

**COOPERATIVE ENDEAVOR AGREEMENT**

**BY AND AMONG**

**CHRISTUS HEALTH CENTRAL LOUISIANA;**

**RAPIDES HEALTHCARE SYSTEM, L.L.C.;**

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

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

**THE LOUISIANA DIVISION OF ADMINISTRATION;**

**AND**

**THE LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS**

**DATED OCTOBER 1, 2013**

## COOPERATIVE ENDEAVOR AGREEMENT

**THIS COOPERATIVE ENDEAVOR AGREEMENT** (this “CEA” or this “Agreement”) is made and entered into this 1<sup>st</sup> day of October 2013 (“Effective Date”), by and among the **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (“LSU”), a public constitutional corporation of the State of Louisiana, **CHRISTUS HEALTH CENTRAL LOUISIANA**, a Louisiana nonprofit corporation (“CHRISTUS”); **RAPIDES HEALTHCARE SYSTEM, L.L.C.**, a Louisiana limited liability company (“Rapides”), and the **STATE OF LOUISIANA** (the “State”), through the **DIVISION OF ADMINISTRATION** (“DOA”) and the **LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS** (“DHH”). LSU, CHRISTUS, Rapides, the State, DHH and DOA are sometimes individually referred to herein as “Party,” and collectively as the “Parties.” Capitalized terms used but not otherwise defined in the Agreement shall have the meanings set forth on Exhibit 1.

### RECITALS

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

WHEREAS, the state-wide public hospital system is financially unsustainable, compromising LSU’s and the State’s ability to provide medical education opportunities, a full

range of clinical services to all Louisiana citizens, including the uninsured and Medicaid high-risk populations, and promote clinical research and other advances in health care;

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

WHEREAS, LSU owns and operates the hospital and related facilities known as Huey P. Long Medical Center, in Pineville, Louisiana operating under Medicare Provider Number 19-0009, hereinafter referred to as the "Hospital" or "H.P. Long";

WHEREAS, LSU has authority to exercise all power to direct, control, supervise and manage the Hospital pursuant to La. R.S. 17:1518.1, and 17:1519 et seq., including, but not limited to, the power to enter into such contracts and agreements with any public or private party as may be necessary;

WHEREAS, the mission of the Hospital is to serve the community, the State and the parishes of Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon and Winn (the "Region"), by providing care to the State's vulnerable populations, and H.P. Long has accomplished this mission through its outpatient clinics (the "Outpatient Clinics"), and also limited inpatient and emergency room services;

WHEREAS, CHRISTUS and Rapides have extensive experience in nonprofit hospital operations and finances and are committed to the charitable and community economic development missions in the communities they serve;

WHEREAS, in order to ensure the continued provision of medical services to the patients in the Alexandria area, including the Medically Indigent and uninsured population thereof, and to maintain the viability of Outpatient Clinics and protect and enhance their vital role in the

community in the most efficient and cost-effective manner, the Parties desire for: (i) acute inpatient, psychiatric inpatient, outpatient pharmacy(ies) and emergency room services that have historically been provided by H.P. Long to be transitioned to, and provided at, CHRISTUS's and Rapides's facilities; (ii) CHRISTUS and/or Rapides to operate outpatient pharmacy(ies) and clinics for primary, urgent and specialty care either as freestanding clinics or as provider-based clinics of CHRISTUS or Rapides; and (iii) the H.P. Long hospital license, Medicare and Medicaid provider numbers, and other permits, licenses and approvals related to H.P. Long hospital operations to be retired;

WHEREAS, LSU will seek Louisiana Legislature approval for the closure of H.P. Long as a hospital, including the cessation of inpatient and emergency room services, along with operation of H.P. Long's Outpatient Clinics, in accordance with La. R.S. 17:1518.1(F);

WHEREAS, the Parties desire to immediately utilize CHRISTUS's and Rapides's financial, operational, relationship and other expertise and resources for the mutual benefit of the State and LSU by entering into a series of transactions in which: (i) H.P. Long will continue to provide inpatient care and emergency services in accordance with the terms of this Agreement governing the Transition Period and until such time as the Louisiana legislature approves the closure of H.P. Long; (ii) subject to and in compliance with La. R.S 17:1518.1(F), H.P. Long will reduce services and will use its best efforts to work with CHRISTUS and Rapides to transition the inpatient and psychiatric care that is presently provided and available in the community to CHRISTUS and Rapides subject to the capacity to provide that care by CHRISTUS and Rapides; (iii) DHH will allocate a portion of the available supplemental payments to H.P. Long for its supplemental entitlement in State Fiscal Year 2014 and will transfer the balance of supplemental payments to assist CHRISTUS and Rapides with the costs

of providing hospital services to the low-income and needy population; and (iv) at the next legislative session, LSU will seek legislative approval to close H.P. Long as an inpatient hospital facility; (v) CHRISTUS and/or Rapides will expand their provision of services for the low income and indigent population in the Region (collectively, the “Contemplated Transactions”);

WHEREAS, among other things, this CEA and the Contemplated Transactions will afford CHRISTUS and Rapides the opportunity to access and support a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration across a broader base of providers, all of which will better serve the Medically Indigent patient population of the Region;

WHEREAS, among other things, this Agreement and the Contemplated Transactions are intended to: (i) result in a more available and reasonable means of financing to provide better access to a full range of clinical care services to the uninsured and high risk Medicaid populations; (ii) attract private and publicly financed third-party payments in order to compete in the health care marketplace; and (iii) promote better health care for Louisiana citizens through an evidence-based, outcomes-driven, integrated delivery system focused on high quality, cost-effective health care;

WHEREAS, CHRISTUS and Rapides are willing and desire to participate with the other Parties hereto to provide the financial resources, operational expertise and other necessary resources, and to take steps, to ensure that their facilities continue to: (i) serve as safety-net hospitals and play central roles in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide services that might not otherwise be available in the community, and (iii) prevent the major reductions currently contemplated for the H.P. Long community and their devastating effects on patient access to clinical care;

WHEREAS, the Parties recognize that CHRISTUS's and Rapides's support of H.P. Long's charitable mission and the provision of services to the medically needy will include the commitment and the assumption of significant financial and operational investments by CHRISTUS and Rapides, and the Parties desire to ensure that financial resources remain adequate for CHRISTUS and Rapides to provide health services in the Region, including to the low-income, needy, Medically Indigent, uninsured, and inmate populations;

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

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

WHEREAS, the Parties recognize that this Agreement shall be subject to presentation and review by, and any required approval of, the Louisiana Legislature's Joint Legislative Committee on the Budget in accordance with law;

WHEREAS, the Parties intend the Contemplated Transactions will reduce the need for State General Funds expenditures below those previously contemplated;

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

**ARTICLE I.**  
**STATEMENT OF PUBLIC PURPOSE**

**Section 1.1** Public Purpose. In accordance with Article 7, Section 14(C) of the Louisiana Constitution, the Parties are entering into this Agreement for the public purpose of maintaining an integrated healthcare delivery system in which the Parties continuously work in

collaboration and are committed and aligned in their actions and activities, in accordance with a sustainable business model, to serve the State and its citizens: (a) in assuring access to Safety Net Services to all citizens of the State, including the Medically Indigent, high risk Medicaid and prisoner populations; and (b) by focusing on and supporting the Core Services necessary to assure access to Safety Net Services.

**Section 1.2** Monitoring. LSU shall designate an individual (the “Contract Monitor”) to be responsible for monitoring compliance with this Agreement in accordance with Executive Order BJ 08-29. The Contract Monitor shall implement a plan that includes regular data collection, review and reporting, consistent with the terms of this Agreement, which will provide for accountability to the public purpose as set forth in this **Article I**. The Contract Monitor shall regularly report his or her findings to the LSU Vice President for Health Care.

## **ARTICLE II.** **COMMITMENTS TO PATIENT CARE**

**Section 2.1** Care for the Medically Indigent and Uninsured. Subject to the terms of this Agreement, including CHRISTUS’s and Rapides’s receipt of the State Funding Payment as provided in **Article V**, CHRISTUS and Rapides shall make available Core Services to patients in the Region, including the Medically Indigent and uninsured population, consistent with the historical provision level of such services at H.P. Long. CHRISTUS and Rapides shall provide such services subject to the charity care policies contemplated by this Agreement, attached as Exhibit 2.1, which shall not be amended without the mutual agreement of the Parties, except as required by law.

**Section 2.2** Care for High-Risk Medicaid Patients. Recognizing LSU’s traditional role as a high-volume provider of health care services to patients covered by Medicaid, particularly medically complex and otherwise high-risk Medicaid patients, CHRISTUS and Rapides will

assure that the Core Services as described in this **Article II** are available to high-risk Medicaid patients in accordance with the terms of this Agreement.

**Section 2.3** Behavioral Health. CHRISTUS shall provide behavioral health services consistent with all applicable Health Care Laws and at least at the level required by this Agreement. Upon reasonable notice from LSU or DHH requesting a consultation regarding the provision of behavioral health services in the Region, CHRISTUS shall consult with LSU, the Central Louisiana Community Service Office or DHH Office of Behavioral Health to address the ongoing provision of behavioral health services in the Region.

**Section 2.4** Department of Corrections. Subject to CHRISTUS's, Rapides's and the Louisiana Department of Corrections' ("DOC") written agreement of reasonable reimbursement from the DOC, CHRISTUS and/or Rapides will provide medically necessary health care to the State's and Parish's inmates housed in the Region. In the event CHRISTUS or Rapides do not receive reasonable reimbursement, CHRISTUS or Rapides may suspend the provision of health care services to DOC or Parish inmates, and the State or Parish shall arrange for alternative sources of medically necessary health care until such time as reimbursement is provided to CHRISTUS or Rapides for such medically necessary services. Suspension of care to DOC or Parish inmates due to lack of reimbursement for such services shall not constitute a violation of this Agreement.

**Section 2.5** Core Services. The Parties acknowledge and agree that the services identified on **Exhibit 2.5** are core services (the "Core Services") currently being provided to the Region through H.P. Long, and that CHRISTUS and/or Rapides shall make available the Core Services in the community on and after the Closure Date, subject to and in accordance with the terms of this Agreement, including receipt of the State Funding Payment. Except for reasons of



a lack of State Funding Payment, and subject to Section 2.6, neither CHRISTUS nor Rapides will unilaterally discontinue any Core Services currently provided in the community. Notwithstanding the foregoing, the Core Services and Exhibit 2.5 may be amended in the future to add or delete a Core Service by mutual agreement of LSU, CHRISTUS and Rapides and based on community need, patient access, cost, available resources, any required legislative approvals and other relevant considerations.

**Section 2.6** Closure; Reduction of Services. Except as otherwise provided in this Agreement, LSU will not close the Hospital or the Hospital's emergency room until the Closure Date or reduce health care services provided by H.P. Long in any manner that would violate LA. R.S. 17:1518.1(F). Subject to the foregoing, during the period prior to such closure LSU will take all other necessary actions to prepare to close H.P. Long's emergency department and to terminate the Hospital's license to provide inpatient hospital services, such that emergency and inpatient services will no longer be provided at the Hospital after the Closure Date.

**Section 2.7** Medical Records. To the extent desired by the Parties, LSU, CHRISTUS and Rapides will work together to establish the standards and a process for access to and use of current LSU patient records from the Hospital and to provide access for the same, as well as other systems integration needs and similar technological needs associated with transferring H.P. Long's patients to CHRISTUS and Rapides after the Closure Date. To the extent desired by the Parties, LSU, CHRISTUS and Rapides will further work together to establish processes and standards toward the timely, efficient and secure exchange of patient records, paper and/or electronic, as necessary to support the administrative processes and clinical workflows related to the delivery and continuity of inpatient and outpatient care. This work may include the provision of direct access to, and the interfacing and/or integration of, electronic patient records, utilizing

where appropriate and feasible healthcare industry standards for electronic data interchange, data interoperability and security of protected health information, as each Party is able based on information systems management capabilities currently in place and planned for the future.

**Section 2.8** Transfer of Patients. To ensure the availability of quality patient care at an appropriate level, on or before the Closure Date, LSU shall enter into a Patient Transfer Agreement with both CHRISTUS and Rapides, pursuant to which CHRISTUS or Rapides and their affiliated hospitals shall be permitted to transfer patients in need of a higher level of care to LSU's Shreveport facilities or other LSU partner facilities.

**ARTICLE III.**  
**CONSUMABLES, INVENTORY AND EQUIPMENT**

**Section 3.1** Consumables and Inventory. All usable inventories of: (a) supplies, drugs, food, and other disposables; and (b) tangible assets valued at less than One Thousand and No/100 Dollars (\$1,000) that are untagged and untracked by LSU and DOA that are on hand at the Hospital as of the Closure Date may be transferred to CHRISTUS or Rapides for fair market value pursuant to the terms and conditions set forth in the Master Collaborative Agreement, if any, and any related documents or instruments.

**Section 3.2** Equipment. CHRISTUS or Rapides may enter a lease agreement for certain furniture, fixtures and equipment present at H.P. Long that is valued at greater than One Thousand and No/100 Dollars (\$1,000.00) and that is tagged and tracked by LSU. The equipment lease will be subject to approval by LSU, and the rental payments paid to LSU thereunder will not exceed fair market value.

**ARTICLE IV.**  
**HOSPITAL EMPLOYEES**

**Section 4.1** Employee Matters.

(a) Termination of Employment by LSU. Subsequent to the execution of this Agreement by all Parties, LSU will file a layoff plan (the "Layoff Plan") with the Louisiana Civil Service Commission that will provide for LSU's Hospital employees ("LSU Personnel") to be laid off as LSU employees, subject to the approval of the Civil Service Commission, as of 11:59 p.m. on the day before the Closure Date.

(b) Offers of Employment. All LSU Personnel may apply to CHRISTUS or Rapides for employment. CHRISTUS and Rapides shall conduct interviews of LSU Personnel within seventy-five (75) Business Days of the Effective Date. For any application CHRISTUS or Rapides receives from LSU Personnel, CHRISTUS or Rapides, as applicable, shall respond in writing with either a conditional offer or denial, as applicable, not later than thirty (30) Business Days after its receipt of a completed application. At any time prior to the Closure Date, CHRISTUS or Rapides may communicate with any of the LSU Personnel currently employed in the operation of H.P. Long to the extent necessary to allow LSU Personnel to apply for employment and to allow CHRISTUS or Rapides, as applicable, to offer employment to LSU Personnel in accordance with this **Article IV**. LSU shall further permit CHRISTUS or Rapides, as applicable, to access and communicate with any and all LSU Personnel regarding the operations of H.P. Long as necessary and in order to ensure an effective transition of patients from H.P. Long to CHRISTUS and Rapides.

(c) CHRISTUS and Rapides Terms and Conditions of Employment. CHRISTUS and Rapides shall retain full discretion regarding the terms of employment,

job classifications and job descriptions for any LSU Personnel subsequently employed by CHRISTUS or Rapides in accordance with this Agreement. Notwithstanding the foregoing, CHRISTUS and Rapides shall establish a reasonable means through which LSU Personnel may apply for employment. Any LSU Personnel electing to accept offers of employment at CHRISTUS or Rapides shall be employed subject to terms and conditions established by the hiring party.

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

(e) LSU Wages, Other Compensation, and Employee Benefits. LSU shall retain all liabilities and obligations in respect of past, present, and future employees of LSU, including but not limited to LSU Personnel, for wages and other compensation under any LSU Benefit Plans and under applicable Laws. Without limiting the generality of the foregoing, neither CHRISTUS nor Rapides shall have any liability or obligation

whatsoever under any LSU Benefit Plans and/or for any wages and other compensation that may be due to LSU Personnel including any past, present and future employees of LSU.

**ARTICLE V.**  
**STATE PAYMENT**

**Section 5.1**    State Payment: Transition Year

a.    State Payment to LSU in the Transition Year. The “Transition Year” is defined as State Fiscal Year 2014 ending June 30, 2014. Not later than October 1, 2013, LSU shall submit to DHH complete documentation reflecting H.P. Long’s reasonable estimate of actual, allowable uncompensated care costs (“UCC”) for the Transition Year. DHH shall pay LSU the UCC for the first two quarters as reflected in the reasonable estimate of actual, allowable UCC on or before October 25, 2013 for the Transition Year. LSU shall submit its reasonable estimate of H.P. Long’s actual, allowable UCC for the first two quarters on or before January 10, 2014. No later than February 10, 2013, LSU shall submit monthly data, on a form approved by DHH, sufficient to show a reasonable estimate of actual, allowable costs and expenditures that are occurring during the remainder of the Transition Year. This data shall include, but not be limited to, inpatient census data, outpatient clinic visits, and emergency room usage. DHH will utilize this data to determine the amount of monthly UCC payments to be made to LSU on or before the 25<sup>th</sup> day of each month for the final two quarters of the Transition Year. On or before June 1, 2014, LSU shall submit a year end report sufficiently reflecting a reasonable estimate of actual expenditure data for the transition year. All parties agree that payments made to H.P. Long will be reconciled to actual, allowable costs following the normal DSH audit process. LSU shall provide a copy of any documentation it submits to DHH pursuant

to this Subsection 5.1(a) to the designated representative of CHRISTUS and Rapides simultaneously with submission of that documentation to DHH.

b. State Payments to CHRISTUS and Rapides in the Transition Year.

During and for the Transition Year, DHH shall pay to CHRISTUS and Rapides quarterly supplemental payments equal to one-quarter of the total State Payment of Forty-Nine Million (\$49,000,000.00) minus any amounts paid to LSU in each respective quarter. In order to satisfy this obligation, DHH shall make three payments, with the first payment being due on or before October 25, 2013 for the first two quarters of the Transition Year. The second payment shall be due on or before January 25, 2014 for the third quarter and will be calculated as the difference between the quarterly portion and LSU's UCC estimate for that quarter made from the annual estimated contemplated in Section 5.1(a). The final payment due on or before June 30, 2014 for the remaining balance payable hereunder, after any reconciliations of the amount payable to LSU under Subsection 5.1(a). DHH may make these payments as supplemental payments through whatever mechanism DHH deems most appropriate and cost efficient for the State to reimburse uncompensated care costs in the Transition Year incurred by CHRISTUS and Rapides, subject to the applicable limits of the hospitals receiving the payments.

c. Expansion of Low Income and Needy Care in Transition Year. During the

Transition Year, the Parties shall work together in good faith to identify the best options to make patient health care for the low income and needy population available in the Region, including inpatient psychiatric services and outpatient clinics.

d. Adjustments in Transition Year. All parties agree to negotiate in good

faith in accordance with Section 5.7 if the H.P. Long projection for its UCC entitlement during the Transition Year is greater than Twenty-Three Million Dollars (\$23,000,000.00).

**Section 5.2** State Payment in Years Subsequent to Transition Year. For each State Fiscal Year of this Agreement excluding the Transition Year, DHH shall pay to CHRISTUS and Rapides supplemental payments in the aggregate amount of Forty-Nine Million Dollars (\$49,000,000); which amount shall be adjusted annually based on the most recent three-year average annual change in the MCPI (the “State Payment”). DHH may audit CHRISTUS’s and Rapides’s hospital cost reports to verify that the hospitals incurred at least Forty-Nine Million Dollars (\$49,000,000.00), as adjusted, in uncompensated costs which include the Medicaid shortfall and uninsured costs. Such payments shall be payable through whatever mechanism DHH deems most appropriate and cost efficient for the State to reimburse uncompensated care costs in the year incurred by CHRISTUS and Rapides, subject to the applicable limits of the hospitals receiving the payments, and shall be paid in the following amounts and on the following dates:

(i) Eighty-Five Percent (85%) of the State Funding Payment shall be paid not later than fifteenth day of October in each State Fiscal Year;

(ii) The remaining balance of the State Funding Payment shall be paid not later than the thirtieth day of June in each State Fiscal Year.

**Section 5.3** Medicaid Reimbursement. Medicaid per diem and other applicable payments pursuant to this Agreement shall be paid in accordance with DHH’s normal payment procedure at the “peer group” of other similarly situated institutions.

**Section 5.4** Allocation of State Payment. All Parties agree that the combined supplemental payments from DHH will equal Forty-Nine Million Dollars (\$49,000,000) in each State Fiscal Year of the Agreement; which amount shall be adjusted annually based on the most recent three-year average annual change in the MCPI. In the event DHH chooses to make those

supplemental payments through the Medicaid program and CHRISTUS' and Rapides' individual entitlements are not sufficient to receive the full payments required under Section 5.1(b) and Section 5.2 in any year, then DHH may, with the consent of CHRISTUS and Rapides, pay the remainder of said amount to affiliated hospitals with CHRISTUS and Rapides that qualify for Medicaid supplemental payments under the Louisiana State Plan. If, due to reductions in the federal medical assistance percentage ("FMAP") or other factors such as Medicaid managed care expansion, the State reaches its aggregate funding cap under federal law as defined in Section 1923 of the Social Security Act, as amended, or in Section 447.272 of Title 42 of the Code of Federal Regulations, implementation by the State of a new hospital tax or assessment or any other factor within the control of the State, and the total supplemental payments contemplated in this Article V are reduced by more than five percent (5%), then the State will increase its support of CHRISTUS and Rapides to ensure that the total funds equal one hundred percent of the State Payment.

**Section 5.5** Request for Appropriations.

a. Obligations Conditioned on Appropriations; Notice of Expected Event of Inadequate Funding. All payment obligations under this Agreement are subject to appropriation by the Louisiana Legislature of sufficient funds and the availability of funds following such legislative appropriation. If DHH or DOA becomes aware of circumstances that lead it to conclude that CHRISTUS or Rapides is unlikely to receive the State Funding Payment without additional legislative appropriations, DHH or DOA shall immediately notify CHRISTUS and Rapides of such conclusion and the amounts by which DHH or DOA expects payments will fall short of the required State Funding Payment.



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

c. DHH's Required Efforts. DHH covenants to: (i) include in its annual budget a request for the appropriation of funds necessary to pay CHRISTUS and Rapides for the State's next fiscal year the State Funding Payment for such period; (ii) use its best efforts to get such budget amount approved and funded by the Legislature and if such funds are appropriated, to provide such funding for the intended purpose and use of such funds under this Agreement; and (iii) if the funds necessary to prevent an event of Inadequate Funding are not specifically identified as such and appropriated to DHH by the Legislature, use its best efforts to allocate and pay such amounts from all appropriate funds available to DHH.

d. LSU's Required Efforts; Appropriation Contingency. LSU covenants to use its best efforts to support CHRISTUS, Rapides, the Commissioner and DHH in their efforts to obtain the funding necessary to pay CHRISTUS and Rapides for the State's next fiscal year the State Funding Payment for such period.

**Section 5.6** No Diminution in other State System Funding. The State, acting through DOA and DHH, warrants that the payment of the State Funding Payments shall not result in a diminution in funding to CHRISTUS, Rapides or their respective Affiliates, unless any such diminution in funding is applicable to all similarly situated non-state hospitals in the State of

Louisiana. A violation of this **Section 5.6** shall constitute a Termination Right for Inadequate Funding and CHRISTUS or Rapides will have the option to initiate the Termination Right for Inadequate Funding.

**Section 5.7** Funding Methodology. So long as the assumptions of DHH, CHRISTUS and Rapides in determining required funding under this Agreement, including utilization, payor sources and anticipated patient volume, remain the same with respect to CHRISTUS's and Rapides's provision of care to the medically indigent, CHRISTUS, Rapides and DHH will continue to use the funding requirements set forth herein to support the services provided under this Agreement. If such assumptions change, CHRISTUS, Rapides or DHH may request that the funding be modified. In that case, such Party will provide the other Party(ies) with written notice (a "Funding Adjustment Notice") of such request, which notice shall include an explanation of why such Party has determined the funding is not applicable and describe the adjustments to the methodology it proposes. DHH, CHRISTUS and Rapides shall engage in good faith negotiations for a period of forty-five (45) Business Days in an attempt to agree on any proposed adjustments of the funding. If DHH, CHRISTUS and Rapides agree on the adjustments to the funding, such adjusted funding shall be used and the Parties shall execute and deliver an amendment to this Agreement to reflect such funding adjustments. If DHH, CHRISTUS and Rapides do not agree on any proposed adjustments to the funding within such forty-five (45) Business Day period, either of DHH, CHRISTUS or Rapides will be entitled to immediately provide a notice of termination to the other Parties, in which case this Agreement will automatically terminate, subject to the Wind Down Period. Notwithstanding the foregoing to the extent either CHRISTUS or Rapides provides a notice of termination, the non-terminating hospital may, at its election, continue the Agreement without the inclusion of the terminating hospital. During the

remainder of the Term, the methodology and rules for the funding in place immediately before the Funding Adjustment Notice shall continue to apply.

**Section 5.8** Termination Considerations. In determining whether to exercise their Termination Right for Inadequate Funding in accordance with Article XII as the result of an event arising under the provisions of this **Article V**, CHRISTUS and Rapides will consider the total amount of funds provided by the State and DHH to each of them, CHRISTUS's and Rapides's roles as safety-net health care providers, and the aggregate impact of financial reimbursement levels made with respect to Medicaid and Indigent Care services provided by CHRISTUS and Rapides.

**Section 5.9** Payments During Termination Right and Wind Down Period Considerations. If CHRISTUS and Rapides jointly elect to initiate the Termination Right for Inadequate Funding in accordance with **Article XII**, during the Wind Down Period, if applicable, DHH shall continue to pay the State Funding Payments accruing during the Wind Down Period (collectively the "Wind Down Payments").

**Section 5.10** Amendment. In the event that the State expands its Medicaid program to provide coverage to adults with income below one hundred thirty-three percent (133%) of the federal poverty line pursuant to the authority contained in Social Security Act section 1902(a)(10)(i)(VIII) (42 U.S.C. section 1396a(a)(10)(i)(VIII)), as added by the Patient Protection and Affordable Care Act, then DOA, DHH, CHRISTUS and Rapides agree to review and, if necessary, amend this **Article V** to accommodate such expansion in such a manner as to continue to assure adequate funding as set forth in this **Article V**.

**Section 5.11** Transition to New Locations. Upon completion of all applicable construction and/or renovations of any new facilities and receipt of any required regulatory

approvals, LSU shall cooperate with CHRISTUS and Rapides to effectuate the orderly transfer of all H.P. Long inpatient psychiatric patients, close the inpatient psychiatric services unit at H.P. Long, and close currently operating clinics and services at H.P. Long in accordance with the terms of this Agreement.

**ARTICLE VI.**  
**MASTER COLLABORATIVE AGREEMENT**

**Section 6.1** In General. Subsequent to the execution and consistent with the terms of this Agreement, but prior to the Closure Date, LSU, CHRISTUS and Rapides may enter into a Master Collaborative Agreement (the “MCA” or the “Master Collaborative Agreement”) with mutually agreeable terms and conditions concerning:

(a) Professional Services. If CHRISTUS or Rapides concludes that contracting with LSU will improve patient quality outcomes and reduce the cost of care, particularly for the Medically Indigent and Medicaid high-risk population, CHRISTUS or Rapides may contract with LSU and/or an LSUHSC-S Faculty Practice Organization to obtain physician services and related services necessary to provide for patient care at CHRISTUS or Rapides;

(b) Data Services and Medical Records. If CHRISTUS or Rapides concludes that contracting with LSU will improve quality patient outcomes and reduce the cost of care, particularly for the Medically Indigent and Medicaid high-risk populations at CHRISTUS or Rapides, CHRISTUS or Rapides may contract with LSU for data warehouse, electronic health records, disease management, and related health care effectiveness services;

(c) Hospital Medical Staff. CHRISTUS and Rapides will work with the professional staff that historically referred patients to H.P. Long to credential such

professionals for admission privileges at their hospitals, consistent with their existing policies and procedures;

(d) Medical Records. LSU, CHRISTUS and Rapides will work together to determine custody of all of H.P. Long's patient records, including, without limitation, all pathology reports, mammograms, laboratory reports and results, imaging studies and other patient care records, for the period prior to the Closure Date. The records will be maintained in accordance with the Legal Requirements, and provide that LSU and its agents and attorneys will have access to such records as needed for litigation and other appropriate purposes in accordance with the Legal Requirements; and

(d) Transition Support Services. CHRISTUS or Rapides may contract with LSU for certain support services during a transition period, including, without limitation, certain information technology, billing and collections, and other support and maintenance services if CHRISTUS or Rapides conclude doing so is more cost-effective and will maintain or improve patient care to a greater extent than other options.

## **ARTICLE VII.**

### **LSU REPRESENTATIONS AND WARRANTIES**

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

**Section 7.1** Organization and Standing. LSU is a public constitutional corporation organized under the laws of Louisiana. LSU is validly existing and in good standing under the laws of Louisiana and has the full authority to enter into the obligations expressed herein, including but not limited to Section 1.2 herein.

**Section 7.2** Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms, and, upon the execution and delivery by LSU of any document or agreement to be executed in connection with this Agreement or the Contemplated Transactions, each other 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. A copy of the authorizing consent resolution or meeting minutes as certified by LSU's board secretary is attached as **Exhibit 7.2(a)**.

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

- (i) breach any resolution adopted by LSU's Board of Supervisors;
- (ii) 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;
- (iii) contravene, conflict with, or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body applicable to LSU, the right to revoke, withdraw, suspend, cancel, terminate or modify any Governmental Authorization held by LSU; or
- (iv) cause CHRISTUS or Rapides to become subject to, or to become liable for, the payment of any Liability of LSU.

(c) LSU warrants that it will not take any action, fail to take any action, enter into any agreement, or consummate any transaction that would prevent LSU from

performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise materially and adversely affect CHRISTUS or Rapides without the prior written consent of an authorized representative of CHRISTUS or Rapides.

**Section 7.3** Validity. All corporate actions of LSU necessary for the execution, delivery, and performance of this Agreement and the performance of the Contemplated Transactions 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 consummation of the Contemplated Transactions will not result in the creation of any lien, charge, or encumbrance of any kind or the acceleration of any indebtedness or other 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 default under or a breach of the governing documents of LSU, nor will they 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 7.4** Other Approvals. To LSU's Knowledge, except as otherwise set forth in **Schedule 7.4** and **Schedule 11.1**, which set forth the health care regulatory authorizations for permits, licenses, and other regulatory requirements, the only remaining review, consents, approvals, qualifications, orders or authorizations of, or filings with, any governmental authority, including any court or other governmental third party, required in connection with LSU's valid execution, delivery and performance of this Agreement, and the consummation of any transaction contemplated by this Agreement, is the review of this Agreement by the Louisiana Legislature Joint Legislative Committee on the Budget, the Louisiana Legislative approval of the

closure of H.P. Long and the Louisiana Office of Contractual Review or the Commissioner's designee pursuant to Executive Order BJ 08-29.

**Section 7.5** Compliance with Legal Requirements. To LSU's Knowledge, LSU Personnel have operated the Hospital in compliance with all Legal Requirements, including Health Care Laws. To LSU's Knowledge, in connection with LSU's operation of the Hospital, neither: (a) LSU nor any LSU Personnel has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law; nor (b) has any Governmental Body or third-party payer formally alleged in writing or LSU received any notice of any violation of any Health Care Laws within the last three (3) years.

**Section 7.6** Legal Proceedings; Orders. There is no Order to which LSU is subject that would limit or affect LSU's ability to enter into this Agreement or consummate the Contemplated Transactions.

**Section 7.7** Full Disclosure. No representation or warranty made by LSU in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

**Section 7.8** Breach. Any damages or other amounts payable by LSU as a result of a breach of any representation or warranty contained in this **Article VII** are contingent obligations and shall be subject to appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated therefor and the availability of funds following Legislative appropriation.

**Section 7.9** LSU Cooperation with CHRISTUS and Rapides. LSU hereby agrees to use commercially reasonable efforts to provide any mutually agreed upon services, including the



provision of physician services and any ancillary services hereunder, to CHRISTUS and Rapides at LSU's best estimate of costs, it being the intent of the Parties to help reduce the overall costs of patient care in the Region.

**ARTICLE VIII.**  
**STATE'S REPRESENTATIONS AND WARRANTIES**

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

**Section 8.1**    Organization and Standing.

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

b.        DOA is an agency within the Office of the Governor and DHH is a department of the State of Louisiana, validly existing under the laws of Louisiana with full power and authority to perform their obligations under this Agreement.

**Section 8.2**    Enforceability; Authority; No Conflict.

(a)        This Agreement constitutes the legal, valid, and binding obligation of the State, through DOA and DHH, enforceable against them in accordance with its terms. Upon the execution and delivery by DOA and DHH of any document or agreement to be executed in connection with this Agreement, each other agreement will constitute the legal, valid, and binding obligation of the State, through DOA and DHH, enforceable in accordance with its terms. DOA and DHH, through their lawfully designated agency or department heads, have the power and authority to execute and deliver this Agreement and such other documents to which they are a party and to perform their obligations under this Agreement and such other documents, subject only to oversight by the Legislature and the Legislative Auditor.

(b) To DOA's and DHH's Knowledge, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

(i) breach any provision of any statutory or regulatory authority which defines the powers and duties of DOA and DHH;

(ii) to DHH's or DOA's Knowledge, give any Governmental Body or other person the right to any successful remedy or relief under any Legal Requirement to which the State, DHH or DOA may be subject;

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

(iv) cause CHRISTUS or Rapides to become subject to, or to become liable for the payment of, any Liability of the State, DHH, or DOA.

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

**Section 8.3 Legal Proceedings; Orders.** To DOA's and DHH's Knowledge, there is no Order to which the State, through DOA or DHH, is subject that would limit or affect DOA's

or DHH's ability to enter into this Agreement or consummate the Contemplated Transactions, other than Executive Order BJ 08-29.

**Section 8.4** Other Approvals. To the State's, DOA's and DHH's Knowledge, except as otherwise set forth in **Schedule 8.4** and **Schedule 11.1**, which set forth the health care regulatory authorizations for permits, licenses, and other regulatory requirements, the only remaining review, consents, approvals, qualifications, orders or authorizations of, or filings with, any governmental authority, including any court or other governmental third party, required in connection with the State's, DOA's and DHH's valid execution, delivery, and performance of this Agreement, and the consummation of any Contemplated Transaction, is the review of this Agreement by the Louisiana Legislature Joint Legislative Committee on the Budget, the Louisiana Legislative approval of the closure of H.P. Long and the approval of the Agreement by the Louisiana Office of Contractual Review or the Commissioner's designee pursuant to Executive Order BJ 08-29.

**Section 8.5** Full Disclosure. No representation or warranty made by the State, through DOA or DHH, in this Agreement contains or will contain any untrue statement of fact or omission of fact necessary to make the statements contained herein or therein not misleading.

## **ARTICLE IX.** **REPRESENTATIONS AND WARRANTIES OF CHRISTUS**

CHRISTUS represents and warrants that the statements contained in this **Article IX** are correct and complete as of the date of this Agreement.

**Section 9.1** Organization and Good Standing. CHRISTUS is a nonprofit corporation, validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to perform all its obligations under this Agreement.

**Section 9.2** Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid, and binding obligation of CHRISTUS, enforceable against it in accordance with its terms. Upon the execution and delivery by CHRISTUS of any document or agreement to be executed in connection with this Agreement or the Contemplated Transactions, each other agreement will constitute the legal, valid, and binding obligation of CHRISTUS, enforceable against it in accordance with its terms. CHRISTUS has the corporate right, power, and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents, and such action has been duly authorized by all necessary action by CHRISTUS's Board of Directors. A copy of the authorizing consent resolution or certified meeting minutes is attached as **Exhibit 9.2(a)**.

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

(i) breach: (A) any provision of any of the Governing Documents of CHRISTUS or (B) any resolution adopted by CHRISTUS's Board of Directors; or

(ii) contravene, conflict with, or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body or other Person the right to challenge the actions contemplated by this Agreement or to exercise any remedy or obtain any relief under any Legal Requirement to which CHRISTUS may be subject; or

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

(c) CHRISTUS warrants that it will not take any action, fail to take any action, enter into any agreement, or consummate any transaction that would adversely affect in a material way or prevent CHRISTUS from performing its obligations under this Agreement without the prior written consent of DHH or an authorized representative of LSU.

**Section 9.3** Validity. All corporate actions of CHRISTUS necessary for the execution, delivery, and performance of this Agreement and the performance of the Contemplated Transactions and required corporate approvals have been taken pursuant to proper and valid board approval. This Agreement has been, and all documents to be delivered by CHRISTUS shall be, duly executed and shall constitute the lawful, valid, and binding obligations of CHRISTUS, enforceable in accordance with their respective terms subject to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. The execution and delivery of this Agreement and all other documents executed in connection herewith by CHRISTUS and the consummation of the transactions contemplated hereby will not result in the creation of any lien, charge, or encumbrance of any kind or the acceleration of any indebtedness or other obligation of CHRISTUS 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 default under or a breach of: (i) the Articles of Incorporation or Bylaws

or similar organizing documents of CHRISTUS; (ii) any judgment, decree, order, regulation or rule of any court or regulatory authority; or (iii) any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority or arbitration tribunal to which CHRISTUS is subject, nor will it have a Material Adverse Effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option or commitment to which CHRISTUS is a party or by which CHRISTUS is bound.

**Section 9.4** Other Approvals. To CHRISTUS's Knowledge, except as otherwise set forth in **Schedule 9.4** and **Schedule 11.1**, which sets forth the health care regulatory authorizations for permits, licenses, and other regulatory requirements for CHRISTUS, the only remaining review, consents, approvals, qualifications, orders or authorizations of, or filings with, any governmental authority, including any court or other governmental third party, required in connection with CHRISTUS's valid execution, delivery, and performance of this Agreement, and the consummation of any Contemplated Transaction, are the review of this Agreement by the Louisiana Legislature Joint Legislative Committee on the Budget, the Louisiana Legislative approval of the closure of H.P. Long and the approval of the Agreement by the Louisiana Office of Contractual Review or the Commissioner's designee pursuant to Executive Order BJ 08-29.

**Section 9.5** Compliance with Legal Requirements. To CHRISTUS's Knowledge, CHRISTUS has operated and shall operate in material compliance with all Legal Requirements, including Health Care Laws. Without limiting the generality of the foregoing:

- (a) Permits and Licenses. CHRISTUS has or shall have at the time such services are performed all permits and licenses and other Governmental Authorizations required by all Legal Requirements for the provision of services vendor by CHRISTUS

pursuant to this Agreement and is not in violation of any of said permitting or licensing requirements.

(b) Medicare/Medicaid Participation. Neither CHRISTUS nor any director, officer, employee, or agent of CHRISTUS is an Excluded Provider.

(c) Fraud and Abuse. To CHRISTUS's Knowledge, CHRISTUS has operated in material compliance with the Health Care Laws, and the regulations promulgated thereunder pursuant to such statutes, and related state or local statutes or regulations, which would affect its ability to continue to operate as a provider under any federal or state health care program. To CHRISTUS's Knowledge, none of its currently employed staff has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services that is prohibited under any state law or Health Care Law. CHRISTUS is not a party to any Corporate Integrity Agreement or similar settlement, compliance, or oversight agreement with any Governmental Body.

**Section 9.6** Legal Proceedings; Orders. There is no Order to which CHRISTUS is subject that would limit or affect CHRISTUS's ability to enter into this Agreement or consummate the actions contemplated by this Agreement.

**Section 9.7** Full Disclosure. No representation or warranty made by CHRISTUS in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

## **ARTICLE X.** **REPRESENTATIONS AND WARRANTIES OF RAPIDES**

Rapides represents and warrants that the statements contained in this **Article X** are correct and complete as of the date of this Agreement.

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

**Section 10.2 Enforceability; Authority; No Conflict.**

(a) This Agreement constitutes the legal, valid, and binding obligation of Rapides, enforceable against it in accordance with its terms. Upon the execution and delivery by Rapides of any document or agreement to be executed in connection with this Agreement or the Contemplated Transactions, each other agreement will constitute the legal, valid, and binding obligation of Rapides, enforceable against it in accordance with its terms. Rapides has the corporate right, power, and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents, and such action has been duly authorized by all necessary action by Rapides's Board of Directors. A copy of the authorizing consent resolution or certified meeting minutes is attached as Exhibit 10.2(a).

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

(i) breach: (A) any provision of any of the Governing Documents of Rapides or (B) any resolution adopted by Rapides's Board of Directors; or

(ii) contravene, conflict with, or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body or other Person the right to challenge the actions contemplated by this Agreement or to exercise



any remedy or obtain any relief under any Legal Requirement to which Rapides may be subject; or

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

(c) Rapides warrants that it will not take any action, fail to take any action, enter into any agreement, or consummate any transaction that would adversely affect in a material way or prevent Rapides from performing its obligations under this Agreement without the prior written consent of DHH or an authorized representative of LSU.

**Section 10.3 Validity.** All corporate actions of Rapides necessary for the execution, delivery, and performance of this Agreement and the performance of the Contemplated Transactions and any required corporate approvals have been taken pursuant to proper and valid board approval. This Agreement has been, and all documents to be delivered by Rapides shall be, duly executed and shall constitute the lawful, valid, and binding obligations of Rapides, enforceable in accordance with their respective terms subject to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. The execution and delivery of this Agreement and all other documents executed in connection herewith by Rapides and the consummation of the transactions contemplated hereby will not result in the creation of any lien, charge, or encumbrance of any kind or the acceleration of any indebtedness or other obligation of Rapides 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

default under or a breach of: (i) the Articles of Incorporation or Bylaws or similar organizing documents of Rapides; (ii) any judgment, decree, order, regulation or rule of any court or regulatory authority; or (iii) any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority or arbitration tribunal to which Rapides is subject, nor will it have a Material Adverse Effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option or commitment to which Rapides is a party or by which Rapides is bound.

**Section 10.4 Other Approvals.** To Rapides's Knowledge, except as otherwise set forth in **Schedule 10.4** and **Schedule 11.1**, which sets forth the health care regulatory authorizations for permits, licenses, and other regulatory requirements for Rapides, the only remaining review, consents, approvals, qualifications, orders or authorizations of, or filings with, any governmental authority, including any court or other governmental third party, required in connection with CHRISTUS's and Rapides's valid execution, delivery, and performance of this Agreement, and the consummation of any Contemplated Transaction, are the review of this Agreement by the Louisiana Legislature Joint Legislative Committee on the Budget, the Louisiana Legislative approval of the closure of H.P. Long and the approval of the Agreement by the Louisiana Office of Contractual Review or the Commissioner's designee pursuant to Executive Order BJ 08-29.

**Section 10.5 Compliance with Legal Requirements.** To Rapides's Knowledge, Rapides has operated and shall operate in material compliance with all Legal Requirements, including Health Care Laws. Without limiting the generality of the foregoing:

- (a) **Permits and Licenses.** Rapides has or shall have at the time such services are performed all permits and licenses and other Governmental Authorizations required

by all Legal Requirements for the operation of Rapides and is not in violation of any of said permitting or licensing requirements.

(b) Medicare/Medicaid Participation. Neither Rapides nor any director, officer, employee, or agent of Rapides is an Excluded Provider.

(c) Fraud and Abuse. To Rapides's Knowledge, Rapides has operated in material compliance with the Health Care Law, and the regulations promulgated thereunder pursuant to such statutes, or related state or local statutes or regulations, which would affect its ability to continue to operate as a provider under any federal or state health care program. To Rapides's Knowledge, none of its currently employed staff has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services that is prohibited under any state law or Health Care Law. Rapides is not a party to any Corporate Integrity Agreement or similar settlement, compliance, or oversight agreement with any Governmental Body.

**Section 10.6** Legal Proceedings; Orders. There is no Order to which Rapides is subject that would limit or affect Rapides's ability to enter into this Agreement or consummate the actions contemplated by this Agreement.

**Section 10.7** Insurance. DOA's Office of Risk Management has issued a certificate of insurance to LSU which shows Rapides as an additional insured thereon.

**Section 10.8** Full Disclosure. No representation or warranty made by Rapides in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

**ARTICLE XI.**  
**ADDITIONAL COVENANTS OF THE PARTIES**

**Section 11.1** Third Party Consents and Approvals. The Parties will use their best efforts to obtain the Third Party Consents and Approvals set forth on **Schedule 11.1**.

**Section 11.2** Further Acts and Assurances. The Parties shall, at any time and from time to time at and after the execution of this Agreement, upon request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be required to consummate the Contemplated Transactions.

**Section 11.3** Additional Covenants of LSU.

(a) H.P. Long Operations. Subject to the Louisiana Legislature's approval, the parties intend that LSU shall close H.P. Long prior to the end of State Fiscal Year 2014. On or before the Closure Date, the Parties will confirm that CHRISTUS and Rapides offer at least the Core Services as described herein. In order to ensure the availability of funding for the Core Services during the Transition Year, LSU commits to continue to use its best efforts to provide hospital, emergency and clinic services at H.P. Long at the lowest cost LSU believes is necessary to fulfill its obligations to patients and the Region. The Parties shall work together consistently with this intent to ensure the orderly operation of H.P. Long and the provision of patient services during the Transition Year.

(b) Licenses. From the Effective Date of this Agreement until the earlier of the Closure Date or the termination of this Agreement, LSU shall take all action reasonably within its power and necessary to cause H.P. Long to continue to maintain its

current hospital license and provider status, including without limitation its Provider Numbers.

(c) Access to Hospital. At all reasonable times prior to the Closure Date and upon reasonable notice to LSU, LSU shall provide to CHRISTUS, Rapides and/or their agents and contractors access to the Hospital and Facility to fully complete their due diligence review of all Hospital agreements.

**Section 11.4 Additional Covenants of DHH**

(a) DHH shall provide assistance to CHRISTUS and Rapides to facilitate CHRISTUS and Rapides timely obtaining any required hospital operating licenses, permits or other approvals, to the extent under the authority of DHH, necessary for CHRISTUS and Rapides to expand the availability of health care services and receive reimbursement for the related health care services.

(b) DHH shall ensure that any and all transfers of public funds received from LSUHSC-S that are contributed and designated for Medicaid supplemental payments to CHRISTUS or Rapides shall be used solely to support Medicaid supplemental payments without any reduction or offset.

**ARTICLE XII.**  
**TERM; TERMINATION; DISPUTE RESOLUTION**

**Section 12.1 Term**. Unless earlier terminated as provided herein, the term of this Agreement shall begin on the Effective Date and shall expire ten (10) years following the Closure Date (the "Initial Term"). The term of this Agreement shall be automatically renewed for three (3) consecutive periods of five (5) years each (each, a "Renewal Term" and, together with the Initial Term, the "Term"), for a total of fifteen (15) additional years, under the same terms and conditions herein, unless a party provides notice of non-renewal as allowed herein.

Should CHRISTUS or Rapides elect not to allow this Agreement to automatically renew, CHRISTUS or Rapides shall notify LSU, DOA, DHH and the State, in writing, at least one hundred eighty (180) days prior to the scheduled expiration date of the then current Term of this Agreement of its election not to renew this Agreement under the terms of this **Section 12.1**.

**Section 12.2** Early Termination.

a. Either CHRISTUS or Rapides may, with the consent of all Parties, terminate its participation in this Agreement if the other hospital partner (CHRISTUS or Rapides, as applicable) affirmatively agrees to assume prospectively all of the obligations of CHRISTUS and Rapides set forth in the Agreement. In the event either CHRISTUS or Rapides desires to terminate its participation in the Agreement but the other hospital is unwilling to assume all of the obligations of both CHRISTUS and Rapides, then the hospital that desires to terminate its participation in the Agreement may request that the parties negotiate in good faith in accordance with the provisions of Section 5.7.

b. This Agreement shall terminate prior to the expiration of the Term only in accordance with this **Section 12.2**. Except as otherwise provided in this Agreement, any early termination of this Agreement shall be subject to the Wind Down Period provided in **Section 12.9**. Subject to the foregoing, this Agreement may terminate prior to the expiration of the Term: (i) upon the mutual agreement of all Parties; (ii) if the Louisiana Legislature does not approve the closure of H.P. Long by the end of the next regular session in 2014; (iii) if the Contemplated Transactions have not occurred by the Closure Date; (iv) if the State Funding Payment is not made in accordance with **Article V** (in which event the provisions of **Section 12.6** shall control); (v) if as of the Closure Date, any representations or warranties of a Party are materially inaccurate, or any covenant of a Party to be performed before the Closure Date has not

been materially performed, or any consents or approvals on **Schedule 11.1** have not been received; or (vi) subject to the Parties' good faith participation in the process set forth in **Section 12.5** for addressing the following events (each, a "Potential Terminating Breach"):

(A) any Party's actions or inactions are contrary to or not substantially in accordance with the Public Purpose as provided for in **Article I**;

(B) there is filed by or against any Party a petition or complaint with respect to its own financial condition under any state, federal or other bankruptcy (including without limitation a petition for reorganization, arrangement or extension of debts), or under any other similar or insolvency laws providing for the relief of debtors which petition or complaint (if involuntary) shall not be dismissed for more than sixty (60) calendar days from the date of filing;

(C) a receiver, director, conservator or liquidator is appointed for any Party or all or a substantial part of its respective assets, or any Party shall have been adjudicated bankrupt, insolvent or in need of any relief provided to debtors by any court;

(D) any Party shall have ceased its business or operations other than the proposed closure of H.P. Long as set forth herein;

(E) any Party shall have liquidated and or dissolved;

(F) LSU, CHRISTUS or Rapides is excluded from Medicare or Medicaid;

(G) as determined by a court of competent jurisdiction pursuant to a final, binding, non-appealing judgment, there is a change in (or a new interpretation of) the law or lack of necessary Governmental Authorization or other governmental approval, whether statutory, regulatory, or other position or rule set forth by a Governmental Body, agency, accreditation organization, or similar body, that has a Material Adverse Effect

the fundamental relationship of the Parties, and the Parties are unable to agree, following the process in **Section 12.5**, on terms to amend the Agreement or otherwise address the consequences of the change in or new interpretation of the law. If the Parties agree that a change in laws or interpretation thereof has occurred and are unable to reach a new agreement or otherwise address the consequences of the change in or new interpretation of the law, no Party shall be liable or responsible for any damages suffered by any other Party as a result of a termination pursuant to this subsection.

(H) a material breach of this Agreement by any Party hereto that is not cured pursuant to **Section 12.5**.

**Section 12.3** Other Breaches. All other Breaches shall be Non-Terminating Breaches.

**Section 12.4** Process for Addressing Potential Non-Terminating Breaches. This Agreement may only be terminated as set forth in **Section 12.2**. The remedies available to a Party if there is a Potential Non-Terminating Breach shall be as follows:

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



(b) Consultative Process. If such Potential Non-Terminating Breach is not cured within the Cure Period, the Parties shall engage in the Consultative Process for a period of thirty (30) calendar days to attempt to resolve the Potential Non-Terminating Breach.

(c) Right to Legal Remedies for Non-Terminating Breaches; No Termination Right. If such dispute involving a Non-Terminating Breach is not resolved pursuant to the Consultative Process, the Party alleging a Non-Terminating Breach shall be entitled to such remedies as are available at law, including damages. Neither Party shall have the right to terminate this Agreement for a Non-Terminating Breach except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

**Section 12.5** Process for Addressing Potential Terminating Breaches. The remedies available to a Party if there is a Potential Terminating Breach shall be as follows:

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

(b) Consultative Process. If such Potential Terminating Breach is not cured within the Cure Period, the Parties shall for a period of fifteen (15) Business Days engage in the Consultative Process to attempt to resolve the dispute.

(c) Executive Level Negotiations. If an alleged Potential Terminating Breach is not resolved in the Consultative Process, the Parties shall discuss and negotiate in good faith for thirty (30) calendar days to attempt to resolve the issue.

(d) Termination Right. If the dispute regarding the asserted Potential Terminating Breach is not resolved pursuant to the procedures in this Section set forth above, the non-breaching Party may declare its intent to terminate this Agreement by delivery of written notice of such intent to the other Party (the "Termination Notice"), and the Parties shall begin the Wind Down Period as provided in **Section 12.9**; provided, however, that termination for failure to pay timely the State Payment in accordance with **Article V** shall follow the process set forth in **Section 12.6**. Such right of termination shall be in addition to any other remedies which the non-breaching Party may have at law, including damages.

**Section 12.6** Termination Right For Inadequate Funding. If CHRISTUS or Rapides fails to receive the State Funding Payment required under **Article V**, or DHH, CHRISTUS and Rapides do not agree on any proposed adjustments to the State Funding Payment in accordance with **Article V**, this Agreement shall automatically terminate after completion of the process set forth in **Section 12.9**; provided, however, the Wind Down Period shall begin on the date the State Funding Payment is due but unpaid to CHRISTUS or Rapides, provided that during such Wind Down Period the State, through DHH, continues to pay CHRISTUS and Rapides the State Funding Payment accruing during such Wind Down Period (collectively the "Wind Down Payments"). Notwithstanding the foregoing, the State shall have a period of one hundred and eighty (180) days beginning on the first day of the Wind Down Period described above in which to pay all Required Funding accrued to but not yet paid to CHRISTUS or Rapides. If such

payment is made within such one hundred and eighty (180) day period and there is no other Potential Terminating Breach, the Wind Down Period described above shall cease, this Agreement shall not terminate and the Parties shall continue the collaborative pursuant to the terms of this Agreement.

**Section 12.7 Notice of Force Majeure.** In the event of a failure or anticipated failure by any Party to perform its obligations hereunder caused by Force Majeure, such Party shall provide notice to the other Parties as soon as possible under the circumstance and in any event within thirty (30) calendar days of the occurrence of such Force Majeure event causing such failure or anticipated failure. A Party's failure to perform due to a Force Majeure shall not constitute a Breach. CHRISTUS's and Rapides's will work to provide a contingency plan for patient care in the event of a Force majeure.

**Section 12.8 Effects of Termination.**

(a) **In General.** Subject to the applicable Wind Down Period in **Section 12.9**, the following shall apply consistent with the applicable Wind Down Period:

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

(ii) each Party shall cooperate in the defense of any claims or suits for acts or omissions occurring during the term of this Agreement.

(b) If this Agreement terminates pursuant to Section 12.6, LSU and the State will cooperate with CHRISTUS and Rapides to find a solution that will result in DHH, LSU or the State providing all of the Core Services including reimbursement for inpatient

charity care services, but excluding only those services CHRISTUS and Rapides are required to provide under the federal Emergency Medical Treatment and Labor Act, in the Region at the same levels as H.P. Long provided in its State Fiscal Year 2012.

**Section 12.9** Wind Down Period. Any early termination of this Agreement allowed under this Agreement shall be subject to a period not to exceed six (6) months in the case of a termination for a Potential Terminating Breach in accordance with **Section 12.2**. CHRISTUS, Rapides, DHH and LSU will work cooperatively to ensure that all current medically indigent patients of Alexandria will continue to receive adequate care and their care is not abandoned in accordance with the public purpose of this Agreement. Upon the occurrence of an event giving rise to an early termination right under **Section 12.2** (except pursuant to **Section 12.2(a)**), any Party may give notice to the other Parties of its intent to terminate this Agreement. The funding requirements under this Agreement shall continue during the Wind Down Period. The Termination Wind Down Period shall begin two (2) days after the terminating Party or Parties give Notice of intent to terminate (the “Wind Down Commencement Date”) and end on the six (6) month anniversary of the Wind Down Commencement Date unless terminated earlier for Inadequate Funding pursuant to the provisions contained in **Section 12.6**, or unless terminated earlier by mutual agreement of all the Parties, or unless extended to allow for an appropriation of State funds at the next legislative session following the Wind Down Commencement Date.

### **ARTICLE XIII.** **REMEDIES**

**Section 13.1** Remedies Cumulative. Except as otherwise expressly provided in this Agreement, all rights and remedies of any Party provided for in this Agreement shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. No waiver by any Party of a Breach of any of the

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

**ARTICLE XIV.**  
**INSURANCE AND INDEMNIFICATION**

**Section 14.1** Insurance. In addition to any policies of insurance required under any documents required in connection herewith, including, without limitation, participation as a qualified health care provider in the Louisiana Patients' Compensation Fund, CHRISTUS and Rapides will maintain such other policies of insurance as are customary for a company of similar size and scope of the operations of CHRISTUS and Rapides, with such limits and other terms of coverage as are commercially reasonable for companies similar in size and scope to CHRISTUS and Rapides.

**Section 14.2** Indemnification.

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

(b) Indemnification. Each Party will indemnify the other Party in accordance with paragraphs (c) through (e) of this **Section 14.2**.

(c) Time Limitations.

(i) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, LSU will have liability (for indemnification or otherwise) and will indemnify CHRISTUS and Rapides 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 CHRISTUS or Rapides as a result of: (A) a Breach of any representation or warranty by LSU contained in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by LSU pursuant to this Agreement; (B) the actions or failure to act by LSU Personnel; (C) any Breach of any covenant or obligation of LSU in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by LSU pursuant to this Agreement; (D) any Damages arising out of the ownership or operation of H.P. Long or its assets; and (E) any liability under the WARN Act or any similar state or local Legal Requirement that may result from an "Employment Loss", as defined by 29 U.S.C. section 2101(a)(6), caused by any action of LSU; and (F) any Employee Plan established or maintained by LSU; provided, however, that LSU's obligation under item (A) above shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd)

anniversary of the Closure Date, CHRISTUS or Rapides notifies LSU of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by CHRISTUS or Rapides.

(ii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, the State, through DOA, will have liability (for indemnification or otherwise) for and will indemnify CHRISTUS and Rapides for all Damages incurred by CHRISTUS or Rapides as a result of: (A) a Breach of any representation or warranty by DOA; and (B) any Breach of any covenant or obligation of DOA, in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by DOA pursuant to this Agreement, provided, however, that DOA's obligation under item (A) above shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the Closure Date, CHRISTUS or Rapides notifies the Commissioner of DOA of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by CHRISTUS or Rapides.

(iii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, DHH will have liability (for indemnification or otherwise) for and will indemnify CHRISTUS and Rapides for all Damages incurred by CHRISTUS or Rapides as a result of: (A) a Breach of any representation or warranty by DHH; and (B) any Breach of any covenant or obligation of DHH in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by DHH pursuant to this Agreement,

provided, however, that DHH's obligation under item (A) above shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the Commencement Date, CHRISTUS or Rapides notifies the Secretary of DHH of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by CHRISTUS or Rapides.

(iv) Except as otherwise provided in this Agreement, CHRISTUS will have liability (for indemnification or otherwise) for all Damages incurred by LSU or DHH as a result of: (A) a Breach of any representation or warranty by CHRISTUS; (B) the actions or failure to act by the employees or agents of CHRISTUS (C) any Breach of any covenant or obligation of CHRISTUS in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by CHRISTUS pursuant to this Agreement; (D) any Employee Plan established or maintained by CHRISTUS; provided, however, that CHRISTUS's obligation under item (A) above shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU or DHH notifies CHRISTUS of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU or DHH.

(v) Except as otherwise provided in this Agreement, Rapides will have liability (for indemnification or otherwise) for all Damages incurred by LSU or DHH as a result of: (A) a Breach of any representation or warranty by Rapides; (B) the actions or failure to act by the employees or agents of Rapides; (C) any



Breach of any covenant or obligation of Rapides in this Agreement or in any other certificate, document, agreement, writing or instrument delivered by Rapides pursuant to this Agreement; and (D) any Employee Plan established or maintained by Rapides; provided, however, that Rapides's obligation under item (A) above shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU or DHH notifies Rapides of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU or DHH.

(d) Third-Party Claims.

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

(ii) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes, unless: (A) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and the Indemnified Person determines in

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

(iii) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it other than as a result of monetary damages for

which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise, or settle such Third-Party Claim, but the Indemnifying Person will not be bound by any determination of any Third-Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its Consent (which may not be unreasonably withheld).

(iv) With respect to any Third-Party Claim subject to indemnification under this **Article XIV**: (A) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Proceedings at all stages thereof where such Person is not represented by its own counsel; and (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.

(v) With respect to any Third-Party Claim subject to indemnification under this Article, the Parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information and the attorney-client and work-product privileges. In connection therewith, each Party agrees that, to the extent allowed by law: (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 Confidential 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.

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

## **ARTICLE XV. GENERAL PROVISIONS**

**Section 15.1** Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;
- (c) reference to any gender includes the other gender;
- (d) reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (e) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced, or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such

Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement, or reenactment of such section or other provision;

(f) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

(g) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;

(h) “or” is used in the inclusive sense of “and/or”;

(i) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”;

(j) references to “day” rather than the defined term “Business Day,” shall mean a calendar day; and

(k) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

**Section 15.2** 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 15.3** Expenses. Except as otherwise provided in this Agreement, each Party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution, and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its representatives. If this Agreement is

terminated, the obligation of each Party to pay its own fees and expenses will be subject to any rights of such Party arising from a Breach of this Agreement by another Party.

**Section 15.4 Public Announcements.** Any public announcement, press release, or similar publicity with respect to this Agreement or the Contemplated Transactions will be issued, if at all, at such time and in such manner as the Parties shall mutually determine.

**Section 15.5 Confidential Information.**

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

(b) Exceptions. **Section 15.5(a)** does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates: (i) was, is, or becomes generally available to the public other than as a result of a Breach of this Article by the Receiving Party or its representatives; (ii) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (iii) was, is, or becomes available to the Receiving Party on a non-confidential basis from a third party not bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure.

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

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

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

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



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

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

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

the provisions of HIPAA and the Health Information and Technology Act (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.

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

that CHRISTUS or Rapides objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, CHRISTUS or Rapides will immediately so notify the State in writing and take such action as CHRISTUS or Rapides deems necessary to protect the disclosure of such records. CHRISTUS and Rapides will defend, indemnify, and hold harmless the State 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 the State's failure to produce such documents in response to a public records request.

**Section 15.6 Notices.** Except as otherwise provided in this Agreement, any notice, payment, demand, request, or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be duly given by the applicable Party if personally delivered to the applicable Party, or if sent certified or registered mail, at its address set forth below:

**If to LSU:**

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

With a copy to:

Taylor, Porter, Brooks & Phillips  
LLP  
8th Floor Chase Tower South  
451 Florida Street  
Baton Rouge, LA 70801  
Attention: Health Care Partner

**If to DOA:**

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

With a copy to:

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

**If to DHH:**

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

**If to CHRISTUS:**

CHRISTUS Health Central Louisiana  
3330 Masonic Drive  
Alexandria, LA 71301  
Attention: Chief Executive Officer

**If to Rapides:**

Rapides Healthcare System, L.L.C  
211 4<sup>th</sup> Street  
P.O. Box 30101  
Alexandria, LA 71301  
Attention: Chief Executive Officer

With a copy to:

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

With a copy to:

CHRISTUS Health Legal  
Department  
919 Hidden Ridge  
Irving, TX 75038

And to:

Gjerset & Lorenz, LLP  
2801 Via Fortuna, Suite 500  
Austin, TX 78746

With a copy to:

HCA, Inc.  
One Park Plaza  
Building I-2E  
Nashville, Tennessee 37203  
Attention: Legal Operations Counsel

To:

Gold, Weems, Bruser, Sues &  
Rundell  
P.O. Box 6118  
2001 MacArthur Drive  
Alexandria LA 71301-6118  
Attention: Charles S. Weems III

And to:

Gjerset & Lorenz, LLP  
2801 Via Fortuna, Suite 500  
Austin, TX 78746

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

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

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

**Section 15.7** Jurisdiction; Service of Process. Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction may be brought in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana, or, if it can acquire jurisdiction, in the United States District Court for the Middle District of Louisiana; provided, however, that nothing herein is intended, nor shall it be deemed or interpreted, to waive any rights, privileges, or immunities available to any Party under the Eleventh Amendment. 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 Proceeding referred to in the first sentence of this section may be served on any party anywhere in the world.

**Section 15.8** Enforcement of Agreement; Legal Fees and Costs. Subject to the limitation on equitable or injunctive relief set forth in **Section 14.2(c)**, each Party acknowledges and agrees that the other Parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any Breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary, and permanent injunctive relief to prevent

Breaches or threatened Breaches of any of the provisions of this Agreement, without posting any bond or other undertaking. In the event that either Party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

**Section 15.9 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 documents, Exhibits and Schedules delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by LSU, the State, DOA, DHH, CHRISTUS and Rapides.

**Section 15.10 Assignments, Successors and No Third-Party Rights.** No Party may assign any of its rights or delegate any of its obligations under this Agreement, unless to a successor in interest, without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

**Section 15.11 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 15.12 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 15.13 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 15.14 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 15.15 Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

**Section 15.16 Compliance with Health Care Laws.** This Agreement is intended to comply with all Health Care Laws and nothing herein is intended to require, nor shall the Agreement be construed or interpreted as requiring, directly or indirectly, explicitly or implicitly, any Party to take any action that would violate any Health Care Law.

**Section 15.17 Access to Records.** To the extent that the services provided under this Agreement are deemed by the Secretary of the Department of Health and Human Services, the U.S. Comptroller General, or the Secretary's or Comptroller's delegate, to be subject to the provisions of Section 952 of Public Law 96-499, the Parties, until the expiration of four (4) years subsequent to the furnishing of services under this Agreement, shall make available, upon written request to the Secretary, the Comptroller, or any of their duly authorized representatives, this Agreement, and the books, documents, and records of the Parties that are necessary to certify the nature and extent of the charges to each Party. If any Party carries out any of its duties under the Agreement through a subcontract with a value of \$10,000 or more over a twelve (12)-month period with a related organization (as that term is defined with regard to a provider in 42 C.F.R. § 413.17(1)), such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization upon written request shall make available to the Secretary, the Comptroller, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. If any Party is requested to disclose any books, documents, or records relevant to this Agreement for the purpose of an audit or investigation relating directly to the provision of services under this Agreement, such Party shall notify the other Parties of the nature and scope of such request and shall make available to the other Parties, upon written request, all such books, documents, or records. This Section is included pursuant to and is governed by the requirements of federal law. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by the Parties or any of the Parties' representatives by virtue of this Agreement.



**Section 15.18 Name and Trademark.** Except as provided in this Agreement, no Party will use any other Party's name, symbol, or trademark in any marketing, advertising, or any other public communications without the prior written consent of such Party regarding the use of its name, symbol, or trademark.

**Section 15.19 CHRISTUS and Rapides Not Intended to Be Public Bodies.** Nothing in this Agreement is intended, and it is not the intent of the Parties, DOA or DHH, to cause or result in CHRISTUS or Rapides being considered a public or quasi-public body, governmental authority or subdivision thereof, other public entity or otherwise subject to public inspection laws of the State, public audit, public meeting, or other disclosure procedures generally applicable to public bodies in the State.

**Section 15.20 Legislative Auditor.** Upon reasonable notice, and only as permitted by State law, CHRISTUS and Rapides shall make available to the Legislative Auditor the respective books and records as necessary to verify whether their uncompensated care costs set forth in the Medicaid Disproportionate Share Hospital/Uncompensated Care Cost Application submitted by such hospital for any State Fiscal Year of this Agreement were calculated in accordance with the Hospital Specific Limit and applicable State rules for the UCC program.

**Section 15.21 Discrimination Clause.** CHRISTUS and Rapides 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 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 CHRISTUS and Rapides agree to abide by the requirements of the Americans

with Disabilities Act of 1990. CHRISTUS and Rapides agree not to 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, or disabilities.

**Section 15.22 Further Acts and Assurances.** Each of the Parties shall, at any time and from time to time at and after the execution of this Agreement, upon reasonable request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge, and deliver, or will cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances as may be required to consummate the Contemplated Transactions.

**Section 15.23 Appropriation of Funds.** All State, DOA, DHH, and LSU obligations under this Agreement to make payments of any kind are contingent obligations subject to appropriation by the Louisiana Legislature of sufficient funds appropriated therefor and the availability of funds following Legislative appropriation.

[Signatures on following page.]

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

Witnesses:

*[Handwritten Signature]*  
*[Handwritten Signature]*

Witnesses:

*[Handwritten Signature]*

Witnesses:

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

Witnesses:

*Donna G. Deloach*  
*Sarah Morrow*

Witnesses:

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

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

By: *F. King Alexander*  
King Alexander, President of  
Louisiana State University System  
Date: *11/7/13*

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

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

**LOUISIANA DIVISION OF  
ADMINISTRATION**

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

**CHRISTUS HEALTH CENTRAL  
LOUISIANA**

By: *Stephen J. Wright*  
Date: *10/23/13*

**RAPIDES HEALTHCARE SYSTEM,  
L.L.C.**

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

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

Witnesses:

*Jan Daulton*  
*Vera Ambler*

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

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

Date: *11/7/13*

Witnesses:

\_\_\_\_\_

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

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

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

Witnesses:

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

**LOUISIANA DIVISION OF  
ADMINISTRATION**

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

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

Witnesses:

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

**CHRISTUS HEALTH CENTRAL  
LOUISIANA**

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

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

Witnesses:

*Kathy V. Cole*  
*Debra L. Alwee*

**RAPIDES HEALTHCARE SYSTEM,  
L.L.C.**

By: *Jason E. Cobb*  
Jason E. Cobb, CEO

Date: *10-27-13*

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

Witnesses:

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

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

By: \_\_\_\_\_  
King Alexander, President of  
Louisiana State University System  
Date: \_\_\_\_\_

Witnesses:

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


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

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

Witnesses:

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

**LOUISIANA DIVISION OF  
ADMINISTRATION**

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

Witnesses:

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

**CHRISTUS HEALTH CENTRAL  
LOUISIANA**

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

Witnesses:

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

**RAPIDES HEALTHCARE SYSTEM,  
L.L.C.**

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

Witnesses:

**LOUISIANA DEPARTMENT OF  
HEALTH AND HOSPITALS**

By:   
Kathy Kliebert, Secretary

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


**APPENDIX I**  
**DEFINITIONS**

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

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

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

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

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

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

“CHRISTUS” means CHRISTUS Health Central Louisiana, a Louisiana nonprofit corporation.

“Closure Date” means the date of closure of H.P. Long as approved by the Louisiana Legislature.

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

“Code” or “IRC” means the Internal Revenue Code of 1986, as amended.

“Confidential Information” includes, to the extent allowed by law, any and all of the information of any Party that may hereafter be disclosed after the Effective Date of this Agreement in any form, whether in writing, orally, electronically or otherwise, or



otherwise made available by observation, inspection or otherwise by any Party or its Representatives (collectively, a “Disclosing Party”) to the other party or its Representatives (collectively, a “Receiving Party”) that is otherwise kept by the Disclosing Party as protected, confidential, non-public and/or proprietary, including all information obtained from review of the Disclosing Party’s documents or property or discussions with the Disclosing Party regardless of the form of the communication, as well as all notes, analyses, compilations, studies, summaries and other material prepared by the Receiving Party to the extent containing or based, in whole or in part, upon any information included in the foregoing.

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

“Contemplated Transactions” has the meaning set forth in the Recitals to this Agreement.

“Core Services” means those core health care services that are described in **Section 2.5**, and listed on **Exhibit 2.5**, of this Agreement.

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

“Damages” shall have the meaning set forth in **Section 14.2(c)**.

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

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

“DOA” means the State of Louisiana through the Louisiana Division of Administration.

“DOC” means the Louisiana Department of Public Safety and Corrections.

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

“Encumbrance” means any lien, claim, charge, security interest, mortgage, deed of trust, pledge, easement, option, limitation on use, conditional sale or other title retention agreement, defect in title or other restrictions of a similar nature.

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

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

“Facility” means the current facilities located in Alexandria, Louisiana in which the Hospital and its clinics are operating.

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

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

“Governmental Agencies” means any United States or Louisiana agency or instrumentality.

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

- (a) nation, state, county, city, town, borough, village, district or other jurisdiction;
- b. federal, state, local, municipal, foreign or other government;
- c. governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers);
- d. multinational organization or body;
- e. body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
- f. official of any of the foregoing.

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

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

“HITECH Act” means the Health Information and Technology for Economic and Clinic Health Act, as amended.

“Hospital” means the patient care and business operations of Huey P. Long Medical Center, bearing Medicare Provider Number 19-0009.

“Inadequate Funding” means the failure of DHH or the State to make timely payments of the State Funding Payment as required in Article VIII in any State Fiscal Year or portion thereof.

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

“Indemnifying Person” means the Person obligated to indemnify another Party under this Agreement.

“Indigent Care Services” means health care services provided to Medically Indigent persons.

“Inventory Date” means the date that inventories are taken of supplies, drugs, food, and other disposables and consumables.

“IRC” means the Internal Revenue Code of 1986, as amended.

“Joint Commission” or “JC” means the Joint Commission responsible for accreditation of hospitals and other health care organizations.

“Knowledge” means an individual will be deemed to have Knowledge of a particular fact or other matter if:

- (a) that individual is actually aware of that fact or matter; or
- (b) a prudent individual could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonably comprehensive

investigation regarding the accuracy of any representation or warranty contained in this Agreement.

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

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

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

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

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

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

“LSUHSC-S” means LSU Health Sciences Center-Shreveport, a division of LSU.

“LSU Personnel” means the Hospital employees to be laid off as LSU employees as of the Closure Date, subject to the approval of the Louisiana Civil Service Commission.

“Master Collaborative Agreement” or “MCA” means the agreement among LSU, CHRISTUS and Rapides addressing matters related to the Contemplated Transactions and involving ancillary agreements pertaining to same, as set forth more fully in **Article VI**.

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

“MCPI” means the Consumer Price Index for Medical Care Services published by the United States Department of Labor, Bureau of Labor Statistics, in which 1982-1984 equals one hundred (100). If the MCPI is discontinued or revised during the term of this Agreement, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the MCPI had not been discontinued or revised.

“Medically Indigent” means any person whose income is below two hundred percent of the federal poverty level and who is uninsured.

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

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

“Party” or “Parties” has the meaning set forth in the introductory paragraph of this Agreement.

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

“Potential Terminating Breaches” means those asserted Breaches that may result in termination of the Agreement if not cured pursuant to the process provided in **Article XII**.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

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

“Public Purpose” means the purpose the Parties seek to accomplish through this Cooperative Endeavor Agreement, namely for the Parties to continuously work in collaboration in their actions and activities, in accordance with a sustainable business model, to serve the people of the State: (a) by fulfilling the State’s historical mission of assuring access to Safety Net Services to all citizens of the State, including its Medically Indigent, high risk Medicaid and prisoner populations that present for care; and (b) by focusing on and supporting the Core Services necessary to assure access to Safety Net Services.

“Rapides” means Rapides Healthcare System, L.L.C., a Louisiana limited liability company.

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

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

“State” means the State of Louisiana.

“State Funding Payment” means the supplemental payments made or required to be made as determined in accordance with **Article V**.

“State Law” means the laws of the State of Louisiana, including the State Constitution and the Revised Statutes, as amended, and any regulations promulgated in accordance therewith.

“Termination Notice” means written notice by a non-breaching Party to the other Parties of the non-breaching Party’s intent to terminate this Agreement.

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

“Third Party Consents” means those consents or approvals needed from third parties as set forth on **Schedule 11.1**.

“Wind Down Commencement Date” means Wind Down Commencement Date on which the Wind Down Period commences. This date shall be the date on which a written notice to terminate this Agreement is received by the non-terminating Party, provided however, that the applicable Cure Period, Consultative Process, and Executive Level Negotiations, as applicable or required, have ended without resolution.



“Wind Down Payments” means the Required Program Funding from DHH to CHRISTUS and Rapides during the Wind Down Period.

“Wind Down Period” shall have the meaning as set forth in **Section 12.9**.

**EXHIBIT 2.5**  
**CORE SERVICES**

Emergency Medicine

Inpatient Psychiatric

General Acute Care

General Outpatient Clinic Services

## **RAPIDES HEALTHCARE SYSTEM, L.L.C.**

### Resolutions of the Executive Committee of Rapides Healthcare System, L.L.C. Approving Participation in HPL Cooperative Endeavor Agreement

September 24, 2013

WHEREAS, the State of Louisiana Department of Health and Hospitals and its sub-agencies (“DHH”), and LSU Health Sciences Center (“LSUHSC”), are experiencing significant budget constraints reducing the availability of funds to support their current services and programs for needy and low income populations; and

WHEREAS, LSU owns and operates the hospital and related facilities known as Huey P. Long Medical Center, in Pineville, Louisiana, operating under Medicare Provider Number 19-0009, hereinafter referred to as “HPL” or “Huey P. Long”; and

WHEREAS, Rapides Healthcare System, LLC (“RHS”) and CHRISTUS Health Central Louisiana (“CHRISTUS”) (collectively, the “Hospitals”) have been asked to collaborate with the Board Of Supervisors of Louisiana State University And Agricultural And Mechanical College (“LSU”), the State of Louisiana (the “State”) through the Division of Administration (“DOA”), DHH, LSUHSC, and with each other, to use State and private resources to more efficiently serve the health care needs of Louisiana’s needy and low income populations served by HPL; and

WHEREAS, CHRISTUS and Rapides are willing and desire to participate with the other Parties hereto to provide the financial resources, operational expertise and other necessary resources, and to take steps, to ensure that their facilities continue to: (i) serve as safety-net hospitals and play central roles in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide services that might not otherwise be available in the community, and (iii) prevent the major reductions in service currently contemplated for the Huey P. Long community and their devastating effects on patient access to clinical care; and

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

WHEREAS, CHRISTUS and Rapides are willing and desire to enter into such a cooperative endeavor agreement for the public purpose of maintaining an integrated healthcare delivery system in which the Parties continuously work in collaboration and are committed and aligned in their actions and activities, in accordance with a sustainable business model, to serve the State and its citizens: (a) in assuring access to Safety Net Services to all citizens of the State, including the Medically Indigent, high risk

Medicaid and prisoner populations; and (b) by focusing on and supporting the Core Services necessary to assure access to Safety Net Services; and

WHEREAS, the members of RHS desire that RHS join CHRISTUS in entering such a cooperative endeavor agreement and will approve the resolutions below as required by Section 8.4(f) of the Operating Agreement; and

WHEREAS, the Executive Committee of the Governing Board (the "Board") of the Company, for and on behalf of the Board and the Company, has examined the facts and circumstances described above and has determined that entry into such a cooperative endeavor agreement under the terms and conditions described below is in the company's best interest and is consistent with its mission and governing documents;

**NOW THEREFORE BE IT RESOLVED** that RHS, jointly with CHRISTUS Health Central Louisiana, enter into a cooperative endeavor agreement ("CEA") with LSU, the State through the DOA, DHH and LSUHSC, in the form and substance of the Cooperative Endeavor Agreement annexed to these minutes, to effect implementation of a collaborative effort with the involved parties to improve access to health care for low income and needy persons in Central Louisiana; and

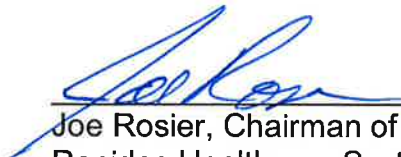
**BE IT FURTHER RESOLVED** that the Chair of the Governing Board, Joe Rosier, Chief Executive Officer, Jason E. Cobb, Chief Financial Officer, Randy Rogers, and the other officers of the Company, and each of them, acting individually or collectively on behalf of the Company (the "Authorized Officers"), be and each of them is authorized to negotiate, execute, deliver and perform all such acts and documents, and all amendments, restatements, supplements and other modifications thereto, as may be reasonably required, necessary or desirable with respect to, and to effectuate, the CEA; and

**BE IT FURTHER RESOLVED** that the approval and authorization granted shall include implementation of such interim action and construction as is required or desirable, in the sole and uncontrolled discretion of the Authorized Officers, to discharge the obligations of RHS under the CEA.

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I, Joe Rosier, Chairman of the Board of Rapides Healthcare System, L.L.C., hereby certify that the foregoing is a true and complete copy of resolutions Approving Participation in the HPL Cooperative Endeavor Agreement with State of Louisiana et al, duly adopted by the Executive Committee of the company at a meeting duly held on the 24<sup>th</sup> day of September, 2013, at which a quorum was present and voting throughout, and that same has not been repealed or amended, and remains in full force and effect and does not conflict with the Articles or Operating Agreement of RHS.

Date: 10/23/13

  
\_\_\_\_\_  
Joe Rosier, Chairman of the Board  
Rapides Healthcare System, L.L.C.

## AUTHORIZATION TO ENTER COOPERATIVE ENDEAVOR

**WHEREAS**, CHRISTUS Health Central Louisiana is a nonprofit corporation d/b/a CHRISTUS St. Frances Cabrini Hospital (“Hospital”) whose sole corporate member is CHRISTUS Health, validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to enter the contemplated Cooperative Endeavor Agreement (“CEA”) with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, CHRISTUS Health Central Louisiana / Rapides Healthcare System, L.L.C., the Division of Administration and the Louisiana Department of Health & Hospitals (each a “Party” and collectively the “Parties”).

**WHEREAS**, the Parties desire to enter the contemplated CEA for the purpose of maintaining an integrated healthcare delivery system in which the Parties work in collaboration in accordance with a sustainable business model, to serve the State of Louisiana and its citizens by fulfilling the obligations set forth in the CEA.

**WHEREAS**, Hospital has the corporate right, power, and authority to execute and deliver the CEA and such other documents, agreements or instruments as may be reasonable and necessary to effectuate the purpose of the CEA, and upon execution and delivery, Hospital has authority to perform its obligations under the CEA and any such other documents, agreements or instruments.

**WHEREAS**, the Hospital’s Chief Executive Officer has been duly authorized by Hospital’s Board of Directors (**or other authority**) to take whatever actions are necessary and to execute the contemplated CEA and any other such documents, agreements, or instruments as may be reasonable and necessary in connection with the CEA, and the Chief Executive Officer’s execution and delivery of the CEA and any related agreements shall constitute the legal, valid, and binding obligation of Hospital, enforceable against Hospital in accordance with the terms of the CEA and such other such documents, agreements, or instruments.

**RESOLVED**, the Chief Executive Officer of Hospital, is authorized, empowered and directed for and on behalf of Hospital and in its name to execute and deliver the CEA and any additional documents that are otherwise reasonable and necessary in connection with the CEA and related transactions, and the execution and delivery of the CEA and any other such document, agreement or instrument or the taking of any such action is conclusive evidence of the authority granted by Hospital’s Board of Directors (**or other authority**) and enforceable against Hospital.

By signing below, I hereby certify that the above and foregoing statements are true and correct as of October 24, 2013.



Ernie Sadau  
President and CEO  
CHRISTUS Health