

COOPERATIVE ENDEAVOR AGREEMENT

This Cooperative Endeavor Agreement (Agreement), made and entered into this 31st day of January, 2007 by and between Hospital Service District No. 1 of the Parish of Ouachita, State of Louisiana, hereinafter referred to as the "District", and the Ward Five Healthcare Foundation, a Louisiana nonprofit corporation hereinafter referred to as the "Foundation".

WITNESSETH:

WHEREAS, prior to execution of this Agreement, the District owned and leased the hospital commonly known as Glenwood Regional Medical Center in West Monroe, Louisiana (the "Hospital"), to Glenwood Regional Medical Center, a Louisiana nonprofit corporation, which operated the Hospital;

WHEREAS, contemporaneously with the execution of this Agreement, (i) the District, GRMC, and Glenwood Health Services, Inc., a Louisiana corporation wholly-owned by GRMC (collectively, the "Sellers") are selling all of their right, title, and interest in the immovable and movable property constituting the Hospital and selling and/or leasing certain related assets to IASIS Glenwood Regional Medical Center, L.P., a Delaware limited partnership (the "Buyer") pursuant to the terms of an Asset Purchase Agreement dated July 20, 2006 (the "Asset Purchase Agreement"), and (ii) the District and GRMC are entering into an agreement terminating the lease between them and providing for the payment of GRMC's and GHS' remaining liabilities and obligations and the transfer of the remaining assets of GRMC and GHS to the District (the "Lease Termination Agreement");

WHEREAS, the District desires to ensure that the proceeds of the sale of the Hospital are used for appropriate health care purposes, as contemplated by La. R.S. 40:2115.17 and 2115.18, and in particular, will be used for appropriate health care purposes consistent with the District's statutory purposes, will be used for the support and promotion of health care in the affected community, and will be controlled as funds independently of the Buyer, all as contemplated in La. R.S. 40:2115.17.B(7);

WHEREAS, the District further desires to ensure that the proceeds of the sale will be held and used by a nonprofit corporation, established for that purpose, that is broadly based in the community and representative of the affected community, taking into consideration the structure and governance of such corporation, as contemplated in La. R.S. 40:2115.17.B(8);

WHEREAS, the District further desires to secure, in addition to the public interest covenants entered into by the Buyer as part of the Asset Purchase Agreement, additional safeguards to enhance the affected community's continued access to affordable care, to provide health care to the disadvantaged, the uninsured, and the underinsured, and to provide benefits to the affected community to promote improved health care, all as contemplated in La. R.S. 40:2115.18, by transferring substantially all of the proceeds of the sale of the Hospital to the Foundation;

WHEREAS, the Foundation has been established for the purpose of holding and using the sales proceeds for appropriate health care purposes consistent with the District's statutory purposes,

including the support and promotion of health care in the District and the community, the provision of health care to the disadvantaged, the uninsured, and the underinsured, and the provision of benefits to the affected community to promote improved health care; the Foundation is controlled independently of the Buyer; and the Foundation is broadly based in the community and representative of the affected community;

WHEREAS, the Foundation also constitutes a program of social welfare for the aid and support of the needy within the meaning of Article VII, Section 14(B)(1) of the Constitution of the State of Louisiana;

WHEREAS, the District desires to transfer substantially all of the proceeds of the sale of the Hospital to the Foundation, on the terms and conditions set forth in this Agreement, in accordance with Article VII, Section 14 of the Constitution of the State of Louisiana, La. R.S. 40:2115.17 and 40:2115.18, La. R.S. 46:1077, and other applicable law, including but not limited to the doctrines enunciated in *Guste v. Nicholls College Foundation*, 564 So.2d 682 (La. 1990), *Safety Net for Abused Persons v. Segura*, 692 So.2d 1038 (La. 1997), and *Board of Directors of Industrial Development Board v. All Taxpayers*, No. 2005-C-2298 (La. 9/6/2006);

WHEREAS, Article VII, Section 14(C) of the Constitution of the State of Louisiana provides that **"For a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual."**;

WHEREAS, the District desires to cooperate with the Foundation in the manner as hereinafter provided;

WHEREAS, the District has a legal obligation and right to pursue its objects and purposes set forth in La. R.S. 46:1052, to wit:

- (1) To own and operate hospitals for the care of persons suffering from illnesses or disabilities which require that patients receive hospital care.
- (2) To administer other activities related to rendering care to the sick and injured or in the promotion of health which may be justified by the facilities, personnel, funds and other requirements available.
- (3) To promote and conduct scientific research and training related to the care of the sick and injured insofar as such research and training can be conducted in connection with the hospital.
- (4) To participate so far as circumstances may warrant in any activity designed and conducted to promote the general health of the community.
- (5) To cooperate with other public and private institutions and agencies engaged in providing hospital and other health care services to residents of the district.

WHEREAS, the District chooses to execute its legal obligation and right by contracting with the Foundation;

WHEREAS, the Foundation has a legal obligation and right, pursuant to its Articles of Incorporation, to pursue the same objects and purposes as the District and to assist the District in pursuing those objects and purposes, and the Foundation chooses to execute this legal obligation and right by contracting with the District;

WHEREAS, the public purpose to be derived from this legal obligation is the furtherance of the objects and purposes of the District, as set forth in La. R.S. 46:1052, all of which are public purposes;

WHEREAS, the actions of the District and the Foundation will result in a public benefit, described in detail below, not disproportionate to the consideration in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the legal obligation, the public purpose, and the public benefit, the parties hereto agree as follows:

1. Scope of Services

The Foundation hereby agrees to administer activities related to rendering care to the sick and injured or in the promotion of health, to cooperate with other public and private institutions and agencies engaged in providing hospital and other health care services to residents of the district, and to participate in activities designed and conducted to promote the general health of the community, including but not limited to the following services:

- (1) Identifying, selecting, funding and conducting clinical or other programs to improve the health of the residents of the District and the community – e.g., clinics to provide health care services to the indigent, uninsured, underinsured, elderly, and other needy segments of the District and the community (routine inoculations, prescription medications, pre-natal care, etc.);
- (2) Identifying, selecting and providing grants to nonprofit charitable organizations and public agencies that provide health and wellness related services in the District and the community – e.g., disaster relief healthcare services, bioterrorism response, epidemic management, etc.;
- (3) Promoting, supporting and conducting educational programs that enable residents of the community to improve their health and wellness – e.g., proper diet and exercise, substance abuse counseling, domestic abuse sheltering and counseling, etc.;
- (4) Engaging in fund raising activities for the support of the Foundation and that assist in achieving its goals of community health and wellness;

in each case to the extent the Foundation reasonably deems justified by the facilities, personnel, funds and other requirements available and warranted by the circumstances.

2. Funds Transfer and Performance Monitoring

A. In consideration of the services described above, the District hereby agrees to transfer to the Foundation a single, lump-sum fee of \$44,199,651.62 (the "Funds") in connection with the execution of this Agreement.

B. In order to ensure the Funds are held and used properly by the Foundation for the achievement of the benefits intended under this Agreement, the Foundation covenants and agrees to the following provisions:

(1) Adherence to Articles of Incorporation. The Foundation will adhere to the provisions of its Articles of Incorporation, a copy of which is attached hereto as Exhibit A, as amended from time to time, but shall not permit the same to be amended without the approval of the Board of Commissioners of the District.

(2) Adherence to Bylaws. The Foundation will adhere to the provisions of its Bylaws, a copy of which is attached as Exhibit B, as amended from time to time, but will not permit the same to be amended without the approval of the Board of Commissioners of the District.

(3) Community Needs Assessments. Within two (2) years after the date of this Agreement, and at least once every ten (10) years thereafter until the termination of this Agreement, unless waived by the District, the Foundation shall have a written, detailed community needs assessment prepared to identify the health and wellness needs of the residents of the Parishes of Ouachita, Union, Lincoln, Jackson, Caldwell, Franklin, Richland, and Morehouse (a "Community Needs Assessment"). Each Community Needs Assessment shall be prepared by a firm that is experienced in preparing community needs assessments, that is not affiliated with the owner or operator of any hospital in Ouachita Parish, and that is approved in advance by both the Foundation's Board of Directors and the District's Board of Commissioners. Each Community Needs Assessment shall be provided to both the Foundation and the District and published on the Foundation's website promptly after the Foundation's receipt of a final Community Needs Assessment.

(4) Community Plans. Within one (1) year after receiving each Community Needs Assessment, the Foundation shall prepare and adopt a community plan to address the health and wellness needs identified in the Community Needs Assessment (a "Community Plan"). In formulating each Community Plan, the Foundation will bear in mind, with respect to activities in Ouachita Parish, its agreement in Section 8 of the Coordination Agreement among the Foundation, the District, GRMC, and the Police Jury of Ouachita Parish (the "Coordination Agreement") to endeavor to make grants to programs and projects in such a manner as to distribute the over-all benefits throughout the Parish of Ouachita in a manner generally consistent with the patient origin patterns of Glenwood hospital (i.e., the hospital operated by GRMC) prior to November 18, 2006. The adoption of each Community Plan will require the approval of both the Board of Directors of the Foundation and of the Board of Commissioners of the District. Each Community Plan will guide preparation of the Foundation's subsequent strategic plans and budgets until the adoption of the next Community Plan.

(5) Strategic Plans. The Foundation shall cause to be prepared and updated from time to time strategic plans for the Foundation. The adoption of strategic plans and each revision or amendment thereof will require the approval of both the Board of Directors of the Foundation and of the Board of Commissioners of the District. The strategic plans will guide preparation of the Foundation's subsequent budgets.

(6) Budgets. The Foundation shall cause to be prepared and filed with the District, at least 30 days prior to the commencement of each fiscal year of the Foundation (other than

the first), a proposed budget for such ensuing fiscal year, which budget shall be subject to the approval of the District. The District may extend the deadline for the filing of the proposed budget. If the District rejects a proposed budget, it shall identify the specific aspects of the proposed budget that it finds unacceptable, explain its rationale for rejection, and recommend alternatives it would find acceptable, and the Foundation shall re-submit a proposed budget within thirty (30) days after notice of such rejection, highlighting the changes made in response to the rejection and explaining the rationale for the changes. Unless and until a budget is approved by the District for a fiscal year, the budget for the fiscal year shall be deemed the same as the budget for the prior fiscal year. The Foundation shall use best efforts to ensure that its expenditures each fiscal year are consistent with its budget for that fiscal year and shall not make grants in any budgetary category that exceed, in the aggregate, the amount budgeted for that category by more than 20%. At any time, the Foundation may propose and the District may approve an amendment to a budget.

(7) Actions Requiring Two-Thirds Vote and District Approval. The Foundation shall not take any of the following actions without (i) the approval of the Board of Directors of the Foundation by the affirmative vote of two-thirds of the directors then in office and (ii) the approval of the Board of Commissioners of the District:

- (a) Appointment of any person as an officer of the Foundation (including but not limited to the Board Chair, any Vice Chair, the President, any Vice-President, the Secretary, and the Treasurer);
- (b) Establishment or amendment of the employment terms of the five highest-paid employees of the Foundation;
- (c) Appointment or removal of the Foundation's auditor or of a firm to prepare a Community Needs Assessment for the Foundation;
- (d) Adoption of a Community Plan or strategic plans of the Foundation or any amendments thereto;
- (e) Adoption of an annual budget of the Foundation or any amendments thereto;
- (f) Adoption of all grant-making guidelines and procedures of the Foundation or any amendments thereto;
- (g) Expenditures from principal of the Foundation for purposes of acquiring, establishing, constructing, reconstructing, renovating, repairing, furnishing, owning, leasing (as lessee or lessor), operating, maintaining, enlarging, extending, replacing, and/or making improvements to a hospital;
- (h) Sale of all or substantially all of the Foundation's assets; mortgage, pledge, granting of a security interest in, or other voluntary encumbrance of any of the Foundation's property; merger or consolidation of the Foundation with or into any other entity; entrance into or amendment of any management or operating agreement with respect to any operations of the Foundation; sale, purchase or lease of immovable property; or change of jurisdiction of incorporation;

- (i) Any contract or transaction between the Foundation and one or more of its directors or officers, or between the Foundation and any other entity in which one or more of the Foundation's directors or officers are directors or officers or have a financial interest;
- (j) Any contract or transaction involving the Police Jury, the District, GRMC, or the then current owner or operator of Glenwood hospital;
- (k) Any contract or transaction involving \$1 million or more, including but not limited to any specific program or grant involving \$1 million or more;

provided, however, that any payment or other transfer of assets to or on behalf of the District, GRMC, or GHS required under any other provision of this Agreement shall not require such approvals.

(8) Actions Requiring Three-Fourths Vote and District Approval. The Foundation shall not take any of the following actions without (i) the approval of the Board of Directors of the Foundation by the affirmative vote of three-fourths of the directors then in office and (ii) the approval of the Board of Commissioners of the District:

- (a) Amendment of the Articles of Incorporation of the Foundation;
- (b) Amendment of the Bylaws of the Foundation;
- (c) Amendment of this Cooperative Endeavor Agreement.

(9) Actions Requiring Unanimous Vote and District Approval. The Foundation shall not take any of the following actions without (i) the approval of the Board of Directors of the Foundation by the affirmative vote of all of the directors then in office and (ii) the approval of the Board of Commissioners of the District:

- (a) Liquidation or dissolution of the Foundation;
- (b) Expenditures from principal of the Foundation, except for purposes set forth in Section 2.B(7)(g).

(10) Support and Assistance to and Cooperation with the District. The Foundation covenants and agrees that:

- (a) The Foundation shall use best efforts to maintain its status as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), exempt from Federal income taxes under Section 501(a) of the Code as a supporting organization of the District within the meaning of Section 509(a)(3) of the Code. The Foundation shall not perform acts or enter into any agreements that shall adversely affect such federal income tax status.
- (b) The Foundation shall pay or reimburse all liabilities, costs, and expenses of the District (including reasonable attorneys fees) incurred in connection with or arising out of or relating to the formation, funding, existence, operation, affairs, or dissolution of the Foundation, GRMC, or GHS, the District's oversight of or exercise of powers with respect to the Foundation, GRMC, or GHS, or the District's administration or

enforcement of, or compliance with, this Agreement, the Asset Purchase Agreement, or the Lease Termination Agreement.

- (c) The Foundation shall pay or reimburse all reasonable and necessary District as well as Foundation overhead expenses, including but not limited to rent and utilities for office space, premiums for directors and officers liability insurance, salaries for administrative personnel, and legal and other fees for professional advice or assistance.
- (d) Contemporaneously with its execution of this Agreement, the Foundation shall join the Asset Purchase Agreement as a Seller by executing and delivering a Joinder Agreement in the form of Exhibit H-2 to the Asset Purchase Agreement. The Foundation shall adhere to its obligations under the Asset Purchase Agreement, including but not limited to the obligations set forth in Sections 7.3 (Noncompetition and Nonsolicitation), 7.15 (Joinder), 8.1 (Sellers' Indemnification), and 8.8 (Minimum Investment Requirement). The Foundation acknowledges and agrees that the transfer of the Funds by the District to the Foundation and the Foundation's right of ownership of the Funds (and any asset that the Foundation may purchase with any of the Funds) are subject to the resolatory condition that if at any time the Buyer makes a claim or demand for adjustment of the purchase price or for indemnification or otherwise, or brings any suit or action of any kind, against any of the Sellers (a "Claim") under or arising out of or relating to the terms of the Asset Purchase Agreement or any of the transactions contemplated thereby, then the transfer of the Funds and the Foundation's right of ownership of the Funds (and any asset that the Foundation may have purchased with any of the Funds) shall be dissolved and cancelled to the extent of (a) the amount of the Sellers' costs and expenses in investigating, defending, and/or settling any Claim, including but not limited to reasonable attorneys fees; (b) the amount of any settlement reached among the Buyer and Sellers in respect of any Claim; (c) the amount of any judgment entered against any Seller in respect of any Claim; and (d) any other amounts incurred by any of the Sellers as a result of or in connection with any Claim. Notwithstanding any other provision of this Agreement, including but not limited to Sections 2.B(7)(j) and 2.B(8), the Foundation shall transfer, turn over, deliver, and relinquish such amounts to the District or its designee immediately upon request by the District. Upon so transferring any such amounts, the Foundation shall be released from its obligation to perform services under Section 1 of this Agreement to the same extent.
- (e) The Foundation will pay or reimburse all reasonable liabilities, costs and expenses of the District, direct and indirect, relating to the common purposes of the District and the Foundation, as approved from time to time by the Foundation and the District.
- (f) The Foundation will cooperate and do anything necessary or reasonably requested by the District in order for the District to comply with its constitutional and statutory obligations. The Foundation shall use its best

efforts to preserve and keep in full force and effect the existence of the District.

- (g) Any and all Foundation payments to the District for support, assistance, or cooperation shall not be dividends or similar pecuniary remuneration on account of the District's status as a member of the Foundation, but rather shall be transfers and/or payments made in furtherance of the Foundation's purposes and pursuant to this Agreement.
 - (h) If the Foundation dissolves, after payment or adequate provision for the payment of its liabilities, its net assets shall be transferred to the District to be used exclusively for public purposes, and, more specifically, exclusively for the statutory purposes of the District.
 - (i) The Foundation agrees that the District and the Attorney General each has the right to enforce the Articles and Bylaws of the Foundation.
- (11) Required Disclosures to the District. The Foundation covenants and agrees that:
- (a) The Foundation shall prepare or cause to be prepared the following documents and shall provide the District complete copies of each within thirty (30) days of its being prepared by or becoming available to the Foundation:
 - (i) annual audited financial statements, prepared in accordance with generally accepted accounting principles and certified by an independent certified public accountant, as well as all auditor's letters to the Foundation and all responses thereto;
 - (ii) annual Forms 990 and any other documents filed by or on behalf of the Foundation with the Internal Revenue Service;
 - (iii) an annual report on the service programs, grants, and other activities of the Foundation, including a list of direct service programs detailing their nature, scope, and cost; a list of grants detailing their amounts, recipients, specific purposes, and results; and a list of the Foundation's investments detailing their nature and amounts (the "Annual Report");
 - (iv) annual certification by the Board Chair and the Executive Director, to the best of his or her knowledge and belief, of the Foundation's compliance (or disclosure of noncompliance) with the Articles of Incorporation and Bylaws of the Foundation and with this Agreement;
 - (v) quarterly unaudited financial statements, in the same format as used by the Foundation's Finance/Investment Committee;
 - (vi) notice of any audit or threatened or actual imposition of any sanctions or any revocation of any exemption by the Internal Revenue Service or the Louisiana Department of Revenue;

- (vii) any document of the Foundation requested by the District, and any report on any of Foundation's activities, in any format that the District reasonably requests;
 - (b) The Foundation will permit members of the Board of Commissioners of the District to attend as guests all meetings of the Board of Directors or any committee of the Foundation, including any executive sessions.
 - (c) The Foundation shall ensure that its auditor shall be available to meet at least annually with the Board of Commissioners of the District to discuss the audited financial statements of the Foundation and matters relating thereto.
 - (d) The District shall have the right to inspect or audit the Foundation's books, records, investments, and operations, and the Foundation's auditor's workpapers; the right to compel an accounting by the Foundation; and the right to enter upon the properties of the Foundation at all times during normal working hours and on reasonable notice for the purpose of making inspections or for any purpose necessary or appropriate to this Agreement.
- (12) Required Public Disclosures. The Foundation covenants and agrees that:
- (a) The Foundation will publish as soon as practicable and maintain at least the following documents on a website that is accessible to the general public:
 - (i) the current Articles of Incorporation and Bylaws of the Foundation;
 - (ii) all current grant application forms and grant-making guidelines and procedures of the Foundation;
 - (iii) the most recent Community Needs Assessment and Community Plan of the Foundation;
 - (iv) the most recent strategic plans and annual budget of the Foundation;
 - (v) the most recent annual audited financial statements, Form 990, and Annual Report of the Foundation;
 - (vi) the minutes of all proceedings of the Board of Directors, and all committees thereof, for the past 12 months.
 - (b) The Foundation will comply with the Louisiana Open Meetings Laws, La. R.S. 42:4.1 *et seq.*, as if the Foundation were a "public body" within the meaning of such laws, and will comply with the Louisiana Public Records Laws, La. R.S. 44:1 *et seq.*, as if the Foundation were a "public body" within the meaning of such laws. The Foundation agrees to waive and not avail itself of the "strategic planning" exceptions to the foregoing laws found in La. R.S. 46:1073.

- (13) Public Accountability Requirements. The Foundation covenants and agrees that:
- (a) The Foundation will comply with the Louisiana Local Government Budget Act, the laws relating to audits by the Legislative Auditor, the Public Bid Laws, the laws relating to investments by political subdivisions (including but not limited to La. R.S. 33:2955), and Article 7, Section 14 of the Louisiana Constitution, in each case to the same extent as if the Foundation were a hospital service district.
 - (b) Foundation will maintain proper books and records of all assets and transactions in a manner suitable for audit by a certified public accountant.
 - (c) The Foundation and its directors, officers, and employees will comply with the Louisiana Code of Governmental Ethics to the same extent as if the Foundation were a Louisiana hospital service district, except that Foundation directors, officers, and employees are permitted to recuse themselves and otherwise comply with Article VII of the Foundation's Bylaws, rather than resign, in the event of a conflict of interest.
- (14) Prohibited Transactions. The Foundation covenants and agrees that the Foundation shall not engage in any of the following transactions:
- (a) Any transaction that can be reasonably expected to justify the imposition of intermediate sanctions by the Internal Revenue Service;
 - (b) Issuance of any bonds or other evidences of indebtedness within the meaning of La. R.S. 12:202.1.A.;
 - (c) Any transaction that the District could not itself legally engage in, including but not limited to any transaction prohibited of a political subdivision by Article 7, Section 14 of the Louisiana Constitution.

3. Term of Agreement

This Agreement shall begin on the date of this Agreement as first set forth above and shall terminate on the final completion of the dissolution and liquidation of the Foundation.

4. Taxes

The Foundation hereby agrees that the responsibility for payment of any taxes from the Funds thus received under this Agreement shall be the Foundation's obligation and identified under the Foundation's federal tax identification number.

5. Termination Clause

A. Notwithstanding any other provision of this Agreement, the District shall not terminate this Agreement, except only for cause based upon a "Material Default" (which term shall mean the persistent failure of the Foundation to substantially comply with the material terms and/or conditions of this Agreement) and then only if the terms and conditions of this Section 5.A and of Section 16.C are met. The District shall give the Foundation, each director of the Foundation, and the chief executive officer of the Foundation written notice under this Section 5.A.

specifying the Foundation's asserted Material Default. If within ninety (90) days after receipt of such notice, the Foundation shall not have either corrected such asserted Material Default or commenced to correct such asserted Material Default, or in the latter case if the Foundation fails to proceed diligently after such period to complete such correction, then the District may bring an action against the Foundation seeking a judgment declaring the Foundation to be in Material Default of this Agreement. If and only if a court of competent jurisdiction renders a final judgment, no longer appealable, declaring that the District has cause to terminate this Agreement based upon the actual Material Default of the Foundation, the District may then give the Foundation a written notice declaring the Foundation to be in Material Default of this Agreement and may proceed in accordance with Section 16.C.

B. The Foundation may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the District to comply with the terms and conditions of this Agreement; provided that the Foundation shall give the District written notice specifying the District's failure and a reasonable opportunity for the District to cure the failure.

C. Upon any termination of this Agreement, the Foundation shall promptly pay or make adequate provision for the payment of all of the debts and liabilities of the Foundation and then promptly transfer, turn over, deliver, and relinquish to the District all of the Foundation's remaining funds and other properties and assets of every kind.

6. Ownership

All records, reports, documents and other material delivered or transmitted to the Foundation by the District shall remain the property of the District, and shall be returned by Foundation to the District at the Foundation's expense, at termination or expiration of this Agreement. All records, reports, documents, or other material related to this Agreement and/or obtained or prepared by the Foundation in connection with the performance of the services contracted for herein shall become the property of the District and be returned by the Foundation to the District at termination of this Agreement.

7. Nonassignability

The Foundation shall not assign any interest in this Agreement, or in the income derived from the Funds, by assignment, transfer, or novation, or otherwise, without prior written consent of the District.

8. Auditors Clause

It is hereby agreed that the Legislative Auditor of the State of Louisiana shall have the option of auditing all accounts of the Foundation which relate to this Agreement.

9. No Further Funding

The District shall have no obligation to provide any funding at any time in addition to the single, lump-sum payment specified in the "Compensation" section.

10. Indemnification; Insurance

A. The Foundation shall indemnify and save harmless the District against any and all claims, losses, liabilities, demands, suits, causes of action, damages, and judgments of sums of money to any party accruing against the District growing out of, resulting from, or by reason of any act or omission of the Foundation, its agents, servants, independent contractors, or employees while engaged in, about, or in connection with the discharge or performance of the terms of this Agreement. Such indemnification shall include the District's fees and costs of litigation, including, but not limited to, reasonable attorney's fees.

B. The Foundation shall provide and bear the expense of all reasonable or required personal and professional insurance related to its duties arising under this Agreement.

11. Discrimination Clause

A. The Foundation agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and the Americans with Disabilities Act of 1990.

B. The Foundation agrees not to discriminate unlawfully in its employment practices, and will render all of its services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

C. Any act of discrimination committed by the Foundation, or failure to comply with these statutory obligations when applicable, as established by a final judgment of a court of competent jurisdiction, shall be a failure to perform an obligation under this Agreement.

12. Partial Invalidity; Severability

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant, condition or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

13. Entire Agreement; Modification

A. This Agreement, including any attachments that are expressly referred to in this Agreement, contains the entire agreement between the parties with respect to its subject matter and supersedes any and all agreements or contracts previously entered into between the parties with respect to its subject matter. No representations were made or relied upon by either party, other than those that are expressly set forth in this Agreement.

B. This Agreement may be modified or amended at any time by mutual consent of the parties, provided that, before any modification or amendment shall be operative and valid, it shall be reduced to writing, approved by the Board of Commissioners of the District and by the

Board of Directors of the Foundation (by the affirmative vote of at least three-fourths of the directors then in office), and signed by an authorized representative of each party.

14. Controlling Law

The validity, interpretation, and performance of this Agreement shall be controlled by and construed in accordance with the laws of the State of Louisiana.

15. Legal Compliance

Subject to Section 2.B(13)(c), the Foundation shall comply with all federal, state, and local laws and regulations, including, specifically, the Louisiana Code of Governmental Ethics (R.S. 42:1101, et seq.) in carrying out the provisions of this Agreement.

16. Defaults; Remedies for Default

A. The failure of the Foundation to perform any obligation, agreement, or covenant under this Agreement, which failure is not commenced to be cured within thirty (30) days after written notice from the District under this Section 16.A. specifying the failure and either cured within such period or diligently pursued thereafter until corrected, shall constitute an ordinary default.

B. Whenever an ordinary default referred to in Section 16.A. shall have happened and be continuing, the District may take any one or more of the following remedial actions:

(1) require the Foundation to present to the District a written plan of correction to cure the failure and report periodically in writing to the District on the Foundation's progress in curing such failure until the failure is cured;

(2) refuse, without any further reason, to approve any strategic plan, budget, director or officer appointment, re-appointment, or salary raise, or other action or request of the Foundation requiring approval of the District; or

(3) take any lawful action at law or in equity to enforce the performance and observance of any obligation, agreement, or covenant of the Foundation under this Agreement.

C. Whenever a Material Default referred to in Section 5.A. shall have been declared in accordance with Section 5.A. and be continuing, the District may take any one or more of the remedial actions referred to in Section 16.B or, at the option of the District, may terminate this Agreement by sending written notice of termination to the Foundation.

D. While the Foundation is not in ordinary default and is not in material default, the District (i) shall not unreasonably withhold its consent or approval of any action proposed by the Foundation that is in accordance with the common purposes of the District and the Foundation, (ii) shall not take any affirmative action to prevent the Foundation from operating in accordance with such purposes, (iii) will, at the request and cost of the Foundation, use reasonable efforts to cooperate with the Foundation in order that the Foundation may operate in accordance with such purposes, and (iv) will use reasonable efforts to preserve and keep in full force and effect the District's own existence.

E. The failure of the District to perform any obligation, agreement, or covenant under this Agreement, which failure is not commenced to be cured within thirty (30) days after written notice from the Foundation under this Section 16.E. specifying the failure and either cured within such period or diligently pursued thereafter until corrected, shall constitute an ordinary default. Whenever an ordinary default referred to in this Section 16.E. shall have happened and be continuing, the Foundation may take any lawful action at law or in equity to enforce the performance and observance of any obligation, agreement, or covenant of the District under this Agreement.

17. Notices

All notices and other communications pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery (and receipted for) or deposited in the United States mail, as certified mail, return receipt requested and postage prepaid, to the other party, addressed as follows:

If to the District:

Attn: Chairman
Hospital Service District No. 1 of the
Parish of Ouachita, State of Louisiana
3215 Cypress Street
West Monroe, LA 71291

If to the Foundation:

Attn: Board Chair
Ward Five Healthcare Foundation
3215 Cypress Street
West Monroe, LA 71291

18. Force Majeure

Neither party shall be considered in default in the performance of its obligations to the extent that its performance of an obligation is prevented, hindered, or delayed by any cause beyond its reasonable control, including but not limited to acts of God, strikes, epidemics, floods, hurricanes, tornadoes, and power failures.

19. Interpretation

This Agreement is intended to be a very long-term contract and, in light of the impossibility of foreseeing and dealing precisely with every possible contingency, is necessarily written in general terms. This Agreement is to be interpreted in light of the foregoing context and given a practical and equitable construction with a view toward furthering the common objects and purposes of the parties in a manner that is sensible, reasonable, and legal. Exceptions to the express language of this Agreement shall be implied where necessary or appropriate to achieve the foregoing purposes. All references to particular constitutional or statutory provisions shall be deemed to include future amendments to or replacements of or successors to such provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day, month and year first written above.

WITNESSES:

Pat Thompson
PAT Thompson

Hospital Service District No. 1 of the
Parish of Ouachita, State of Louisiana

By: Violet L. Liner
Violet Liner
Chairman of the Board of Commissioners

Vicki Gilbert
Vicki Gilbert

Ward Five Healthcare Foundation

By: Blake Wheelis
Blake Wheelis
Vice Chair for Planning/Operations

Sworn to and subscribed before me, this

31st day of January, 2006.

Clara Moss Sartor
NOTARY

Print Name: _____

Notary/La. Bar No.: _____

CLARA MOSS SARTOR
NOTARY PUBLIC LSBA, NO. 02092
OUACHITA PARISH, LOUISIANA