

MEMORANDUM OF UNDERSTANDING

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

Member Substitution Agreement

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MEMBER SUBSTITUTION AGREEMENT

THIS MEMBER SUBSTITUTION AGREEMENT (the "Agreement") is made this _____ day of _____, 2001, between _____ (the "Member") and _____ (the "Company").

Witness my hand and the seal of the Company this _____ day of _____, 2001.

[Signature]

WHEREAS LCMC and UMCMC share a common vision of how LCMC and UMCMC

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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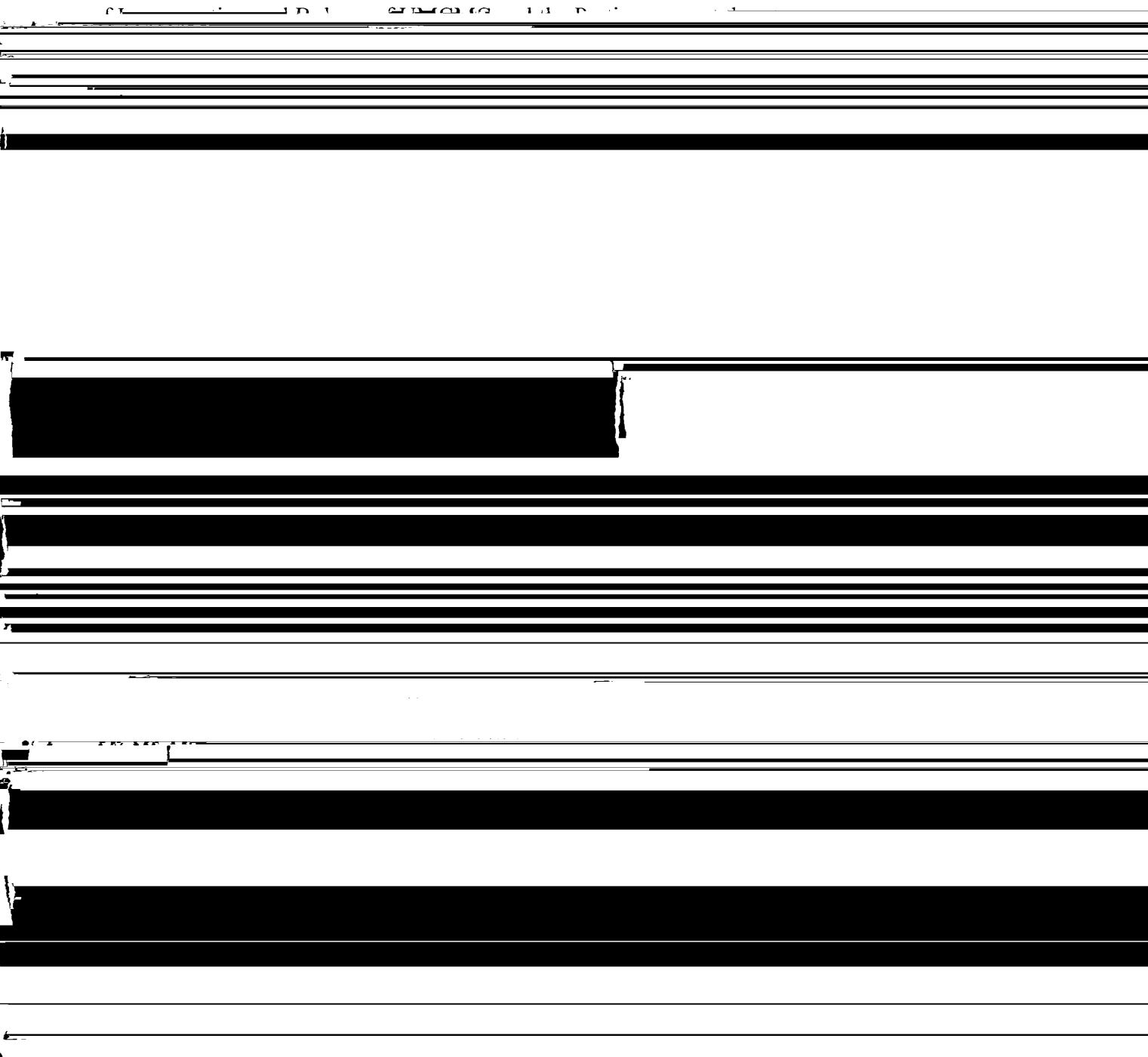
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Restated Bylaws of UMCMC in the form of **Exhibit 1.1B** hereto will replace the current Articles



(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

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 Parties' failure to reach a mutually agreeable withdrawal agreement by the date specified in the CEA;

not been timely received by UMCMC or LCMC affiliates;

2.2.4. Any final non-appealable judgment in favor of LCMC or UMCMC

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

2.3 Amendments Upon Elective Withdrawal.

Effective upon UMCMC's elective withdrawal as a member of UMCMC the Parties

acknowledge that the following amendments to the CFA shall become effective at the time of the

8x (b) based on the representation of the LCMC and UCMCMC that the CRA is a

valid and binding contract enforceable in accordance with its terms, upon LCMC's elective withdrawal, LCMC and UCMCMC 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

1. The following information is provided for your information:

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

“**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

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

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

(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**

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 of the~~

(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

be a sufficient remedy for such action and that each shall be entitled to seek injunctive relief or

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 UCMCMC.

ARTICLE III
PAYMENTS TO LCMC

3.1 Stipulated Damages.

ARTICLE V
INDEMNIFICATION

5.1 Indemnification.

~~5.1.1 UCMC shall indemnify, defend and hold the Hospital harmless from and against all~~

all liabilities, losses, costs, damages and expenses UCMC may incur, including, without limitation, reasonable attorneys' fees, relating to the operation of the Hospital by UCMC during the period commencing on the date it assumes operations and control of

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

[REDACTED]

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

(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 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

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

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.

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

With a copy to:

Taylor, Porter, Brooks & Phillips LLP

and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808

451 Florida Street
Baton Rouge, LA 70801
Attention: Patrick D. Seiter, Esq.

or to such other address as such Party may from time to time

specifically written notice to the other Party.

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 it is received by the other Party.

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

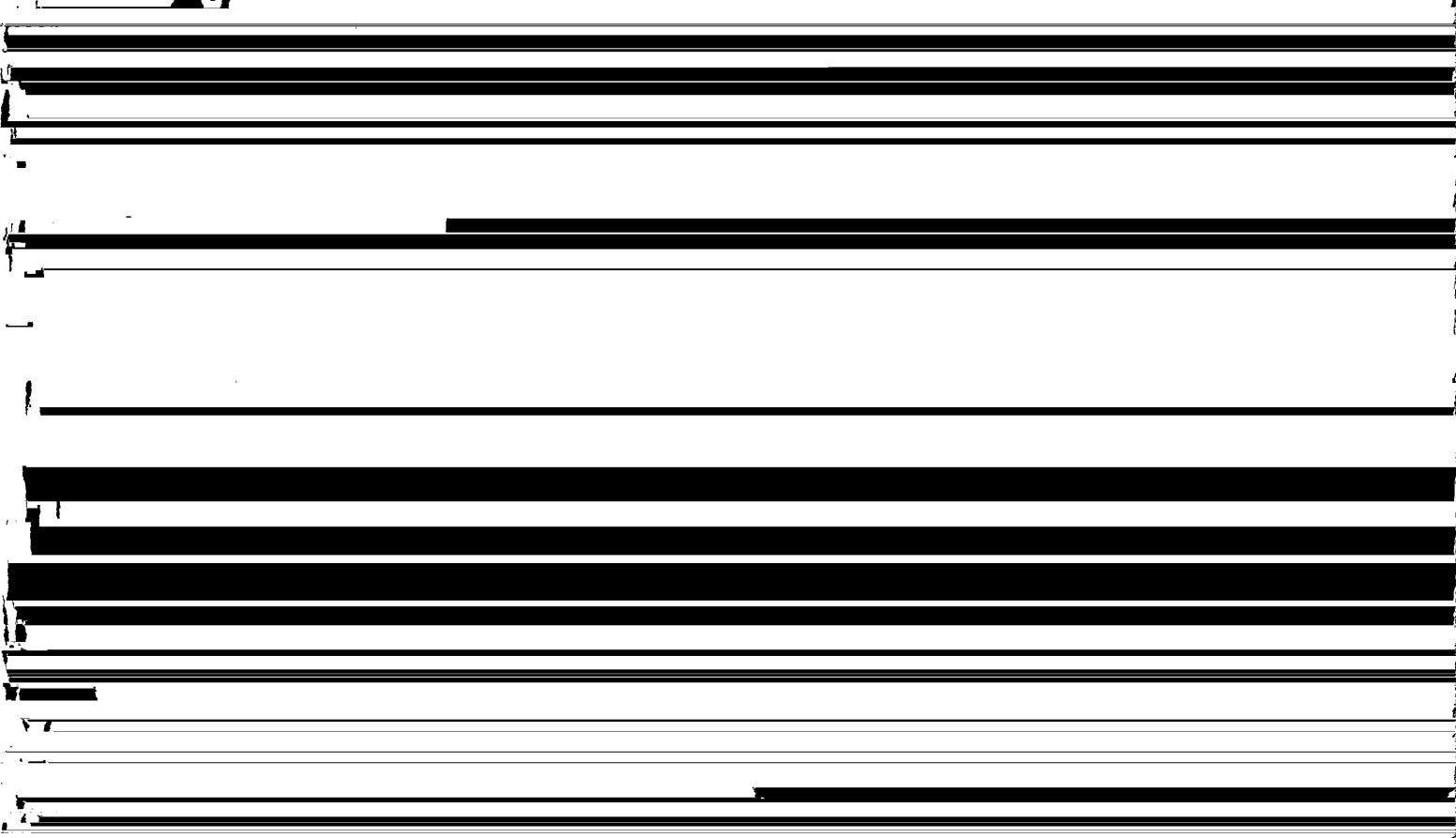
Notwithstanding the foregoing, this Agreement shall be binding upon and shall inure to each

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 respect to the subject matter hereof.



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

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 Parties.~~

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.

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. 9:2802)

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

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
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 TRUST AND

EDUCATIONAL FUND

By: _____
Scott S. Cowen, President

... Agreement to be executed

by its duly authorized officer as of the date first set forth above.

LOUISIANA CHILDREN'S MEDICAL

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)

Rev. _____

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)

STATES OF IN

UNITED STATES OF AMERICA



**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 resolution of the

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 in ~~the attached Articles 1, 5, 6, and 9 have been amended and restated in their entirety as set forth~~

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

(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 limited to the following:

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~~

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

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

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. ~~La. R.S. 17:3390~~

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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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

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 a vote of the shareholders of the corporation.~~

(b) Any remaining assets shall be distributed exclusively to one or more charitable, scientific or educational organizations which would be eligible to receive such assets under Section 170(c)(2)(B).

THUS DONE AND PASSED in multiple originals in the City of Baton Rouge,

of this statement as hereinabove set forth in the presence of the

WITNESSES:

Diane L. Crockett
Print name: Diane L. Crockett

Daniel L. Martin

Robert V. "Bobby" Yarborough
Name: Robert V. "Bobby" Yarborough

Title: Chair
Duly Authorized

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

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION

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 of the Charity Hospital and Medical Center of Louisiana at New Orleans, Inc.

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 proposed

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

Notwithstanding the above, the Custom Director shall have the power and authority to

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

approve the compensation of or remove the Chief Executive Officer of the Corporation:

[REDACTED]

[REDACTED]

[REDACTED]

The Corporation shall cause the Member's authority to approve and initiate Major

As amended with the Corporation's Articles of Incorporation and Bylaws to be

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

instrumentality of the State;

1.6. Four (4) Directors who shall be recommended by the Corporation's Nominating

Committee consisting of the instrumentality of the Members of the

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

recommendations from the Medical Staff's Nominating and Executive Committees, and appoint physicians and others who are qualified for membership

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 or the Chair. (S.D. 1.6)

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

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

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

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

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

[REDACTED]

[REDACTED]

[REDACTED]

as it deems reasonable and necessary to carry out its responsibilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

a conference, telenbone, video conference, web conference, or similar communications

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

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

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 responsible authority for exercising such rights and functions

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

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.

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 entitled to

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

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:

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

12 Any right of indemnification provided under the applicable Bylaws of the

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

affects this Article XIV, Section 1 (Non-Discriminatory Administration of CME Programs)

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

subject to the provisions of any cooperative endeavor agreements to which TSH 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.

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 Commission shall provide Tulane and LSU notice of its intent to

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

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 Decision

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

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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 LCMC