

MEMBER SUBSTITUTION AGREEMENT

by and among

**UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
(A MAJOR AFFILIATE OF LSU PURSUANT TO LA. R.S. 17:3390),**

LOUISIANA CHILDREN'S MEDICAL CENTER,

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

AND

ADMINISTRATORS OF THE TULANE EDUCATIONAL FUND

Dated:

May 29, 2013

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MEMBER SUBSTITUTION AGREEMENT

This MEMBER SUBSTITUTION AGREEMENT (the “**Agreement**”) is made and entered into the 29th day of May, 2013 (the “**Effective Date**”), by and among Louisiana Children’s Medical Center, a Louisiana nonprofit corporation (“**LCMC**”), University Medical Center Management Corporation (A Major Affiliate of LSU pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation (“**UMCMC**”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“**LSU**”), and Administrators of the Tulane Educational Fund (“**Tulane**”). LCMC, UMCMC, LSU and Tulane are referred to together as the “**Parties**,” and each, a “**Party**.”

RECITALS

WHEREAS UMCMC, LCMC, LSU, the Louisiana Department of Health and Hospitals (“**DHH**”), the Louisiana Division of Administration (“**DOA**”), and the State of Louisiana, acting through the DOA (the “**State**”) have entered into a Cooperative Endeavor Agreement dated as of May 29, 2013 (the “**CEA**”), which, among other things, provides for the lease of the Interim Facility (as defined therein) and the New Facility (as defined therein) to UMCMC and the ownership and management of the Hospital (as defined therein) by UMCMC;

WHEREAS, LCMC and its affiliates have extensive experience in nonprofit hospital operations and finances, ongoing relationships with academic and community organizations throughout New Orleans and the State of Louisiana, and are committed to the growth and expansion of the charitable clinical, research and teaching missions in the communities they serve;

WHEREAS, LCMC and UMCMC share a common vision of how LCMC and UMCMC can work together in a collaborative and integrative enterprise to better serve the patient population of the greater New Orleans area, while improving research and medical education, both today and into the future, through a transaction under which LCMC will become the sole member of UMCMC upon the terms and conditions set forth herein;

WHEREAS pursuant to the CEA, the Articles of Incorporation and Bylaws of UMCMC will be revised in accordance with the CEA and this Member Substitution Agreement and concurrent therewith, LCMC shall become the sole member of UMCMC; and

WHEREAS the Parties wish to set forth the terms of the member substitution whereby LCMC becomes, and may subsequently withdraw as, the sole member of UMCMC.

NOW THEREFORE, in consideration of the foregoing premises and the agreements and covenants set forth herein, the Parties agree as follows.

ARTICLE I
MEMBERSHIP SUBSTITUTION

1.1 Member Substitution. Immediately following the execution of the CEA (“**CEA Effective Date**”) by the parties thereto, UMCMC shall execute and file with the Louisiana Secretary of State and the Clerk and Recorder of East Baton Rouge Parish the Amendment to and Restatement of the Articles of Incorporation of UMCMC in the form of **Exhibit 1.1A** hereto and LCMC shall thereby be substituted as and become the sole member of UMCMC as of the CEA Effective Date (the “**Member Substitution Date**”). The Articles of Incorporation of UMCMC as amended and restated pursuant to the Amendment to and Restatement of the Articles of Incorporation of UMCMC in the form of **Exhibit 1.1A** hereto and the Amended and

Restated Bylaws of UMCMC in the form of **Exhibit 1.1B** hereto will replace the current Articles of Incorporation and Bylaws of UMCMC and the Parties consent thereto.

1.2 UMCMC Assets and Liabilities.

(i) All assets and properties, whether tangible or intangible, of UMCMC shall at the Member Substitution Date remain assets of UMCMC, in accordance with the terms and conditions of this Agreement, and (ii) all liabilities of UMCMC shall at the Member Substitution Date remain with UMCMC, in accordance with the terms and conditions of this Agreement and shall not be guaranteed or otherwise assumed by LCMC except as may otherwise be expressly agreed by LCMC.

1.3 UMCMC Board of Directors. As of the Member Substitution Date, the Directors of UMCMC shall be as set forth on **Exhibit 1.3**.

ARTICLE II
LCMC WITHDRAWAL AS SOLE MEMBER

2.1 Withdrawal Events. LCMC shall have the option, in the case of an Elective Withdrawal Event (as defined below), or the obligation, in the case of an Involuntary Withdrawal Event (as defined below), to withdraw as the member of UMCMC prior to the expiration of the CEA in accordance with this Article II (a “Member Withdrawal”), and for no other reason, including, without limitation, any breach of the CEA or other agreements contemplated thereunder. Elective Withdrawal Events and Involuntary Withdrawal Events shall collectively be referred to as “**Withdrawal Events.**” Any Member Withdrawal shall be subject to the six (6) month Transition Period provided in Section 2.9.

2.2 Elective Withdrawal Events.

Subject to the Parties' good faith participation in the Pre-Withdrawal Process set forth in Section 2.7, upon the occurrence of one or more of the following events (each, a "**Potential Elective Withdrawal Event**"), LCMC shall have the option to withdraw from UMCMC in accordance with Section 2.8:

2.2.1. Mutual agreement of all the Parties;

2.2.2. Any action, or pattern or practice of action, by LSU that is materially inconsistent with the Public Purpose as described in the CEA;

2.2.3. The Required Program Funding as defined in Article VIII of the CEA has not been timely received by UMCMC or LCMC affiliates;

2.2.4. Any final, non-appealable judgment in favor of LCMC or UMCMC against the State, LSU, DOA or DHH (each, a "**Public Party**") arising out of the CEA that remains unpaid for more than one (1) year from the date of the final judgment;

2.2.5. A Public Party fails to perform or observe any covenant, term or condition of the CEA to be performed by it which is solely within such Party's ability to satisfy and which has a Material Adverse Effect (as defined in the CEA) on LCMC or UMCMC's ability to perform its obligations under the CEA; or

2.2.6. A Public Party shall have made any representation or warranty in the CEA or in any document or certificate which is executed by such Party incident to the CEA, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on LCMC's or UMCMC's ability to perform its obligations under the CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to June 24, 2013, the

date on which UMCMC assumes operation and management of the Hospital (“**Commencement Date**”), shall be excused.

2.3 Amendments Upon Elective Withdrawal.

Effective upon LCMC’s elective withdrawal as a member of UMCMC, the Parties acknowledge that the following amendments to the CEA shall become effective at the time of the withdrawal without further action by the Parties:

2.3.1. All references to LCMC in Article VIII (Required Funding) of the CEA shall be deleted and, if the context so requires, replaced with UMCMC or any successor entity to LCMC, as the case may be, such that UMCMC or LCMC’s successor, as the case may be, may continue to receive the funding contemplated in Article VIII (Required Funding) of the CEA.

2.3.2. Section 4.1(b) (LCMC Guarantee) of the CEA shall be deleted in its entirety unless a successor entity to LCMC agrees to guarantee that certain Master Hospital Lease or the Right of Use Agreement by and between UMCMC and LSU for the lease of Interim Facility, New Facility and certain other properties (“**Master Hospital Lease**”), in which case LCMC shall be replaced with the name of such successor entity. In any event, at the time of Member Withdrawal Date (as defined below), the Parties agree that LCMC shall no longer guarantee the Master Hospital Lease.

2.4 Other Effects of Elective Withdrawal.

Subject to the provisions of Section 17.2(a) of the CEA regarding stipulated damages in the event of LCMC’s elective withdrawal as a member of UMCMC due to (i) Inadequate Funding (as defined in the CEA), (ii) failure of the State to pay any final, binding, and non-appealable judgment in favor of UMCMC or LCMC within one (1) year of the date of judgment,

or (iii) breach of any representation or warranty by LSU or the State that the CEA constitutes a valid and binding contract enforceable in accordance with its terms, upon LCMC's elective withdrawal, LCMC and UMCMC shall be entitled to pursue any damages or remedies available at law.

2.5 Involuntary Withdrawal Events.

Subject to the Parties' good faith participation in the process set forth in Section 2.7, upon the occurrence of one or more of the following events (each, a "**Potential Involuntary Withdrawal Event**"), LSU shall have the option to compel LCMC to withdraw as a member of UMCMC in accordance with Section 2.8:

2.5.1. Any action, or pattern or practice of action, by LCMC or UMCMC that is materially inconsistent with the Public Purpose as described in the CEA;

2.5.2. Termination of the Master Hospital Lease or the Right of Use Agreement for any reason;

2.5.3. A Change in Control (as defined in the CEA) of UMCMC or LCMC without LSU's consent;

2.5.4. Either of the UMCMC Articles of Incorporation or Bylaws is amended except in accordance with its terms;

2.5.5. LCMC or UMCMC fails to perform or observe any covenant, term or condition of the CEA to be performed by it which is solely within LCMC's or UMCMC's ability to satisfy and which has a Material Adverse Effect on another Party's ability to perform its obligations under the CEA; or

2.5.6. LCMC or UMCMC shall have made any representation or warranty in the CEA or in any document or certificate which is executed by LCMC or UMCMC incident

to the CEA, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on another party's ability to perform its obligations under the CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to the Commencement Date, shall be excused.

2.6 Effect of Involuntary Withdrawal.

Subject to the provisions of Section 17.2(b) of the CEA regarding stipulated damages upon LCMC's involuntary withdrawal as a member of UMCMC due to a breach of the Master Hospital Lease or Right of Use Agreement (as defined in the CEA) by a Public Party, or a casualty or expropriation event, LCMC shall not be entitled to any payment upon its involuntary withdrawal as a member of UMCMC, including, without limitation, refund or payment of (i) unearned prepaid rent under the terms of the Master Hospital Lease and any related lease for the New Facility entered into by the Parties ("**Prepaid Rent**"), (ii) the value as of the Member Withdrawal Date of the unamortized capital expenditures computed on a GAAP basis made by UMCMC or an LCMC affiliate to the New Facility ("**Unamortized Improvements**"), or (iii) the difference between UMCMC's current assets and current liabilities, as computed on a GAAP basis ("**Working Capital**").

2.7 Process for Addressing Potential Withdrawal Events.

Consistent with the CEA, the process the Parties shall follow for addressing Potential Elective Withdrawal Events and Potential Involuntary Withdrawal Events (collectively, a "**Potential Withdrawal Event**") upon the occurrence of a Potential Withdrawal Event (the

“**Pre-Withdrawal Process**”) with the objective of avoiding a Member Withdrawal shall be as follows:

2.7.1. Notice and Cure Period. A Party asserting a Potential Withdrawal Event shall provide the other Party or Parties written notice of such event, which notice shall include a detailed description of the basis for such event and the Party’s requirements to remedy such asserted event. The Party asserted to have caused the Potential Withdrawal Event shall be entitled to a 60 day cure period (“**Cure Period**”), or such other time period agreed to by the Parties, to remedy the asserted Potential Withdrawal Event.

(b) Consultative Process. If such Potential Withdrawal Event is not cured within the Cure Period, the Parties shall engage in the Consultative Process for a period of not less than thirty (30), but not more than sixty (60), days to attempt to resolve the Potential Withdrawal Event. 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 Parties.

(c) Executive Level Negotiations. If an alleged Potential Withdrawal Event is not resolved in the Consultative Process, the president or equivalent executive of each such Party, or his or her designee, shall discuss and negotiate in good faith for thirty (30) calendar days, or such longer period as the Parties may agree, to attempt to resolve the issue.

2.8 Withdrawal Rights.

If the asserted Potential Withdrawal Event is not resolved pursuant to the procedures in Section 2.7 set forth above, then LCMC, in the case of a Potential Elective Withdrawal Event,

may declare its intent to withdraw from UMCMC, or the affected Party, in the case of an Potential Involuntary Withdrawal Event, may declare its intent to cause LCMC's withdrawal from UMCMC, as the case may be, by delivery written notice of such intent to the other Parties (the "**Member Withdrawal Notice**"). Such a withdrawal shall be in addition to any other remedies which the applicable Party may have at law, including damages, but shall be subject to the Transition Period provided in Section 2.9.

2.9 UMCMC Transition upon Withdrawal.

2.9.1. Transition Generally. During the period commencing on the effective date of the Member Withdrawal Notice and ending on the date of LCMC's withdrawal as a member of UMCMC (the "**Member Withdrawal Date**") (such period, the "**Transition Period**"), the Parties shall coordinate LCMC's withdrawal to minimize the likelihood of any adverse impact on the Hospital's operations, including, without limitation, inpatient and outpatient hospital care, outpatient clinics, and graduate medical education ("**GME**"), all as further provided in the CEA. The Transition Period shall be for a period of six (6) months beginning two (2) days after the date of the Withdrawal Notice, unless otherwise extended by the Board of Directors of UMCMC or the Transition Board of Directors (as defined below), as the case may be, and approved by LCMC, provided that any payments due LCMC upon its withdrawal shall not be due until one (1) year after the Member Withdrawal Date as provided in Section 17.3 of the CEA. The Member Withdrawal Date shall be the last day of the Transition Period.

2.9.2. New Member. During the Transition Period, UMCMC may seek a new Person (as defined in the CEA) to become the member(s), and to replace LCMC as the member, of UMCMC (the "**New Member**") that, upon such terms and conditions as

UMCMC, LCMC and the New Member agree in writing, will support UMCMC's management and operation of the Hospital in accordance with the CEA. For purposes of this Agreement, the Parties agree that, in the event a New Member(s) is substituted for LCMC as the sole member(s) of UMCMC:

(a) The New Member(s) shall be required to honor and shall be bound by the GME provisions (the "**GME Provisions**") set forth in that certain Memorandum of Understanding dated August 2, 2009, as amended by amendment thereto dated March 2, 2010, by and among LSU, DOA, DHH and Tulane (the "**MOU**"), including, without limitation, (i) the GME Provisions related to the allocation and use of residency slots, (ii) the GME Provisions requiring non-discrimination in the administration of GME programs ("**GME Programs**") with respect to any Sponsoring Institutions (as defined in the CEA), or any Sponsoring Institution's students, faculty and residents, and (iii) the GME Provisions related to entering into and administering certain GME contracts.

(b) The New Member(s) shall be required to (i) maintain Tulane's and LSU's respective rights with respect to representation on UMCMC's Board of Directors as set forth in the MOU; (ii) ensure that no alterations, modifications or changes are made to any GME Programs, or the administration of such programs, without the approval of the affected Sponsoring Institution; (iii) have provisions contained in UMCMC's bylaws consistent with the MOU pertaining to the GME Programs and the allocation of residency slots and ensure there are no modifications, alterations, changes or amendments to such provisions without the consent of the affected Sponsoring Institution; and (iv) ensure that a majority of

the members of UMCMC's Board of Directors shall continue to be independent of Tulane and LSU.

(c) The New Member(s) shall be required to agree to and be bound by the terms of the CEA.

2.10 UMCMC Transition Period Governance.

2.10.1. Special Meeting of Board of Directors. Within thirty (30) days following the Member Withdrawal Notice, the UMCMC Board of Directors shall convene a special meeting to determine the composition of the Board of Directors during the Transition Period. Upon an affirmative supermajority vote of the UMCMC Board of Directors, defined as eleven (11) of fourteen (14) voting Directors (including the affirmative vote of at least two (2) of the academic appointee Directors), the existing composition of the Board of Directors shall continue during the Transition Period.

2.10.2. Transition Board of Directors. If an affirmative supermajority vote to maintain the composition of the UMCMC Board of Directors does not occur, then LCMC and the UMCMC Board of Directors shall immediately cause the UMCMC Articles and Bylaws then in effect to be amended to (i) provide for a reconstituted UMCMC Board of Directors to serve UMCMC during the Transition Period (the "**Transition Board of Directors**"), and (ii) remove the reserved powers of LCMC. The Transition Board of Directors shall consist of:

(a) One (1) Director who shall be a representative of LSU appointed by the President of LSU after obtaining the advice and consent of the LSU Board of Supervisors;

(b) One (1) Director who shall be appointed by the President of Tulane;

(c) One (1) Director who shall be appointed by the President of Xavier University (“**Xavier**”); and

(d) Three (3) Directors who shall be appointed by LCMC.

2.10.3. Appointment of Special Director. If any vote of the Transition Board of Directors results in deadlock and such deadlock extends for two (2) consecutive meetings of the Transition Board of Directors, then the Transition Board of Directors shall petition the Chief Bankruptcy Judge of the United States District Court, Eastern District of Louisiana to appoint a neutral special director (the “**Special Director**”), with the qualifications set forth in Section 2.10.4 below. In the event that such Bankruptcy Judge does not have jurisdiction to appoint the Special Director, then the Special Director shall be appointed by the American Arbitration Association. The Special Director shall only participate in the activities of the Transition Board of Directors to cast the deciding vote in the event of a deadlock that has lasted for two (2) consecutive meetings. In making a deciding vote, the Special Director shall consider the following factors:

- (a) The impact of the exercise on UMCMC;
- (b) The impact of the exercise on the educational programs operated by UMCMC;
- (c) The impact of the exercise on the System; and
- (d) The impact of the exercise on the delivery of Safety Net Services (as defined in the CEA) in the New Orleans area and the State.

2.10.4. Qualifications, Compensation and Indemnification of Special Director.

The Special Director shall have (i) at least fifteen (15) years’ experience in hospital administration as a senior executive, and (ii) experience with distressed hospitals. UMCMC shall enter into such compensation and indemnification arrangements with the

Special Director as the Transition Board of Directors deems necessary to attract a qualified Special Director.

2.11 UMCMC Governance Following the Member Withdrawal Date. Unless otherwise determined by the UMCMC Board of Directors or Transition Board of Directors, as the case may be, on or prior to the end of the Transition Period, UMCMC's governance shall be reconstituted as it existed immediately prior to the Member Substitution Date and the GME Provisions shall continue to be honored, all as set forth in the CEA, including, without limitation, (i) the composition of the members of UMCMC immediately prior to the Member Substitution Date shall be reinstated, and (ii) UMCMC's Articles of Incorporation and Bylaws shall be restored to the UMCMC's Articles of Incorporation and Bylaws in effect immediately prior to the Member Substitution Date. LCMC shall take such actions on the Member Withdrawal Date to cause the provisions to this Section 2.11 to be effectuated should this Section 2.11 be applicable. For the avoidance of doubt, in the event that the CEA is terminated for any reason, or if LCMC withdraws from UMCMC and there is no New Member, the terms of the GME Provisions will continue to apply to any successor holder of the Hospital provider number, as well as to each of LSU, Tulane, and the State.

2.12 Future Obligations. The Parties agree to take any action necessary to effectuate the requirements set forth in this Article II, inclusive of all subsections therein (the "**Future Obligations**"). The Future Obligations shall be binding upon the New Member(s), to the extent applicable. LCMC, UMCMC, LSU and Tulane acknowledge that the failure to adhere to the Future Obligations, or any threat not to honor the Future Obligations, will cause irreparable harm to the Hospital and to the institutions sponsoring GME Programs and to the operation of their GME Programs in the Hospital. In such a case, the Parties agree that money damages would not

be a sufficient remedy for such action and that each shall be entitled to seek injunctive relief or specific performance to enforce the Future Obligations. Such remedies shall not be deemed to be the exclusive remedies for a failure to honor, or threat not to honor, the Future Obligations, but shall be in addition to all other remedies available at law or equity. Except as provided in this Agreement, on and after the Member Withdrawal Date, neither LCMC nor any of its affiliates shall have any further responsibility for the management, operations, oversight or any guarantees or performance of any kind related to UMCMC.

ARTICLE III **PAYMENTS TO LCMC**

3.1 Stipulated Damages.

In the event of LCMC's elective withdrawal under the circumstances set forth in Section 17.2(a) of the CEA, or involuntary withdrawal under the circumstances set forth in Section 17.2(b) of the CEA, then stipulated damages shall be paid to LCMC in accordance with Article XVII of the CEA. In addition, any other damages that may be awarded in the course of any dispute resolution process related to a claim by LCMC against another party to the CEA pending as of the Member Withdrawal Date shall also be paid to LCMC.

ARTICLE IV **TERM AND TERMINATION**

4.1 Term and Termination.

This Agreement shall begin on the Effective Date and shall terminate on the Member Withdrawal Date (the "**Term**"), provided, however, that the Parties may terminate this Agreement prior the expiration of the Term upon the mutual agreement of all Parties.

ARTICLE V
INDEMNIFICATION

5.1 Indemnification.

5.1.1. LCMC Indemnification. LCMC shall indemnify UMCMC from any and all liabilities, losses, costs, damages and expenses UMCMC may incur, including, without limitation, reasonable attorneys' fees, relating to the operation of the Hospital by UMCMC during the period commencing on the date it assumes operations and control of the Interim Facility to the Member Withdrawal Date, provided, however, that such indemnification shall only apply to those amounts not covered by insurance.

5.1.2. UMCMC Indemnification. UMCMC shall indemnify LCMC from any and all liabilities, losses, costs, damages and expenses LCMC may incur, including, without limitation, reasonable attorneys' fees, relating to the operation of the Hospital by UMCMC following the Member Withdrawal Date, provided, however, that such indemnification shall only apply to those amounts not covered by insurance.

5.1.3. Third-Party Claims.

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

demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Person's failure to give such notice.

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

of any Person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claims effected without its consent.

(c) 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).

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

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

5.1.4. 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 VI **MISCELLANEOUS**

6.1 Amendments. This Agreement may be amended by the Parties, by appropriate corporate action taken at any time by the Parties, including the members of a party (if any). In the event that an amendment agreed to subsequent to all required corporate approval is required by applicable law to be the subject of a further membership approval, the Parties agree to seek that approval as expeditiously as possible, consistent with all statutory and bylaw requirements.

This Agreement may not be amended except by an instrument in writing signed on behalf of the Parties.

6.2 Interpretation of this Agreement.

6.2.1. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as appropriate.

6.2.2. Whenever in this Agreement the locative adverb “herein” or “hereunder” are used, the same shall be understood to refer to this Agreement in its entirety and not to any specific article, section, subsection, subpart, paragraph or subparagraph.

6.3 Waiver. At any time, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto; and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid if set forth in an instrument in writing signed on behalf of such Party. No waiver of or failure by any Party to enforce any of the provisions, terms, conditions, or obligations herein shall be construed as a waiver of any subsequent breach or such provision, term, condition, or obligation, or of any other provision, term, condition or obligation hereunder, whether the same or different in nature. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.

6.4 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 UMCMC:

University Medical Center Management Corporation
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Steve Worley, President and CEO
Richard Guevara, Vice President of Legal Affairs

With a copy to:

Kantrow, Spaht, Weaver & Blitzer APLC)
City Plaza, Suite 300
445 North Boulevard
Baton Rouge, LA 70802
Attention: Lee C. Kantrow, Esq
.

If to LCMC:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Steve Worley, President and CEO
Richard Guevara, Vice President of Legal Affairs

With a copy to:

Foley & Lardner LLP
111 Huntington Avenue, Suite 2500
Boston, MA 02199
Attention: J. Mark Waxman, Esq.

If to LSU:

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

With a copy to:

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

If to Tulane:

Administrators of Tulane Educational Fund
Tulane University
218 Gibson Hall
6823 St. Charles Avenue
New Orleans, LA 70118-5684
Attention: Scott S. Cowen, President

With a copy to:

Tulane University
6823 St. Charles Avenue
Suite 300
New Orleans, LA 70118
Attention: Victoria Johnson, Esq.

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

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

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

6.5 Enforceability and Severability. If any provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement stricken in accordance with the provisions of this Section 6.5, then this stricken version shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

6.6 Statutes and Regulations. Any reference in this Agreement to any statutes, regulation, ruling or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order.

6.7 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Louisiana applicable to agreements made and to be performed wholly within the state, without regard to such state's choice-of-law principles.

6.8 Section Headings. The headings of the sections of this Agreement are included for the purpose of convenience only and shall not affect the interpretation of any provision hereof.

6.9 Exhibits. All Exhibits referred to in this Agreement are incorporated herein by reference.

6.10 Successors and Assigns. Except as otherwise expressly provided in this Agreement, neither Party may assign any of its rights or obligations under this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, LCMC shall be permitted to assign its rights or obligations under this Agreement to an affiliate. Except as specifically provided in this Agreement, any attempted assignment or delegation of a Party's rights, claims, privileges, duties or obligations hereunder shall be null and void. Notwithstanding the foregoing, this Agreement shall be binding upon and shall inure to each Party's benefit and its respective successors and assigns as permitted hereunder.

6.11 Expenses. Except as may be specifically provided for in this Agreement, each Party shall bear its own expenses incurred in connection with this Agreement and the transactions contemplated herein, including, but not limited to, legal and accounting fees.

6.12 Brokerage. Each Party shall indemnify and hold the others harmless against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements, or understandings made or claimed to have been made by such Party with any third party.

6.13 Remedies. The various rights, options, elections, powers, and remedies of the respective Parties contained in, granted or reserved by this Agreement, are in addition to any others that said Parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right or priority allowed by law.

6.14 Third Party Beneficiaries. This Agreement has been made and is made for the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement is intended to confer any right or remedies under or by reason of this Agreement on any person other than the Parties to it and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third person to any Party to this Agreement.

6.15 Entire Agreement; Exhibits. This Agreement and all Exhibits hereto as well as the agreements and other documents referred to in this Agreement constitute the entire agreement among the Parties with regard to the subject matter hereof and thereof. Except as specifically set forth herein, this Agreement supersedes all previous agreements among the Parties with regard to the subject matter. There are no agreements, representations, or warranties among the Parties other than those set forth in this Agreement or the documents and agreements referred to in this Agreement.

6.15.1. The attached Exhibits are, in their entirety, incorporated and made a part of this Agreement and shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

6.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same

instrument. For purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

6.17 Access to Records and Information. To the extent applicable to this Agreement and to any agreement contemplated hereunder or entered into pursuant hereto between the Parties, the Parties agree to comply with the requirement of Public Law 96-4999, Section 952 (Section 1861(v)(1)(I) of the Social Security Act) and regulations promulgated thereunder.

6.18 Dispute Resolution. The Parties will attempt to resolve any material breaches, disputes or issues of concern to or affecting the transactions or relationships contemplated by this Agreement that are not Potential Withdrawal Events as follows:

6.18.1. Cure Period. If the basis of the dispute is alleged to constitute a breach of this Agreement, the Party alleging the breach shall provide the alleged breaching Party with written notice of such alleged breach, with sufficient detail to provide the alleged breaching Party with the factual basis or circumstances giving rise to the alleged breach. The breaching Party shall be entitled to a Cure Period to cure the alleged breach.

6.18.2. Consultative Process. If the alleged breach is not cured within the Cure Period, or if the dispute does not involve an alleged breach or is not otherwise subject to cure, the Parties shall engage in the Consultative Process for a period of ten (10) days, or such longer period as may be appropriate but not to exceed sixty (60) days, to attempt to resolve the dispute. “**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.

6.18.3. Right to Legal Remedies for non-Potential Withdrawal Events; No Termination or Withdrawal Rights. If such dispute involving a non-Potential Withdrawal Event is not resolved pursuant to the Consultative Process, the Parties shall be entitled to such remedies as are available at law, including damages, but not including any equitable or injunctive relief which could or would limit LSU's access to the Interim Facility or the New Facility, as applicable, or Tulane's ability to access the Interim Facility or the New Facility as set forth in the Amended and Restated Articles and Bylaws. No Party shall have the right to terminate this Agreement, nor may LCMC elect or be compelled to withdraw as a member of UMCMC, for a non-Potential Withdrawal Event, except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

6.19 Brokers, Finders. Each Party agrees that it shall solely be responsible for any fees, costs, expenses and commissions payable to any and all brokers, finders, or originators retained by such Party in the negotiation and/or development of the transaction contemplated in this Agreement, and no Party shall have any liability for any fees, costs, expenses and commissions payable to any brokers, finders, or originators retained by the other Party.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed
by its duly authorized officer as of the date first set forth above.

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: Steve Worley
Steve Worley, President and Chief
Executive Officer

**UNIVERSITY MEDICAL CENTER
CENTER MANAGEMENT
CORPORATION (A MAJOR AFFILIATE
OF LSU PURSUANT TO LA R.S. 17:3390)**

By: _____
Robert V. "Bobby" Yarborough,
Chair

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

By: _____
Dr. William L. Jenkins
Interim President
Louisiana State University System

**ADMINISTRATORS OF THE TULANE
EDUCATIONAL FUND**

By: _____
Scott S. Cowen, President

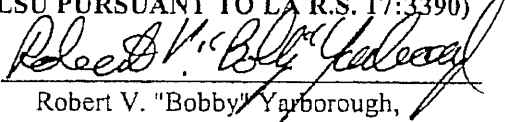
**Execution Version
Member Substitution Agreement**

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed
by its duly authorized officer as of the date first set forth above.

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: _____
Steve Worley, President and Chief
Executive Officer

**UNIVERSITY MEDICAL CENTER
CENTER MANAGEMENT
CORPORATION (A MAJOR AFFILIATE
OF LSU PURSUANT TO LA R.S. 17:3390)**

By:  _____
Robert V. "Bobby" Yarborough,
Chair

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

By: _____
Dr. William L. Jenkins
Interim President
Louisiana State University System

**ADMINISTRATORS OF THE TULANE
EDUCATIONAL FUND**

By: _____
Scott S. Cowen, President

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized officer as of the date first set forth above.

LOUISIANA CHILDREN'S MEDICAL CENTER

By: _____
Steve Worley, President and Chief Executive Officer

**UNIVERSITY MEDICAL CENTER
CENTER MANAGEMENT CORPORATION (A MAJOR AFFILIATE OF LSU PURSUANT TO LA R.S. 17:3390)**

By: _____
Robert V. "Bobby" Yarborough, Chair

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

By: _____
Dr. William L. Jenkins
Interim President
Louisiana State University System

**ADMINISTRATORS OF THE TULANE
EDUCATIONAL FUND**

By: _____
Scott S. Cowen, President

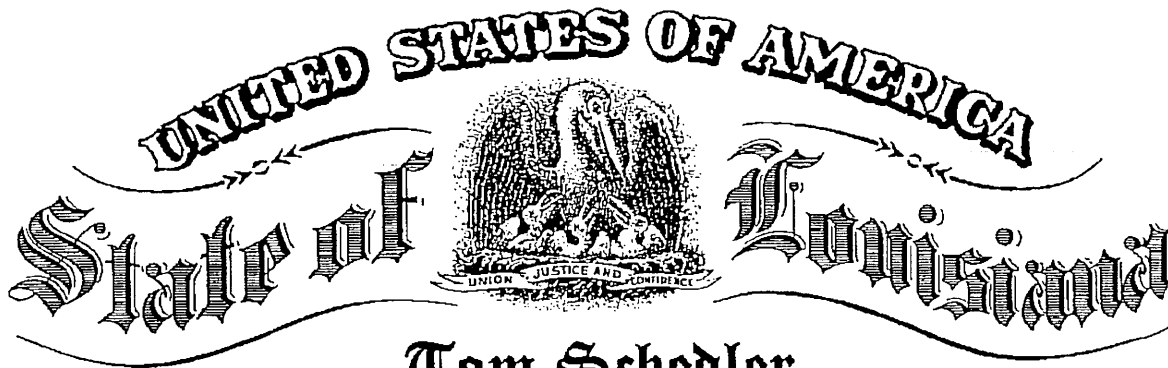
LIST OF EXHIBITS

- Exhibit 1.1A** Amendment to and Restatement of Articles of Incorporation of UMCMC
- Exhibit 1.1B** Amended and Restated Bylaws of UMCMC
- Exhibit 1.3** Directors of UMCMC

EXHIBIT 1.1A

Amendment to and Restatement of Articles of Incorporation of UMCMC

(Attached)



Tom Schedler

SECRETARY OF STATE

As Secretary of State of the State of Louisiana, I do hereby Certify that

a copy of Restated Articles of Incorporation of

**UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION (A MAJOR
AFFILIATE OF LSU PURSUANT TO LA. R.S. 17:3390)**

Domiciled at BATON ROUGE, LOUISIANA, changing the corporate name to

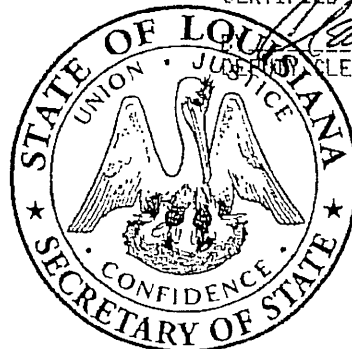
UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION

Was filed and recorded in this Office on May 30, 2013.

ORIG: 410 BNDL: 12502
5/30/2013 3:58:39 PM

FILED AND RECORDED
EAST BATON ROUGE PARISH, LA
DOUG WELBORN
CLERK OF COURT AND RECORDER

CUSTOMER PROVIDED COPY FOR
CERTIFIED TRUE COPY



In testimony whereof, I have hereunto set my hand and caused the Seal of my Office to be affixed at the City of Baton Rouge on,

May 30, 2013

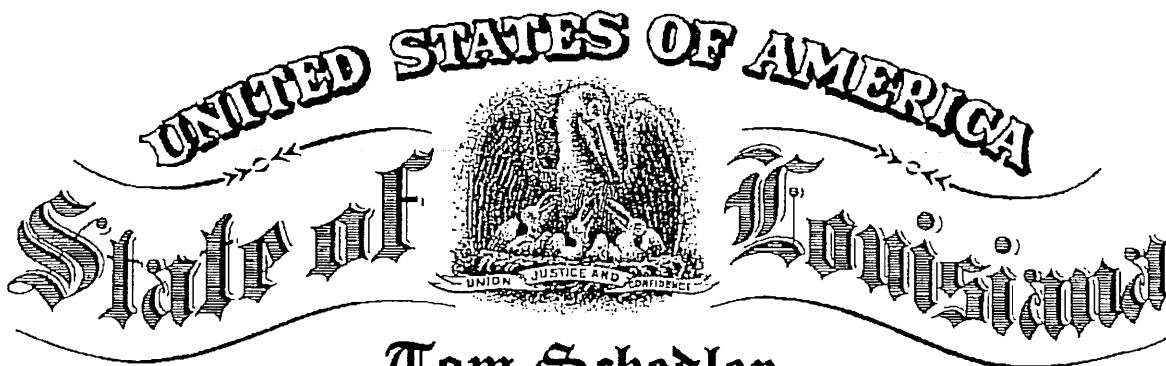
Secretary of State

Certificate ID: 10386931#YNJ62

To validate this certificate, visit the following web site, go to **Commercial Division, Certificate Validation**, then follow the instructions displayed.

www.sos.louisiana.gov

JL 36029275N



Tom Schedler
SECRETARY OF STATE

As Secretary of State of the State of Louisiana I do hereby Certify that
the attached document(s) of

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION

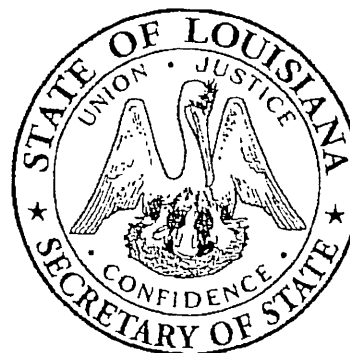
are true and correct and are filed in the Louisiana Secretary of State's Office.
41189202 Restated Amendment 05/30/2013 11 pages

In testimony whereof, I have hereunto set my
hand and caused the Seal of my Office to be
affixed at the City of Baton Rouge on,

May 30, 2013

Secretary of State

JL 36029275N



Certificate ID: 10386932#8QK73

To validate this certificate, visit the following
web site, go to **Commercial Division,**
Certificate Validation, then follow the
instructions displayed.

www.sos.louisiana.gov

**AMENDMENT TO AND RESTATEMENT OF
ARTICLES OF INCORPORATION
OF
UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
(A Major Affiliate of LSU pursuant to La. R.S. 17:3390)**

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

In accordance with the provisions of Section 237 of the Louisiana Nonprofit Corporation Law, University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation, pursuant to a joint unanimous written consent of all of the members and directors of this corporation effective as of April 23 2013, hereby amends its Articles of Incorporation, as previously amended and restated on July 9, 2010, as follows: Section 1(a) of Article 4 has been amended and restated in its entirety as set forth below and Articles 1, 5, 6 and 9 have been amended and restated in their entirety as set forth below.

Further, pursuant to the authority granted to and vested in the Board of Directors, and in accordance with the provisions of Section 241 of the Louisiana Nonprofit Corporation Law, the Board of Directors, pursuant to a unanimous written consent of all of the directors effective as of April 23, 2013, has authorized the restatement of the Articles of Incorporation of the corporation, as previously restated on July 9, 2010, as amended pursuant hereto as described herein and the execution and filing thereof.

The corporation was incorporated on October 12, 2005. This restatement (the "**Restatement**"), dated May 29, 2013, accurately copies (without substantive change except as made by the amendments contained in this restatement as described herein) the Articles of Incorporation of this corporation and all amendments thereto in effect as of the date of this restatement, and each amendment has been effected in conformity with law, all as set forth hereinafter:

ARTICLE I

Name and Powers

The name of this corporation shall be **University Medical Center Management Corporation** and it generally shall possess all the powers, rights, privileges, capacities, and immunities which nonprofit corporations are authorized, and may hereafter be authorized, to possess under the Constitution and laws of the State of Louisiana (the "**State**"), and particularly under Title 12, Section 201 et seq. of the Louisiana Revised Statutes, necessary to carry out its purposes. One of its purposes shall be to serve as a major affiliate of LSU as more specifically set forth in Article 4 hereof in accordance with La. R.S. 17:3390.

ARTICLE 2

Basis of Organization

This corporation shall be (i) organized on a non-stock basis as a nonprofit corporation, as provided for by La. R.S. 12:201, et seq. and is irrevocably dedicated to the purposes stated in Article 4 and (ii) a support organization affiliated with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”) in accordance with La. R.S. 17:3390. All references in these Articles of Incorporation, and in any bylaws adopted pursuant hereto, to La. R.S. 17:3390 are to the provisions thereof existing as of the date of execution of this amendment to and restatement of the Articles of Incorporation of this corporation, but not including any subsequent amendments to such statute.

ARTICLE 3

Duration

This corporation shall exist and continue and have perpetual existence in its corporate name unless sooner dissolved in accordance with law.

ARTICLE 4

Purposes

Section 1.

(a) This corporation is organized and shall be operated as a corporation affiliated with LSU as defined in La. R.S. 17:3390, with a principal purpose of supporting the programs, facilities and research and educational opportunities offered by LSU, and supporting research and educational opportunities, including without limitation, medical training programs, offered by the Administrators of the Tulane Educational Fund (“**Tulane**”), including, without limitation, the following:

(i) operating the hospital currently operating under provider number 19-0005, and upon its completion, the new University Medical Center in New Orleans, Louisiana, which will operate under the same provider number as more specifically provided in the Bylaws (the “**Hospital**”);

(ii) operating in a manner consistent with the best practices of private, nonprofit institutions;

(iii) being a provider of charity care for the uninsured and playing a pivotal role as a statewide referral center for patients in need of higher levels of care;

(iv) providing medical and allied health training; and

(v) being recognized nationally as a leader in research, training and excellence in transparent clinical and financial outcomes.

(b) Notwithstanding any other provision of these Articles of Incorporation, the purposes for which this corporation is organized are exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and as a public charity under Section 509(a) of the Code, or the corresponding provisions of any future United States internal revenue law.

Section 2. No part of the net earnings of this corporation shall inure to the benefit of or be distributable to its members, directors, officers, or any private individual or person, except that this corporation shall be authorized and empowered to pay reasonable compensation for necessary services rendered to it, to reimburse persons incurring reasonable expenses on its behalf, and to make payments and distributions in furtherance of the purposes set forth in this Article 4.

Section 3. No substantial part of the activities of this corporation shall be carrying on of propaganda or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE 5

Members

This corporation's sole member shall be Louisiana Children's Medical Center, a Louisiana nonprofit corporation, or its successor in interest (the "Member").

ARTICLE 6

Board of Directors

Section 1. The management of the business and affairs of this corporation shall be vested in, and exercised by, the Board of Directors of this corporation (the "Board of Directors").

Section 2. The Board of Directors shall consist of fifteen (15) directors, composed of the following:

(a) One (1) director who shall be a representative of LSU appointed by the President of LSU after obtaining the advice and consent of the LSU Board of Supervisors;

(b) One (1) director who shall be appointed by the President of the

Administrators of the Tulane Educational Fund (“**Tulane**”);

(c) One (1) director who shall be appointed by the President of Xavier University (“**Xavier**”);

(d) One (1) director who shall be appointed by the Presidents of Delgado Community College (“**Delgado**”), Dillard University (“**Dillard**”), and the Board of Supervisors of Southern University and Agricultural and Mechanical College (“**Southern**”) to serve a two year term (subject to Section 4 of this Article 6); the order of service after the date of this restatement to be as follows: Delgado, then Southern, then Dillard;

(e) Three (3) directors whose recommendation shall be initiated by the President of LSU, after the advice and consent of the LSU Board of Supervisors, for consideration and potential appointment by the Member, none of whom may be an employee or officer of the State or any agency or instrumentality of the State;

(f) Four (4) directors who shall be recommended by this corporation’s Nominating Committee for consideration and appointment by the Member, none of whom may be an employee of the State or any agency or instrumentality of the State;

(g) One (1) *ex-officio* voting director who shall be the Chief Executive Officer of the Member;

(h) One (1) *ex-officio* voting director who shall be the Chairman of the Board of Trustees of the Member;

(i) One (1) *ex-officio* voting director who shall be the Chief Executive Officer of this corporation; and

(j) One (1) *ex-officio* non-voting director who shall be the President of the medical staff (the “**Medical Staff**”) of any hospital operated by this corporation.

Section 3. The directors described in Sections 2(a)–(f) of this Article 6 shall be referred to as the “**Elected Directors.**” The directors described in Sections 2(a)–(b) of this Article 6 shall be referred to as the “**GME Directors.**” The directors described in Sections 2(a)–(d) of this Article 6 shall be deemed elected by the Member for purposes of La. R.S. 17:3390.

Section 4. The Elected Directors shall be divided into two (2) classes approximately equal in size, such classes to have staggered two (2)-year terms of office except one of the first two classes shall have an initial one year term. The Elected Directors shall hold office until the expiration of their respective terms or until their respective successors are elected and qualified or until they sooner die, resign, are removed or become disqualified. A person serving as an *ex-officio* director shall cease to be a director upon ceasing to hold such office as qualifies him/her to be an *ex-officio* director, and his or her successor in that position, whether on an acting, interim or permanent basis, shall automatically succeed him or her as a director.

Section 5.

(a) Any Elected Director described in Sections 2(a)–(d) of this Article 6 may be removed, with or without cause, by (i) the President of the institution that appointed such Elected Director, or (ii) by the Member, provided that the President of the related appointing institution approves such removal. Any other director may be removed, with or without cause, by the Member.

(b) With respect to any vacancy of an Elected Director described in Sections 2(a)–(d) of Article 6, the President of the related appointing institution shall fill any vacancy in its Elected Director and, in the case of LSU, after obtaining the advice and consent of the LSU Board of Supervisors. With respect to any vacancy of an Elected Director described in Section 2(e) of Article 6, LSU, after the advice and consent of the Board of Supervisors, shall initiate a recommendation of a person for consideration and potential appointment by the Member. With respect to any vacancy of an Elected Director described in Section 2(f) of Article 6, the corporation's Nominating Committee shall recommend a person for consideration and appointment by the Member. The Board of Directors shall have and may exercise all of its powers notwithstanding the existence of one (1) or more vacancies in its number.

Section 6.

(a) The Board of Directors shall carry out, as far as practicable, the objectives of this corporation and the Hospital, and shall have authority to make suitable rules and regulations for the conduct of the affairs thereof to meet the requirements of applicable State, local, and Federal laws. The Board of Directors shall be responsible for matters related to statutorily mandated accreditation and regulatory issues, including: (i) legal responsibility for the conduct of the Hospital's operations; (ii) maintaining quality of care; and (iii) appointing and supervising the Medical Staff, subject to applicable State law.

(b) The Board of Directors shall exercise the powers of this corporation as a member or shareholder of any other corporation, provided, that the rights and powers of the Member as set forth in these Articles of Incorporation, the bylaws of this corporation (the "Bylaws"), or under applicable law shall apply equally to any such subordinate or affiliated corporations and the actions so taken or rights so exercised by this corporation with respect thereto.

Section 7. The Board of Directors, by affirmative vote of no less than two-thirds (2/3rds) of its fourteen (14) voting members, shall have the power to make, amend, and repeal such Bylaws, rules or regulations for the governance of the affairs of this corporation as it may deem proper and in accordance with these Articles of Incorporation and law; provided, however, the Bylaws may require additional, more onerous, approvals to make, amend, or repeal the Bylaws or one or more sections thereof in which case such additional, more onerous, approvals shall be required in order to make, amend or repeal the Bylaws or such sections thereof, and subject to the approval by the Member in accordance with Section 10(d) of this Article 6.

Section 8. In accordance with La. R.S. 17:3390, a majority of the members of the Board of Directors shall be composed at all times of persons who are not members of the LSU Board of Supervisors or members or employees of LSU or any entity, organization, department, division or affiliate that is under the control or direction of the LSU Board of Supervisors.

Section 9. Any member of the Board of Directors absent from a meeting of the Board of Directors or any committee thereof may be represented by any other member of the Board of Directors who may cast the vote of the absent director according to the written instructions, general or special, of the absent director. Not in limitation of the foregoing, the representation by proxy of an absent director hereunder at a meeting of the Board of Directors, or any committee thereof shall not count as attendance at the meeting for purposes of determining a quorum.

Section 10. This corporation, acting through its Board of Directors, may authorize or take any of the actions set forth below in this Section 10 of Article 6 with respect to itself or any subordinate corporation controlled by this corporation (each a "**Major Action**"), subject to the approval of the Member prior to the authorization or action being taken or made effective.

(a) Approval of annual operating and capital budgets for this corporation. The Chief Executive Officer of the corporation shall consult with the Board of Directors and the President of the health system operated by the Member (the "**Member System**") in connection with the development of such budgets. The Board of Directors shall direct and operate this corporation and the Hospital consistently with the budgets approved from time to time by the Member.

(b) Approval of all capital expenditures not reflected in a capital budget previously approved by the Member; provided, however, that the Chief Executive Officer of the corporation may submit capital expenditures not reflected in such approved capital budget following consultation with the Chair of the Board of Directors of the corporation, directly to the Member for approval if there is not adequate time for an approval by the corporation's Board of Directors.

(c) Selection of the independent auditor of the financial accounts of the corporation.

(d) Adoption of amendments to the Bylaws or the Articles of Incorporation of this corporation, provided that all amendments to the Bylaws shall be in accordance with Article XX of the Bylaws and all amendments to these Articles of Incorporation shall be in accordance with Article 9 of these Articles of Incorporation.

(e) Execution of contracts which bind this corporation and which are managed care contracts or exclusive contracts, agreements-not-to-compete or similar arrangements, contracts for management services with potentially significant multi-year budgetary impact, or other multi-year service contracts with potentially significant multi-year budgetary impact.

(f) Borrowing or incurrence of debt in any amount by this corporation or any subordinate subsidiary or affiliated corporation, other than (i) for purposes of budgetarily approved working capital from a lender which shall have been approved by the Member and pursuant to loan documentation containing the terms and provisions relating to such borrowing approved by the Member, and (ii) debt incurred in the ordinary course of business which is anticipated in and consistent with the annual operating budget or a capital budget which shall have been approved by the Member for the year in which it is incurred.

(g) Subject to Section 11 of this Article 6, any voluntary dissolution, merger or consolidation of this corporation, or the sale or transfer of all or substantially all of this corporation's assets, or the creation, acquisition or disposal of any subordinated or affiliated corporation, admission of a new member, sale of all or a portion of the Member's ownership interest, or entering into any joint venture or other partnership arrangement by the Member or this corporation.

(h) Discontinuance or initiation of a clinical department or departments, or programs of the Hospital.

(i) Execution of any contract, purchase agreement, or capital lease, whether or not in the approved budget, requiring payments by this corporation or any subordinate corporation in excess of Two Hundred and Fifty Thousand Dollars (\$250,000) per annum.

(j) Causing any assets of this corporation to be transferred, to the extent legally permissible, other than in the ordinary course of conduct of this corporation's business, to the Member to advance the charitable purposes of the Member or of an affiliate of the Member.

Section 11.

(a) The Member shall have the reserved power to both approve and, where necessary in the sole judgment of the Member, initiate any Major Action, provided that in no event will the Member have the ability or authority to approve or initiate any action (i) with respect to a change of control without the express approval of each of the GME Directors as defined and provided herein, or (ii) to amend these Articles except in accordance with Article 9 or to amend the Bylaws except in accordance with Article XX of the Bylaws. For purposes of these Articles of Incorporation, "change of control" shall mean (i) a sale, merger or consolidation of the Member or this corporation, through a transaction or series of related transactions, in which the members of the Member or this corporation immediately prior to such transaction would, following such transaction or series of related transactions, own, in the aggregate, less than fifty percent (50%) of the total combined voting power of the surviving entity normally entitled to vote for the election of directors of the surviving entity, or (ii) the sale by the Member or this corporation of all or substantially all of the Member's or this corporation's assets in one transaction or in a series of related transactions. If the Board of Directors

recommends a Major Action, then the Member may approve, disapprove or suggest reconsideration or amendment of the Major Action recommended by the Board of Directors. If the Member requests that the Board of Directors initiate, reconsider or amend a Major Action, the Board of Directors, subject to the approval of the GME Directors, when applicable, shall take such requested action within a reasonable time specified by the Member for such action. In the absence of timely action by the Board of Directors on such request, or at any time after the Member receives a recommendation from the Board of Directors on the Major Action, the Member may initiate or take any action with respect to the Major Action as it deems appropriate in its sole discretion, subject to the approval of the GME Directors, when applicable, and taking into consideration any recommendation of the Board of Directors thereon, but may act, subject to the approval of the GME Directors, when applicable, notwithstanding any recommendation of the Board of Directors thereon to the contrary. If the Member approves or initiates a Major Action, then the Board of Directors, subject to the approval of the GME Directors, when applicable, shall cooperate with the Member in implementing and executing the Major Action within such time and in such manner as may be specified by the Member. If this corporation fails to implement such Major Action within such time or in such manner as may be specified by the Member, the Member shall have the sole authority, acting through its designated representative, subject to the approval of the GME Directors, when applicable, to serve as attorney-in-fact for and on behalf of this corporation, to prepare or cause to be prepared, executed, and delivered, any and all documents, agreements and instruments, and to take any such action, or to cause others to take such action, as shall be deemed by the Member in its sole discretion to be necessary or desirable to effectuate such Major Action in the manner approved by the Member.

(b) This corporation shall cause the Member's authority to approve and initiate Major Actions in accordance with these Articles of Incorporation to be reserved to the Member in the bylaws (or applicable governance documents) of any subordinate or affiliated corporation that this corporation controls.

(c) Notwithstanding anything contained herein to the contrary, the Board of Directors shall retain all authority required to be held by the Board of Directors under applicable law.

ARTICLE 7

Registered Office

The registered office of this corporation shall be located at 5615 Corporate Boulevard, Suite 400 B, Baton Rouge, Louisiana 70808.

ARTICLE 8

Registered Agent

The full name and address of this corporation's registered agent is:

CT Corporation System
5615 Corporate Boulevard, Suite 400 B
Baton Rouge, Louisiana 70808

ARTICLE 9

Amendment

These Articles of Incorporation may be amended only by the affirmative vote of (a) the Member and (b) no less than two-thirds (2/3rds) of the directors entitled to vote thereon at any regular or special meeting thereof, provided at least forty-five (45) days notice of such meeting, including a description of such proposed amendment, shall have been mailed, delivered by hand, or transmitted by a mutually recognized delivery service, to the Member and each director at the last address of the Member and each director shown by the records of this corporation.

Notwithstanding anything in these Articles of Incorporation to the contrary, (i) no amendment shall be made to clause (ii) of Article 2 or Section 1(a) of Article 4 without the affirmative vote of LSU; (ii) no amendment to Article 5 or Article 6 which adversely affects the Member or any institution named in such Articles and operating or administering an educational or training program at the Hospital shall be made thereto without the affirmative vote of the Member and approval by the adversely affected institution, if applicable, (iii) no amendment to the provisos at the end of the first sentence of Section 7 of Article 6 shall be made without the affirmative vote of the Member and the directors from which the additional approvals described therein are required; and (iv) no amendment to the proviso at the end of the first sentence of Section 11(a) of Article 4 shall be made without the affirmative vote of the GME Directors.

Notwithstanding the foregoing, any amendment to Sections 2(a) - (d) of Article 6 may not be made without the agreement of the related appointing institution.

ARTICLE 10

Dissolution

Upon any dissolution of this corporation, its property and assets shall be applied and distributed as follows:

(a) All liabilities and obligations of this corporation shall be paid, satisfied, and discharged or adequate provisions made therefor.

(b) Any remaining assets shall be distributed exclusively to one or more charitable, scientific or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Code, or corresponding provisions of any subsequent future internal revenue tax laws and the contributions to which are deductible under the provisions of Sections 170, 2055, 2106 or 2522 of the Code; provided, however, such remaining assets shall be distributed with preference and priority to such organization(s) which are recognized support organization(s) of LSU in accordance with La. R.S. 17:3390 and whose primary purpose is medical education and medical research.

ARTICLE 11

Limits of Liability

Section 1. No member of this corporation shall ever be held liable or responsible for contracts, debts, or defaults of this corporation, nor shall any mere informality in organization have the effect of rendering these Articles of Incorporation null and void or of exposing the members to any liability.

Section 2. No director of this corporation shall be personally liable to this corporation or its members for monetary damages for breach of fiduciary duty as a director, except to the extent required by Louisiana law for liability (i) for breach of the director's duty of loyalty to this corporation or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 226(D) of the Louisiana Nonprofit Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. If the Louisiana Nonprofit Corporation Law is hereafter amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of each director of this corporation shall be limited or eliminated to the full extent permitted by the Louisiana Nonprofit Corporation Law as so amended from time to time. Neither the amendment nor repeal of this Article, nor the adoption of any provision of this corporation's Articles of Incorporation inconsistent with this Article shall eliminate or reduce the effect of this Article, in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

Section 3. The directors of this corporation shall be indemnified and defended for claims against them to the fullest extent permitted by law.

THUS DONE AND PASSED in multiple originals in the City of Baton Rouge, Louisiana, on the date of this restatement as hereinabove set forth, in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

Diane L. Crockett
Print name: Diane L. Crockett

Lucile P. Kantrow
Print name: LUCILE P. KANTROW

Robert V. "Bobby" Yarborough
Name: Robert V. "Bobby" Yarborough
Title: Chair
Duly Authorized

Lee C. Kantrow
NOTARY PUBLIC
Name: Lee C. Kantrow La. Bar Roll No: 7420
My Commission is for Life.

EXHIBIT 1.1B

Amended and Restated Bylaws of UMCMC

(Attached)

AMENDED AND RESTATED BYLAWS (“Bylaws”)
OF
UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION
A Louisiana Nonprofit Corporation

Effective May 29, 2013

ARTICLE I. NAME, LOCATION, NONDISCRIMINATION, CONDUCT OF CORPORATION, DEFINED TERMS

Section 1. Name. The name of this corporation shall be University Medical Center Management Corporation (the “Corporation”).

Section 2. Location. The principal office of the Corporation shall be located at 200 Henry Clay Avenue, New Orleans, Louisiana.

Section 3. Nondiscrimination. The Corporation shall not discriminate on account of race, color, creed, sex, age, or national origin (a) in the acceptance and care of patients, (b) in the appointment, employment and treatment of personnel of any category, or (c) in the selection of Directors or Officers, or the assignment of their duties and responsibilities. The Corporation shall conduct its operations in accordance with all applicable legal requirements.

Section 4. Conduct of the Corporation. The Corporation is organized exclusively for charitable, scientific and educational purposes as a nonprofit corporation; and its activities shall be conducted for the aforesaid purpose in such a manner that no part of its net earnings shall be divided among or inure to the benefit of any Officer or Director of the Corporation or any private individual or be appropriated for any purposes other than the purposes of the Corporation; and no substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office. It is intended that the Corporation shall conduct its operations so as to be entitled to exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), or successor provisions thereto, and shall not be a private foundation under Section 509(a) of the Code.

Section 5. Defined Terms. As used herein, the terms “Governing Board”, “Board” and “Board of Directors” refer equally to the Board of Directors, and the terms “members of the Governing Board”, “Board Members” and “Directors” refer equally to Directors.

ARTICLE II. PURPOSES AND EXERCISE OF POWERS

Section 1. Purposes. The Corporation has been formed for the purposes set forth in its Articles of Incorporation, as amended and restated (the “Articles of Incorporation”). The Corporation has, as a principal purpose, the support of programs, facilities and research and educational opportunities offered by the Board of Supervisors of Louisiana State University and

Agricultural and Mechanical College (“LSU”), and support of research and educational opportunities, including, without limitation, medical training programs, offered by the Administrators of the Tulane Educational Fund (“Tulane”), and the operation of the hospital operating under provider number 19-0005 currently known as the Charity Hospital and Medical Center of Louisiana at New Orleans (the “Hospital”) pursuant to the Articles of Incorporation of the Corporation, the provisions of the Nonprofit Corporation Law of the State of Louisiana (La. R.S. 12:201 et seq.), and the reserved powers of its sole member, Louisiana Children’s Medical Center (“Member”) as set forth herein.

Section 2. Exercise of Powers. Subject to the limitations set forth in the Articles of Incorporation and these Bylaws, the Corporation shall be governed, and its corporate powers and privileges shall be exercised, by a Board of Directors which shall have the authority to take such actions as may be necessary or useful for the conduct, governance and maintenance of the Corporation and the management of its affairs in order to meet all the applicable licensing, statutory, regulatory or accreditation requirements.

ARTICLE III. MEMBERSHIP

Section 1. Member; System. The Member, or its successor-in-interest, shall be the sole member of the Corporation, with all membership rights conferred by law, the Articles of Incorporation and these Bylaws. The Member, the Corporation, and the other direct and indirect subsidiaries and affiliates of the Member, including, without limitation, Touro Infirmary (“Touro”), Children’s Hospital (“Children’s”) and the subsidiaries and affiliates of Touro, Children’s, and the Corporation, are herein referred to as the “System”.

Section 2. Action by Member. The Member may authorize or take any action permitted or required of it by law, the Articles of Incorporation, or these Bylaws by vote of its Board of Trustees, or by or through any person or persons designated by its Board of Trustees to act on its behalf. Any such authorization or action by the Member shall be filed with the Secretary of the Corporation. The annual election of the Member’s Board of Trustees shall be considered the annual meeting of the Member, which shall be held in accordance with the terms and provisions of the Member’s Bylaws.

Section 3. Reserved Powers. The Corporation may authorize or take any of the actions set forth below in this Article III, Section 3 with respect to itself or any subordinate corporation controlled by the Corporation (each a “Major Action”), subject to the approval of the Member prior to the authorization or action being taken or made effective:

- 3.1. Approval of annual operating and capital budgets for the Corporation. The Chief Executive Officer of the Corporation shall consult with the Board of Directors and the System President in connection with the development of such budgets. The Board shall direct and operate the Corporation and the Hospital consistently with the budgets approved from time to time by the Member.
- 3.2. Approval of all capital expenditures not reflected in a capital budget previously approved by the Member; provided, however, that the Chief Executive Officer of the Corporation may submit capital expenditures not reflected in such approved

capital budget following consultation with the Chair of the Board of Directors of the Corporation, directly to the Member for approval if there is not adequate time for an approval by the Corporation's Board of Directors.

- 3.3. Selection of the independent auditor of the financial accounts of the Corporation.
- 3.4. Adoption of amendments to the Bylaws or the Articles of Incorporation, provided that all amendments to these Bylaws shall be in accordance with Article XX and all amendments to the Articles of Incorporation shall be in accordance with Article 9 of the Articles of Incorporation.
- 3.5. Execution of contracts which bind such Corporation and which are managed care contracts or exclusive contracts, agreements-not-to-compete or similar arrangements, contracts for management services with potentially significant multi-year budgetary impact, or other multi-year service contracts with potentially significant multi-year budgetary impact.
- 3.6. Borrowing or incurrence of debt in any amount by the Corporation or any subordinate subsidiary or affiliated corporation, other than (i) for purposes of budgetarily approved working capital from a lender which shall have been approved by the Member and pursuant to loan documentation containing the terms and provisions relating to such borrowing approved by the Member, and (ii) debt incurred in the ordinary course of business which is anticipated in and consistent with the annual operating budget or a capital budget which shall have been approved by the Member for the year in which it is incurred.
- 3.7. Subject to Section 4 of these Bylaws and the Articles of Incorporation of the Corporation, any voluntary dissolution, merger or consolidation of the Corporation, or the sale or transfer of all or substantially all of the Corporation's assets, or the creation, acquisition or disposal of any subordinated or affiliated corporation, or the admission of a new member as a member of the Corporation, or the sale of all or a portion of the Member's interest in the Corporation, or entering into any joint venture or other partnership arrangement by the Corporation or the Member with respect to the Corporation.
- 3.8. Discontinuance or initiation of a clinical department or departments, or programs of the Hospital.
- 3.9. Execution of any contract, purchase agreement, or capital lease, whether or not in the approved budget, requiring payments by this corporation or any subordinate corporation in excess of Two Hundred and Fifty Thousand Dollars (\$250,000) per annum.
- 3.10. Causing any assets of the Corporation to be transferred, to the extent legally permissible, other than in the ordinary course of conduct of the Corporation's business, to the Member to advance the charitable purposes of the Member or of an affiliate of the Member.

Notwithstanding the above, the System President shall have the power and authority to approve the compensation of or remove the Chief Executive Officer of the Corporation; provided, however, that this provision will not apply in the event that the System President and the Chief Executive Officer of the Corporation are the same individual.

Section 4. Member Authority With Respect to Major Actions.

The Member shall have the reserved power to both approve and, where necessary in the sole judgment of the Member, initiate any Major Action, provided that in no event will the Member have the ability or authority to approve or initiate any action (i) with respect to a change of control without the express approval of each of the GME Directors as defined and provided herein, or (ii) to amend these Bylaws except in accordance with Article XX or to amend the Articles of Incorporation except in accordance with Article 9 of the Articles of Incorporation. For purposes of these Bylaws, "change of control" shall mean (i) a sale, merger or consolidation of the Member or the Corporation, through a transaction or a series of related transactions, in which the members of the Member or the Corporation immediately prior to such transaction would, following such transaction or series of related transactions, own, in the aggregate, less than fifty percent (50%) of the total combined voting power of the surviving entity normally entitled to vote for the election of directors of the surviving entity, or (ii) the sale by the Member or the Corporation of all or substantially all of the Member's or the Corporation's assets in one transaction or in a series of related transactions. In the normal course, either the Major Action will be recommended by the Board of Directors to the Member, or the Member will request that the Board of Directors consider and make a recommendation to the Member regarding a Major Action. If the Board of Directors recommends a Major Action, then the Member may approve, disapprove or suggest reconsideration or amendment of the Major Action recommended by the Board of Directors. If the Member requests that the Board of Directors initiate, reconsider or amend a Major Action, the Board of Directors, subject to the approval of the GME Directors, when applicable, shall take such requested action within a reasonable time specified by the Member for such action. In the absence of timely action by the Board of Directors on such request, or at any time after the Member receives a recommendation from the Board of Directors on the Major Action, the Member may initiate or take any action with respect to the Major Action as it deems appropriate in its sole discretion, subject to the approval of the GME Directors, when applicable, and taking into consideration any recommendation of the Board of Directors thereon, but may act, subject to the approval of the GME Directors, when applicable, notwithstanding any recommendation of the Board of Directors thereon to the contrary. If the Member approves or initiates a Major Action, then the Board of Directors, subject to the approval of the GME Directors, when applicable, shall cooperate with the Member in implementing and executing the Major Action within such time and in such manner as may be specified by the Member. If the Corporation fails to implement such Major Action within such time or in such manner as may be specified by the Member, the Member shall have the sole authority, acting through its designated representative, but subject to the approval of the GME Directors, when applicable, to serve as attorney-in-fact for and on behalf of the Corporation, to prepare or cause to be prepared, executed, and delivered, any and all documents, agreements and instruments, and to take any such action, or to cause others to take such action, as shall be deemed by the Member in its sole discretion to be necessary or desirable to effectuate such Major Action in the manner approved by the Member.

The Corporation shall cause the Member's authority to approve and initiate Major Actions in accordance with the Corporation's Articles of Incorporation and Bylaws to be reserved to the Member in the bylaws (or applicable governance documents) of any subsidiary corporation that the Corporation controls.

Notwithstanding anything contained herein to the contrary, the Board of Directors shall retain all authority required to be held by the Board of Directors under applicable law.

Section 5. Bankruptcy, Dissolution and System Support.

The Member shall have the sole power and authority to (A) initiate any bankruptcy or insolvency action on behalf of the Corporation; or (B) dissolve the Corporation to the extent permitted by law.

- 5.1. The Member may, to the extent legally permissible, take such actions to cause assets of the Corporation to be transferred, other than in the ordinary course of conduct of the Corporation's business, to the Member to advance the charitable purposes of the Member or of an affiliate of the Member.
- 5.2. Upon the liquidation or dissolution of the Corporation, after payment of all of the liabilities of the Corporation or due provision therefor, all of the assets of the Corporation shall be disposed of to one (1) or more organizations exempt from federal income tax under Section 501(c)(3) of the Code as shall be approved by the Member.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Composition. The Board of Directors shall consist of fifteen (15) directors, composed of the following:

- 1.1. One (1) Director who shall be a representative of LSU appointed by the President of LSU after obtaining the advice and consent of the LSU Board of Supervisors;
- 1.2. One (1) Director who shall be appointed by the President of Tulane;
- 1.3. One (1) Director who shall be appointed by the President of Xavier University ("Xavier");
- 1.4. One (1) Director who shall be appointed by the Presidents of Delgado Community College ("Delgado"), Dillard University ("Dillard"), and the Board of Supervisors of Southern University and Agricultural and Mechanical College ("Southern") to serve a two year term; the order of service after the date of adoption of these Bylaws to be as follows: Delgado, then Southern, then Dillard;
- 1.5. Three (3) Directors whose recommendation shall be initiated by the President of LSU, after the advice and consent of the LSU Board of Supervisors, for consideration and potential appointment by the Member. Such Directors may not

be an employee or officer of the State of Louisiana (the “State”) or any agency or instrumentality of the State;

- 1.6. Four (4) Directors who shall be recommended by the Corporation’s Nominating Committee for consideration and appointment by the Member, none of whom may be an employee or officer of the State or any agency or instrumentality of the State;
- 1.7. One (1) *ex officio* voting Director who shall be the Chief Executive Officer of the Member.
- 1.8. One (1) *ex officio* voting Director who shall be the Chairman of the Board of Trustees of the Member.
- 1.9. One (1) *ex officio* voting Director who shall be the Chief Executive Officer of the Corporation.
- 1.10. One (1) *ex officio* non-voting Director who shall be the President of the Medical Staff of any hospital operated by the Corporation.

The Directors described in Article IV, Sections 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6 shall be referred to as the “Elected Directors.” The Directors described in Article IV, Sections 1.1 and 1.2 shall be referred to as the “GME Directors.” The Directors described in Article IV, Sections 1.1, 1.2, 1.3, and 1.4 shall be deemed elected by the Member for purposes of La. R.S. Section 17:3390.

Section 2. Classification, Election and Tenure. The Elected Directors shall be divided into two (2) classes approximately equal in size, such classes to have staggered two (2)-year terms of office except one of the first two classes shall have an initial one year term. The Elected Directors shall hold office until the expiration of their respective terms or until their respective successors are elected and qualified or until they sooner die, resign, are removed or become disqualified. A person serving as an *ex-officio* Director shall cease to be a Director upon ceasing to hold such office as qualifies him/her to be an *ex-officio* Director, and his or her successor in that position, whether on an acting, interim or permanent basis, shall automatically succeed him or her as a Director.

Section 3. Any Elected Director described in Article IV, Sections 1.1, 1.2, 1.3, or 1.4 may be removed, with or without cause, by (i) the President of the institution that appointed such Elected Director, or (ii) by the Member, provided that the President of the related appointing institution approves such removal. Any other Director may be removed, with or without cause, by the Member.

Section 4. Vacancy. With respect to any vacancy of an Elected Director described in Article IV, Sections 1.1, 1.2, 1.3, and 1.4, the President of the related appointing institution shall fill any vacancy in its Elected Director and, in the case of LSU, after obtaining the advice and consent of the LSU Board of Supervisors. With respect to any vacancy of an Elected Director described in Article IV, Section 1.5, LSU, after the advice and consent of the Board of Supervisors, shall initiate a recommendation of a person for consideration and potential appointment by the Member. With respect to any vacancy of an Elected Director described in

Article IV, Section 1.6, the Corporation's Nominating Committee shall recommend a person for consideration and appointment by the Member. The Board of Directors shall have and may exercise all of its powers notwithstanding the existence of one (1) or more vacancies in its number.

Section 5. Responsibilities of the Board of Directors.

- 5.1. The Board shall carry out, as far as practicable, the objectives of the Corporation and the Hospital and shall have authority to make suitable rules and regulations for the conduct of the affairs thereof to meet the requirements of applicable State, local, and Federal laws. The Board of Directors shall be responsible for matters related to statutorily mandated accreditation and regulatory issues, including: (i) legal responsibility for the conduct of the Hospital's operations; (ii) maintaining quality of care; and (iii) appointing and supervising the Medical Staff, subject to applicable State law.
- 5.2. The Board of Directors shall exercise the powers of the Corporation as a member or shareholder of any other corporation, provided, that the rights and powers of the Member as set forth in these Bylaws, the Articles of Incorporation or under applicable law shall apply equally to any such subordinate or affiliated corporations and the actions so taken or rights so exercised by the Corporation with respect thereto.
- 5.3. Subject to the approval of the Member, the Board shall appoint a qualified Chief Executive Officer who shall be its representative in the management of the affairs of the Corporation. In selecting the Chief Executive Officer, the Board, with input from the Member, should engage in a selection process for identifying persons with documented successful experience in the operation of sophisticated academic and research-oriented acute care hospital institutions. In the alternative, the Chief Executive Officer of the Corporation may be employed by the Member, provided that the Member shall not appoint the Chief Executive Officer without first consulting with the Board. The process of appointing the Chief Executive Officer of the Corporation will also involve input from the Corporation's academic program sponsors. For purposes of this paragraph, "successful experience" is defined as demonstrable success in financial and clinical outcomes in institutions operating in competitive environments with significant uninsured populations while also maintaining credible research and training programs. The Chief Executive Officer shall be qualified by virtue of having completed formal education in a graduate program of hospital administration or shall have had experience in a responsible administrative position in a health care setting. For so long as such positions are not filled by the same individual, the Chief Executive Officer shall also report to the President and Chief Executive Officer of the Member.
- 5.4. The Board shall authorize the formation of an organized Medical Staff to discharge those duties and responsibilities assigned to it by the Board. Consistent with the rules and regulations of the Medical Staff, the Board shall consider

recommendations from the Medical Staff's Nominating and Executive Committees, and appoint physicians and others who are qualified for membership to the Medical Staff. In addition, as further described in the rules and regulations of the Medical Staff, the Board, or in its discretion and the extent allowed by accrediting organizations, a Committee of the Board, shall have authority to hear appeals and issue final decisions with respect to recommended actions that would adversely affect the appointment, status, or privileges of Hospital practitioners.

Section 6. Meetings. The Board of Directors shall meet quarterly to consider all such matters of new and/or old business as may come before it. Special meetings of the Board of Directors shall be held whenever called by the System President or the Chair of the Member Board, or, in his or her absence or disability, by any Vice-Chair, by the Chair of the Board of Directors, or by no less than three members of the Board of Directors. Meetings of the Board of Directors shall take place at the offices of the Corporation or at such other place within the Parish of Orleans, State of Louisiana, as the person who calls the meeting shall direct.

Section 7. Notice of Meetings. No notice need be given for any regular meeting of the Board of Directors held on a date set forth in a schedule of meetings, notice of which has been previously given in accordance with these Bylaws. Notice of the time and place of each special meeting of the Board of Directors shall be given to each Director by mail at least seven (7) days, or by facsimile, electronic mail, or recognized overnight delivery service at least forty-eight (48) hours, before the meeting addressed to the Director at such person's usual or last known business or residence address, or in person or by telephone at least forty-eight (48) hours before the meeting. Whenever notice of a meeting is required, such notice need not be given to any Director if a written waiver of notice, executed by the Director (or such person's attorney in fact thereunto authorized) before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him or her. Neither such notice nor waiver of notice need specify the purposes of the meeting, unless otherwise required by law, the Articles of Incorporation or these Bylaws.

Section 8. Proxy Voting. Any member of the Board of Directors absent from a meeting of the Board of Directors or any committee thereof may be represented by any other member of the Board of Directors who may cast the vote of the absent Director according to the written instructions, general or special, of the absent Director. Not in limitation of the foregoing, the representation by proxy of an absent Director hereunder at a meeting of the Board of Directors or any committee thereof shall not count as attendance at the meeting for purposes of Section 10 below.

Section 9. Electronic Communication. The Board of Directors, or any committee of the Board, may hold a meeting by means of conference telephone or similar communications equipment provided all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this provision shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

Section 10. Quorum/Voting. A quorum of the Board of Directors shall consist of a majority of the Directors who are present in person. Except as otherwise provided in these Bylaws, when a quorum is present at any meeting, the affirmative vote of a majority of such a quorum shall be required to effect action by the Board. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 11. Actions Without a Meeting. Any action which may be taken at a meeting of the Board of Directors, or any committee thereof, may be taken by a consent in writing signed by all of the Directors then serving on the Board or by all members of the committee, as the case may be, and filed with the records of proceedings of the Board or such committee.

Section 12. Resignation. Any Director may resign by delivering his or her written resignation to the Corporation at its principal office or to the Chair of the Board, the Chief Executive Officer or the Secretary of the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 13. Removal. A Director may be removed from office as provided in Article IV, Section 3.

Section 14. Procedure. The Board may adopt its own rules of procedures which shall not be inconsistent with the Articles of Incorporation, these Bylaws or applicable law. Such rules may include provisions for participating institutions, such as Delgado, Dillard and Southern, to be invited to attend Board meetings as observers when not currently represented on the Board.

Section 15. Joint Commission Requirements. The Board will comply with the terms and conditions of these Bylaws and function as the governing body for the Hospital as provided for in the standards for accreditation established by The Joint Commission. As such, the Board is ultimately accountable for the safety and quality of care, treatment, and services delivered in the Hospital, through the mechanisms provided for in these Bylaws. As required by The Joint Commission's standards for accreditation, the Board will communicate regularly with its Officers, senior managers of the Hospital, and leaders of the Medical Staff on issues of safety and quality.

Section 16. Fiduciary Duties. While the Corporation must support the programs, facilities, research and education of LSU pursuant to La. R.S. 17:3390, and must support the research and educational opportunities, including, without limitation, medical training programs of Tulane consistent with the Corporation's contractual obligations, it is nonetheless required to be an effective, efficient organization acting, at all times, in a responsible manner and operated in a manner consistent with the best practices of private, non-profit institutions. It is the obligation of each Director to act as a fiduciary to the Corporation and to ensure, first and foremost, the financial integrity of the Corporation, and each Director shall attest he or she will, at all times, notwithstanding any other provision to the contrary, adhere to his or her fiduciary obligation to the Corporation to ensure proper and efficient stewardship of the Corporation and its assets.

ARTICLE V. OFFICERS

The principal officers of the Corporation (the “*Officers*”) shall be a Chair, a Vice-Chair, Chief Executive Officer, a Secretary and a Treasurer. The Board may elect such other officers as it deems necessary and delegate such authority to such other officers as it deems appropriate, subject to the approval of the Member.

ARTICLE VI. ELECTION OF OFFICERS

Section 1. Election. The Nominating Committee shall recommend nominees for Officers of the Corporation, other than Officers who serve in an *ex-officio* capacity, in accordance with these Bylaws. The Officers of the Corporation shall be reviewed annually and re-elected, as necessary, by the Board of Directors at its first meeting following the annual meeting of the Member. The Board’s election of the Officers shall be subject to the approval of the Member. All Officers shall serve at the pleasure of the Board.

Section 2. Tenure. The Officers of the Corporation shall hold office for one (1) year, and serve until their respective successors are elected and qualified or until they sooner die, resign, are removed or become disqualified. Any Officer may resign by delivering his or her written resignation to the Chair or the Secretary, and his or her resignation shall be effective upon acceptance unless it is specified to become effective at a later date.

Section 3. Removal. The Board of Directors may remove any Officer with or without cause by a vote of a majority of the Directors then in office at a meeting called at least in part for that purpose, but such removal shall not impair the contract rights of the Officer under any employment agreement with the Corporation. Notwithstanding the foregoing, the Chief Executive Officer shall be subject to removal, with or without cause, by the System President or by the Board of Trustees of the Member in accordance with the terms of the Member’s Bylaws in effect at the time of such removal.

Section 4. Vacancies. Vacancies among the Officers of the Corporation due to death, resignation or other causes shall be filled by election by the Board of Directors in accordance with Article VI, Section 1, at which time a successor shall be elected and shall hold office for the remainder of the term of the Officer for whom the vacancy existed.

Section 5. Bond. Any Officer may be required by the Board to provide a bond for the faithful performance of his or her duties to the Corporation in such amount and with such sureties as the Board may determine from time to time, with the costs thereof to be paid by the Corporation.

ARTICLE VII. DUTIES AND POWERS OF OFFICERS

Section 1. Chair. The Chair shall preside over all meetings of the Board of Directors, regular or special. He or she shall annually appoint all special and standing committees and the chairperson thereof, and shall be an *ex-officio* voting member of all committees. The Chair shall have and perform all other such powers and duties as are usual and customary to that office. The Chair shall be a Trustee *ex-officio* of the Member to serve for so long as he or she continues to be the Chair of the Corporation.

Section 2. Chief Executive Officer. The Chief Executive Officer shall have all the authority and responsibility necessary to operate the Corporation in all of its activities and departments, similar to such an officer in a business corporation, subject only to such policies as may be issued by the Board and the Member.

Section 3. Vice-Chair. The Vice Chair shall have the powers and functions delegated by the Chair, or in the absence or disability of the Chair, the Vice Chair shall have the power and functions designated by the Board of Directors. If the Chair will be absent from a meeting of the Board of Directors, he or she may designate the Vice Chair to preside over such meeting.

Section 4. Treasurer. The Treasurer shall be the custodian of all funds, securities, title deeds, and other properties belonging to the Corporation. The Treasurer shall deposit the funds of the Corporation in such bank or banks as shall be approved by the Member. He or she shall receive and disburse all monies of the Corporation agreeable to the order of the Board of Directors. The Treasurer shall keep such accounts as the Board of Directors shall direct and shall furnish annual reports showing all receipts and disbursements by him or her. The Board of Directors may require the Treasurer to furnish bond in a reasonable amount to be determined by the Board, with the costs thereof to be paid by the Corporation.

Section 5. Secretary. The Secretary shall keep minutes of all meetings of the Board of Directors and of the membership of this Corporation and shall record them in a book kept for that purpose. The Secretary shall issue notices of all meetings, stating the time and place at which such meetings are to be held, and the purpose thereof. He or she shall conduct the correspondence of the Board of Directors and shall perform such other duties as the Board of Directors may from time to time direct. The Secretary may, with the consent and approval of the Board of Directors, appoint an Assistant Secretary who shall perform all of the duties herein above named, and whose compensation and terms of office shall be fixed by the Board of Directors.

ARTICLE VIII. COMMITTEES

Section 1. Standing and Ad Hoc Committees. The Corporation may create, or may serve as a committee of the whole, subject to the approval of the Member, the following Standing Committees, each with the powers and responsibilities set forth below in this Article VIII, Section 1, and each of which shall report to the Board of Directors of the Corporation with respect to its activities and findings: Finance and Audit Committee; Academic Advisory Committee; Compliance, Patient Safety, and Quality Assurance Committee; Nominating Committee; Strategic Planning and Facilities Committee; and GME Contract Dispute Resolution Committee. Standing Committees shall not be authorized to act on behalf of the Board of Directors.

- 1.1. Finance and Audit Committee. The Finance and Audit Committee shall be responsible for supervising the financial affairs of the Corporation, and providing oversight for the audit process, and the annual audit.
- 1.2. Academic Advisory Committee. The Academic Advisory Committee shall be responsible for acting as a liaison between the academic partners and the

Corporation in matters relating to the educational and training programs operated at the Corporation.

- 1.3. Compliance, Patient Safety and Quality Assurance Committee. The Compliance, Patient Safety and Quality Assurance Committee shall be responsible for supervising the patient safety initiatives, continuous quality improvement and assessment programs, and the Hospital's programs for compliance with applicable laws and regulations and ethical business practices. The Committee shall supervise the management of all litigation or potential litigation affecting the Corporation and develop, maintain, and monitor a program of insurance and/or self-insurance to adequately protect the Corporation, its Directors, Officers, employees, and auxiliaries. The Committee shall consider what categories of patients are to be admitted to the Hospital and recommend to the Board of Directors general policies for admission to the Hospital, which, after adoption by the Board of Directors, will be used by the Medical Staff in governing admissions and discharges in individual cases. The Committee shall also be responsible for periodically reviewing the Articles of Incorporation and Bylaws of the Corporation and making recommendations regarding the Articles of Incorporation and Bylaws to the Member. The Committee shall meet as needed. The Board of Directors shall act as the members of this Committee.
- 1.4. Nominating Committee. The Nominating Committee shall be appointed within thirty (30) days after each annual meeting of the Member and shall consist of a maximum of five (5) persons at least three (3) of whom are members of the Board of Directors. The Nominating Committee shall prepare and present a slate of Officers to the Board of Directors at its first meeting following the annual meeting of the Member. In addition, the Nominating Committee shall be prepared to present candidates for election as Directors by the Member pursuant to Article IV, Section 1.6 to fill any vacancies occurring during the year. The Nominating Committee shall meet as needed. Notwithstanding anything contained herein to the contrary, the Member shall have the right to nominate an individual to serve as an Officer of the Corporation, and any individual so nominated shall be included with the slate of candidates presented by the Nominating Committee.
- 1.5. Strategic Planning and Facilities Committee. The Strategic Planning and Facilities Committee shall consist of such number of members as may be appointed by the Board of Directors. It shall be responsible for oversight of the Corporation's facilities and operations, and advise and make recommendations to the Board in the area of resource maintenance and growth, in support of the mission of the System
- 1.6. GME Contract Dispute Resolution Committee. The GME Contract Dispute Resolution Committee shall assist in the resolution of GME related contractual disputes referred to it pursuant to Article XIX, Section 3. The membership of this Committee will consist solely of the Directors not affiliated with LSU or Tulane. This Committee will propose a resolution to such disputes, but shall have no authority to impose such resolution, nor to take any other action.

1.7. Ad Hoc Committees. The Board of Directors may create such ad hoc committees as it deems reasonable and necessary to carry out its responsibilities.

Section 2. Appointment. Except as otherwise provided in these Bylaws, the Board shall appoint the members and chairs of any committee formed pursuant to these Bylaws. Chairs of committees shall be recommended by the Chair of the Board and appointed by the Board of Directors. All committee chairs shall be chosen from among members of the Board of Directors. Each appointed member of a committee, including its chair, shall serve for a term of one (1) year and until his or her successor is appointed and qualified or until he or she sooner dies, resigns, is removed or becomes disqualified. Any appointed member of a committee may be removed therefrom with or without cause by an affirmative vote of the Board. Except as expressly provided otherwise in these Bylaws, or in the action of the Board establishing the committee, all Board committees shall serve in an advisory capacity to the Board, without Board-delegated powers.

Section 3. Committee Chairs. The chair of a committee shall preside at meetings of such committee. In the event of the absence of the chair from a committee meeting, the vice-chair, if any, shall preside or, if the vice-chair is unavailable, the committee shall elect a chair pro-tem to preside.

Section 4. Removal. The Board shall have the power and authority to remove any committee chair, vice-chair or any committee member, with or without cause, and to fill all vacancies in the office of the chair, and in the membership of all committees, howsoever such vacancies shall have occurred.

ARTICLE IX. MEETINGS OF COMMITTEES

Section 1. Meetings. Each committee shall meet at such times as its chair shall direct, in conformity with these Bylaws. Meetings of a committee shall also be called and held whenever so directed by the Chair of the Board or the Board, or requested in writing by no less than one-third of the members of the committee. The minutes and records of the meetings of each committee shall be kept by a secretary appointed therefor by the committee chair, and complete copies of such minutes and records shall be filed promptly with the Chair of the Board and the Chief Executive Officer.

Section 2. Quorum and Voting. A quorum for meetings of any committee shall be a majority of its members or such other percentage of committee members as shall be expressly specified by the Board or the Chair, as applicable. If less than a quorum is present at a meeting, a majority of the committee members present may adjourn the meeting from time to time without further notice. Each member of a committee shall have one (1) vote with respect to matters before the committee, except where otherwise stated in these Bylaws. When a quorum is present, action may be taken by vote of a majority of the committee members present or represented.

Section 3. Notice. The chair of each committee shall give reasonable notice to each committee member of the time and place of each meeting.

Section 4. Electronic Communication. The members of any committee may, if approved by the chair of the committee, participate in a meeting of such committee by means of

a conference telephone, video conference, web conference, or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 5. Actions Without a Meeting. Any action by a committee may be taken without a meeting if a written consent thereto is signed by all members of the committee and filed with the records of the committee's meetings. Such consent shall be treated as a vote of the committee for all purposes.

Section 6. Committee Policies. A committee may adopt rules and regulations concerning the conduct of its affairs as it may from time to time determine to be desirable and which are not inconsistent with these Bylaws, and which are subject to disapproval by the Board.

ARTICLE X. MEDICAL STAFF OF THE HOSPITAL

Section 1. Organizations, Appointments and Hearings.

- 1.1. The Board of Directors shall organize the physicians and appropriate other persons granted practice privileges in the Hospital into an open medical and dental staff under Medical Staff bylaws approved by the Board of Directors. The Board of Directors shall consider recommendations of the Medical Staff and appoint to the Medical Staff, in numbers not exceeding the Hospital's needs, physicians and others who meet the qualifications for membership as set forth in the bylaws of the Medical Staff. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to such limitations as are contained in these Bylaws and in the bylaws, rules and regulations of the Medical Staff and subject further to any limitations attached to his or her appointment. The Chief Executive Officer of the Corporation shall appoint the Chief Medical Director.
- 1.2. The Medical Staff shall make recommendations to the Board of Directors concerning appointments, reappointments, terminations of appointment, and other changes in staff status; granting or curtailing of clinical privileges; disciplinary actions; all matters relating to professional competency; and such specific matters as may be referred to it by the Board of Directors. The procedures relating to actions by the Medical Staff or the Board of Directors in connection with any of the foregoing shall be in accordance with Medical Staff bylaws. Except as otherwise determined by the Board of the Corporation, Medical Staff members must have a faculty appointment with the health sciences centers of either LSU or Tulane or another institution with which the Corporation develops a formal affiliation subsequent to the adoption of, and in accordance with, these Bylaws.
- 1.3. All appointments for clinical chiefs of service (department chairs) shall be made by the President of the Medical Staff and subject to ratification by the Board of Directors, and shall be made for two years. Duties and responsibilities of the department chairs shall be set forth in the Medical Staff bylaws. Department

chairs shall be required to maintain their qualifications for Medical Staff membership and privileges appropriate to their assignments.

- 1.4. The President of the Medical Staff shall be a Trustee *ex-officio* of the Member to serve for so long as he or she continues to be the President of the Medical Staff.
- 1.5. Subject to applicable law and regulation, the President of the Medical Staff will report to the Board of Directors, and the Chief Medical Director shall report to the System President and Chief Executive Officer.

Section 2. Medical Care and its Evaluation.

- 2.1. The Board of Directors shall, in the exercise of its overall responsibility, assign to the Medical Staff reasonable authority for ensuring appropriate professional care to the Hospital's patients.
- 2.2. The Medical Staff shall conduct an ongoing review and appraisal of the quality of professional care rendered in the Hospital and report such activities and the results to the Board of Directors.

Section 3. Medical Staff Bylaws.

There shall be bylaws, rules and regulations, and amendments thereto, for the Medical Staff that set forth its organization and government. Proposed bylaws, rules and regulations should be recommended by the Medical Staff, subject to approval by the Board of Directors. The power of the Board of Directors to adopt or amend Medical Staff Bylaws, rules and regulations shall not be dependent upon ratification by the Medical Staff provided the Medical Staff is so notified, and provided the amendments are first submitted to the Medical Executive Committee of the Medical Staff for review and comment.

ARTICLE XI . SIGNATORIES

Section 1. All checks, notes, drafts, and other orders for payment of money made or endorsed by the Corporation, and all securities endorsed for transfer or sale by the Corporation, shall be signed by such person or persons as shall be approved by the Member to sign such instruments or any particular instrument, and the person or persons so approved shall have full power and authority to sign such instruments.

Section 2. Contracts, agreements, and other commitments of whatever nature, executed or undertaken by the Corporation, shall be signed by such person or persons as shall be specifically authorized by the Member to sign the same, and the person or persons so authorized shall have full power and authority to sign such instruments.

ARTICLE XII. MISCELLANEOUS

Section 1. Fiscal Year. The Fiscal Year of the Corporation shall be the 12-month period ending with and including the last day of December 31st of each calendar year.

Section 2. Seal. The official seal of the Corporation, if any, shall be in such form and shall bear such inscription as the Board of Directors shall specify or approve.

Section 3. Attesting Authenticity. The authenticity or genuineness of the Corporation's official seal shall be attested by the Secretary whenever need or occasion therefor arises, and such attestations shall be sufficient and conclusive for all purposes.

Section 4. Parliamentary Authority. "Roberts Rules of Order Revised" shall govern in all cases to which they are applicable and in which they are not inconsistent with these Bylaws.

ARTICLE XIII. OWNERSHIP REPRESENTATION IN OTHER CORPORATIONS

Except as the Directors may otherwise designate, the System President and Chief Executive Officer may, acting singly, waive notice of, and appoint any person or persons to act as proxy or attorney-in-fact for the Corporation (with or without power of substitution), at any meeting of members, stockholders or shareholders of any other corporation or organization, the membership interest or securities of which may be held by the Corporation.

ARTICLE XIV. CONFLICT OF INTEREST

For purposes of this Article, the term "*interest*" shall include personal interest, interest as a trustee, officer, member, stockholder, shareholder, partner, manager, director or beneficiary of any concern and having an immediate family member who holds such an interest in any concern; and the term "*concern*" shall mean any corporation, association, trust, partnership, limited liability company, limited liability partnership, firm, person or other entity other than the Corporation. No person shall be disqualified from holding any office of this Corporation by reason of any interest in any concern. A Director of this Corporation shall not be disqualified from dealing, either as a vendor, purchaser, or otherwise, or contracting or entering into any other transaction (collectively hereinafter referred to as a "*transaction*") with the Corporation or with any entity of which the Corporation is an affiliate. Subject to Article XVII, no transaction of this Corporation shall be void or voidable by reason of the fact that any Director or Officer of this Corporation has an interest in the concern with which such transaction is entered into nor shall any Director or Officer or concern be liable to account to this Corporation for any profit or benefit realized through any such transaction; provided that (i) such transaction was fair at the time it was entered into, (ii) the individual complies with any conflict of interest policy that the Board of Directors may adopt, and (iii) at the meeting of the Board of Directors, or a committee thereof having authority to authorize or confirm such transaction, the interest of such individual is disclosed to the Board of Directors or committee, and such transaction is duly approved by Directors of this Corporation not so interested or connected. No interested Director of this Corporation may vote or may be counted in determining the existence of a quorum at any meeting at which such transaction shall be authorized, but may participate in discussions thereof to the extent permitted by Article XVII. Notwithstanding the foregoing, it is acknowledged and accepted and shall not be a violation of this provision for a Director to be a member of the Board of Directors of the Corporation and a System Affiliate. Such an individual, however, in voting on matters affecting the Corporation, must vote in the best interests and as a fiduciary of the Corporation and the System as a whole.

ARTICLE XV. COMPENSATION; PERSONAL LIABILITY

Section 1. Compensation. Members of the Board of Directors shall not be entitled to receive compensation for their services as Directors. Directors shall not be precluded from serving the Corporation in any other capacity and receiving compensation for any such services.

Section 2. No Personal Liability. The Directors and Officers of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation. All persons, corporations or other entities extending credit to, contracting with, or having any claim against, the Corporation, may look only to the funds and property of the Corporation for the payment of any such contract or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may otherwise become due or payable to them from the Corporation.

Section 3. Standard of Care. A Director or Officer of the Corporation shall perform such person's duties as such including, in the case of a Director, duties as a member of a committee of the Board of Directors upon which the Director may serve, in good faith and in a manner such person reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position with respect to a similar corporation organized under the Louisiana Nonprofit Corporation Law would use under similar circumstances. In performing such person's duties, a Director or Officer shall be entitled to rely on information, opinions, reports or records, including financial statements, books of account and other financial records, in each case presented by or prepared by or under the supervision of (1) one or more Officers or employees of the Corporation whom the Director or Officer reasonably believes to be reliable and competent in the matters presented, or (2) counsel, public accountants or other persons as to matters which the Director or Officer reasonably believes to be within such person's professional or expert competence, or (3) in case of a Director, a duly constituted committee of the Board of Director upon which the Director does not serve, as to matters within its delegated authority, which committee the Director reasonably believes to merit confidence, but the Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A Director or Officer of the Corporation shall not be liable for the performance of such person's duties if such person acts in compliance with this section.

ARTICLE XVI. PERSONAL LIABILITY/INDEMNIFICATION

Section 1. Indemnification.

- 1.1. The Corporation agrees, to the fullest extent legally permissible under the Nonprofit Corporation Law of the Louisiana Revised Statutes, as amended from time to time, and only to the extent that the status of the Corporation as an organization exempt under Section 501(c)(3) of the Code is not affected thereby, to indemnify each of the Directors and Officers of the Corporation against all liabilities or expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by such Director or Officer in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such individual may be involved or with which such individual may be threatened.

while in office or thereafter, by reason of such individual being or having been such a Director or Officer of the Corporation, or by reason of such individual serving or having served at the request of the Corporation as a trustee, director, officer, employee or other agent of another organization or serving or having served in any capacity with respect to any employee benefit plan maintained by the Corporation or any subsidiary or affiliate of the Corporation, except with respect to any matter as to which such Director or Officer shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interest of the Corporation or of such other organization or, to the extent such matter relates to service with respect to any such employee benefit plan, in the best interest of the participants or beneficiaries of such employee benefit plan, provided, however, that as to any matter disposed of by a compromise payment by such Director or Officer pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such indemnification shall be ordered by a court or unless such compromise shall be approved as in the best interest of the Corporation, after notice that it involves such indemnification: (a) by a disinterested majority of the Board of Directors then in office; or (b) provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such person appears to have acted in good faith in reasonable belief that his or her action was in the best interest of the Corporation, by a majority of the disinterested Board of Directors then in office.

- 1.2. Expenses, including counsel fees, reasonably incurred by any Director or Officer of the Corporation in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the Corporation in advance of the final disposition thereof if authorized by the Board of Directors in the manner indicated in Article XVI, Section 1.1, upon receipt of an undertaking by such individual to reimburse the Corporation any such sums so advanced in the event the Director or Officer shall be adjudicated to be not entitled to indemnification under this Article. As used in this Article, the terms “*Director*” and “*Officer*” include the individual’s heirs, executors and administrators, an “*interested*” individual is one against whom in such capacity the proceeding in question or another proceeding on the same or similar grounds is then pending, a “*disinterested*” individual is an individual who is not “interested”, and “*subsidiary or affiliate of the Corporation*” means any corporation, business trust, trust, partnership, limited partnership, limited liability company, limited liability partnership or other entity of which the Corporation controls, directly or indirectly or through another entity, the election or appointment of a majority of its trustees, directors, managers or partners. All Directors and Officers who serve in any capacity with respect to any employee benefit plan maintained by the Corporation or any subsidiary or affiliate of the Corporation shall be deemed to serve or to have served in such capacity at the request of the Corporation. The indemnification by the Corporation provided for in this Article shall not be exclusive of or affect any other rights to which any Director, Officer, director or pension plan fiduciary or other person may be entitled. Nothing contained in this Article shall either limit the power of the

Corporation to indemnify corporate personnel other than Directors and Officers or affect any rights to indemnification by the Corporation to which corporate personnel other than such Directors or Officers of the Corporation and persons who serve at the request of the Corporation as trustees, officers or directors of subsidiaries or affiliates of the Corporation or in any capacity with respect to any employee benefit plan maintained by any such subsidiary or affiliate may be entitled by contract or otherwise under law. The Corporation may purchase and maintain insurance on behalf of any person who may be indemnified under this Article against such liability hereunder.

- 1.3. Any right of indemnification provided under the applicable Bylaws of the Member shall be secondary to any right of indemnification provided hereunder and such secondary right of indemnification shall be exercised only to the extent that indemnification authorized by this section or under the Bylaws of the Member is not paid by the Corporation after proper request therefor.

Section 2. Statutory Indemnification. To the extent that a Director, Officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Article XVI, Section 1, or in defense of any claim, issue or matter arising in such action, suit or proceeding, then such individual shall be indemnified against expenses (including but not limited to attorneys fees) actually and reasonably incurred by such individual in connection therewith.

Section 3. Indemnity Preference. Notwithstanding anything in this Article to the contrary, in the event that (i) a person is or was serving at the written request of the Member or the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other legal entity, including, without limitation, an entity owned by or affiliated with the Corporation, with or without compensation; (ii) such person was or is a party or is threatened to be made a party to an action, suit or proceeding (including but not limited to an action by or in the right of such other entity) by reason of the fact of such person's service to or on behalf of such other entity; and (iii) such person has a right to receive indemnification or insurance coverage against expenses, judgments, fines and amounts actually and reasonably incurred by such person in connection with the defense or settlement of such action, suit or proceeding from such other entity, then the provisions of Article, Section 1 shall not apply to such person with respect to an action, suit or proceeding as described in this Article XVI, Section 3 to the extent of any such insurance or indemnification coverage.

ARTICLE XVII. TRANSACTIONS WITH RELATED PARTIES

Unless authorized by the Board, the Corporation may not enter into a contract or transact business with one or more of its Directors or Officers, or with any corporation, association, trust company, organization or other concern (other than, subject to applicable law, the Member and the other entities comprising the System) in which any one or more of its Directors, or Officers is a director, officer, trustee, shareholder, beneficiary, or stockholder, or is otherwise interested, nor may it enter into other contracts or transactions in which any one or more of its Directors or Officers is in any way interested; provided however, in the absence of fraud, no such contract or transaction shall be invalidated or in any way affected by the fact that such Directors or Officers

of the Corporation have or may have interests which are or might be adverse to the interest of the Corporation; provided that the nature and extent of such interest shall be disclosed or shall have been known to the Board; and provided further, that the Director or Officer complies with any conflict of interest policy the Member or the Corporation might adopt. A general notice of a Director's or Officer's interest in any corporation or other concern of any kind referred to above shall be a sufficient disclosure as to such Director or Officer with respect to all contracts and transactions with such corporation or other concern. No person shall be disqualified from holding office as a Director or Officer of the Corporation by reason of any such adverse interests. Any Director or Officer who has an interest in any corporation or other concern of any kind referred to above with which the Corporation proposes to contract or transact any business, or who has an interest, pecuniary or otherwise, in any such contract or transaction, may make a presentation at a Board or committee meeting, but after such presentation he/she shall not participate in the discussion of, or the vote to authorize, any such contract or transaction; provided, however, that such interested person may be available for the limited purpose of answering questions. Any such contract or transaction may be authorized or approved by a disinterested majority of the Directors present and voting at a meeting of the Board. In the absence of fraud, no Director or Officer having such adverse interest shall be liable to the Corporation or to any creditor thereof or to any other person for any loss incurred by it under or by reason of such contract or transaction, nor shall any such Director or Officer be accountable for any gains or profits realized thereon. Notwithstanding any other provision of this Article to the contrary, no Director or Officer shall enter into any contract or transact business with the Corporation which would be inconsistent with the nonprofit nature of the Corporation; provided, however, that nothing herein shall prevent any such Director or Officer from receiving full and fair compensation for any services rendered or property given or made available to the Corporation. If at any time the Corporation shall be deemed to be a Private Foundation within the meaning of the Code and notwithstanding any other provision of this Article to the contrary, the Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code or any successor provision thereto.

ARTICLE XVIII ASSETS, PERSONNEL AND PROGRAMS

Notwithstanding the affiliation between the Corporation and the Member, and subject to the provisions of these Bylaws, the Corporation will retain title to (or a leasehold interest in and/or right of use of) and operational management of its own license, land, buildings and other fixed assets, as well as responsibility for its own short and long-term debts, liabilities and obligations. All funds held or to be raised by the Corporation for the restricted benefit of the Hospital shall be and remain available to the Corporation in carrying out its charitable mission.

ARTICLE XIX GRADUATE MEDICAL EDUCATION

Section 1. Non-Discriminatory Administration of Graduate Medical Education ("GME") Programs. With respect to GME-related contracts with LSU and Tulane, neither university shall be treated in a discriminatory manner with regard to the policy administration of the GME programs. Notwithstanding the requirement for a two-thirds (2/3rds) affirmative vote of the Directors or the Member of this Corporation in order to amend, alter, or repeal these Bylaws, any change to this Article XIX, Section 1 (Non-Discriminatory Administration of GME Programs) shall require the consent of the Director representing Tulane appointed in accordance

with Article IV, Section 1.2 in the event the proposed Bylaw amendment, alteration, or repeal affects this Article XIX, Section 1 (Non-Discriminatory Administration of GME Programs) related to Tulane, and shall require the consent of the Director representing LSU appointed in accordance with Article IV, Section 1.1 in the event the proposed Bylaw amendment, alteration, or repeal affects this Article XIX, Section 1 (Non-Discriminatory Administration of GME Programs) related to LSU.

Section 2. GME Contracts.

2.1. GME Contracts. The Corporation and Tulane, and the Corporation and LSU, will enter into GME contracts stipulating the rights and responsibilities of each party with regard to affiliated academic training programs in accordance with this Section. The GME contracts must acknowledge the critical role the Hospital will play for the GME programs of both universities, and must detail the processes for governance of the GME programs. All policies and procedures within the Hospital related to administration of the training programs will apply equally to the students, residents, and faculty without regard to the sponsoring institution such that for similar work or support services, an institution's students, residents, and faculty members will not be discriminated against by virtue of their affiliation with the sponsoring institution. The Corporation, in administering the GME program and affiliation agreements, shall:

- (a) Ensure, with regard to policies affecting residents and medical students, an equality of educational experience between the students and residents irrespective of the sponsoring institution;
- (b) Ensure, with regard to policies affecting LSU and Tulane residents, faculty and medical students, equality in application of the policies irrespective of the sponsoring institution; and
- (c) Ensure faculty and resident support and pay without discrimination based upon the sponsoring institution being LSU or Tulane (for example, the method of assigning staff supervision reimbursement will be based upon the proportion of residents to faculty, according to specialty; provided that this provision shall not be construed to require duplicative services).

2.2. Disputes. Disputes related to the content of an executed contract related to GME will be resolved by the Chief Executive Officer of the Corporation and the representative of the applicable school of medicine initially. If the Chief Executive Officer of the Corporation and representative of the applicable school of medicine are unable to resolve the dispute, the issue will be referred to the GME Contract Dispute Resolution Committee. If the resolution proposed by the GME Contract Dispute Resolution Committee is not accepted by the affected university and the Board, nothing herein shall preclude the further available means to enforce an executed contract, and the contract may provide for binding arbitration or other means of dispute settlement. Since GME issues affecting both

Tulane and LSU impact the operation of the Hospital and, as a practical matter, extend beyond the Hospital, the following will be considered during this informal resolution process related to GME slots or assignments, but will not be binding in any other proceeding:

- (a) Total distribution of LSU and Tulane residents by discipline at the Hospital;
- (b) Needs and expectations at the Hospital and the ability for the residency programs to meet those needs and expectations;
- (c) Performance according to contract requirements;
- (d) Residents in the Hospital slots assigned to other hospitals and their disciplines; and
- (e) The total CMS-approved GME slots assigned to Tulane and LSU at the Hospital.

Section 3. GME Position Allocation.

- 3.1. Utilization of CMS-Approved Residency Slots. LSU and the Corporation shall take all steps necessary to meet all the Medicare requirements for change of ownership, within the time limits set by the Centers for Medicare & Medicaid Services (“*CMS*”), related to the transfer of provider number 19-0005 in a timely and coordinated manner, and the resident slots and licenses associated with such provider number, to the Corporation. The pre-Katrina number of CMS-approved residency slots was 573.26. Of this number, 373.26 of the slots are to be utilized at the discretion of LSU and 200 slots are to be used at the discretion of Tulane (the “*Historical Allocation*”). If fewer than the 573.26 GME positions can be accommodated at the Hospital, each institution shall be entitled to use the available positions at the Hospital in the same proportion as the Historical Allocation. The excess slots will be divided by the same proportion and may be loaned to other hospitals through annually renewed affiliation agreements, according to CMS regulations and under the oversight of the Academic Advisory Committee.
- 3.2. Reclaiming Slots. In the event there is a greater need for residents at the Hospital, the Corporation may reclaim slots that have been loaned to other hospitals through regular and emergency affiliation agreements in accordance with the terms of such agreements and, with respect to LSU only, the provisions of the cooperative endeavor agreements to which LSU is a party as of June 23, 2013; provided, however, that Tulane and LSU will fill the reclaimed slots in proportion to the Historical Allocation; and provided, further that in the event of a conflict between any section of the cooperative endeavor agreement and these bylaws, the provisions of Article XIX of these Bylaws shall control. The Corporation, in deciding which hospitals to reclaim slots from, and, with respect to LSU only,

subject to the provisions of any cooperative endeavor agreements to which LSU is a party as of June 23, 2013, will consult with Tulane and LSU to ensure that the slots are reclaimed in a manner that (i) permits Tulane and LSU to provide residents in the appropriate specialties at the Hospital in proportion to the Historical Allocation, and (ii) ensures the proposed resident experience at the Hospital will not adversely affect the Accreditation Council for Graduate Medical Education (“*ACGME*”) accreditation of the residency programs of either Tulane or LSU. The Corporation shall provide Tulane and LSU notice of its intent to reclaim the slots at least twelve (12) months (but not more than eighteen (18) months) prior to July 1 of the year in which the Corporation intends to reclaim the slots (the “*Academic Year*”). The notice shall state the program and purpose for which the reclaimed slots will be used. If either Tulane or LSU declines to provide residents to fill some or all of the reclaimed slots that are proposed by the Corporation, such school’s unused slots may be allocated to the other school’s residents for use at the Hospital without regard to the Historical Allocation; provided, however, that such reclaimed slots shall revert back to the school from which they were taken in the subsequent Academic Year if the reclaimed slots were not filled by the school from which they were taken at the time of the initial request due to temporary or emergency circumstances or other reasonable short-term limitations associated with the transition of residents to the Hospital; and provided further, that any such reclaimed slot must be used for the designated purpose or it shall revert to the school from which it was taken to be used for that school’s residents at the Hospital, or if the Hospital decides to enter into an affiliation agreement, at another hospital.

- 3.3. New Programs. The Corporation, Tulane, or LSU may initiate a request to the other parties to establish a new residency program or expand a residency program (beyond current ACGME approved resident number) at the Hospital. In the event the Corporation establishes a new residency program or expands a residency program at the Hospital, the Corporation, in agreement with either school, may reallocate resident slots to the new program in a manner which does not change the Historical Allocation. When an expansion is proposed when only one school operates the program to be expanded, the Corporation and the accredited program will design the expansion to allow reasonable opportunities to the school without such a program to participate consistent with the goals and requirements of the program. The Corporation will provide Tulane or LSU with notice of intent to reclaim slots for any new or expanded residency program at the time of the request to the ACGME. The school must necessarily make the request of the ACGME. If either Tulane or LSU declines to provide residents to fill some or all of the slots as requested by the Corporation within twelve (12) months of receipt of ACGME initial program approval or other ACGME required approvals, such school’s unused slots in the new program may be allocated to the other school’s residents for use in the new program; *provided, however*, that such reclaimed slots shall revert back to the school from which they were taken in the subsequent Academic Year if the reclaimed slots were not filled by the school from which they were taken at the time of the initial request due to temporary or emergency circumstances or other reasonable short-term limitations associated with the start-

up of the new program; and *provided further*, that any such reclaimed slot must be used for the designated purpose or it shall revert to the school from which it was taken to be used for that school's residents at the Hospital or, if the Hospital decides to enter into an affiliation agreement, at another hospital.

This provision is applicable only to new or expanded residency programs at the Hospital. In the event the Corporation loans its slots to be used for a new residency program at any other location, neither Tulane nor LSU will be required to participate in the new program nor will the non-participating school be required to allocate any of its slots to the new program.

The Corporation can only share and reclaim ACGME approved and CMS approved slots.

- 3.4. Change in Payor Policy. In the event there is a change in governmental or private payor policy that affects hospital reimbursement for resident training, the provisions of any GME-related contracts with respect to LSU and Tulane will be conformed to most closely carry out the intent of this Article XIX, Section 3 to ensure that Tulane and LSU are entitled to the Historical Allocation of resident slots and fair reimbursement for resident training.
- 3.5. Effectiveness. This Article XIX, Section 3 shall not be effective until transfer of the provider number as contemplated by Article XIX, Section 3.1 of these Bylaws.
- 3.6. Amendments. Notwithstanding the requirement for a two-thirds (2/3rds) affirmative vote of the Directors or the Member of this Corporation in order to amend, alter, or repeal these Bylaws, this Article XIX, Section 3 (GME Position Allocation) may not be amended, altered, or repealed without the consent of the Director representing Tulane appointed in accordance with Article IV, Section 1.2 and the Director representing LSU appointed in accordance with Article IV, Section 1.1.

ARTICLE XX AMENDMENTS

These Bylaws may be amended, altered, or repealed or new Bylaws adopted only upon two-thirds (2/3rds) affirmative vote of all of the Directors entitled to vote thereon at any regular or special meeting thereof for which due notice setting forth such amendment, alteration, or repeal is given; subject to approval by the Member in accordance with Article III, Section 3 hereof and the Bylaws of the Member; *provided, however*, that no amendment to the proviso at the end of the first sentence of Article III, Section 4 shall be made without the affirmative vote of the GME Directors; *provided further* that Article XIX, Sections 1 and 3 of these Bylaws may not be amended except as provided therein; and *provided further* that no provision of these Bylaws which is included in the Articles of Incorporation, including, without limitation, Article IV, Sections 1.1 – 1.4 of these Bylaws, may be amended except in accordance with Article 9 of the Articles of Incorporation.

EXHIBIT 1.3

Directors of UMCMC

Elected Directors (as such term is defined in the Amended and Restated Bylaws of UMCMC):

1. Alden J. McDonald, Jr.
2. Robert V. "Bobby" Yarborough
3. Darryl D. Berger
4. Donald T. "Boysie" Bollinger
5. Elaine D. Abell
6. Harold Gaspard
7. Byron R. Harrell
6. Vacant
8. Vacant
9. Vacant
10. Vacant
11. Vacant

Ex Officio Directors:

12. The Chief Executive Officer of LCMC
13. The Chairman of the Board of Trustees of LCMC
14. The Chief Executive Officer of UMCMC
15. The President of the Medical Staff of any hospital operated by UMCMC (non-voting Director)