</b>	\$347,455	\$0	\$0			
<b>LSU Health Shreveport</b>						
Boiler Replacement	\$313,690			Purtle & Associates, Inc.	Designer Selected by Engineer Selection Board	02/26/14
Inpatient Critical Care Renovation	\$359,685			LLC	Designer Selected by Architect Selection Board	01/21/14
<b>Subtotal LSU Health Shreveport</b>	\$673,375	\$0	\$0			
<b>Total All Campuses 2013-2014</b>	\$3,572,215	\$0	\$9,341,950			

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Grants of Mineral Rights**

Updated August 15, 2018

<b>2017-2018</b>															
<b>Campus that Benefits</b>	<b>Sale Date</b>	<b>State Lease #</b>	<b>Leased to:</b>	<b>Operated by</b>	<b>Release Date</b>	<b>Parish</b>	<b>Section, Township, Range</b>	<b>Acres Bid</b>	<b>Lease Term (Years)</b>	<b>Cash Bonus</b>	<b>Price Per Acre</b>	<b>Rentals/Year</b>	<b>Royalty</b>	<b>Accepted Acres</b>	<b>Accepted Bonus</b>
n/a															
<b>2016-2017</b>															
<b>Campus that Benefits</b>	<b>Sale Date</b>	<b>State Lease #</b>	<b>Leased to:</b>	<b>Operated by</b>	<b>Release Date</b>	<b>Parish</b>	<b>Section, Township, Range</b>	<b>Acres Bid</b>	<b>Lease Term (Years)</b>	<b>Cash Bonus</b>	<b>Price Per Acre</b>	<b>Rentals/Year</b>	<b>Royalty</b>	<b>Accepted Acres</b>	<b>Accepted Bonus</b>
n/a															
<b>2015-2016</b>															
<b>Campus that Benefits</b>	<b>Sale Date</b>	<b>State Lease #</b>	<b>Leased to:</b>	<b>Operated by</b>	<b>Release Date</b>	<b>Parish</b>	<b>Section, Township, Range</b>	<b>Acres Bid</b>	<b>Lease Term (Years)</b>	<b>Cash Bonus</b>	<b>Price Per Acre</b>	<b>Rentals/Year</b>	<b>Royalty</b>	<b>Accepted Acres</b>	<b>Accepted Bonus</b>
n/a															
<b>2014-2015</b>															
<b>Campus that Benefits</b>	<b>Sale Date</b>	<b>State Lease #</b>	<b>Leased to:</b>	<b>Operated by</b>	<b>Release Date</b>	<b>Parish</b>	<b>Section, Township, Range</b>	<b>Acres Bid</b>	<b>Lease Term (Years)</b>	<b>Cash Bonus</b>	<b>Price Per Acre</b>	<b>Rentals/Year</b>	<b>Royalty</b>	<b>Accepted Acres</b>	<b>Accepted Bonus</b>
n/a															
<b>2013-2014</b>															
<b>Campus that Benefits</b>	<b>Sale Date</b>	<b>State Lease #</b>	<b>Leased to:</b>	<b>Operated by</b>	<b>Release Date</b>	<b>Parish</b>	<b>Section, Township, Range</b>	<b>Acres Bid</b>	<b>Lease Term (Years)</b>	<b>Cash Bonus</b>	<b>Price Per Acre</b>	<b>Rentals/Year</b>	<b>Royalty</b>	<b>Accepted Acres</b>	<b>Accepted Bonus</b>
LSU A&M (Gilbert donation)	08/14/13	21231	Texas Edwards, Inc.	Kriti TE		Terrebonne	S22-T16S-R15E	0.100	3	\$50.30	\$503.00	\$50.00	25.0%	0.100	\$50.30
LSU A&M (Gilbert donation)	08/14/13	21232	Texas Edwards, Inc.	Kriti TE		Terrebonne	S46-T16S-R15E	9.090	3	\$4,572.27	\$503.00	\$4,572.00	25.0%	9.090	\$4,572.27
LSU A&M (Gilbert donation)	08/14/13	21233	Texas Edwards, Inc.	Kriti TE		Terrebonne	S21-T16S-R15E	0.002	3	\$1.16	\$503.00	\$1.16	25%	0.002	\$1.16
LSU A&M (Gilbert donation)	08/14/13	21234	Texas Edwards, Inc.	Kriti TE		Terrebonne	S21-T16S-R15E	2.670	3	\$1,343.00	\$503.00	\$1,343.00	25%	2.670	\$1,343.00
LSU A&M (Gilbert donation)	08/14/13	21235	Texas Edwards, Inc.	Kriti TE		Terrebonne	S45-T16S-R15E	22.260	3	\$11,196.78	\$503.00	\$11,196.00	25.0%	22.260	\$11,196.78

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Grants of Mineral Rights**

Updated August 15, 2018

2013-2014															
Campus that Benefits	Sale Date	State Lease #	Leased to:	Operated by	Release Date	Parish	Section, Township, Range	Acres Bid	Lease Term (Years)	Cash Bonus	Price Per Acre	Rentals/Year	Royalty	Accepted Acres	Accepted Bonus
AgCenter	08/14/13	21229	Pennington Oil & Gas, LLC	Pennington Operating	Partial Release 8/7/14 of part of Sections 11, 40, 41, 36, and 36, 148.74 acres.	East Baton Rouge	1, 11, 2, 35, 36, 37, 41, 49, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 80 T08S R01E, R01W	765.620	3	\$202,889.30	\$265.00	\$101,445.00	23.5%	765.620	\$202,889.30
AgCenter	08/14/13	21230	Pennington Oil & Gas, LLC	Pennington Operating	8/14/2015	East Baton Rouge	65, 66, 67, 68, 69, 70, 71, 72, 73, 79, 80 T08S R01E, R01W	574.950	3	\$152,361.75	\$265.00	\$76,181.00	23.5%	574.950	\$152,361.75

**Report to LSU Board of Supervisors: Other Agreements and Approval Requests**  
**All Campuses**

Updated August 15, 2018

2017-2018				
Document Type	Campus	Lessor or Purchaser	Lessee	Related Agreements or Purpose
Consent to Assignment	AgCenter	Camterra Resources	Elm Grove Holdings	Oil & Gas Lease
Act of Exchange	LSU	LSU BoS	New Schools for Baton Rouge	Exchange of properties of equal value to benefit both parties
Approval of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Lease of Space between Nicholson Gateway Project, LLC & Frutta Bowls
Approval of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Lease of Space between Nicholson Gateway Project, LLC & Matherne's
Approval of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Lease of Space between Nicholson Gateway Project, LLC & Starbucks
Approval of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Lease of Space between Nicholson Gateway Project, LLC & Wendy's
Consent to Amendment of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Amendment to Lease of Space by Nicholson Gateway Project, LLC to Matherne's
Consent to Amendment of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Amendment to Lease of Space by Nicholson Gateway Project, LLC to Private Stock
Consent to Amendment of Nicholson Gateway Lease	LSU	LSU BoS	Nicholson Gateway Project, LLC	Amendment to Lease of Space by Nicholson Gateway Project, LLC to Starbucks
Ground Lease and Construction Agreement	LSU	LSU BoS	Baton Rouge Speech & Hearing Foundation	Ground Lease Agreement for construction of Parking Lot
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Alex Box Batting Cage Facility Renovation and Expansion
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Athletics Administration Building Multi-Facility Tech Improvements
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Band Hall Renovation Agreement
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Beach Volleyball Waterproofing repairs
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Dr. Billy Cannon Statue Installation and Plaza
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Game Day Parking Improvements Levee Lot A
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Game Day Parking Improvements Levee Lot B
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Game Day Parking Improvements Project B
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Game Day Parking Improvements Project C
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Indoor Practice Field Lighting Improvements
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Indoor Practice Field synthetic turf
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Martin Broussard Hydrotherapy Pool Replacement and Renovation Project
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Natorium LED Lighting project
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Tiger Stadium Concessions and Related Improvements
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Tiger Stadium Concessions Renovation & Expansion Phase II
License for Use Agreement	LSU	LSU BoS	Tiger Athletic Foundation	Tiger Stadium North End Zone Joint Repairs
License for Underground Pipeline	LSU	Illinois Center Railroad (CN Railroad)	LSU	Installation of 13.2" HDPE force main sewer under railroad
License for Use Agreement	LSU Eunice	LSU Eunice	LSU at Eunice Foundation	Use of Space to construct Soccer Fields
Determination of Acceptable University Purpose	LSU Health New Orleans	LSU Health Foundation of New Orleans		Purchase Agreement for Property at 2127 and 2133 Poydras St., New Orleans
Intent to Lease	LSU Health New Orleans	LSU Health New Orleans	LSU Health Foundation of New Orleans	Proposed Lease of OB-Gyn Building
Intent to Lease	LSU Health New Orleans	LSU Health New Orleans	LSU Real Estate & Facilities Foundation	Proposed Dental School Housing
Letter Agreement	LSU Health New Orleans	LSU Health New Orleans	Enwave Brookfield District Energy USA, LLC	Install 4" water line

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2017-2018													
Campus	Lessor or Sublessor	Lessee or Sublessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms left	Length	Approved by
AgCenter	AgCenter	Julien R. Stevens	Rosepine Research Station	farming (renewal of lease)	6/3/2011	1/1/2018	1/1/2019	624.6 acres	\$20,100.00	n/a	3	1-year	n/a
AgCenter	Corpus Christi Church	AgCenter	2022 St. Bernard Ave., New Orleans	Option Term #2 for Cooperative Extension Service space	n/a	6/23/2018	6/22/2019	1,100	\$14,400.00	\$13.09	1	1-year	Pres. Alexander
AgCenter	NorthEast Educational Development Foundation	AgCenter	10284 Highway 17S, Oak Grove	Optioner Term #4 for Lease for Delta Rural Development Center	n/a	7/1/2018	6/30/2019	4,999	\$30,000.00	\$6.00	1	1-year	Pres. Alexander
HSC-NO	Lafayette General Foundation	HSCNO Dental School	1317 Jefferson St., Lafayette	Satellite Dental Hygiene Clinic	n/a	Lease cancelled before start		3,936	\$31,808.37	\$8.82	0		Pres. Alexander
HSC-NO	LSU Health New Orleans	LSU Healthcare Network	Gravier Street, New Orleans	Amendment to provide additional services & additional rental at the UMOB	3/24/2017	4/19/2018		11,411	for details see Amendment documents in LSU Facility & Property Oversight offices				Pres. Alexander
HSC-NO	University Medical Center Management Corporation	LSU BoS for HSCNO	2000 Canal Street, New Orleans	Lease of Space for Primary Care Clinic	n/a	4/24/2018	4/23/2019	257	\$46,380.00				Pres. Alexander
HSCS	Willis-Knighton Medical Center	HSCS	820 Jordan Street, Ste. 104, Shreveport	Option Term #5 for Outpatient Adolescent Clinic (Psychiatry) Lease	n/a	10/1/2010	9/30/2018	2,856	\$8,400.00	\$2.94	2	1-yr.	Pres. Alexander
HSCS	Willis-Knighton Medical Center	HSCS	820 Jordan Street, Ste. 104, Shreveport	Option Term #6 for Outpatient Adolescent Clinic (Psychiatry) Lease	n/a	10/1/2010	9/30/2019	2,856	\$8,400.00	\$2.94	1	1-yr.	Pres. Alexander
HSCS	Willis-Knighton Medical Center	HSCS Cardiothoracic Specialty Clinic	2751 Bicknell Drive, Shreveport	Mutual Agreement to Terminate lease- clinic relocated to State facility		7/1/2011	11/30/2017						Pres. Alexander
LSU A&M	LA. Beta House Corp.	Congregation of Christ the King Church	Sublease of Fraternity House	Lease of empty Fraternity house to church group		3/5/2018	8/31/2019		\$20,400.00				
LSU A&M	LSU	Baton Rouge Speech & Hearing Foundation	Innovation Park	Amendment to revise terms of lease									Pres. Alexander
LSU A&M	LSU	Emerge Center	South Campus	Ground Lease of additional property to construct parking		1/23/2018	5/29/2042	35,683			2	20 years	Pres. Alexander
LSU A&M	LSU	LSU Foundation's Nicholson Gateway Project, LLC	Nicholson Gateway Building 500	Amendment 1 to Retail Sublease to add Rooftop Terrace to Retail Facilities		3/1/2018		11,058					
LSU A&M	LSU	LSU Foundation's Nicholson Gateway Project, LLC	Nicholson Gateway	Retail Facilities Sublease Agreement									

2017-2018													
Campus	Lessor or Sublessor	Lessee or Sublessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms left	Length	Approved by
LSU A&M	LSU	Tiger Athletic Foundation	Tiger Stadium	Amend Lease for Demo of South End Zone dorms									Pres. Alexander
LSU A&M	LSU	Tiger Athletic Foundation	Bernie Moore Track Stadium	Remove & Replace existing surface		7/17/2017	12/31/2017		\$100.00				Pres. Alexander
LSU A&M	LSU	Tiger Athletic Foundation	Football Operations Center	Renovation and Expansion Phase II		2/9/2018	9/30/2019		\$100.00				Pres. Alexander
LSU A&M	LSU	Tiger Athletic Foundation	Alex Box Batting Cage	Renovation & Addition									
LSU A&M	LSU	Tiger Athletic Foundation	Tiger Stadium Restroom Facilities	Phase II Renovations & Expansion									

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2017-2018													
Campus	Lessor or Sublessor	Lessee or Sublessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms left	Length	Approved by
LSU A&M	LSU Alumni Association	LSU for Risk Management	Alumni Center	Risk Management Office Space									

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2016-2017													
Campus	Lessor	Lessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms	Length	Approved by
LSU A&M	LSU A&M	Star and Crescent Foundation, Inc. (Alumni of the LSU Gamma Chapter of Kappa Sigma Fraternity)	15 Dalrymple Drive, Baton Rouge (Lot #5)	Fraternity House	n/a	1/10/2017	7/1/2065	n/a	\$10	n/a	n/a	n/a	Pres. Alexander
LSU A&M	LSU A&M	Tiger Athletic Foundation (TAF)	Bernie Moore Track Stadium	Resurfacing	5/5/2017	7/17/2017	by 12/1/17	n/a	\$100 one-time	n/a	n/a	n/a	Pres. Alexander
LSU A&M	LSU A&M	Tiger Athletic Foundation (TAF)	Tiger Stadium	Installation of a Distributed Television System	5/5/2017	7/1/2017	by 12/31/17	n/a	\$100 one-time	n/a	n/a	n/a	
LSU A&M	LSU A&M	Tiger Athletic Foundation (TAF)	Tiger Stadium	Amendment to Demo South Stadium Dormitories and Relocate Utilities and Paving	n/a	2/6/2017	8/31/2017	n/a	n/a	n/a	n/a	n/a	Pres. Alexander
LSU A&M	Sublessor: Sigma Chi Alumni Association of La. Inc.	Sublessee: Beta Theta Pi Housing Corporation, LLC	27 Dalrymple Drive (Lot 16)	Fraternity House	n/a	01/06/17	7/31/2017	n/a	\$27,000.00	n/a	1	1-year	Consent by Pres. Alexander
AgCenter	LSU Agricultural Center	World Aquaculture Society	John M. Parker Coliseum Rooms 143, 165, 263, 265, 267	Office Space	n/a	7/1/2016	6/30/2021	956 sf	\$9,560	\$10.00	n/a	n/a	Pres. Alexander
AgCenter	Corpus Christi-Epiphany Roman Catholic Church	AgCenter	2022 St. Bernard Avenue, New Orleans	Orleans Parish Cooperative Extension Service office	n/a	6/23/2017	6/22/2018	1,100	\$14,400.00	\$13.09	1	1-year	Pres. Alexander
AgCenter	Northeast Educational Development Foundation (NEED)	AgCenter	Oak Grove, Louisiana	Delta Rural Development Center	n/a	7/1/2017	6/30/2018	4,999	\$30,000.00	\$6.00	2	1-year	Pres. Alexander
LSU Health New Orleans	LSU Health New Orleans	LSU School of Medicine in New Orleans Faculty Group Practice d/b/a/ LSU Healthcare Network	Portions of the HSC-NO Downtown Campus and the School of Dentistry Campus	Digital Signs	amendment	7/13/2016	7/12/2046	no change	no change	no change	n/a	n/a	Pres. Alexander

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2016-2017													
Campus	Lessor	Lessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms	Length	Approved by
LSU Health New Orleans	LSU Health New Orleans	LSU School of Medicine in New Orleans Faculty Group Practice d/b/a/ LSU Healthcare Network	Portions of the University Medical Office Building (UMOB) 2025 Gravier Street, New Orleans	Medical Offices	1/27/2017	3/24/2017	3/23/2017	11,411	\$176,868	\$15.50	Auto Renewal unless either gives 60 day prior written notice non-renewal	1-year	Pres. Alexander
LSU Health Shreveport	Willis-Knighton Medical Center	LSU Health Shreveport	820 Jordon Street, Suite 104, Shreveport	HSCS Department of Psychiatry Outpatient Adolescent Clinic	n/a	10/1/2016	9/30/2017	2,856	\$25,200.00	\$2.94	3	1-year	Pres. Alexander
Private Partner	University Health Shreveport (Sublessor)	Future State, LLC (Sublessee and a not-for-profit owned/controlled by the BRF)	1512 W. Kirby Place, Shreveport	Medical Offices	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	notice only

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2015-2016													
Campus	Lessor	Lessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms	Length	Approved by
LSU A&M	LSU Board of Supervisors	Playmakers Of Baton Rouge, Inc.	LSU A&M Reilly Theater Room 205A	Offices	n/a	8/1/2015	1 yr.	200 sf	\$2,400.00	\$12.00	0	0	Pres. Alexander
LSU A&M	LSU Board of Supervisors	Tiger Athletic Foundation	Nicholson Drive, Baton Rouge	Renovation and Expansion of Football Operations Center	10/23/2015	1/11/2016	2 yrs. 6 mos.	17.74 acres	\$100.00	n/a	0	0	Pres. Alexander
AgCenter	Corpus Christi-Epiphany Roman Catholic Church	LSU Board of Supervisors	2022 St. Bernard Avenue, New Orleans	Office space	n/a	5/1/2016	1 year	1,100 sf	\$14,400	\$13.09	2	1-year	Pres. Alexander
AgCenter	LSU Agricultural Center	World Aquaculture Society	John M. Parker Coliseum Rooms 143, 165, 263, 265, 267	Office Space	n/a	7/1/2016	6/30/2021	956 sf	\$9,560	\$10.00			Pres. Alexander
AgCenter	LSU Board of Supervisors		Central Research Station, Baton Rouge	Fleet & Mooring	3/18/2016	working out issues		17,095 linear feet					
AgCenter	LSU Board of Supervisors	Lewis Lauve	Dean Lee Research Station, Alexandria	Production Crops Lease	3/18/2016	08/01/16	3 yrs. 5 mos.	107.7 acres	\$9,477.60		2	3-year	Pres. Alexander
AgCenter	LSU Board of Supervisors	Companion Animal Alliance	Gourrier Lane, Baton Rouge	Construction of Companion Animal Alliance Building	3/20/2015	5/23/2016	30 yrs.	6.03 acres	\$12,000.00		2	10 years	Pres. Alexander
AgCenter	LSU Board of Supervisors	Mathew Vinson	Northeast Research Station, St. Joseph	Production Crops Lease	3/20/2015	08/01/16	1 year 5 mos.	50.23 acres	\$1,808.28		4	1-year	Pres. Alexander
AgCenter	LSU Board of Supervisors	William T. Gregory	Northeast Research Station, St. Joseph	Production Crops Lease	5/13/2016	08/01/16	1 year 5 mos.	40 acres	\$6,200.00		4	1-year	Pres. Alexander
AgCenter	LSU Board of Supervisors	Iris Solar, LLC	Southeast Research Station, Franklinton	Solar Farm Lease	5/13/2016	8/1/2016	26 yrs.	440 acres	See notes		2	7-years	Pres. Alexander
AgCenter	LSU Board of Supervisors	Professional Specialties and University Products, LLC	Southeast Research Station, Franklinton	Creation of a USDA License Veterinary Biologic Facility	10/23/2015	2/1/2016	20 yrs.	482 sf + use of 18.4 acres	\$26,400.00		2	5-year	Pres. Alexander
LSU Health Care Services Division	Health Sciences Center Foundation	LSU Board of Supervisors	2000 Tulane Avenue, 3rd Floor, New Orleans	Office space for Accountable Care	9/12/2014	11/1/15	3 yrs. 6 mos.	6,108 sf	\$138,463.00	\$22.67	1	6-months	Pres. Alexander
LSU Health New Orleans	LSU Board of Supervisors	LSU School of Medicine in New Orleans Faculty Group Practice d/b/a LSU Healthcare Network	HSCNO Dental School Campus, New Orleans	Construction and Operation of Digital Outdoor Advertising Signs	12/18/2015	7/13/2016	15 yrs.	1,100 sf	\$1,540 *		3	5-year	Pres. Alexander
LSU Health Shreveport	CLM Properties	LSU Board Of Supervisors	2210 Jackson Street, Alexandria	Family Practice Residency Program-Alexandria medical resident housing	n/a	05/01/2016	5 yrs.	2,600 sf	\$21,600.00	\$8.31	0	0	Pres. Alexander

**Report to LSU Board of Supervisors: Property Leases**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2015-2016													
Campus	Lessor	Lessee	Location	Lease Purpose	BoS Appr. Date	Start	Lease Term	Sq. Ft.	Annual Rental	Dollars / SF	# Option Terms	Length	Approved by
LSU Health Shreveport	Haynes Peavy, LLC	LSU Board of Supervisors	2015 Fairfield Avenue Suite 2B, Shreveport	Partners in Wellness Clinic	n/a	01/16/16	5 yrs.	3,145 sf	\$38,675.04	\$12.30	0	0	Pres. Alexander
Alexandria	LSU Board of Supervisors	LSUA Foundation	LSU Alexandria campus	Construction of an Iconic Corner Pond & Entrance Signage	12/18/2015	6/27/2016	upon completion	5.44 acres	\$100.00				Pres. Alexander
Pennington Biomedical Research Center	LSU Board of Supervisors	Recreation And Park Commission Of East Baton Rouge Parish (BREC)	Along Dawson's Creek on the PBRC campus to Kenilworth Parkway, Baton Rouge	Construction by BREC of Multi-Use Path	12/13/2013	7/1/2015	20 yrs.	approx. .86 miles x 25 ft.	See notes				Pres. Alexander

**Report to LSU Board of Supervisors: Property Leases**

Lease #	File #	Sublease File #	Lessor	Notes
19-4756	228	b	Lease of Space with NEED (Northeast Education Development Foundation) for office space at 10284 Highway 17 South, Oak Grove, Louisiana.	
n/a	359		Lease Agreement at Iberia Research Station- Parcel 1- Freyou Cattle Company, 188.65 of the South Parcel's 595 acres	
19-9975	393		Lease of Space as Additional Space for the AgCenter's Orleans Parish Extension Office with Corpus Christi-Epiphany Roman Catholic Church	
	402		Request from LSU Agricultural Center to Approve a Lease of Mississippi Batture Property Central Research Station, East Baton Rouge Parish Baton Rouge, Louisiana	
	403		Request from LSU Agricultural Center to Approve a Lease of Property for Production Crops Dean Lee Research Station, Rapides Parish Alexandria, Louisiana	
	401		Lease of Property for Production Crops Northeast Research Station, Tensas Parish St. Joseph, Louisiana	
	405		Request from LSU Agricultural Center to Approve a Lease of Property for Solar Farm Development Southeast Research Station, Washington Parish Franklinton, Louisiana	Rent in Development Period \$50 / acre + \$45,000 maintenace rent; Rent in Operational Period \$600/acre; rents increase 2% each year
	404		The LSU Agricultural Center requests approval to solicit bids and to enter into a Lease Agreement at the Northeast Research Station in Tensas Parish.	
	400		Request from LSU Agricultural Center to Approve an Agreement with Professional Specialties and University Products, LLC to Create a USDA Licensed Veterinary Biologic Facility	
	359		Recommendation to approve a Lease of Property, Iberia Research Station, St. Mary Parish	
	136	a	Lease Agreement for Construction of a Modular Inter-Professional Primary Care Clinic at the LSUHSC Dental Campus ( <b>Approved by the BoS March 20, 2015</b> )	
	108		Request from LSU Health Sciences Center – New Orleans to Enter into an Agreement with LSUHSC Affiliated Organization for the Construction and Operation of Digital Outdoor Advertising Sign Structures	

**Report to LSU Board of Supervisors: Property Leases**

Lease #	File #	Sublease File #	Lessor	Notes
	129	a	Recommendation to Approve a Lease Agreement with the LSU School of Medicine- New Orleans Medical Alumni Association, Inc., and the Board of Supervisors for the Construction of Improvements to the Second Floor of the Clinical Sciences Building	
19-9845	519	b	Lease of Space between HCSD and the LSU Health Sciences Center Foundation for property at 2000 Tulane Avenue, 3rd Floor, New Orleans to be used by Accountable Care.	
19-4688	63	b	Lease of a duplex apartment (1,300 sq.ft ea.) located 2210 Jackson St., Alexandria, LA to be used by LSU - HSC-S <b>Family Practice Residency Program - Alexandria</b>	
19-9579	132	b	Lease of Space by Willis-Knighton Medical Center to HSCS for a Department of Neurosurgery clinic at 1811 East Bert Kouns (W-K Pierremont Campus) ( <b>approved by BoS 7/26/2013</b> )	
19-9875	145	a	Lease of Space to house Partners in Wellness Clinic at 2015 Fairfield Avenue, Suite 2B, Shreveport	
	152		Lease of Space with United Way of Central Louisiana at former Huey P. Long Medical Center for a Family Justice Center	
	283	a	Ground Lease Agreement for Construction of the LSU Foundation Building	
	283	e	Lease for Construction of the LSU Foundation Building- Extension of Commencement of Construction to on or before February 1, 2015	
	406	b	Ground lease and Construction Agreement with Companion Animal Alliance	
	134		Request from LSU A&M to Authorize the President to Execute a Lease for Renovation and Expansion of Football Operations Center with Tiger Athletic Foundation	
			Recommendation to Authorize an Agreement with Tiger Athletic Foundation for Construction of Temporary Parking Spaces and related Demolition of vacant LSU Buildings	
	253	b	Recommendation to authorize an Intent to Lease Agreement with the LSU Property Foundation for the Nicholson Gateway Development	
	294		Recommendation to Authorize an Interagency Agreement with the Coastal Protection & Restoration Authority and the Division of Administration for construction of a river modeling facility	
	281		Recommendation to Approve the Lease Agreement for Construction of the LSU Women's Gymnastics Practice Facility	

**Report to LSU Board of Supervisors: Property Leases**

Lease #	File #	Sublease File #	Lessor	Notes
	37		Lease Agreement between LSUA and Compass Group USA through its Chartwells Division for food services	
	40		Request from Louisiana State University at Alexandria to enter into a lease agreement with Barnes and Noble for bookstore services in the University Student Center	Year 1- \$90,000, thereafter \$9,900 plus an amount equal to 90% of calculated commission on gross sale in preceding year or 9% of all gross sales up to \$1m and 10% over \$1m.
	39		Request from LSUA to Approve a Lease Agreement with the LSUA Foundation for the Construction of an Icon Corner Pond and Entrance Signage	
	1	f	Agricultural lease on LSUE property located at S2-T7S-R1W 95.83 Acres- Robert Keith Heinen- three year lease with 2 option terms to renew	
	6	s	Amended and Restated Ground Lease Agreement between LSU Eunice and Eunice Student Housing Foundation, Inc. and Certified Board Resolution	
	32		Lease of Property at Pennington Biomedical Research Center with Recreation and Park Commission of East Baton Rouge Parish (BREC) for a multi-use path. <b>(approved by BoS 12/13/2013).</b>	BREC pays for construction of the trail as the rental.

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Schematic Design**

Updated August 15, 2018

2017-2018			
Project	Architect	Approved by	Approval Date
LSU A&M			
Alex Box Batting Cage Renovations and Additions	GraceHebert Architects	LSU Board of Supervisors	Mar-18

2016-2017			
Project	Architect	Approved by	Approval Date
LSU A&M			
Companion Animal Alliance	Antunovich Associates, Architects & Planners	LSU Board of Supervisors	Dec-16
Tiger Park Indoor Batting Facility	Remson, Haley, Herpin Architects	LSU Board of Supervisors	Mar-17

2015-2016			
Project	Architect	Approved by	Approval Date
LSU A&M			
Nicholson Gateway Development- Phase One	Niles Bolton/Remson, Haley, Herpin	LSU Board of Supervisors	May-16

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Servitudes**

updated August 15, 2018

2017-2018								
Campus/Lessor	Lessee	Servitude or Right-of-Way Location	Acreage	Payment	Length of Term	Type of Document	Approved by	Approval Date
AgCenter	ExxonMobil Pipeline	Ben Hur Research Station				Survey Permit	President Alexander	6/4/18
AgCenter	Franklin Parish Police Jury	at LSUE Campus near LA Hwy 755, Eunice	4.64 acres		Temporary Construction	Servitude	President Alexander	10/2/2017
HSCNO	Entergy New Orleans, Inc.	2021 Perdido Street, New Orleans			Permanent	Right-of-Way	Chancellor Hollier	4/29/2018
HSCNO	Entergy New Orleans, Inc.	2025 Gravier Street, New Orleans			Permanent	Right-of-Way	Chancellor Hollier	4/29/2018
HSCS	City of Shreveport	1414 Claiborne Ave., Shreveport		\$300.00	Temporary Construction Servitude	Utility Servitude	President Alexander	6/4/2018
HSCS	City of Shreveport	6670 St. Vincent Avenue, Shreveport		\$500.00	Permanent	Utility Servitude	President Alexander	5/9/2017
2016-2017								
Campus/Lessor	Lessee	Servitude or Right-of-Way Location	Acreage	Payment	Length of Term	Type of Document	Approved by	Approval Date
LSU A&M	Entergy	at Old LSU Golf Course	.23 acres	\$1.00	unspecified	Right-of-Way	President Alexander	12/2/2016
LSU A&M	Entergy	at Old Print Shop	690' x 16'		unspecified	Right-of-Way	President Alexander	12/2/2016
LSU A&M	Entergy	Terrebonne Parish	4 Tracts: 3.202 acres; .227 acres; .107 acres; and 3.300 acres	\$515.78	permanent	Right-of-Way	President Alexander	4/20/2017
LSU at Eunice	CLECO	at LSUE Campus near LA Hwy 755, Eunice			1 year with two (2) 1-year options	Right-of-Way		Cancelled
LSU Health Care Services Division	Entergy	Terrebonne Parish	1 Tract: 3.07220 acres	\$100.00	permanent	Right-of-Way	Deputy CEO Lanette Buie	3/10/2017
LSU Health Shreveport	City of Shreveport	6670 St. Vincent Avenue		\$500.00	permanent	Utility Servitude	President Alexander	5/9/2017
Pennington Biomedical Research Center	City of Baton Rouge	Sidewalk Servitude	.021 acres	none	perpetual	Sidewalk Servitude	President Alexander	11/2/16

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Servitudes**

updated August 15, 2018

2015-2016								
Campus/Lessor	Lessee	Servitude or Right-of-Way Location	Acreage	Payment	Length of Term	Type of Document	Approved by	Approval Date
LSU A&M	Baton Rouge Water Co.	Burbank Drive and Nicholson area of Baton Rouge	588 ft x 10 ft	none	unspecified	Servitude	President Alexander	12/11/15
AgCenter	American Midstream (MIDLA), LLC	Sweet Potato Research Station, Franklin Parish	.69 acres	\$2,100.00	Should Grantee fail to use the same for purposes herein provided for a period of 36 consecutive months, the R-o-W Agreement and Servitude is terminated	Pipeline R-o-W	President Alexander	5/6/16
AgCenter	DOTD	Hill Farm Research Station, Claiborne Parish	.145 acres	\$3,537.00	4 years	Temporary Construction Servitude	President Alexander	1/29/2016
LSU in Shreveport	City of Shreveport	LSUS campus	.13 acres	none	As long as the servitude is used as a Utility Servitude	Permanent Utility Servitude	President Alexander	3/18/16

**Report to LSU Board of Supervisors: Timber Sales**  
**All Campuses Last 3 Years**

Updated August 15, 2018

2017-2018								
Campus	Location	Parish	Buyer	Acreage	Payment	Designated Timber to be Removed:	Approved by	Approval Date
n/a								
2016-2017								
Campus	Location	Parish	Buyer	Acreage	Payment	Designated Timber to be Removed:	Approved by	Approval Date
AgCenter	Lee Memorial Forest, Franklinton, LA	Washington	Sassafras Timber	152 acres	Approximately \$46,412	24 acres of total tree removal, 26 acres marked timber thinning and 102 acres first thinning.	Vice President Layzell	10/3/2016
AgCenter	Bob R. Jones Idlewild Research Station, Clinton, LA	East Feliciana	Good Hope, Inc.	2 sites: 33 acres and 20 acres	approximately \$71,950	Pine & hardwood saw timber & hardwood pulpwood	Vice President Layzell	8/3/2016
2015-2016								
Campus	Location	Parish	Buyer	Acreage	Payment	Designated Timber to be Removed:	Approved by	Approval Date
AgCenter	Bob R. Jones Idlewild Research Station, Clinton, LA	East Feliciana	Good Hope, Inc.	approximately 80 acres	Approximately \$25,000	Pine pulpwood, logs and chip-n-saw.	President Alexander	10/6/2015

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Transfers of Title to Immovable Property**

Updated August 15, 2018

2017-2018						
Campus	Transfer Description	Value	State ID	Site Code	Approved by	Transfer Date
<b>LSU A&amp;M</b>	Act of Donation of Pleasant Hall Grand Lawn Improvements from the Admissions and Recruiting Center, LLC.	\$181,768		2-17-014	Pres. Alexander	10/26/17
	Act of Donation of Football Indoor Field Lighting Improvements and Termination of License Agreement for Use of Facilities and Premises	\$295,000		2-17-014	Pres. Alexander	09/20/17
	Act of Donation of Football Indoor Practice Facility Synthetic Turf Replacement and Termination of License Agreement for Use of Facilities & Premises	\$550,934		2-17-014	Pres. Alexander	09/20/17
	Act of Donation of PMAC Renovations and Improvements to Restroom Facilities and Termination of License for Use of Facilities and Premises	\$332,769		2-17-014	Pres. Alexander	09/20/17
	Act of Donation of Tiger Stadium for Capital Improvement-South End Zone: demolition of South End Zone Dormitory & related mechanical, electrical & plumbing work.	\$2,425,782		2-17-014	Pres. Alexander	02/09/18
	Act of Donation of Capital Improvements to Mike the Tigers Habitat	\$1,190,717		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Game Day Parking Improvements in Levee Lot A (for 96 RV's)	\$367,167		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Game Day Parking Improvements Project B (for 636 cars)	\$1,044,678		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Game Day Parking Improvements Levee Lot B (for 149 RV's)	\$574,791		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Game Day Parking Improvements Project C (for 1,118 cars)	\$261,169		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Multi-Facility Technology Improvements Project B	\$578,294		2-17-014	Pres. Alexander	02/09/18
	Act of Donation PMAC LED Lighting Project	\$389,065		2-17-014	Pres. Alexander	02/09/18
	Act of Donation Band Hall Renovations Project	\$66,051		2-17-014	Pres. Alexander	02/09/18
	Exchange of Property with New Schools for Baton Rouge- LSU transfers approximately 10 acres located at GSRI to NSBR in exchange for State Street Property				Pres. Alexander	09/20/17
<b>AgCenter</b>	Cash Sale between Division of Administration, Facility Planning and Control, LSU AgCenter and Tensas Parish Police Jury of AgCenter's 61 acres in Tensas Parish	\$207,400			Pres. Alexander	12/13/17
<b>HSCNO</b>	Purchase of Property at 2129-2131 Gravier Street, First District, New Orleans	\$445,000			Pres. Alexander	12/19/17
<b>HSCNO</b>	Purchase of Property at 429 S. Roman Street, New Orleans	\$520,000			Pres. Alexander	06/04/18
<b>HSCNO</b>	Act of Donation by the LSU Health Foundation of Property at 526 S. Roman Street, New Orleans	\$187,000			Pres. Alexander	02/15/18

**Report to LSU Board of Supervisors:  
All Campuses Last 3 Years**

**Transfers of Title to Immovable Property**

Updated August 15, 2018

<b>2016-2017</b>						
<b>Campus</b>	<b>Transfer Description</b>	<b>Value</b>	<b>State ID</b>	<b>Site Code</b>	<b>Approved by</b>	<b>Transfer Date</b>
LSU A&M	Act of Donation of Football Operations Facility Nutrition Fueling Station Installation and Termination of License for Use of Facilities and Premises	\$153,424			Pres. Alexander	10/24/16
LSU A&M	Act of Donation of LSU Golf Practice Facility and Termination of Facilities Use Agreement	\$337,413			Pres. Alexander	10/24/16
LSU A&M	Act of Donation of LSU Women's Gymnastics Practice Facility and Termination of Lease Agreement	\$12,424,090			Pres. Alexander	03/31/16
LSU A&M	Act of Donation of Phase I Work for the Renovation and Expansion of the LSU Football Operations Building	\$4,500,000			Pres. Alexander	08/10/16
LSU A&M	Act of Donation of PMAC Lighting Renovations and Improvements and Confirmation of Termination of License for Use of Facilities and Premises	\$161,713			Pres. Alexander	02/17/17
HCSO	Proposed Sale of approximately 2.414 ± acres of vacant property at 5275 Airline Highway, Baton Rouge to Capital Area Transit System (CATS) for use as a transit hub	appraised at \$235,000			Approved at May BOS meeting	in process
HCSO-HCSNO	Addendum to the Memorandum of Understanding Transferring Properties from HCSO to HCSNO to transfer five additional properties.	not stated	various		President Alexander	10/18/16
HCSO-HCSNO	Second Addendum to the Memorandum of Understanding Transferring Properties from HCSO to HCSNO to transfer one additional property	not stated	S09928		President Alexander	11/21/16
LSU Health New Orleans	Act of Donation of Equipment for the School of Dentistry Pre-Clinical Simulation lab	\$3,199,322			in process	
LSU Health New Orleans	Purchase of Land Square 440- 1800 Gravier Street	\$310,000			President Alexander	04/13/17
LSU Health New Orleans	Purchase of Land Square 440- 1828 Gravier Street	\$55,000			President Alexander	03/08/17
<b>2015-2016</b>						
<b>Campus</b>	<b>Transfer Description</b>	<b>Value</b>	<b>State ID</b>	<b>Site Code</b>	<b>Approved by</b>	<b>Transfer Date</b>
LSU A&M	Act of Donation of 1.083 acres to benefit the LSU Rural Life Museum and Windrush Gardens. The property was donated by John Carlton Monroe III and Frances Hochendel Monroe to the Burden Foundation and from the Burden Foundation to LSU.	not stated			President Alexander	12/16/15
AgCenter	Act of Donation of the Ellis S. Martin Multi-Purpose Pavilion at LSU AgCenter Camp Grant Walker in Pollock, Louisiana. The Donation was a part of a Lease Agreement with the Louisiana 4-H Foundation.	\$1,291,045	S28912		President Alexander	03/31/16
HCSO-HCSNO	Memorandum of Understanding to Transfer of 10 Charity Hospital and Interim LSU Hospital Properties in New Orleans and the funding changes for the properties from LSU Health Care Services Divisions to LSU Health Sciences Center New Orleans	not stated	various		President Alexander	01/11/16
LSU Health New Orleans	Act of Donation of a Modular Interprofessional Primary Care Clinic Building at the HSC-NO School of Dentistry.	\$465,000	S27056	1-36-035	President Alexander	04/13/16



**INTERNAL AUDIT’S ROLE AND SCOPE**

The Office of Internal Audit’s roles include the examination and evaluation of the adequacy and effectiveness of Louisiana State University’s (LSU) governance, risk management process, internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the stated goals and objectives.

The primary focus of Internal Audit is to provide feedback that elements of the risk management process, including internal controls, are functioning as planned, that assets are adequately safeguarded, and that the organization is operating in conformance with established policies, regulations, and laws. The results of internal audits are communicated to executive management and the Audit Committee.

**AUDIT RESOURCES**

*Internal Audit Staffing*

	As of 6/30/15	As of 6/30/16	As of 6/30/17	As of 6/30/18
Professional Staff Positions	15	15	15	15
Administrative Support Position	1	1	1	1

*Budget*

<b>Budget Category</b>	<b>FY 2018</b>	<b>FY 2019 (Tentative)</b>
Salaries	1,257,703	1,257,703
Travel	28,964	53,694
Operating Services	24,000	24,000
Supplies	16,216	22,116
Professional Services	16,259	16,259
Other Charges	8,665	15,865
Fringe Benefits	480,904	480,904
Equipment	5,923	5,923
	<u>1,838,634</u>	<u>1,876,464</u>

**PLANNING**

The specific scope of Internal Audit activities is primarily defined through an annual risk assessment process, the purpose of which is to aid in developing a risk-based plan of activities for the upcoming fiscal year. In evaluating risks, major financial, compliance,

operational activities and systems, as well as relevant laws, regulations, and internal policies are identified and considered.

The risk assessment process includes soliciting input from senior management at both the system-wide and campus perspective. We also relied on risks that were identified by management during the Enterprise Risk Management process, which is currently being implemented at LSU. Current events and emerging risks were considered as well as information gathered from external sources, such as regulatory and industry. In making a determination regarding the level of risk, the following factors may be considered: inherent risk, existing internal controls, results of analytics, results of previous audits, volume (e.g. number and dollar amount of transactions), value-added potential, management interest, emerging risks and auditor discretion.

## **PRIMARY RISK CATEGORIES**

*FINANCIAL* Financial risk components include the potential loss of physical assets or financial resources. This area also includes risks associated with investing, financing, collection of and accounting for revenues, and the expenditure of funds.

*BUSINESS* Business risks include strategic risks which are events that would prevent the University from achieving its goals, and reputational risks which are events that would tarnish the University's public image and potentially impact fundraising, recruitment and retention of faculty and staff.

*COMPLIANCE/REGULATORY* Compliance/regulatory risk include penalties associated with non-compliance with laws and regulations and unethical conduct; impacts from unenforceable contracts, lawsuits, or adverse judgments.

*OPERATIONAL* Operational risks include those factors related to the day-to-day activities of the University and those processes established to accomplish its goals.

## **AUDIT UNIVERSE**

Activities are classified into categories which were developed based primarily on information compiled by the Association of College and University Auditors, a national organization of public and private institutions of higher education, and revised as necessary to reflect the specific audit universe of LSU.

The audit universe at LSU has been defined in the following functional categories and associated sub-categories:

# LSU OFFICE OF INTERNAL AUDIT AUDIT UNIVERSE

## ASSET AND RISK MANAGEMENT

- Emergency Preparedness
- Endowment and Development
- Environmental Health and Safety
- Risk Management

## AUXILIARY AND SERVICE DEPARTMENTS

- Athletics
- Auxiliary Enterprises Administration
- Bookstore
- Housing
- Police (Campus Safety)
- Recreation and Athletic Centers
- Service Centers – Auxiliary
- Special Events Center

## FINANCIAL MANAGEMENT

- Accounting and Reporting
- Accounts Receivable
- Accounts Payable
- Expenditures
- Cash Handling
- Cash Management
- Financial Management Operations
- Revenue
- Payroll

## GOVERNANCE AND LEADERSHIP

- Governance
- Legal
- Strategic Financial Management
- Relations with External Stakeholders
- Minors on Campus
- Title IX
- Affiliated Organizations

## HOSPITAL AND PATIENT CARE

- Charge Capture and Collection

- Patient Care
- Hospital Building and Facilities
- Hospital Equipment and Supplies
- Patient Information
- Compliance

## INFORMATION TECHNOLOGY

- IT Administrative Support
- IT Customer Service
- IT Daily Operations
- IT Development and Research
- IT Strategic Planning and Governance

## INSTRUCTION AND ACADEMIC SUPPORT

- Academic Administration
- Academic Personnel Admin
- Academic Records Management
- Academic Reporting
- Academic Support
- Course and Curriculum Development
- Instruction (including online learning)
- International Affairs

## ACADEMIC MEDICAL CENTER

- Patient Information
- Medical Education
- Clinical Revenue
- Medical Center General
- Medical Center Faculty and Staff

## PLANT OPERATIONS AND MANAGEMENT

- Building Maintenance
- Custodial Services
- Landscape and Grounds
- Major Repair and Renovation
- Construction Procurement
- Physical Plant Administration
- Utilities

## PURCHASING AND WAREHOUSING

- Moveable Property Inventory Management
- Purchasing

## RESEARCH AND DEVELOPMENT

- Animal Research
- Facilities and Equipment
- Human Subjects Research
- Intellectual Property/Tech Transfer
- Sponsored Program Admin
- Sponsored Program Financial
- Research Quality & Integrity
- Safety & Security
- Trademark Licensing
- Export Controls

## STUDENT SERVICES

- Admissions & Registration
- Career Development/Graduate Services
- Counseling Services
- Dining
- Enrollment Management
- Financial Aid
- Health Services
- Technology Fee Administration
- Student Organizations and Activities
- Student Judicial Affairs
- Student Services Administration

## HUMAN RESOURCES

- Hiring
- Operations Management
- Employee Health Insurance Administration
- Employee Development/Benefits Management

## **Fiscal Year 2019 Audit Plan**

Based on the results of the risk assessment, the FY 2019 audit plan was developed to address the most significant areas of risk that were identified. However, risks are continually changing and the audit plan is monitored throughout the year and adjusted as necessary to address the changing risks.

In addition to the identified audits, the plan includes hours to follow-up on corrective actions, continuing professional development for our audit staff, investigations, and for unplanned activities due to emerging risks or priorities that may arise.

The following chart shows the broad range of areas addressed in the FY 2019 audit plan. The detailed audit plan is included in Appendix A.

# TOPICS ADDRESSED IN FY 2019 AUDIT PLAN

## GOVERNANCE

Affiliated Organizations

## COMPLIANCE

Compliance Programs

## INSTRUCTION

Online & Distance Learning

## FINANCIAL

Expenditures  
Investment Management  
Financial Aid  
Physician Services  
agreements

## RESEARCH

Lab Safety  
Export Controls

## INFORMATION TECHNOLOGY

IT Asset Management  
Data Management/Security  
Security Awareness & Training  
Cloud Migration

## OPERATIONAL

Construction

## RISK MANAGEMENT

Emergency/Crisis Management

## HUMAN RESOURCES

Employee Development/Benefits

## AUXILIARIES

Athletics

## STUDENT SERVICES

Lab School Operations

LSU Office of Internal Audit  
FY 2018-2019 Audit Plan  
APPENDIX A

CAMPUS	AUDIT AREA	DESCRIPTION	FUNCTIONAL CATEGORY	PRIMARY RISK CATEGORY			
				Financial	Business	Compliance	Operational
Multi	Construction	Review of University controls over procurement for construction projects, including public private partnerships and related contracts	Plant Operations and Management	X	X		
Multi	Affiliated Organizations	Review affiliate compliance with terms of uniform affiliation agreements and other related agreements	Governance and Leadership			X	
Multi	Employee Travel	Review of employee and departmental analytics for employee travel, including executive, as well as compliance with University policy and sufficient business justification	Financial Management	X			
Multi	Lab Safety	Review of policies and controls designed to ensure safety within research and teaching laboratories	Research and Development			X	
LSU A&M	Investment Management	Review of University controls for managing investments including transaction authorization, segregation of duties, compliance, and reporting	Financial Management	X			
LSU A&M	Emergency/Crisis Management	Review of University controls over critical incidents including policies, prevention/mitigation strategies, educational efforts, training exercises, communication protocol, and incident follow-ups	Asset and Risk Management		X		
LSU A&M	Athletics	Review of University controls over ticketing services including impact on finance, operations, and compliance	Auxiliary and Service Departments	X	X		
LSU A&M	Lab School Operations	Operational Compliance Review	Student Services		X		X
LSUE	Online and Distance Learning	Review of University controls to ensure appropriate curriculum development and rigor for online courses	Instruction and Academic Support				X
LSUA	Financial Aid	Review of scholarships and institutional aid	Financial Management	X			
HSCS	Human Resources mgmt.	Employee development/ benefits	Human Resources	X			
HSCNO	Financial Controls (Expenditures)	Review of controls and procedures for travel, expenses, procurement and wire transfers	Financial management	X			
HSCNO	Physician services agreements	Review of billing procedures and controls of contracts for supervision, professional services, directorships, etc.	Financial management	X			
HSCNO	Compliance Program	Review of compliance function	Compliance				X
<b>Information Technology (IT) Audits</b>							
MULTI	IT Asset Management	Analysis to determine what physical assets and software applications are used to create, store, or transmit sensitive information and evaluation of related controls	Information Technology				X
MULTI	Data Management/Data Security	Review of data classification processes, procedures and controls; data access controls; data masking/transforming to limit expose to protected information. Will include General Data Protection Regulation (GDPR)	Information Technology		X		
MULTI	Security Awareness & Training	Will include review of awareness and training related to onboarding; password or data access sharing; phishing; physical security.	Information Technology				X
LSU A&M	Cloud Migration	Review of contracts for appropriate controls	Information Technology				X

LSU Office of Internal Audit  
FY 2018-2019 Audit Plan  
APPENDIX A

CAMPUS	AUDIT AREA	DESCRIPTION	FUNCTIONAL CATEGORY	PRIMARY RISK CATEGORY			
				Financial	Business	Compliance	Operational
<b>IN PROGRESS AUDIT WORK TO BE COMPLETED</b>							
MULTI	Internet of Things (IOT)	Determine the extent of networked devices at the health related institutions to determine strength of security safeguards.	Information Technology				X
LSU	Payroll	Review the setup and processing of payroll to ensure employees are compensated accurately, including pay after termination	Financial Management	X			
HSCS	FWCC Financial Operations	Review of financial control operations and internal controls related to finance	Financial Management	X			
HSCNO	Sponsored Program Administration	Review of post-award administration including controls designed to ensure compliance with federal regulations	Research & Development			X	
MULTI	Export Controls	Review of university policies and controls designed to ensure compliance with U.S. laws that regulate the distribution of certain technology, information, and services to foreign nationals and foreign countries for reasons of national security and foreign policy	Research and Development			X	
<b>AUDIT AREAS THAT WILL BE INCLUDED IF RESOURCES BECOME AVAILABLE</b>							
Multi	F&A Waivers	Review of policies and controls for waiving or reducing facilities and administrative (indirect) costs	Research and Development			X	
LSU A&M	Facility Services	Review of University controls related to facilities management including billing, outsourcing, inventory control, and operational efficiency	Auxiliary and Service Department				X
LSUS	Online graduate programs	Review and test controls in place to ensure roster, grading, etc. related to online programs	Instruction and Academic Support				X
LSUS	Building Maintenance/Movable Property	Review of work flow process and movable equipment	Financial Management				X
LSUA	Continuing Education	Review of controls over student debt	Financial Management				X
LSUA	Housing operations	Review of financial operations and security at The Oaks	Auxiliary and service				X
HSCNO	Human Resources	Review of hiring process (background checks)/termination process	Human Resources				X
HSCNO	Financial controls (Revenues)	Review of controls and procedures for revenue, receivables and cash handling.	Financial management	X			
HSCS	Clinical Trials	Review of university controls for billing and use of clearing accounts on clinical trials	Research and Development				X
HSCS	Physician Contracts	Review of university process for measuring clinical faculty productivity	Academic Medical Center				X
HSCS	Physician Billing	Review of new billing structure with Faculty Group Practice	Financial Management				X
HSCS	Admission policy	Compliance with Association of American Medical Colleges	Academic Medical Center			X	
<b>OTHER AUDIT ACTIVITIES</b>							
MULTI		Management requests/unscheduled audits					
MULTI		Follow-up on open action plans					
MULTI		Consulting					
MULTI		Investigative Services					
IA ADMIN		Quality Assurance & Improvement Program IT Support - includes management of audit software and equipment; consulting on various campus projects and committees, etc. Annual Risk Assessment and Audit Plan					

Louisiana State University  
Office of Internal Audit

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# **Quarterly Audit Summary**

*Fiscal Year 2018, 3rd Quarter*

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# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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## Multi-Campus

### **Authorization of Personnel Actions**

#### Audit Initiation:

This review originated as a scheduled audit from the Board approved audit plan.

#### Audit Scope and Objectives:

The primary audit objective was to determine if personnel actions are approved in compliance with Board Bylaws and Regulations and PM-69, with a focus on those actions authorized in accordance with Board and Presidential delegations. The scope of the work included personnel actions between July 1, 2015 through March 31, 2017, and others that came to our attention during the course of the audit. All LSU campuses were included in the scope.

#### Audit Findings:

Our report included the following findings and recommendations:

1. We identified personnel actions that did not receive Board approval as required by PM-69 and Board Bylaws. University Administration should take appropriate steps to ensure compliance with Board Bylaws related to the approval of personnel actions.
2. Our testing identified one new appointment without proper documentation and two salary increases that did not received required Presidential approval. Management should take appropriate steps to ensure compliance with PM-69 and Board Bylaws and should maintain sufficient documentation to demonstrate compliance.
3. We identified personnel actions that were not included on the quarterly reports to the Board. When these were brought to management's attention, the personnel actions were subsequently added to the next report. Management should

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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seek to have the Board clarify which personnel actions are to be included on quarterly reports.

4. Although an opinion from the Louisiana Ethics Board prohibits the LSU VP, who is also serving as the Foundation CEO, from being compensated solely by the Foundation, the current LSU VP has not received any compensation directly from LSU during his employment with LSU and the Foundation. Rather he is fully compensated by the Foundation with LSU reimbursing the Foundation for a portion of his pay. Additionally, prior to March 2018, the supplemental compensation paid to the LSU VP by the Foundation had not been approved by the LSU Board as directed by the Ethics Opinion. Management should seek legal counsel to determine whether any reporting to or further guidance from the Ethics Board is required.

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans.

## **Research Integrity**

Audit Initiation:

This review originated as a scheduled audit from the Board approved audit plan.

Audit Scope and Objectives:

The primary audit objective was to determine whether the University fosters a culture that encourages responsible conduct of research, including mitigating potential conflicts of interest and adequately investigating allegations of research misconduct. The scope of our review included controls related to grants awarded during FY 2017 at the following research campuses: LSU A&M, AgCenter, Pennington Biomedical Research Center, and the Health Sciences Centers (HSC) in New Orleans and Shreveport.

Audit Findings:

Based on the results of our testing, we have the following recommendations for management:

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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1. LSU A&M should ensure designated personnel work to promptly address any allegations of research misconduct and place extension notes in the files whenever their review will take longer to complete than the deadlines outlined by applicable Federal regulations.
2. LSU A&M should update the campus conflicts of interest (COI) policy and proposal routing forms to require disclosures for all awards, regardless of funding source.
3. AgCenter should update the campus COI policy to reflect minimum Federal criteria and implement sufficient controls to obtain disclosures from inventors.
4. HSC-NO should verify researchers submit annual conflicts of interest disclosures.

## Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans, which will be fully completed by June 30, 2018.

## **Financial Statement Audit (Louisiana Legislative Auditor)**

### Audit Initiation:

This external audit was conducted by the Louisiana Legislative Auditor's Office.

### Audit Scope and Objectives:

The Louisiana Legislative Auditor's (LLA) Office conducted a financial statement audit of the Louisiana State University System (System) for the year ended June 30, 2017, as a part of the Single Audit of the State of Louisiana and to provide accountability over public funds.

### Audit Findings:

The LLA found that the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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units of the System as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The following findings were included in the report:

- Weaknesses in Controls over LSU System Financial Report for FY 2017 – adequate internal controls were not in place at the System level to ensure the Financial Report was free from material misstatement once compiled.
- Weaknesses in Agreements for use of State Assets at University Medical Center New Orleans(UMCNO) – For the 2<sup>nd</sup> consecutive year, the System did not have complete, signed agreements for all equipment being utilized by the partner managing UMCNO.

Management’s Response and Corrective Action Plan:

Management concurred with the findings and recommendations and their response and corrective action plans were included as an appendix to the report.

## Louisiana State University and A&M College

### **Graduate Assistant Employment**

Audit Initiation:

This review originated from a management request.

Audit Scope and Objectives:

This was a limited-scope review of policies, procedures, and controls at the LSU A&M campus related to graduate assistantships (GA).

Audit Findings:

We found that, generally, there were not sufficient controls to clearly align GA award policy and execution with University

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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strategy. As a result, we had the following recommendations for management:

1. Establish a centralized approach for GA employment to ensure effective oversight and administration.
2. Develop necessary controls for accountability and position control; these should be reflected in LSU Policy Statement 21.

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans, which will be fully completed by January 1, 2019.

## **Athletics Agreed Upon Procedures (Louisiana Legislative Auditor)**

Audit Initiation:

This external audit was conducted by the Louisiana Legislative Auditor's Office.

Audit Scope and Objectives:

The Louisiana Legislative Auditor's (LLA) Office conducted agreed upon procedures to assist in evaluating whether the Statement of Revenues and Expenses of the LSU A&M Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2017

Audit Findings:

There were no significant audit findings.

Management's Response and Corrective Action Plan:

A management response was not required.

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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## **Management Letter (Louisiana Legislative Auditor)**

### Audit Initiation:

This external audit was conducted by the Louisiana Legislative Auditor's Office.

### Audit Scope and Objectives:

The Louisiana Legislative Auditor's (LLA) Office conducted procedures at Louisiana State University and related campuses as part of the Louisiana State University System's financial statement audit, and to evaluate its accountability over public funds for the period July 1, 2016 through June 30, 2017.

### Audit Findings:

- Weaknesses in Controls over Federal Research and Development Expenses (2<sup>nd</sup> consecutive year)
- Inadequate Controls over Federal Special Tests and Provisions Requirements at the LSU AgCenter
- Non-compliance with Federal Equipment Management Regulations at the LSU A&M College (2<sup>nd</sup> consecutive year) and the LSU Agricultural Center (3<sup>rd</sup> consecutive year)
- Noncompliance with Federal Equipment Management Regulations at the Pennington Biomedical Research Center
- Inadequate Controls and Noncompliance over Return of Title IV Funds Requirements at LSU A&M
- Weakness in Controls over Federal Reporting Requirements at LSU AgCenter (2<sup>nd</sup> consecutive year) and Pennington Biomedical Research Center
- Weaknesses in Controls over Borrower Data Reconciliation Requirements

### Management's Response and Corrective Action Plan:

Management provided responses that included corrective actions to be taken to address each of the findings.

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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## Pennington Biomedical Research Center

### **Financial Controls review**

#### Audit Initiation:

This review originated as a scheduled audit from the FY 2018 Board approved audit plan.

#### Audit Scope and Objectives:

The scope of this audit included controls, transactions, and related documentation for the period July 1, 2016 to June 30, 2017. The primary objective was to determine whether Pennington Biomedical Research Center's (PBRC) controls over financial management were in place and functioning properly.

#### Audit Findings:

Based on the results of our testing, we had the following recommendations for management:

1. Auxiliary Stores should document the process used to apply mark-ups on invoices billed to PBRC units and sponsored programs. Management should perform periodic reviews of the mark-ups to ensure that they are applied consistently and in accordance with the approved procedures.
2. Management should establish a cost transfer policy or modify an existing policy to specify the entries which require documented justification and/or specific approvals to transfer costs between awards.
3. The PBRC Executive Director should approve all facilities and administrative rate waivers in writing, along with a detailed explanation documenting the reason for the waiver.
4. Sub-recipient invoices should include the information required by the applicable sub award agreement prior to making payments on those invoices.
5. Implement monitoring controls that identify outstanding procurement card transactions to ensure those entries are processed timely.

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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## Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans, which will be fully completed by September 30, 2018.

## Louisiana State University Health Sciences Center Shreveport (HSCS)

### **Cost Transfers per CEA**

#### Audit Initiation:

This review originated as a scheduled audit from the FY 2017 Board approved audit plan.

#### Audit Scope and Objectives:

The scope of the audit included cost transfers by HSCS for the period July 1, 2016 to April 30, 2017.

The objectives of this audit included review in the areas of billing, receivables, write-offs and contract authorization by HSCS in accordance with the following agreements and the amendments thereto:

- Professional Services Agreement (PSA)
- MOU PSA Addendum (MOU PSA)
- Shared Support Services Agreement (SSA)
- Resident Support Agreement (RSA)
- Allied Health Professionals Services Agreement (AH PSA)

#### Audit Findings:

Based on testing performed, the following were noted:

- Incomplete billing of professional services
- Failure to follow-up in a timely manner for outstanding balances due
- No contract monitor, formal contract review process, master list or archive in place

# Quarterly Audit Summary

*Fiscal Year 2018, 3rd Quarter*

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We recommended taking these findings into account and appropriately addressing as HSC-Shreveport moves forward with the development of a new CEA.

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is incorporating them going forward.