

ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT  
AND ST. BERNARD HOSPITAL FOUNDATION, INC.



INVESTIGATIVE AUDIT  
ISSUED NOVEMBER 2, 2016

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**DIRECTOR OF INVESTIGATIVE AUDIT**  
ROGER W. HARRIS, J.D., CCEP

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

November 2, 2016

**MARY HAND, CHAIRMAN  
AND BOARD OF COMMISSIONERS,  
ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT**  
Chalmette, Louisiana

We have audited certain transactions of the St. Bernard Parish Hospital Service District and the St. Bernard Hospital Foundation, Inc. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the validity of complaints we received.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required by *Government Auditing Standards*.

The accompanying report presents our findings and recommendations, as well as management's response. This is a public report. Copies of this report have been delivered to the District Attorney for the 34<sup>th</sup> Judicial District of Louisiana and others as required by law.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

SBPHSD 2016



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## EXECUTIVE SUMMARY

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### **Meals at Local Restaurants and Parties for Physicians and Employees**

The St. Bernard Parish Hospital Service District (HSD) and the St. Bernard Hospital Foundation Inc. (Foundation) paid \$73,965 for events, such as Christmas parties and other celebratory events for physicians and employees, from 2012 to 2015, which may be a donation of public funds in violation of the state constitution. Foundation employees and the HSD's volunteer executive director also used HSD credit cards to pay \$23,185 for employee meals at local restaurants, birthday celebrations, and gifts and door prizes, which also may violate the state constitution. Twenty-two of the 98 credit card purchases of meals and event charges that we reviewed did not include receipts detailing what was purchased, which may violate the state records retention law.

### **Payments to Contractor with an Expired Contract and Without Proper Evidence**

The Foundation paid \$1,521,940 to a professional services contractor for services rendered and expenses between July 2012 and March 2016. We found instances where payments were made when (1) the invoices did not include enough detail to determine if the work was performed, and (2) there was no valid written contract.

### **Failure to Provide Information to the Legislative Auditor**

The HSD, the Foundation, and former HSD Volunteer Executive Director Wayne Landry were provided a copy of the draft report and given an opportunity to respond in writing to the report. The HSD provided additional documentation on four separate occasions in response to the draft report. We requested the records provided in the response during fieldwork but did not receive them. Mr. Landry's attorney also provided additional records we requested from the HSD during fieldwork but did not receive. State law requires all auditees and their officials and staff to furnish such information, reports, aid, services, and assistance as may be requested. Because the HSD, the Foundation, and Mr. Landry did not produce the available records when requested, they may have violated state law.





## BACKGROUND AND METHODOLOGY

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The St. Bernard Parish Hospital Service District (HSD) is a political subdivision of the state of Louisiana created by the St. Bernard Parish Council (the Parish) on November 6, 2007, through Ordinance SBPC #797-11-07 pursuant to Louisiana Revised Statutes (La. R.S.) 46:1051, *et seq.* The HSD, which comprises all of St. Bernard Parish, was formed for the purpose of constructing, operating, and overseeing a general hospital (Hospital) that provides patient care to the residents of St. Bernard Parish. The HSD is governed by a five-member Board of Commissioners appointed to staggered six-year terms by the Parish Council in accordance with Ordinances SBPC #883-07-08 and #976-04-09.

The St. Bernard Hospital Foundation, Inc. (Foundation) is a Louisiana nonprofit corporation that registered with the Louisiana Secretary of State on September 21, 2010. According to the Foundation's Amended and Restated Articles of Incorporation (Restatement) executed on July 20, 2011, the Foundation was formed to assist HSD in raising additional capital to construct, equip and operate the Hospital. Article II of the Restatement states that the Foundation is to be "operated exclusively for the purpose of assisting and promoting" the HSD. The Foundation is governed by a five-person Board of Directors who serve five-year terms. Four Foundation Board members are HSD Commissioners appointed by the Board of Commissioners, and one Foundation Board member is appointed by Access Health Louisiana, a Louisiana nonprofit corporation.

On August 23, 2011, the HSD and the Foundation entered into a 40-year Joint Venture Cooperative Endeavor Agreement (Joint Venture) to build and operate the Hospital. This Joint Venture, which terminates on June 30, 2051, includes a provision that the Joint Venture cannot be terminated during its first eight years absent certain specified conditions (e.g., breach by a party or unanimous affirmative vote of both governing boards). The Joint Venture states that the HSD is responsible for the ultimate administrative, professional, and financial management of the Hospital's business, policies, and operations; the Foundation is responsible for employing or contracting with all of the physicians, health professionals, administrative staff, employees, and contractors required for Hospital operations. Funding for the Hospital and attached Medical Office Building's construction was secured through grants and local taxes by the HSD and the sale of federal tax credits by the Foundation.

We began our audit after receiving complaints of improper transactions by the Hospital and the Foundation.

The procedures performed during this audit included:

- (1) interviewing certain HSD Commissioners and Foundation employees;
- (2) interviewing other persons as appropriate;
- (3) examining selected documents and records; and
- (4) reviewing applicable state and federal laws and regulations.



## FINDINGS AND RECOMMENDATIONS

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### **Meals at Local Restaurants and Parties for Physicians and Employees**

**The St. Bernard Parish Hospital Service District (HSD) and the St. Bernard Hospital Foundation, Inc. (Foundation) paid \$73,965 for events, such as Christmas parties and other celebratory events for physicians and employees, from 2012 to 2015, which may be a donation of public funds in violation of the state constitution.<sup>1</sup> Foundation employees and the HSD's volunteer executive director also used HSD credit cards to pay \$23,185 for employee meals at local restaurants, birthday celebrations, and gifts and door prizes, which also may violate the state constitution.<sup>1</sup> Twenty-two of the 98 credit card purchases of meals and event charges that we reviewed did not include receipts detailing what was purchased, which may violate the state records retention law.<sup>2</sup>**

Mr. Charles Lindell, Hospital CEO, said that HSD hosts an annual (1) awards and recognition banquet for employees to boost morale and (2) physicians' meeting as required by the medical staff by-laws. The use of Foundation funds for these events is approved in the Board minutes and was referred to as "Christmas Parties" by Mr. Lindell. The events were also described in the Board minutes and on the invoices as "Christmas Parties." For example, the HSD hosted a "Christmas Party" in 2014 for the physicians at Windsor Court in New Orleans, Louisiana at a cost of \$14,576. Hospital records show they ordered for 100 guests at a cost of \$145.76 per guest.

HSD records also show that meals were purchased at local restaurants such as Ruth's Chris in New Orleans. Former HSD Volunteer Executive Director Wayne Landry stated that he purchased meals when he met with physicians at Ruth's Chris and purchased the meals to encourage the physicians to do more business at the hospital or to keep them practicing at the hospital. The available receipts show that physicians, employees, and Board members attended the meals; however, if these meals are regarded as business related, reasonableness for the expense must also be accounted for. For example, \$729.25 was charged to Mr. Landry's credit card for a "receivables meeting with finance" at Ruth's Chris in Metairie, Louisiana. In addition, \$502.75 was charged to Mr. Lindell's credit card for an administration meeting with the medical staff, at Ruth's Chris in New Orleans, Louisiana.

A summary of events hosted by the HSD or Foundation and meals at local restaurants are listed on the following page:

Examples of Events Hosted by the HSD and/or Foundation and Purchases Made with Checks and HSD Credit Cards			
Year(s)	Purpose	Location of Event or Place(s) Purchased	Amount (Checks/Credit Card)
2012-15	Christmas parties for employees and for non-employee physicians (HSD and Foundation Checks and HSD Credit Card)	Employees' parties: St. Bernard Parish (Parish Recreation Complex and Knights of Columbus Hall) Physicians' parties: New Orleans (Pat O's on the River and Windsor Court)	\$61,609/\$3,104
2014-15	Crawfish boil/family day for Hospital employees (Foundation Checks and HSD Credit Card)	Hospital grounds	6,354/706
2013-15	HSD credit card used to purchase gifts, gift cards, and door prizes for Christmas parties, Doctor's Day, employee scavenger hunt, etc.	Academy Sports and Outdoors, Martin Wine Cellar, Walmart, CVS, Walgreens, etc.	0/16,296
2013-15	HSD credit card used to purchase meals for meetings with doctors and employees.	Ruth's Chris Steakhouse, Metairie and New Orleans, LA; Mansurs on the Boulevard; Harrah's Besh Steakhouse; etc.	0/6,609
2014	HSD credit card used to purchase items for an employee scavenger hunt.	Bourbon Heat, New Orleans, LA	0/1,938
2013-14	HSD credit card used to purchase items for birthday celebrations.	Hospital grounds	0/280
2014	HSD credit card used to purchase items for Doctor's Day.	Hospital grounds	0/254
<b>Total</b>			<b>\$67,963/\$29,187</b>

According to HSD records and our conversations with St. Bernard Parish Hospital CEO Charles Lindell,<sup>A</sup> HSD has three credit cards: one is assigned to Mr. Lindell; a second is assigned to Mr. Landry, the HSD's volunteer executive director; and a third is assigned to St. Bernard Parish Hospital's Associate Administrator, Ms. Treasure Schwab.<sup>A</sup> HSD's credit card policy requires cardholders to reconcile their monthly statements and forward their receipts to the Foundation's Finance Department. However, 22 (22%) of the 98 credit card purchases of meals and event charges that we reviewed did not include receipts detailing what was purchased. If there was any documentation attached to these 22 purchases (which totaled \$6,327), it was only a credit card authorization signed by the cardholder; credit card authorizations lack detail as

<sup>A</sup> The Foundation is the employer of everyone who works at the hospital. The HSD does not have employees.

to what is purchased and typically provide no more information than could be found on a credit card statement. It is customary for businesses to provide itemized receipts at the time of purchase, which are public records and are required to be maintained according to state law.<sup>2</sup> In addition, HSD's policy did not require pre-approval for purchases or place any limitations on individual purchases to ensure they are reasonable.

Article VII, Section 14(A) of the Louisiana Constitution prohibits the donation of public funds to any person, association, or corporation, public or private. Several Attorney General (AG) Opinions<sup>3</sup> addressed employee meals and Christmas parties and generally opined that such expenditures are an improper use of public funds and may violate Article VII, Section 14(A) of the Louisiana Constitution. The AG's opinions state that meals may be provided at meetings and certain business related functions, but social functions for employees are not an acceptable public purpose and meals cannot be provided to spouses and family members of public employees. Although HSD is a public entity subject to the restrictions of the Louisiana Constitution, it does not perform traditional government functions. The AG also has opined<sup>4</sup> that where public funds were used to entertain with the intent to develop commerce for the public benefit would not be unreasonable. Since Hospital operations could be viewed differently than that of a typical government agency, HSD should seek an AG opinion regarding its use of public funds for purchasing meals and hosting celebratory events for Foundation employees and physicians who are provide services at the Hospital; however, it is unlikely the HSD could apply state constitution<sup>1</sup> restrictions differently to its use of public funds.

The HSD and Foundation were provided with a draft report in July 2016. We received additional documentation and explanations to some of the items addressed in the draft report, to include the purchase of meals and expenses for the celebratory events described in this finding. We modified our report to include the additional receipts into our calculations.

The HSD included an analysis of the meals and celebratory events purchased by the HSD. The analysis compared the amount spent per person to the \$60 food and drink exception to the prohibition against public employees accepting a gift that is included in the Code of Governmental Ethics. We did not modify our report to include the results of this analysis since the exception for food and drink in the Code of Governmental Ethics does not apply to the expenditure of public funds. In this case, the Louisiana Constitution applies since the HSD purchased meals for employees at local restaurants and paid for celebratory events with public funds.

In addition, the HSD included an excerpt from the medical staff by-laws which requires an annual meeting of the medical staff in the fourth quarter of every year; however, the by-laws do not require a party in order to hold the annual meeting.

### Payments to Contractor with an Expired Contract and Without Proper Evidence

The Foundation paid \$1,521,940 to a professional services contractor for services rendered and expenses between July 2012 and March 2016. We found instances where payments were made when (1) the invoices did not include enough detail to determine if the work was performed, and (2) there was no valid written contract.

Payments Made by HSD to Executive Resources, LLC from July 9, 2012 to March 31, 2016			
Contract Term	Professional Fees Paid	Out-of-Pocket Expenses Paid	Total Paid During Contract Period
07/09/12 - 10/08/12	\$90,000	\$24,933	\$114,933
10/16/12 - 09/30/14 <sup>B</sup>	585,000	163,585	748,585
10/1/14 - 12/31/15	435,000	105,907	540,907
1/1/16 - 03/31/16	93,000	24,515	117,515
<b>Total</b>	<b>\$1,203,000</b>	<b>\$318,940</b>	<b>\$1,521,940</b>

The HSD contracted with Executive Resources, LLC<sup>C</sup> to provide healthcare consulting services (interim Chief Financial Officer) for three months for the period July 2012 to October 2012. This contract did not provide for a month-to-month continuation option after expiration, but Executive Resources continued working for the HSD from October 2012 to September 2014 and was paid at the same rate at the original contract term although there was no written contract. The HSD later provided an addendum for this period, but it was not dated and only signed by Executive Resources.<sup>D</sup> The HSD also submitted documentation of a Board meeting dated October 10, 2012, where an indefinite extension of the 2012 contract was a topic. The minutes were not signed and did not disclose the Board member who made the motion to authorize the contract extension, the Board member that seconded the motion, or the results of a vote on the contract extension.<sup>E</sup> Because the additional records provided by the HSD were incomplete and unsigned, we did not include them in our analysis.

In October 2014 and January 2016, the HSD entered into two more written contracts with Executive Resources that extended its work for the HSD to March 2016. The third contract was for the period January 2016 to March 2016 and included a month-to-month renewal clause. The original contract and two subsequent contracts required Executive Resources to provide an interim Chief Financial Officer or Special Projects Officer four days a week at a minimum of 35 hours per week. However, the invoices from Executive Resources did not include evidence the required number of days and hours per week had been worked by Executive Resources, and the HSD and Foundation did not keep any records to indicate the work was performed. Acting on

<sup>B</sup> During this period of time there was no written contract.

<sup>C</sup> Executive Resources, LLC is located in New Jersey.

<sup>D</sup> See Appendix A.

<sup>E</sup> See Appendix B.

behalf of the HSD, the Foundation made payments totaling \$1,521,940<sup>F</sup> to Executive Resources during this period. Given the importance of the work and the amount paid to Executive Resources, the HSD should have ensured it obtained evidence the work was performed before making payment and that there was a written contract during all periods Executive Resources was performing services.

### **Failure to Provide Information to the Legislative Auditor**

**The HSD, the Foundation, and Mr. Landry were provided with a copy of the draft report and given an opportunity to respond in writing to the report. The HSD provided additional documentation on four separate occasions in response to the draft report. We requested the records provided in the response during fieldwork but did not receive them. Mr. Landry's attorney also provided additional records we requested from the HSD during fieldwork but did not receive. State law<sup>5</sup> requires all auditees and their officials and staff to furnish such information, reports, aid, services, and assistance as may be requested.**

Throughout the audit process, the legislative auditor's office (LLA) requests documentation from the auditee to perform the audit. State law<sup>5</sup> requires auditees and their staff to assist the legislative auditor in his work and to furnish such information, reports, aid, services, and assistance as may be requested. As part of our audit of the HSD and the Foundation, we requested copies of records, such as: (1) receipts from credit card purchases, (2) invoices from purchases related to parties and other events hosted by the HSD or Foundation, (3) Foundation by-laws, and (4) consulting contracts and invoices.

At the conclusion of our work, we furnished the HSD, the Foundation, and Mr. Landry with a draft copy of the report and provided them with an opportunity to respond in writing to the findings discussed within the draft report. On five separate occasions, the HSD, the Foundation, and Mr. Landry (through his attorney) submitted additional records we previously requested, including receipts for credit card purchases, payments for events, professional service contracts and invoices, Foundation by-laws, and Board minutes. Since these records were not produced when originally requested, it resulted in incorrect or incomplete findings within the draft report, delays in completing the audit, and wasted effort by the LLA, HSD, and the Foundation.

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<sup>F</sup> \$1,203,000 was for services rendered, and \$318,940 was for out of pocket expenses such as travel costs.

### **Recommendations**

The HSD and Foundation should:

- (1) obtain an Attorney General's opinion regarding purchases for Christmas parties and meals for employees and doctors;
- (2) adopt a policy requiring credit card users to turn in all receipts prior to payment of the monthly statement and repay any transaction where they cannot produce a receipt;
- (3) adopt a policy outlining the circumstances when local meals are appropriate, who may attend, and a monetary limit per meal;
- (4) ensure that all services provided to the HSD are pursuant to a written contract;
- (5) ensure all contract payments are made pursuant to the written contract prior to payment; and
- (6) comply with state law regarding the timely production of records.



## EXHIBIT A

**Addendum to Agreement Between  
St. Bernard Parish Hospital Service District  
and Executive Resources, LLC**

This Addendum to the Agreement between the St. Bernard Parish Hospital Service District ("STBP HSD") and Executive Resources, LLC ("Contractor") (the "Addendum") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2012.

**WITNESSETH:**

**WHEREAS**, STBP HSD and Contractor entered into an Agreement by which Contractor will provide monthly health care consulting technical assistance to STBP HSD effective June 20, 2012 (the "Agreement");

**WHEREAS**, the Agreement had an original term of three (3) months commencing July 9, 2012 and ending October 8, 2012; and

**WHEREAS**, STBP HSD and Contractor wish to extend the term of the Agreement to December 31, 2012.

**NOW, THEREFORE**, in consideration of the mutual benefits hereby conferred and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STBP HSD and Contractor hereby addend the Agreement as follows:

**Obligations of Contractor** – Contractor shall oversee the daily financial operations of the STBP HSD public hospital as the Interim Chief Financial Officer onsite four (4) days per week at a minimum of 35 hours per week on average based on 4.2 weeks per month through December 31, 2012.

**Obligations of STBP HSD** – STBP HSD shall pay Contractor twenty five thousand dollars (\$25,000) each month predicated at a rate of \$175 per hour or approximately 147 hours per month (4.2 weeks per month). Payment for services rendered in any partial month shall be made to Contractor on a pro rata basis. STBP HSD hereby also agrees to pay to Contractor actual out-of-pocket expenses incurred during and directly related to this project.

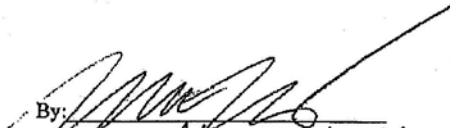
**Term** – The Agreement shall terminate on December 31, 2012.

To the extent that this Addendum conflicts with any provision in the Agreement, this Addendum controls. All non-conflicting provisions of the Agreement are hereby ratified.

AGREED by and between the parties this \_\_\_\_ day of \_\_\_\_\_, 2012.

**Executive Resources, LLC**

**St. Bernard Parish Hospital Service  
District**

By:  By: \_\_\_\_\_  
Witnessed: Sherry L. Shaw Witnessed: \_\_\_\_\_

## EXHIBIT B

### HOSPITAL SERVICE DISTRICT OF THE PARISH OF ST. BERNARD BOARD MEETING

**DATE & TIME:** Wednesday, October 10, 2012 at 6:00 p.m. at Parish Council Chambers, Chalmette, Louisiana

**MEMBERS PRESENT:** Wayne Landry, George Cavignac, John Gray, Andrew Sercovich, and Jim DiFatta

**OTHERS PRESENT:** Joe Kemka, St. Bernard Parish Hospital Interim CFO; Jack Stoller, District Counsel, Councilmen \_\_\_\_\_

**MEMBERS ABSENT:** None

**PRESIDING:** Wayne Landry commenced the meeting.

TOPIC/CONCLUSION	RECOMMENDATION/ACTION
Discussion ensued regarding Executive Session.	On motion made by George Cavignac and seconded by Jim DiFatta, the members entered into Executive Session for strategic planning.
Executive session ended at 8:30 p.m. and the public session of the Board meeting reconvened with the remaining Board members, Wayne Landry, John Gray and Jim DiFatta, which constituted a quorum.	None. For information only.
<u>FMOL Management Contract Termination:</u> Discussion ensued regarding the need to finalize documentation on this issue.	On motion made by _____ and seconded by _____, the Board authorized the Chairman, assisted by Counsel, and on behalf of the District, to respond to FMOL's request for an immediate termination of the Management Services Agreement.
<u>Executive Resources, LLC:</u> Discussion ensued regarding extending the independent contractor agreement with Executive Resources for CFO services for an indefinite	On motion made by _____ and seconded by _____, the Board authorized the indefinite extension

Hospital Service District of the Parish of St. Bernard  
October 10, 2012  
Page 2

period of time until the hospital identifies and employs a permanent CFO.	of the current agreement until a new CFO is hired.
<b><u>ADJOURNMENT</u></b>	
There being no further business the meeting was adjourned.	The next date for the Board meeting has not yet been determined.

\_\_\_\_\_  
John Gray, Secretary  
Hospital Service District of the Parish of St. Bernard

## LEGAL PROVISIONS

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<sup>1</sup> **Louisiana Constitution Article VII, Section 14(A)** states, in part, “Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.”

**Louisiana Revised Statute (La. R.S.) 42:1461 (A)** states, in part, “Officials, whether elected or appointed and whether compensated or not, and employees of any ‘public entity,’ which, for purposes of this Section shall mean and include any department, division, office, board, agency, commission, or other organizational unit of any of the three branches of state government or of any parish, municipality, school board or district, court of limited jurisdiction, or other political subdivision or district, or the office of any sheriff, district attorney, coroner, or clerk of court, by the act of accepting such office or employment assume a personal obligation not to misappropriate, misapply, convert, misuse, or otherwise wrongfully take any funds, property, or other thing of value belonging to or under the custody or control of the public entity in which they hold office or are employed.”

<sup>2</sup> **La. R.S. 44:36(A)** states, in part, “All persons and public bodies having custody or control of any public record...shall exercise diligence and care in preserving the public record...such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made...”

<sup>3</sup> **Attorney General Opinion 03-0157** states, in part, “...serving meals at brief meetings, particularly meetings that could be scheduled at times other than meal times appear to be unreasonable ... *Opinion Nos. 91-589-A* and *76-1680*, both of which determined that public funds cannot be utilized to defray the cost of Christmas parties for public employees... payment or reimbursement for food, drink, or the expenses associated with parties and other types of celebratory functions, from public funds, is improper under the state constitution.”

**AG Opinion 08-0328** states, in part, “...In *Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, Property Owners, Citizens of the City of Gonzales, et al.*, 938 So.2d 11, 2005-2298 (La. 9/6/06) (the “*Cabela’s*” case), the Louisiana Supreme Court abandoned its prior analysis in *City of Port Allen v. Louisiana Mun. Risk Mgmt. Agency, Inc.*, 439 So.2d 399 (La.1983), and articulated a new standard of review governing **La. Const. art. VII, § 14(A)**, stating that **La. Const. art. VII, § 14(A)** “is violated when public funds or property are gratuitously alienated.” *Cabela’s*, 938 So.2d at 20. In light of the *Cabela’s* case, it is the opinion of this office that in order for an expenditure or transfer of public funds to be permissible under **Art. VII, Sec. 14(A)**, the public entity must have the legal authority to make the expenditure and must show: (i) a public purpose for the expenditure or transfer that comports with the governmental purpose the public entity has legal authority to pursue; (ii) that the expenditure or transfer, taken as a whole, does not appear to be gratuitous; and (iii) that the public entity has a demonstrable, objective, and reasonable expectation of receiving at least equivalent value in exchange for the expenditure or transfer of public funds. The *Cabela’s* standard places a strong emphasis on the reciprocal obligations between the parties to ensure that there is not a gratuitous donation of public funds...”

**AG Opinion 09-0238** states, in part, “...it is the opinion of this office that the purchase of a moderately priced plaque to honor city employees who provide exceptional service to the City of Opelousas is permissible, but hosting a meal honoring employees and their spouses/guests is not permitted under **La. Const. art. VII, Sec. 14...**”

<sup>4</sup> **AG Opinion 02-0125** states, in part, “...serving wine at a dinner to entertain commercial, private sector clients where the public purpose is to develop commerce for the public benefit would not be unreasonable.”

<sup>5</sup> **La. R.S. 24:513 (H)(1)** states, in part, “All auditees and their officials and staff are hereby directed to assist the legislative auditor in his work and to furnish such information, reports, aid, services, and assistance as may be requested...”



## APPENDIX A

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### Management's Response







# St. Bernard Parish Hospital Service District

8000 West Judge Perez Drive

Chalmette, La 70043

(504) 826-9600

October 26, 2016

Mary Hand  
*Chairman*

Raymond Ducote, Jr.  
*Vice-Chairman*

Ray Lauga, Jr.

Cindy Maag

Brian Reaney

Via Facsimile (225) 339-3987 and U. S. Mail

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor

P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Re: Response to Modified Draft Investigative Audit Report

Dear Mr. Purpera:

This is a response to your modified draft Investigative Audit Report dated October 25, 2016.

The current Board of Directors of the Hospital Service District of the Parish of St. Bernard responds that it will follow all 6 (six) recommendations made by the Louisiana Legislative Auditor in the modified draft Investigative Audit Report.

The current members of the Board of Directors of the Hospital Service District of the Parish of St. Bernard wish to make clear that they were not on the Board at the time of the expenditures and activities which are detailed in the draft modified Investigative Audit Report and therefore do not feel that they can respond to the findings and conclusions in the Report.

Further, the current Board Members and the attorneys for the Board at all times instructed the hospital executives and staff charged with producing the documents to the Legislative Auditor to cooperate fully and immediately produce any and all records requested by the Office of the Louisiana Legislative Auditor.

Sincerely,

Mary Ann Hand, Chairwoman.  
Hospital Service District of the Parish of St. Bernard  
8000 W. Judge Perez Dr.  
Chalmette, Louisiana 70043

MAH:vag

Cc: Kevin Kelley (KKelley@lla.la.gov)  
Corey J. Lejeune (CjLejeune@lla.la.gov)



## APPENDIX B

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### Wayne Landry's Response



October 28, 2016

**VIA U.S. MAIL AND EMAIL**

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397  
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Re: St. Bernard Parish Hospital Service District, etc.

Mr. Purpera and Mr. Harris,

My firm represents Wayne Landry in connection with the Louisiana Legislative Auditor's investigation of St. Bernard Parish Hospital Service District and the St. Bernard Hospital Foundation, Inc. On October 21, 2016, the auditor released a modified draft of its investigative report. Although the modified report removes several findings contained in the initial report, provided to Landry for response, the modified report continues to assert that the Hospital (a) made improper payments to a private consultant and (b) may have violated the Louisiana Constitution by expending public funds to recruit doctors. Landry addressed both of these allegations at length in his October 5, 2016 response to the auditor, attached as Exhibit "A." The modified report fails to rebut Landry's arguments on these points, which are incorporated here by reference.

The modified report makes one additional finding not contained in the initial draft: that the Hospital and Landry failed to provide information to the auditor. As you know, Landry has cooperated with the auditor throughout its investigation, including by providing the auditor with

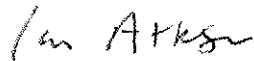
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documents after Landry was removed from any position with the Hospital. The notion that Landry has failed to comply with state law requiring Landry to assist the auditors is baseless.

Please include a copy of this letter and accompanying exhibit as part of your final report.

With kind regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read "Ian Atkinson".

Ian Atkinson

/ILA



SCHONEKAS  
EVANS  
MCGOHEY &  
MCNEAL, LLC

Ian Atkinson  
504.680.6057  
ian@semmmlaw.com

October 5, 2016

**VIA U.S. MAIL AND EMAIL**

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397  
[dpurpera@lla.la.gov](mailto:dpurpera@lla.la.gov)

Roger W. Harris, J.D., CCEP  
Assistant Legislative Auditor and  
Director of Investigative Audit  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397  
[rharris@lla.la.gov](mailto:rharris@lla.la.gov)

Re: St. Bernard Parish Hospital Service District, etc.

Mr. Purpera and Mr. Harris,

My firm represents Wayne Landry in connection with the Louisiana Legislative Auditor's investigation of St. Bernard Parish Hospital Service District and the St. Bernard Hospital Foundation, Inc. This letter is in response to the Auditor's report issued September 22, 2016.

**BACKGROUND**

After the destruction of Hurricane Katrina in August 2005, all hospital facilities in St. Bernard Parish were destroyed and the publically traded company who operated the hospital in St. Bernard Parish pre-Katrina elected not to reopen. Wayne Landry was elected to the Parish Council in the "at-large" seat in 2008 on a platform to build a hospital in St. Bernard Parish. The current hospital exists, in many respects, due to Landry's uncompensated efforts.

Landry held a number of positions affiliated with the hospital during the rebuilding process. In 2009, Landry was appointed to the Board of Commissioners of the St. Bernard Parish Hospital Service District ("HSD") and was later appointed to the Hospital Foundation's Board of Directors (the "Board") in January 2012, both without pay. In August 2012, Landry

EXHIBIT  
A

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became Chief Executive Officer of the HSD, on an interim basis, again without pay. During his time with the hospital, in various positions, Landry spent over \$40,000 of his own money to advance the hospital's interests. After serving the people of St. Bernard Parish, on a volunteer basis, through September 2016, however, Landry was removed from any position with the hospital, the Board, or the HSD (collectively, the "Hospital").

The Louisiana Legislative Auditor ("LLA") has made several allegations of wrongdoing by the Hospital during Landry's tenure. Many of these allegations are more properly addressed to the Hospital, who has access to the documentation and personnel necessary to provide a comprehensive rebuttal. Landry submits his own response to address allegations specifically related to Landry, including that the Hospital, through Landry, (I) made improper or excessive payments to a private consultant; (II) violated the Louisiana Constitution by expending public funds to recruit doctors; and (III) improperly appointed Landry to various Hospital positions. As explained below, none of LLA's allegations have merit.

### **RESPONSE**

#### **I. THE HOSPITAL DID NOT MAKE IMPROPER OR EXCESSIVE PAYMENTS TO EXECUTIVE RESOURCES, LLC.**

At the outset, LLA asserts that the Hospital made improper payments to Executive Resources, LLC, a private consulting firm hired by the Hospital to provide an interim Chief Financial Officer and, later, a Special Projects Officer. LLA claims that the Hospital paid Executive Resources excessive professional fees and expenses; failed to properly document



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hours worked; and continued to pay Executive Resources after its contract expired. Each allegation is addressed below.

**A. PROFESSIONAL FEES AND EXPENSES.**

First, LLA states that the Hospital overpaid Executive Resources for professional fees and expenses, because the Hospital compensated Executive Resources in excess of an estimated budget for services. With respect to professional fees, LLA maintains that the Hospital improperly paid "\$90,000 in professional fees on a contract that allowed only \$75,000 in professional fees." But Executive Resources was not limited to "only" \$75,000 in fees under the contract. Rather, the contract required the Hospital to pay Executive Resources a minimum \$75,000 in fees, over the course of three months, in exchange for Executive Resources providing 147 hours per month in services. Any work performed over 147 hours per month was to be compensated at an hourly rate of \$175 per hour. The terms of the contract clearly state:

In consideration of the services described in this Agreement, STBP HSD hereby agrees to pay to Contractor for the professional fee component of the project an agreed upon fee of seventy five thousand dollars (\$75,000.00) in three (3) monthly installments of twenty five thousand dollars (\$25,000.00) each. Billing is predicated at a rate of \$175 per hour or approximately 147 hours per month (4.2 months per month). **Time spent beyond 147 hours per month will be identified separately and be billed at a rate of \$175 per hour.**

See Exhibit "A," Executive Resources, LLC contract (emphasis added). Executive Resources in fact worked more than 147 hours per month, as demonstrated by the invoices previously submitted by the Hospital, and its overtime was compensated accordingly. The contention that

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the Hospital improperly paid Executive Resources for overtime ignores the plain terms of the contract.

Likewise, LLA places an unduly restrictive reading on the contract when it asserts that the Hospital overpaid Executive Resources for expenses. The Executive Resources contract states that

STBP HSD hereby also agrees to pay to Contractor actual out-of-pocket expenses incurred during and directly related to this project based on a *budget* approved by both parties.

*Id.* (emphasis added). Although the contract required Executive Resources to submit an expense budget for approval, the contract did not place a cap on expenses, or prohibit the Hospital from reimbursing Executive Resources for reasonable expenses in excess of the budget. The Hospital's decision to do so was proper and did not violate the parties' agreement. Indeed, the Hospital's refusal to pay such expenses, or overtime professional fees, would likely expose the Hospital to a breach of contract lawsuit by Executive Resources.

**B. DOCUMENTATION ISSUES.**

LLA also challenges the fees paid to Executive Resources by claiming that it was not provided with invoices demonstrating that Executive Resources actually performed work under the contract. Executive Services billed the Hospital on a monthly or bi-monthly basis, pursuant to the terms and conditions of the parties' agreement. All invoices in Landry's possession are attached to this letter. See Exhibit "B," Invoices. Although LLA complains that Executive Resources did not document the hours or days worked in these invoices, which were previously

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submitted to LLA by the Hospital, such documentation was not a condition of the parties' contract. Nor is there any allegation, much less any evidence, that Executive Resources defrauded the Hospital by seeking compensation for work that was not performed. LLA's documentation concerns are unfounded.

**C. EXPIRED CONTRACT.**

LLA also asserts that the Hospital improperly paid Executive Resources after its contract expired. By its terms, Executive Resources' original contract with the Hospital expired in October 2012. The Hospital did not enter into another written agreement with Executive Resources until August 2014, but continued to pay Executive Resources under the existing terms of the parties' agreement. Board meeting minutes, in the Hospital's possession and submitted to LLA, demonstrate that the 2012 contract was extended past the October 2012 expiration date. Although the extension authorized by the Hospital may have expired for a short period, prior to the execution of the August 2014 contract, the parties' decision to proceed on a month-to-month basis during that time period was legitimate and caused no harm to the Hospital.

Oral contracts and extensions, like the one between Executive Resources and the Hospital, are valid and enforceable under Louisiana law. See 5 La. Civ. L. Treatise, Law Of Obligations § 12.82 (2d ed.) ("Oral contracts and extensions are valid under Louisiana law, see the general rule is that unwritten, namely, oral contracts are perfectly valid and therefore enforceable in all instances where a writing is not specially prescribed."). When the parties to an expired contract agree to an oral extension, prior contracts between the parties may corroborate

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the existence and terms of the parties' agreement. *See Price Farms, Inc. v. McCurdy*, 45,409 (La. App. 2 Cir. 7/7/10), 42 So. 3d 1099, 1105. Here, as LLA points out, "the parties continued [the contract] on a month-to-month basis through September 30, 2014," under the same terms and conditions of the original contract, after the original contract expired. The Hospital's decision to do so was valid under Louisiana law and did not constitute wrongdoing.

## **II. THE HOSPITAL DID NOT VIOLATE THE CONSTITUTION BY SPENDING FUNDS TO RECRUIT AND RETAIN DOCTORS AND EMPLOYEES.**

LLA next claims that certain expenses, such as holiday parties and other events for Hospital physicians and employees, violate the Louisiana Constitution. They do not. Article VII, Section 14(A) of the Louisiana Constitution prohibits the donation of public funds to any person, association, or corporation, public or private. The Louisiana Supreme Court has said that this provision "is violated when public funds or property are gratuitously alienated." *Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, Property Owners, Citizens of the City of Gonzales, et al.*, 2005-2298 (La. 9/6/06), 938 So. 2d 11, 20. As acknowledged by LLA, Article VII is not violated when public funds are used to develop commerce for the public benefit, as long as the expenses are reasonable. *See La. Atty. Gen. Op. No. 02-0125.*

The expenses challenged by the LLA (p. 11) were legitimately spent by the Hospital to develop commerce for the public benefit, by recruiting and retaining doctors to do business with the Hospital in a competitive market. Attracting qualified physicians is essential to the financial

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success of the Hospital, because doctors (and patient referrals) are the primary source of Hospital revenue. Recruiting and retaining physicians, however, is difficult in a market where public hospital service districts must compete with private hospitals for the best doctors. In fact, the Louisiana legislature has recognized “that the market for hospital and health care services is becoming increasingly competitive” and “that hospital service districts are presently at a competitive disadvantage.” La. R. S. 46:1071.

Consistent with this legislation, the Attorney General has interpreted Article VII, Section 14(A) to allow hospitals wide-leeway to attract physicians and accommodate their patients. In Opinion No. 92-389, the Attorney General cited the market concerns listed by the legislature in Revised Statute 46:1071 to justify a public hospital’s decision to recruit a doctor by donating all major equipment and medical supplies necessary to start up and maintain the doctor’s general medical practice. *See* La. Atty. Gen. Op. No. 92-389. The hospital even guaranteed the physician a base income, *i.e.* the hospital pledged public funds to pay the doctor a minimum salary, in the event that his private practice failed to earn a certain amount. *Id.* The Attorney General opined that none of these expenses, which would likely constitute improper public donations in other contexts, violated the constitution in the highly competitive market for hospital services.

Further, in Opinion No. 12-0058, the Attorney General approved the expenditure of public funds to build a walkway “to give pedestrians easier access to private physicians’ offices and to allow those physician’ patients to have a safe, quick way to get to the hospital.” *See* La.

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Atty. Gen. Op. No. 12-0058. In both opinions, the Attorney General recognized that it was not a constitutional violation for a hospital service district to spend public money to attract and retain its two biggest clients and sources of income—doctors and their patients.

Even outside the unique circumstances applicable to hospital service districts, the Attorney General has allowed the expenditure of reasonable public funds to entertain private clients, in order to develop business for the public benefit. In Opinion No. 02-0125, referenced above, the Attorney General recognized the obvious truth that generating business from the private sector often involves the inevitable business dinner or lunch: “there is no question that meals are an integral part of commercial interaction. Further, the custom and current business practice is for the host to offer the client or customer a beverage of his or her choice, without excluding any particular category of beverages, such as caffeine versus non-caffeine, diet versus non-diet or alcoholic versus non-alcoholic.” La. Atty. Gen. Op. No. 02-0125. Such “custom[ary]” and “integral” expenses are permitted, according to the Attorney General, so long as “the overall expense, the location of the meal, the participants and attendees at the meal, the public purpose and public benefit of the meal” are “reasonable under the circumstances.” *Id.*

Here, the expenditure of roughly \$100,000, over the course of *four years* to recruit, entertain, and retain valuable private physicians and Hospital employees, the lifeblood of the Hospital and its main source of revenue, was entirely reasonable. To put matters in perspective, during this same time period, Landry spent over \$41,000 of his *own money* to promote the Hospital. For example, in February 2012, Landry paid roughly \$3,000, out of his own pocket, for

himself and board member George Cavignac to travel to New York and meet with Goldman Sachs, the bond underwriter for the Hospital. In December 2013, Landry spent about \$10,000, of his own money, on a Christmas gathering for employees and doctors. And in April 2014, Landry personally spent \$4,200 to travel to Chicago in order to represent the Hospital. These are just a few of the expenses Landry paid from his own money to promote the public welfare of St. Bernard Parish, without any compensation or benefit to himself. In comparison, the \$100,000 spent by the Hospital from 2012 to 2015 to successfully recruit and maintain physicians was reasonable, benefited the public, and did not violate the constitution.

### **III. LANDRY WAS LEGITIMATELY APPOINTED TO HIS POSITIONS WITH THE HOSPITAL.**

Finally, LLA asserts that Landry's appointments to the HSD, the Board, and to serve as interim Chief Executive Officer of the Hospital were questionable. None of Landry's uncompensated appointments violated the law or the Louisiana Constitution.

#### **A. HSD AND CEO APPOINTMENTS.**

In May 2009, the St. Bernard Parish council voted to appoint Landry and George Cavignac to the HSD. Both Landry and Cavignac were council members at the time. Neither recused themselves from the vote. LLA asserts that Landry and Cavignac violated Louisiana Revised Statute 42:1120, because they did not recuse themselves.<sup>1</sup>

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<sup>1</sup> LLA also asserts that Landry violated La. R.S. 42:1120.4(B), which says "An appointed member of a board or commission who recuses himself from voting pursuant to, this Section shall be prohibited from participating in discussion and debate concerning the matter." Because Landry did not violate R.S. 42:1120, Section 42:1120.4 is not implicated.

In general, nothing prevents the Parish council from appointing one of its own members to the HSD, or any other board over which the council has authority, unless the council member has a financial interest in the appointment. *See* La. R.S. 42:1113.<sup>2</sup>

Likewise, Louisiana Revised Statute 42:1120, cited by LLA, only requires an elected official to recuse himself when he “would be required to vote on a matter which would be a violation of R.S. 42:1112.” Revised Statute 42:1112 prohibits a public servant from entering into transactions in which he “has a personal substantial economic interest.” Together, these statutes require a public servant, such as a St. Bernard Parish councilman, to recuse himself from any vote in which he stands to gain financially, but not otherwise.

Under these provisions, Landry did not act improperly when he voted to appoint himself to the HSD, because Landry obtained no “personal substantial economic interest” from the appointment—Landry received no compensation as a member of the HSD. *See also* La. Atty. Gen. Op. No. 09-0050 (St. Bernard Parish council members may be appointed to serve on the HSD when vacancies occur). To the contrary, as explained above, Landry spent substantial amounts of his own money to promote the Hospital when he held this position.

For the same reason, Landry was not required to recuse himself from voting to appoint himself as acting CEO of the Hospital. As explained below, Landry was legitimately appointed

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<sup>2</sup> “This Paragraph does not prohibit a municipal or parish governing authority from appointing one of its members ... [t]o a board ... for which the governing authority is the appropriate appointing authority and the appointee receives no salary or per diem for services...” Landry received neither a salary nor a per diem from the appointment.



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to the Board in January 2012. In November 2012, the Board voted to install Landry as the HSD interim CEO. LLA claims that Landry's failure to recuse himself also violates Louisiana Revised Statute 42:1120. But, again, § 42:1120 does not require recusal, unless the public servant has a financial interest in the vote. Because Landry received no compensation as interim CEO, Landry did not violate § 42:1120 by voting for himself.

**B. BOARD APPOINTMENT.**

Next, LLA mistakenly asserts that the Board improperly voted to seat Landry as a member at a February 2012 meeting when there was no quorum present. The bylaws in effect at the time stated "4 members of the Board of Commissioners (the "Board") of the Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "District") [shall be] appointed from time to time by the *Board of the District*." See Exhibit "C," Foundation Bylaws. In other words, the HSD—not the Board—was the appointing authority for the Board in January 2012. In accordance with these bylaws, Landry was voted onto the Foundation Board on January 19, 2012 by the HSD. A copy of the agenda and meeting minutes for the January 19, 2012 HSD meeting reflecting Landry's appointment are attached as Exhibits "D" & "E." Landry's appointment was in compliance with the Hospital's bylaws and all applicable Louisiana law.

**CONCLUSION**

LLA concludes its report with recommendations that the Hospital "ensure that all services provided to the HSD are pursuant to a written contract; obtain an Attorney General's opinion regarding purchases for Christmas parties and meals for employees and doctors; consult

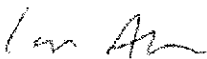
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with legal counsel regarding Mr. Landry's appointment to the Foundation board without a quorum; and ensure Board members abstain from voting on issues that may result in a conflict of interest."

Landry takes no position whether the Hospital should require future contracts to be in writing. It is clear, however, that the oral extension of the Executive Services contract was valid. Nor is there any reason to consult with the Attorney General or other legal counsel concerning recruiting expenses or Landry's appointments. The legal justifications for these expenses and appointments are set forth in detail above. Finally, Louisiana law did not require Landry's recusal from voting on any his appointments, because none of his positions carried any financial benefit. While the Hospital may decide to impose its own prospective rules governing recusal, Landry committed no wrongdoing when he voted to appoint himself to the HSD, Board, or to act as interim CEO.

With kind regards, I am

Sincerely,



Ian L. Atkinson

/ILA

**Agreement Between**  
**St. Bernard Parish Hospital Service District**  
**and**  
**Executive Resources, LLC**

This contract for health care consulting services is entered into by and St. Bernard Parish Hospital Service District (hereinafter referred to as STBP HSD) and Executive Resources, LLC (hereinafter referred to as Contractor), this 20<sup>th</sup> day of June 2012.

I. Purpose

A. The purpose of this Agreement is to specify the terms and conditions by which Contractor will provide monthly health care consulting technical assistance to STBP HSD, Chalmette, LA relative to Interim Operations Contract Management Services as the Interim Chief Financial Officer for the STBP HSD public hospital that is to serve the greater St. Bernard Parish marketplace. Said services are to be provided by personnel supplied by the Contractor. Contractor hereby binds and obligates itself and its subcontractors to furnish the services described herein.

II. Obligations of Contractor

- A. To oversee daily financial operations of the STBP HSD public hospital as the Interim Chief Financial Officer onsite four (4) days per week at a minimum of 35 hours per week based on 4.2 weeks per month for three (3) months;
- B. To report directly and be responsible solely to the Treasurer of STBP HSD on all matters relative to financial operations;

**EXHIBIT**  
**A**

- C. To maintain operations continuity by telephone and electronic transmission, i.e. email, text message communication when not overseeing daily operations onsite;
- D. To review the current STBP HSD public hospital's finance department's roles, responsibilities, and reporting and assemble the finance department in a traditional hospital hierarchy of financial reporting;
- E. To evaluate the current STBP HSD public hospital's finance department and provide recommendations to STBP HSD for improvement;
- F. To train the current STBP HSD public hospital's finance department relative to their duties and responsibilities of their respective position;
- G. To review flow of financial operations from front end to back end and provide recommendations for improvement;
- H. To review a charge master provided to the Contractor and modify it internally based on the Contractor's knowledge of programs and services to be provided at the STBP HSD public hospital for importation into STBP HSD public hospital's systems;
- I. To review and participate in the selection of the permanent Chief Financial Officer's position;
- J. To work collaboratively with the Chief Executive Officer relative to implementation of strategic long-range and short-range plans to support STBP HSD's values and goals, including oversight of STBP HSD's business and financial affairs and fiscal stability management;
- K. To work collaboratively with the Chief Medical Officer to assure that clinical operations activities facilitate and support the delivery of cost-effective, high quality patient care in the areas of budgeting, billing and internal control;

- L. At term, the parties will discuss the project's objectives, recommendations, achievements, etc. and the status relative to extending the term of the project for a to-be-determined term; and
- M. This project will be based and performed out of Contractor's New Orleans, LA office located at 1450 Annunciation Street, Suite 2101, New Orleans, LA 70130. All correspondence and monthly retainers are to be remitted to our Wall, NJ office located at 1955 State Highway 34, Suite 3-B, Wall, NJ 07719.

### III. Obligations of STBP HSD

- A. The time line for the project has been identified as a period of three (3) months commencing on or about July 9, 2012 and ending on or about October 8, 2012. In consideration of the services described in this Agreement, STBP HSD hereby agrees to pay to Contractor for the professional fee component of the project an agreed upon fee of seventy five thousand dollars (\$75,000.00) in three (3) monthly installments of twenty five thousand dollars (\$25,000.00) each. Billing is predicated at a rate of \$175 per hour or approximately 147 hours per month (4.2 months per month). Time spent beyond 147 hours per month will be identified separately and be billed at a rate of \$175 per hour. Upon receipt of invoice, STBP HSD agrees to pay Contractor the monthly installment by the 15<sup>th</sup> of each month for each month during the Agreement and submit each monthly installment to the Wall, NJ office delineated above.
- B. STBP HSD hereby also agrees to pay to Contractor actual out-of-pocket expenses incurred during and directly related to this project based on a budget approved by both parties. Said out-of-pocket expenses include, but are not limited to travel, lodging, meals, parking, duplication, communication, etc. and will be billed by Contractor to STBP HSD on a

monthly basis, along with support documentation. Upon receipt of invoice, STBP HSD agrees to pay Contractor by the 30<sup>th</sup> of each month for the prior months' out-of-pocket expenses for each month during the Agreement.

- C. STBP HSD will assist in obtaining or facilitating data for the Contractor, including but not limited to a representative hospital Charge Master, STBP HSD Policies and Procedures, STBP HSD Table of Organization, and other data from STBP HSD and organizations and agencies that may be able to provide data and support for the project.

#### IV. Supervision

- A. John Grywalski, Jr., CPA; Harry Wright; and Lawrence Sargent; Contractor's principals, shall oversee the services provided pursuant to this Agreement. Executive Resources, LLC's Senior Consultant, as approved by STBP HSD, will provide the onsite services pursuant to this Agreement and will be supported by Contractor's principals in this role. Contractor's direct reporting responsibilities are solely to the Treasurer of STBP HSD. Any variance or mishandling shall be reported to the Treasurer of STBP HSD.

#### V. Confidentiality, Disputes

- A. Contractor agrees to comply with all applicable Federal, State, City/Parish laws, rules and regulations concerning confidentiality, which safeguard information. The parties agree that this Agreement shall be construed in accordance with the laws of the State of Louisiana, and any action brought to enforce any provision of this Agreement and not subject to mediation shall be brought in a court of competent jurisdiction situated in the City of New Orleans.

VI. Limitation of Assignment

A. Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same (whether by assignment or notation), without the prior written consent of STBP HSD thereto. Without limiting the generality of the foregoing, claims of money due or become due to Contractor under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval, provided that notice of any such assignment or transfer shall be promptly furnished to STBP HSD.

VII. Non-Discrimination

A. Contractor hereby agrees to adhere to Title VI and VII of the Civil Rights Act of 1964, as amended; the Vietnam Era Veterans' Readjustment Assistance Act of 1974; Sec. 503 of the Rehabilitation Act of 1973; Sec. 202 of Executive Order 11246, as amended; American with Disabilities Act of 1990; and all requirements imposed by or pursuant to the regulations of the United States Department of Health and Human Services. Contractor agrees that it will not discriminate in the rendering of services, under this Agreement and/or in its employment of individuals, on the basis of color, race, religion, sex, age, national origin, sexual orientation, handicap, political beliefs, disabled veteran status, or other non-merit factors.

VIII. Changes in the Law

A. STBP HSD reserves the right to suspend, amend, or modify the provisions of this Agreement in the event that Federal or State law, regulations, or policy is issued whose effect is to alter or otherwise change the conditions, expectations, or compensation due to STBP

HSD for implementing this project. In the event of any such changes, STBP HSD shall promptly notify Contractor of the specific change in the law and provide Contractor with adequate information concerning the justification for modifying, suspending, or amending this Agreement.

IX. Taxes

A. Contractor hereby agrees that the responsibility for payment of taxes, if any are applicable, from the funds received under this Agreement shall be said Contractor obligation under Federal Tax Identification number 20-5743246. Contractor acknowledges and agrees that STBP HSD shall not be responsible for the payment of any Federal, State, Regional, or City/Parish taxes which may become payable by Contractor, its officers, employees, and/or agents received under this Agreement.

X. Term, Termination, Amendments

- A. The term of this contract shall be for three (3) months commencing on or about July 9, 2012 and ending on or about October 8, 2012.
- B. This Agreement may be terminated by either party, without cause, upon one party providing the other party with thirty (30) days written notice of intent to terminate.
- C. STBP HSD or Contractor may terminate this contract for cause based upon the failure of the other to comply with the terms and/or conditions of the contract; provided that written notice specifying the failure shall be supplied. If within thirty (30) days after receipt of such notice, either party shall not have corrected such failure and/or thereafter proceeded diligently to complete such correction, then STBP HSD or Contractor may



at its option, place the other party in default and the contract shall terminate the date specified in such notice.

- D. Either party may terminate this Agreement within thirty (30) days of obtaining knowledge of the filing of a petition by or concerning the other party under the federal bankruptcy laws, unless such petition shall have been dismissed during such thirty (30) day period.
- E. Changes to this Agreement shall not occur without thirty (30) days written notice. Any changes must be evidenced by a document signed by both parties and attached as an Addendum to the original of this Agreement.
- F. Notices to each party shall be given as follows:

To Contractor:

Lawrence E. Sargent  
Executive Vice President  
Executive Resources, LLC  
1955 State Highway 34  
Suite 3-B  
Wall, NJ 07719

To STBP HSD:

Jim DiFatta  
Treasurer  
St. Bernard Parish  
Hospital Service District  
8000 West Judge Perez Dr.  
Chalmette, LA 70043

#### XI. Independent Contractor

- A. The parties agree that the relationship between the Contractor and STBP HSD established by this Agreement is that of an independent contractor only and this Agreement shall not be construed to create relationships of employer and employee, partnership, joint venture, or any relationship other than independent contractor.

#### XII. Injuries

- A. STBP HSD acknowledges Contractor's obligation to obtain appropriate insurance coverage for the benefit of Contractor. Contractor waives any rights to recovery from STBP HSD for any injuries that may sustain while performing services under this Agreement that are as a result of the negligence of Contractor or Contractor's employees.

XIII. Liability for Claims

- A. Neither party hereto shall be liable for defending or for the expense of defending the other party, its agents, or employees, against any claim, legal action, dispute resolution, or administrative or regulatory proceeding arising out of or related to the other party's actions or omissions under this Agreement. Neither party hereto shall be liable for any liability of the other party, its agents, or employees, whether resulting from judgement, settlement, award, fine, or otherwise, which arise out of the other party's actions or omissions under this Agreement.

THUS AGREED by and between the parties, this 26<sup>th</sup> day of JUNE 2012.

Executive Resources, LLC

*LAWRENCE E. SARGENT*

BY: 

Witnessed: \_\_\_\_\_

St. Bernard Parish

Hospital Service District

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

Witnessed: \_\_\_\_\_



HEALTHCARE MANAGEMENT CONSULTANTS

"We know the business of healthcare"

July 17, 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2297

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period July 1 – July 15, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

TOTAL AMOUNT DUE

\$15,000

RECEIVED

JUL 17 2012

5200-770

1955 State Hwy 34, Suite 3B, Wall, NJ 07719 Tel: 732.974.7200 Fax: 732.974.7299

[www.execresources.net](http://www.execresources.net) • [execresources@man.com](mailto:execresources@man.com)

EXHIBIT  
B



# CHECK REQUEST

Date: 7-20-12

Pay to: Executive Resources LLC \_\_\_\_\_ Hospital Service District -- Hospital  
1955 State Hwy 37 \_\_\_\_\_ Hospital Service District - Office  
Suite 3-B ☒ St. Bernard Hospital Foundation  
Wall, NJ 07719 Contact: \_\_\_\_\_  
Phone #: \_\_\_\_\_

Tax ID #: \_\_\_\_\_  
Required for all employees or vendors whose services are supplied to the Hospital under contract.

## To be completed by HSD Secretary

Is this a CDBG covered expense? (circle one) Yes No

Was this approved by Board resolution? If YES, Resolution Date: \_\_\_\_\_ Resolution No. \_\_\_\_\_

Approved By: \_\_\_\_\_, HSD Secretary  
(Signature)

Amount: Fifteen thousand + no/100 Dollars (\$ 15,000.00)

Date(s) Service Rendered: 07/01 - 07/15/12

Description of Expenditure: Healthcare consulting services -  
interim CFO - Joseph Kemka -

Supported by: \_\_\_\_\_ Lease Agreement; \_\_\_\_\_ Contract; \_\_\_\_\_ Time Sheet; ☒ Invoice;  
\_\_\_\_\_ Other (please specify) \_\_\_\_\_

Requested By: [Signature] 7/23/2012 Approved By: \_\_\_\_\_  
(Signature) (Date) (Signature) (Date)

Entity SBPH GL Account Name: ADMINISTRATIVE - Other Professional Services

\_\_\_\_\_ Mail to Vendor with attachment Hold for: \_\_\_\_\_

Approved by: \_\_\_\_\_, Chief Financial Officer  
(Signature)

8400 W. Judge Perez Drive, Suite D • Chalmette • Louisiana • 70043 • (504) 826-9500

## ST. BERNARD HOSPITAL FOUNDATION INC.

2000 W Judge Perez Dr.  
Chalmette, LA 70043

1096

07/20/12

PAY TO THE  
ORDER OF

EXECUTIVE RESOURCES, LLC

\$

\*\*\*\*\*15,000.00

FIFTEEN THOUSAND AND 00 / 100 Dollars

DOLLARS

EXECUTIVE RESOURCES, LLC

1955 State Highway 34

Suite 3-B

Wall NJ 07719

MEMO

AUTHORIZED SIGNATURE

ST. BERNARD HOSPITAL FOUNDATION INC

1096

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 07/20/12

Inv. Date Invoice No

Description

Gross

Discount

Net

07/17/12 2012-2297

15,000.00

15,000.00

15,000.00

0.00

15,000.00

ST. BERNARD HOSPITAL FOUNDATION INC

1096

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 07/20/12

Inv. Date Invoice No

Description

Gross

Discount

Net

07/17/12 2012-2297

15,000.00

15,000.00

15,000.00

0.00

15,000.00

August 2, 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2298

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period July 16 - July 31, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

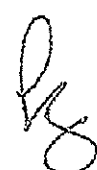
Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

RECEIVED

AUG 01 2012

Professional Fee	✓ \$10,000.00
Actual Out-of-Pocket Expenses	<u>10,492.50</u>
TOTAL AMOUNT DUE	\$20,492.50

8200-770





CHECK REQUEST

Date: 8-10-12

Pay to: Executive Resources LLC Hospital Service District - Hospital  
1955 State Hwy 34 Hospital Service District - Office  
Suite 3-B ☒ St. Bernard Hospital Foundation  
Wally, NJ 07719 Contact: \_\_\_\_\_  
Phone #: \_\_\_\_\_

Tax ID #: \_\_\_\_\_  
Required for all employees or vendors whose services are supplied to the Hospital under contract.

To be completed by HSD Secretary  
Is this a CDBG covered expense? (circle one) Yes No  
Was this approved by Board resolution? If YES, Resolution Date: \_\_\_\_\_ Resolution No. \_\_\_\_\_  
Approved By: \_\_\_\_\_ HSD Secretary  
(Signature)

Amount: Twenty Thousand Four Hundred Ninety Dollars <sup>1.5%</sup> \$20,492.50

Date(s) Service Rendered: 02/16 - 02/31/12

Description of Expenditure: Healthcare consulting services - interim  
CFO - Joseph Kamka

Supported by: \_\_\_\_\_ Lease Agreement; ☒ Contract; \_\_\_\_\_ Time Sheet; \_\_\_\_\_ Invoice;  
\_\_\_\_\_ Other (please specify) Per Contract on file

Requested By: \_\_\_\_\_ Approved By: was attached  
(Signature) (Date) (Signature) (Date)

Entity: SBPH GL Account Name: Administration - other Professional Services

\_\_\_\_\_ Mail to Vendor with attachment Hold for: \_\_\_\_\_

Approved by: \_\_\_\_\_ Chief Financial Officer  
(Signature)

8400 W. Judge Perez Drive, Suite D • Chalmette • Louisiana • 70043 • (504) 826-9500

## ST. BERNARD HOSPITAL FOUNDATION INC

8000 W Judge Pecos Dr.  
Chalmers, LA 70043

1117

08/17/12

PAY TO THE  
ORDER OF

EXECUTIVE RESOURCES, LLC

\$

20,492.50

TWENTY THOUSAND FOUR HUNDRED NINETY-TWO AND 50/100 Dollars

DOLLARS

EXECUTIVE RESOURCES, LLC

1955 State Highway 34

Suite 3-B

Wall NJ 07719

MEMO

AUTHORIZED SIGNATURE

## ST. BERNARD HOSPITAL FOUNDATION INC

1117

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 08/17/12

Inv. Date Invoice No

Description

Gross

Discount

Net

07/31/12 2012-2298

07/16/12 - 07/31/12

20,492.50

20,492.50

20,492.50

0.00

20,492.50

## ST. BERNARD HOSPITAL FOUNDATION INC

1117

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 08/17/12

Inv. Date Invoice No

Description

Gross

Discount

Net

07/31/12 2012-2298

07/16/12 - 07/31/12

20,492.50

20,492.50

20,492.50

0.00

20,492.50



ST. BERNARD HOSPITAL FOUNDATION INC  
8000 W Judge Perez Dr  
Charlottesville, LA 70043

1121

09/07/12

PAY TO THE ORDER OF EXECUTIVE RESOURCES, LLC

\$ \*\*\*\*\*15,000.00

FIFTEEN THOUSAND AND 00 / 100 Dollars

DOLLARS

EXECUTIVE RESOURCES, LLC  
1955 State Highway 34  
Suite 3-B  
Wall NJ 07719

MEMO

ST. BERNARD HOSPITAL FOUNDATION INC

1121

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 09/07/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
09/15/12	2012-2309	08/01/12-08/15/12	15,000.00		15,000.00

15,000.00 0.00 15,000.00

ST. BERNARD HOSPITAL FOUNDATION INC

1121

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 09/07/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
09/15/12	2012-2309	08/01/12-08/15/12	15,000.00		15,000.00

15,000.00 0.00 15,000.00



resources  
HEALTHCARE MANAGEMENT CONSULTANTS

"We know the business of healthcare."

RECEIVED

SEP 05 2012

September 3, 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2310

8.31.2012

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period August 16 - August 31, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

8200 - 770

Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

Professional Fee	\$10,000.00
Actual Out-of-Pocket Expenses	<u>7,029.12</u>
TOTAL AMOUNT DUE	\$17,029.12

1955 State Hwy 34, Suite 3B, Wall, NJ 07719 Tel: 732.974.7200 Fax: 732.974.7299

[www.execresources.net](http://www.execresources.net) • [execresources@msn.com](mailto:execresources@msn.com)



**SBPH**  
St. Bernard  
Parish Hospital

CHECK REQUEST

Date: 9-13-12

Pay to: Executive Resources LLC Hospital Service District - Hospital  
1955 State Hwy. 34 Hospital Service District - Office  
Suite 3-B ☒ St. Bernard Hospital Foundation  
Wall, NJ 07719 Contact: \_\_\_\_\_  
Phone #: \_\_\_\_\_

Tax ID #: \_\_\_\_\_  
Required for all employees or vendors whose services are supplied to the Hospital under contract.

To be completed by HSD Secretary

Is this a CDDB covered expense? (circle one) Yes No

Was this approved by Board resolution? If YES, Resolution Date: \_\_\_\_\_ Resolution No: \_\_\_\_\_

Approved By: \_\_\_\_\_ HSD Secretary  
(Signature)

Amount: Seventeen Thousand One Hundred and 12/100 Dollars (\$17,029.12)

Date(s) Service Rendered: 08/14-08/31/12

Description of Expenditure: Healthcare Consulting services - interim  
CFO - Joseph Kunka

Supported by: \_\_\_\_\_ Lease Agreement; ☒ Contract; \_\_\_\_\_ Time Sheet; \_\_\_\_\_ Invoice;  
\_\_\_\_\_ Other (please specify) Per contract on file

Requested By: [Signature] 9/13/2012 Approved By: [Signature] 9/14/12  
(Signature) (Date) (Signature) (Date)

Entity: SBPH GL Account Name: Administrative - other Professional  
8300-770 Services

\_\_\_\_\_ Mail to Vendor with attachment

Hold for: \_\_\_\_\_

Approved by: \_\_\_\_\_ Chief Financial Officer  
(Signature)

8400 W. Judge Perez Drive, Suite D • Chalmette • Louisiana • 70043 • (504) 826-9500

Posted By  
9/24/12

Mr. Wayne J. Landry  
May 23, 2012

**Saint Bernards Parish Hospital**  
**Out Of Pocket**  
**Expenses**  
**8/31/2012**

Week Ending	Airfare	Meals	Car	Gas	Taxi	Hotel	Total
10-Aug							-
17-Aug	479.60	284.00	320.13	28.01	156.26		1,268.00
24-Aug	528.60	284.00	320.13	18.02	156.26		1,307.01
31-Aug	389.60	284.00	412.43	53.99	156.26	232.83	1,529.11
Travel Total	1,397.80	852.00	1,052.69	100.02	468.78		4,104.12
Corporate Lodging							2,425.00
Lodging Utilities, Cleaning, etc.							500.00
Total							7,029.12

September 18, 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2320

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period September 1 – September 15, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

Professional Fee	\$15,000.00
Actual Out-of-Pocket Expenses	<u>00.00</u>
<b>TOTAL AMOUNT DUE</b>	<b>\$15,000.00</b>



CHECK REQUEST

Date: 9-19-12

Pay to: Executive Resources LLC Hospital Service District -- Hospital  
1955 State Hwy 34 Hospital Service District - Office  
Suite 3-B ☒ St. Bernard Hospital Foundation  
Wall, NJ 07719 Contact: \_\_\_\_\_  
Phone #: \_\_\_\_\_

Tax ID #: \_\_\_\_\_  
Required for all employees or vendors whose services are supplied to the Hospital under contract.

~~To be completed by HSD Secretary~~  
~~Is this a CDBG covered expense? (circle one) Yes No~~  
~~Was this approved by Board resolution? If YES, Resolution Date: Resolution No:~~  
~~Approved By: \_\_\_\_\_ HSD Secretary~~  
~~(Signature) (Date)~~

Amount: Fifteen thousand + <sup>no</sup> /100 Dollars (\$ 15,000.00)

Date(s) Service Rendered: 09/01 - 09/10/12

Description of Expenditure: Healthcare consulting services - interim  
CEO - Joseph Kemka

Supported by: \_\_\_\_\_ Lease Agreement; ☒ Contract; \_\_\_\_\_ Time Sheet; \_\_\_\_\_ Invoice;  
\_\_\_\_\_ Other (please specify) Per contract on file

Requested By: [Signature] 9/19/12 Approved By: [Signature] 9/19/12  
(Signature) (Date) (Signature) (Date)

Entity SBPH GL Account Name: Administrative - other Professional Services  
\_\_\_\_\_ Mail to Vendor with attachment Hold for: \_\_\_\_\_

Approved by: \_\_\_\_\_, Chief Financial Officer  
(Signature)

8200-770

8400 W. Judge Perez Drive, Suite D • Chalmette • Louisiana • 70043 • (504) 826-9500

Posted BT  
9-24-12

ST BERNARD HOSPITAL FOUNDATION INC  
8000 W Judge Perez Dr  
Chalmers, LA 70043

1301

10/04/12

PAY TO THE ORDER OF EXECUTIVE RESOURCES, LLC

\$ 32,029.12

THIRTY-TWO THOUSAND TWENTY-NINE AND 12 / 100 Dollars

DOLLARS

EXECUTIVE RESOURCES, LLC  
1955 State Highway 34  
Suite 3-B  
Wall NJ 07719

MEMO

*[Handwritten Signature]*

AUTHORIZED SIGNATURE

ST BERNARD HOSPITAL FOUNDATION INC

1301

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 10/04/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
08/31/12	2012-2310		17,029.12		17,029.12
09/18/12	2012-2320		15,000.00		15,000.00

32,029.12 0.00 32,029.12

ST BERNARD HOSPITAL FOUNDATION INC

1301

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 10/04/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
08/31/12	2012-2310	2012-2310	17,029.12		17,029.12
09/18/12	2012-2320	2012-2320	15,000.00		15,000.00

32,029.12 0.00 32,029.12

October 1, 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2321

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period September 16 – September 30, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

SAHF.  
Posted Nov 10/9  
8200.770

Professional Fee	\$10,000.00
Actual Out-of-Pocket Expenses	<u>7,411.47</u>

per contract  
on file

TOTAL AMOUNT DUE

\$17,411.47



ST. BERNARD HOSPITAL FOUNDATION INC  
8000 W Judge Perez Dr.  
Chalmette, LA 70043

1140

10/15/12

PAY TO THE ORDER OF EXECUTIVE RESOURCES, LLC

\$ \*\*\*\*17,411.47

SEVENTEEN THOUSAND FOUR HUNDRED ELEVEN AND 47 / 100 Dollars

DOLLARS

EXECUTIVE RESOURCES, LLC  
1955 State Highway 34  
Suite 3-B  
Wall NJ 07719

MEMO

*Wagner Landry*  
*James R. Felt*

AUTHORIZED SIGNATURE

ST. BERNARD HOSPITAL FOUNDATION INC

1140

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 10/15/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
09/30/12	2012-2321	Sept 16-30th	17,411.47		17,411.47

17,411.47 0.00 17,411.47

ST. BERNARD HOSPITAL FOUNDATION INC

1140

EXECUTIVE RESOURCES, LLC

Customer #:

Check Date: 10/15/12

Inv. Date	Invoice No	Description	Gross	Discount	Net
09/30/12	2012-2321	Sept 16-30th	17,411.47		17,411.47

17,411.47 0.00 17,411.47

October 15, 2012

RECEIVED  
OCT 19 2012

Mr. Wayne J. Landry  
Chairman  
St. Bernard Parish Hospital Service District  
8201 W. Judge Perez Drive  
Chalmette, LA 70043-1611

Inv. 2012-2328

Dear Mr. Landry:

The following represents professional health care consulting services provided by Executive Resources, LLC to St. Bernard Parish Hospital Service District for the period October 1 – October 15, 2012. The professional health care consulting services are for the Interim Chief Financial Officer position based on the Agreement between the St. Bernard Parish Hospital Service District and Executive Resources, LLC dated the 20<sup>th</sup> day of June 2012.

Billing for professional services will be based on professional health care consulting services provided from the 1<sup>st</sup> to the 15<sup>th</sup> of each month and from the 16<sup>th</sup> to the end of the month. Actual monthly out-of-pocket expenses will be billed with the second invoice at the end of the month. Please remit payment as follows:

Executive Resources, LLC  
1955 State Highway 34, Suite 3-B  
Wall, NJ 07719

8200-770

Posted  
BY  
10/23/12

Professional Fee	\$15,000.00
Actual Out-of-Pocket Expenses	<u>00.00</u>
TOTAL AMOUNT DUE	\$15,000.00

per contract

**ACTION BY WRITTEN CONSENT OF  
THE BOARD OF DIRECTORS OF  
ST. BERNARD HOSPITAL FOUNDATION, INC.**

The undersigned, being the only members of the Board of Directors (the "Board") of St. Bernard Hospital Foundation, Inc., a Louisiana nonprofit corporation (the "Foundation") pursuant to the Amended and Restated Articles of Incorporation of the Foundation effective as of July 1, 2011, and the Louisiana Nonprofit Corporation Law, hereby adopt the following resolutions by written consent:

**Initial Organization**

BE IT RESOLVED that the Bylaws of the Foundation are approved as set forth in Exhibit A hereto and adopted, and the Chairman of the Board is authorized to execute such Bylaws to indicate such approval and adoption.

BE IT FURTHER RESOLVED that the filing by the Foundation of the Articles of Incorporation and Initial Report of the Foundation with the Louisiana Secretary of State are hereby approved and ratified, and that the Amended and Restated Articles of Incorporation of the Foundation are hereby approved to be filed with the Louisiana Secretary of State and anywhere else that may be required by Louisiana law.

BE IT FURTHER RESOLVED that appointment of Jack M. Stoller as registered agent of the Foundation for service of process in the State of Louisiana is hereby ratified and confirmed.

BE IT FURTHER RESOLVED that the following officers are hereby appointed pursuant to the Bylaws:

Chairman of the Board and President:	<u>George Cavnac</u>
Vice-Chairman of the Board:	<u>Mark Kaiser</u>
Secretary:	<u>Andrew Sereovich</u>
Treasurer:	<u>Jim DiFatta</u>

BE IT FURTHER RESOLVED that the initial registered office of this Foundation in the State of Louisiana be established and maintained at 909 Poydras Street, Suite 2600, New Orleans, Louisiana 70112.

BE IT FURTHER RESOLVED that Professional Conflicts Waiver attached hereto as Exhibit B has been reviewed by the members of the Board, which has had communicated to it adequate information and explanation about the material risks of and reasonably available alternatives to the proposed representation.

BE IT FURTHER RESOLVED that the Secretary and Treasurer are hereby authorized and directed to obtain such books as are necessary and proper for the transaction of the business of the Foundation.

**EXHIBIT  
C**

BE IT FURTHER RESOLVED that all contracts and agreements of this Foundation, including (but not by way of limitation) bills payable, notes, checks, drafts, and other negotiable instruments, leases, bonds and mortgages, be executed or signed on behalf of this Foundation by the Chairman of the Board subject to the limitations of the Bylaws, unless otherwise specifically authorized by the members of the Board.

BE IT FURTHER RESOLVED that the Treasurer is authorized to appoint and adopt one or more banks or other financial institutions as and for the depository of funds for the Foundation and that the printed form of resolution supplied by said bank or other financial institution be adopted and be properly executed by the Treasurer of this Foundation and furnished to said bank or other financial institution.

BE IT FURTHER RESOLVED that the Treasurer establish and maintain books of account of the Foundation and enter therein all financial transactions of the Foundation, that said books be kept and maintained at the principal office of the Foundation as set forth in the Bylaws, or at such other place as the Chairman of the Board and Treasurer may deem advisable.

BE IT FURTHER RESOLVED that each officer of the Foundation set forth herein is authorized to execute the documents referenced in the preceding paragraphs as may be required and to take all other actions that may be required in connection with such formation.

#### **New Markets Tax Credit Transaction**

BE IT RESOLVED that, pursuant to the Foundation's New Markets Tax Credit transaction (the "Transaction"), GSGroup NMTC Investor LLC ("Investor") will make an equity contribution to an investment fund (the "Fund Borrower") and the Parish of St. Bernard, State of Louisiana (the "Parish") will also make a loan (the "Leverage Loan") to the Fund Borrower, and the Fund Borrower will combine the Leverage Loan proceeds and the equity contribution from the Investor to make equity contributions in the combined amount of \$44,700,000 to SBP Redevelopment II, LLC (the "CDE"), an affiliate of St. Bernard Parish Redevelopment, LLC; the CDE will use such equity contributions to make loans (the "Loans") to the Foundation in the aggregate amount of \$44,700,000, and the Fund Borrower will also agree to repay the Leverage Loan with interest as specified in the Fund Loan Agreement between the Parish and the Fund Borrower.

BE IT FURTHER RESOLVED that Foundation is authorized to enter into that certain Joint Venture Cooperative Endeavor Agreement (the "CEA") with Hospital Service District of St. Bernard Parish, State of Louisiana (the "District") substantially in the form attached hereto as Exhibit C, subject to such changes as may be deemed necessary by the parties thereto. The officers of the Foundation are authorized to execute the CEA on behalf of and as the action of the Foundation. The Board further approves and authorizes the officers of the Foundation to execute any documents that may be required by the CEA, including but not limited to an Assignment and Assumption Agreement, as such term is defined in the CEA.

BE IT FURTHER RESOLVED that the Board hereby approves and the officers of the Foundation are authorized to execute the Credit Agreement by and between the Foundation and the CDE in substantially the form attached hereto as Exhibit D, pursuant to which the Foundation will obtain the Loans from the CDE in the aggregate principal amount set forth above. The proceeds of the Loans shall be used to construct and equip an approximate 40-bed, 109,000 square foot Hospital Building (as such term is defined in the CEA).

BE IT FURTHER RESOLVED that to further memorialize the Loans and the obligations and pledges of the Foundation, the following documents with respect to the Loans are hereby approved in substantially the form attached hereto as Exhibit E (collectively, the "Loan Documents"), subject to such changes as may be deemed necessary by the officers of the Foundation:

- Promissory Note A by the Foundation in favor of the CDE
- Promissory Note B by the Foundation in favor of the CDE
- Environmental Indemnity by the Foundation in favor of the CDE
- Assignment of Contracts, Ancillary Documents and Other Rights by the Foundation in favor of the CDE
- Deposit Account Control Agreement by and between the CDE, the Foundation and the Servicer (as defined below)
- UCC Security Agreement by the Foundation in favor of the CDE
- Payment and Performance Guaranty by and between the Foundation, the District and the CDE, and
- Any and all other credit and loan agreements, notes, assignments, security agreements, financing statements, interest rate contracts, other instruments, documents and certificates required by the CDE to evidence or secure the Loans, containing such terms, covenants and conditions as the Chairman may deem necessary or appropriate, the Chairman's execution and delivery thereof on behalf of the Foundation to be conclusive evidence of his approval thereof.

BE IT FURTHER RESOLVED that the Foundation hereby approves and adopts the Agreed Upon Procedures report and the Employee Compliance Manual in substantially the form attached hereto as Exhibit F and authorizes the officers of the Foundation to execute each document as may be necessary.

BE IT FURTHER RESOLVED that the officers of the Foundation are further authorized to execute on behalf of the Foundation any and all documents or certificates relating to the Transaction as may be required by the Investor or the CDE and approved by counsel to the Foundation, such documents to include, but not be limited to, the following documents, which are hereby approved in substantially the form attached hereto as Exhibit G (collectively, the "NMTC Documents"), subject to such changes as may be deemed necessary by the officers of the Foundation:

- Recapture Indemnity Agreement
- NMTC Compliance Certificate

- Debarment Certificate.

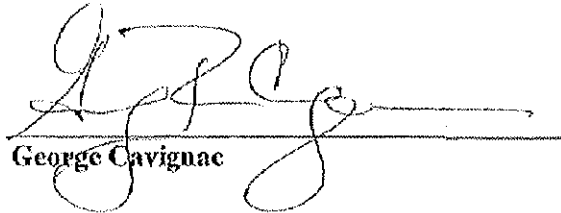
BE IT FURTHER RESOLVED that First NBC Bank, a Louisiana banking association (the "Servicer"), is hereby designated as Disbursement Agent and Servicing Agent for the Foundation with respect to the Transaction. The officers of the Foundation are authorized to execute on behalf of the Foundation the Disbursement Agreement and the Servicing Agreement, each in substantially the form attached here to as Exhibit H, subject to such changes as may be deemed necessary by the officers of the Foundation.

BE IT FURTHER RESOLVED that the Foundation is authorized and directed to pay the costs associated with the Transaction in the maximum amounts set forth on Exhibit I hereto.

BE IT FURTHER RESOLVED that the officers of the Foundation are hereby further authorized and directed, for and on behalf of the Foundation, to do all things necessary, on the advice of Counsel to the Foundation, to effectuate and implement this resolution. The officers of the Foundation are authorized and directed to execute and deliver all other credit and loan agreements, notes, assignments, factual certificates, leases, subleases, security agreements, financing statements, interest rate contracts, and all other instruments, documents and certificates required and other instruments, documents and certificates, containing such terms, covenants and conditions as the officers of the Foundation may deem necessary or appropriate, the execution and delivery thereof by the officers of the Foundation to be conclusive evidence of such approval. The officers of the Foundation and the other members of the Board as may be required from time to time are further authorized and directed to take any and all actions necessary to comply with the terms of the Loan Documents, NMTC Documents, CEA or any other documents relating to the Transaction.


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IN WITNESS WHEREOF, the undersigned have executed this unanimous written consent as of the 20<sup>th</sup> day of July, 2011.

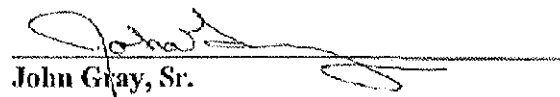


George Cavignac

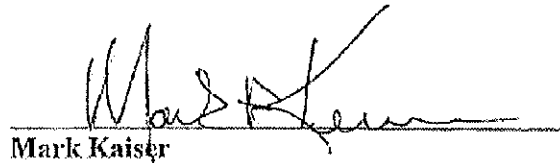
\_\_\_\_\_  
Jim DiFatta



Andrew Sercovich



John Gray, Sr.

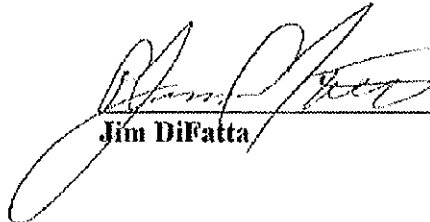


Mark Kaiser

Constituting the Members  
of the Board of Directors of  
St. Bernard Hospital Foundation, Inc.

IN WITNESS WHEREOF, the undersigned have executed this unanimous written consent as of the 19<sup>th</sup> day of July, 2011.

\_\_\_\_\_  
**George Cavignac**

  
\_\_\_\_\_  
**Jim DiFatta**

\_\_\_\_\_  
**Andrew Sercovich**

\_\_\_\_\_  
**John Gray, Sr.**

\_\_\_\_\_  
**Mark Kaiser**

**Constituting the Members  
of the Board of Directors of  
St. Bernard Hospital Foundation, Inc.**



**EXHIBIT A**

**Bylaws**

**BYLAWS  
OF  
ST. BERNARD HOSPITAL FOUNDATION, INC.**

**ARTICLE I  
Offices**

Section 1. Principal Offices. The principal office of the corporation in the State of Louisiana shall be located at 8000 West Judge Perez Drive, Chalmette, Louisiana 70043.

Section 2. Other Offices. The corporation may maintain other offices within St. Bernard Parish, Louisiana, as determined by the Board of Directors, where all business of the corporation may be transacted.

**ARTICLE II  
Meetings of the Membership**

Section 1. Annual Meetings. The annual meetings of the members of the corporation shall be held in St. Bernard Parish, Louisiana, on the 1<sup>st</sup> day of July of each year, or at such other time on such other day within such month as shall be fixed by the Board of Directors, for the purpose of transacting such business properly coming before the meeting.

Section 2. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board and President or by a majority of the Board of Directors.

Section 3. Place of Meetings. The Board of Directors may designate any place, within St. Bernard Parish, Louisiana, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the known place of business of the corporation in the State of Louisiana.

Section 4. Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than five (5) nor more than sixty (60) days before the date of the meeting, either delivered personally, by telegram, email, facsimile or by mail, by an officer of the corporation at the direction of the person or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when mailed to the member at his or her address as it appears on the membership books of the corporation. Notice of any meeting may be waived by a member pursuant to Section 12:230 of Louisiana Revised Statutes of 1950, as amended.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after

the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member entitled to vote at the meeting.

Section 5. Fixing Date for Determination of Members of Record. At any meeting of members, a list of members entitled to vote, arranged alphabetically and certified by the Secretary shall be produced on the request of any member. This list shall be prima facie evidence of membership in the corporation and of the right of the members listed therein to vote.

Section 6. Voting Record. The officer having charge of the books and records of the corporation shall make a complete record of the members entitled to vote at each meeting of members or any adjournment thereof, arranged in alphabetical order, with the address of each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purposes thereof.

Section 7. Quorum. A majority of the members of the corporation entitled to vote, present in person, shall constitute a quorum at a meeting of members. All members present and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Only those members entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient members to reduce the number present to less than a quorum. Unless required by law, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on a subject matter shall be the act of the members; provided, however, that if the members then represented are less than required to constitute a quorum, the affirmative vote must be such as would constitute a majority if a quorum were present and, provided further, that the affirmative vote of the majority of the members then present is sufficient in all cases to adjourn the meeting.

Section 8. Voting Rights. Each member entitled to vote shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of members, except as may be otherwise provided by law.

### ARTICLE III Directors

Section 1. Powers of Directors. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the corporation shall be the same as the number of directors set forth in the Amended and Restated Articles of Incorporation (the "Articles") of the corporation. The directors on the Board of Directors of the corporation shall be appointed in the following manner:

- 4 members of the Board of Commissioners (the "Board") of the Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "District") as appointed from time to time by the Board of the District, and
- 1 member appointed from time to time by Access Health Louisiana ("Access"), a Louisiana nonprofit corporation.

The terms of the directors also serving on the Board of the District shall expire upon the earlier of (a) the date on which such director ceases to serve as a member of the Board of the District, or (b) five years from the date of the commencement of such term. The term of the director appointed by Access shall expire upon the earlier of (a) the date on which Access appoints a different person for such position, or (b) five years from the date of the commencement of such term. Notwithstanding the foregoing, a director may serve multiple terms if selected by the entity responsible for such appointment.

Section 3. Resignation and Removal. Any director may resign from the Board of Directors of the corporation for any reason upon notice properly addressed to the Chairman of the Board.

Section 4. Quorum. A majority of the number of directors then serving shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, the majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Any action which may be taken at a meeting of the board of directors, or of any committee thereof, may be taken by a consent in writing signed by all of the directors or by all members of the committee, as the case may be, and filed with the records of proceedings of the board or committee

Section 6. Regular and Special Meetings. Regular meetings of the Board of Directors of the corporation shall be conducted after notice indicating the time and place of such meeting and the subject matter to be discussed is given to each Board member at least twenty-four (24) hours prior to such meeting. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board and the President or a majority of the Board of Directors.

Section 7. Notice. Notice of any special meeting shall be given at least twenty-four (24) hours previous thereto by written notice either delivered personally, by telegram, email, or facsimile addressed to each director at his or her business address. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Notice of special or regular meetings may be waived by a waiver of notice of meeting, signed by all the Board of Directors. However, in no event shall such special meeting be conducted without twenty-four (24) hours public notice as specified herein.

Section 8. Chairman of the Board and President. At all meetings of the Board of Directors, the Chairman of the Board and President, if present, shall preside. If the Chairman of the Board and President shall be absent, then the Vice-Chairman shall preside and in his or her absence, a Chairman chosen by a majority of the directors present at such meeting shall preside.

Section 9. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the corporation before 5:00 P.M. of the afternoon of the next day which is not a holiday or a Saturday after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 10. Meetings. To provide transparency with respect to the operations and management of a public hospital, the meetings of the Board of Directors shall be open to any interested persons, except to the extent the directors determine in their discretion to adjourn to executive session to discuss a sensitive or proprietary matters. Notices of meetings of the Board of Directors shall be posted at the main entrance of the primary facility of the corporation not less than 24 hours in advance of such meeting.

Section 11. Conflict of Interest Policy. The Board of Directors' Conflict of Interest Policy regarding transactions between the corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are financially interested shall be governed by the provisions of applicable Louisiana law and by any conflict of interest policy adopted by the Board of Directors.

#### ARTICLE IV Officers

Section 1. Number. The officers of the corporation shall be (1) a Chairman of the Board and President, (2) a Vice-Chairman of the Board, (3) a Secretary, and (4) a Treasurer, each to be elected or appointed by the Board of Directors of the corporation. The term of the officers of the corporation shall be two (2) years each.

Section 2. Resignation and Removal. Any officer who resigns or is removed at any time as a director shall likewise be removed as an officer of the corporation.

Section 3. Chairman of the Board and President. The Chairman of the Board and President shall preside at all meetings of the Board of Directors and members. The Chairman of the Board and President shall be the principal executive officer of the corporation. He or she may sign, with the Secretary or any other proper officer of the corporation duly authorized by the Board of Directors, deeds, mortgages, bonds, contracts, instruments of conveyance, checks, drafts, notes, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be otherwise expressly delegated by the Board of Directors, these Bylaws, or law. The Chairman of the Board and President, in general, shall perform all duties incident to the office of chairman of the board and president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice-Chairman of the Board. In the absence of the Chairman of the Board and President or in the event of his death, inability or refusal to act, the Vice-Chairman of the Board shall perform the duties and exercise the powers of the Chairman of the Board and President.

Section 5. Secretary. The Secretary, or his or her designee, shall (a) keep the minutes of all meetings of the Board of Directors and of the members, (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, (c) have charge of all the corporate books, records and accounts and of the seal of the corporation, (d) see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized, and (e) keep a register of the post office address of each member which shall be furnished to the corporation by such member.

Section 6. Treasurer. The Treasurer, or his or her designee, shall (a) have charge and custody of all funds and securities of the corporation, (b) receive and give receipt for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors, and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. Salaries. The Chairman of the Board and President, Vice-Chairman of the Board, Secretary and Treasurer shall serve without compensation; however, they may be reimbursed for their expenses, if any, incurred on behalf of the corporation.

## ARTICLE V

### Contracts, Loans, Checks, and Deposits

Section 1. Contracts. The Board of Directors, to the extent permitted by law, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Other Instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI  
New Markets Tax Credits

Section 1. The corporation may, when not prohibited by Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue laws) (the "Code") and not by means of limitation, exercise the following powers: a) engage, or otherwise participate, in cooperative economic development activities in connection with the development of a hospital facility located in St. Bernard Parish, State of Louisiana (the "Parish") and corresponding operation of various health care related services to benefit the health and wellness of the residents of the Parish, particularly the indigent citizens of the Parish; b) to alleviate conditions of underemployment, unemployment and economic distress in St. Bernard Parish; c) engage in borrowing, and related dealings, in connection with the development of the hospital facility; d) purchase, lease or otherwise acquire ownership or the right to use certain property for the construction and development of the hospital facility; and e) participate as a "qualified active low-income community business" (as such term is defined in Section 45D of the Code) and borrower in a financing in accordance with New Markets Tax Credit Requirements ("NMTC Requirements"), as defined below.

Section 2. During the New Markets Tax Credit Recapture Period as defined in Section 4 of this Article VI ("NMTC Recapture Period"), the corporation shall at all times comply with all the NMTC Requirements and maintain its status as a "qualified active low income community business" within the meaning of Section 1.45D-1(d)(4) of the treasury regulations promulgated under the Code and Internal Revenue Service Notice 20006-60.

Section 3. During the NMTC Recapture Period, the corporation shall not engage in or use, and shall not allow its tenants to engage in or use, its property, including any leased property, in connection with any of the following businesses: a) massage parlor; b) sun tanning facility; c) hot tub facility; d) a store the principal business of which is the sale of alcoholic beverages for consumption off premises; e) private or commercial golf course; f) development or holding of intangibles for sale or license; g) racetrack or other facility used for gambling; h) farming (within the meaning of Section 2032A(e)(5)(A) of the Code); or i) a country club. The corporation shall not engage in the rental of real property for residential purposes.

Section 4. NMTC Requirements shall mean the requirements set forth in Section 45D of the Code and all regulations and rules promulgated thereunder, governing "qualified equity investments" in "qualified community development entities" making "qualified low-income community investments" in "qualified active low income community businesses," as such terms are defined Section 45D of the Code and the treasury regulations promulgated thereunder. NMTC Recapture Period means the period commencing on the date of closing of a New Markets Tax Credit transaction and ending seven (7) years following such closing.

ARTICLE VII  
Corporate Seal

The Board of Directors may provide a corporate seal which, in such event, shall be circular in form, shall have inscribed thereon the name of the corporation, the year of its incorporation, and

the state of incorporation. The seal shall be in the custody of the Secretary, or his or her designee.

ARTICLE VIII.  
Waiver of Notice

Whenever any notice is required to be given to any member or director of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

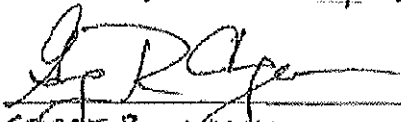
ARTICLE IX.  
Amendment of Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a vote of the majority of the Board of Directors or by the affirmative vote of a majority of the membership entitled to vote thereon.

CERTIFICATE

I, George R. Cavignac, the duly elected, qualified and acting Chairman of the Board and President of St. Bernard Hospital Foundation, Inc., do hereby certify that the above and foregoing are the Bylaws of this corporation duly and regularly adopted by the directors thereof at a meeting duly and regularly called and held at Chalmette, Louisiana, on the 19<sup>th</sup> day of July, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand on this 19<sup>th</sup> day of July, 2011.

  
\_\_\_\_\_  
GEORGE R. CAVIGNAC  
Chairman of the Board and President



**ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT**

8000 West Judge Perez Drive Chalmette, LA 70043

(504) 309-5601

(504) 309-5603 fax

**Meeting to be held at St. Bernard Parish Government Complex Council Chambers**

8201 West Judge Perez Drive

Chalmette, LA 70043

**PUBLIC NOTICE**

Distributed 1/18/12

JANUARY 19, 2012 2:45 p.m. COUNCIL CHAMBERS

PAGE 1

Wayne J. Landry-Chairman, George Cavignac, James DiFatta, John Gray Sr. and Andrew Sercovich

**AGENDA**

Roll Call  
Invocation  
Pledge of Allegiance

1. Motion to approve the minutes of the 12-7-11, 12-15-11 & 12-30-11 HSD Meetings. (Cavignac)
2. Motion to adopt **HSD Resolution 01-12** authorizing the Chairman of the Hospital Service District of St. Bernard, State of Louisiana, or his designee upon recommendation and certification by Tommy Meric, architect of record, to approve Brice Builders applications for payment for construction of the new Medical Office Building conjoined to the St. Bernard Parish Hospital in Chalmette, LA and to do all things necessary and appropriate to coordinate and submit said payment applications to the State of Louisiana, Division of Administration, Office of Community Development, Disaster Recovery Unit for reimbursement. (Landry)
3. Motion to adopt **HSD Resolution 02-12** providing for the incurring of debt and Issuance of Five Million Seventy Thousand Dollars (\$5,070,000.00) of Taxable Limited Tax Bonds, Series 2012A, of the Hospital Service District of the Parish of St. Bernard, State of Louisiana; prescribing the form, terms and conditions thereof and providing for the payment thereof; awarding such Bonds to the purchasers thereof; and providing for other matters in connection therewith. (Landry)
4. Motion to adopt **HSD Resolution 03-12** providing for the incurring of debt and Issuance of Four Dollars (\$4,000,000.00) of Limited Tax Bonds, Series 2012B, of the Hospital Service District of the Parish of St. Bernard, State of Louisiana; prescribing the form, terms and conditions thereof and providing for the payment thereof; awarding such Bonds to the purchasers thereof; and providing for other matters in connection therewith. (Landry)
5. Motion to adopt **HSD Resolution 04-12** which authorizes Tim Burke, CEO and his designee Patty L. Justice, CFO to be check signers on all HSD accounts with specific signing privileges as recommended by the Finance/Facilities Construction Workgroup. (DiFatta)

**EXHIBIT  
D**

6. Motion to adopt **HSD Resolution 05-12** which authorizes Tim Burke, CEO and his designee Patty L. Justice, CFO to have signing authority on contractual arrangements on behalf of HSD with certain provisions as recommended by the Finance/Facilities Construction Workgroup. (DiFatta)
7. Motion to approve Entergy Right of Way Instrument for 8000 West Judge Perez Drive; Chalmette, LA which will allow a right of way, servitude and easement for the location construction, reconstruction, improvements, repairs, operation, inspection, patrol, replacement and maintenance of electric power and communication facilities, or the removal thereof, now or in the future. (Landry)
8. Motion to discuss ancillary services for the Medical Office Building (MOB) and which will be permissible. (Landry)
9. Motion to ratify the executed CEA and Act of Donation for the CT Scan with St. Bernard Health Center, Inc.(Access Health) (Landry)
10. Motion to appoint Wayne J Landry to the St. Bernard Hospital Foundation Board. (HSD)
11. Motion to reject all Furniture RFPs, and re bid the project at a later date as recommended by legal counsel. (Landry)
12. Motion to approve St. Charles Community Health Center Inc. Invoice #s 13119 & 12995 in the amount of \$30,826.00 for the months of December 2011 and January 2012 as per the executed CEA/Subsidy Agreement. (DiFatta)
13. Motion to approve Change Order 1 (CPR -01): Stump Removal in the amount of \$2,876.00 as recommended by Hammes Co. (DiFatta)
14. Motion to approve Change Order 2 (CPR -02): Additional Site Paving in the amount of \$35,549.99 as recommended by Hammes Co. (DiFatta)
15. Motion to approve Change Order 3 (CPR -03): Extend Entergy Duct Bank in the amount of \$5,521.00 as recommended by Hammes Co. (DiFatta)
16. Motion to approve Change Order 4 (CPR -07): Site Drainage in the amount of \$36,304.00 as recommended by Hammes Co. (DiFatta)

By order of the Chairman

*Wayne J. Landry*

Wayne J. Landry

MINUTES OF THE ST. BERNARD PARISH HOSPITAL SERVICE DISTRICT MEETING HELD  
ON WEDNESDAY, JANUARY 19<sup>th</sup>, 2012 at TWO-FORTY FIVE (2:45) P.M. IN ST BERNARD PARISH  
COUNCIL CHAMBERS, LOCATED AT 8201 WEST JUDGE PEREZ DRIVE, CHALMETTE, LOUISIANA

The Hospital Service District met on Thursday, January 19<sup>th</sup>, 2012 in the St. Bernard Parish  
Council Chambers pursuant to notice given to each member and posted in the manner required by law.

The Chairman, Mr. Wayne Landry, convened the meeting at 2:50 p.m. and continued with calling  
the roll.

There were present: Mr. Wayne Landry (Chairman), Mr. George Cavignac and.

There were absent: Mr. Jim DiFatta and Mr. Andrew Sercovich

Also present were: Phil Wendling of Hammes Co. and Tim Burke, of FMOL, and Patty Justice of  
St. Bernard Hospital.

Mr. Landry delivered the Invocation.

Mr. Gray led the Pledge of Allegiance.

#1

Agenda Item #1

On Motion of Mr. Gray seconded by Mr. Cavignac, it was moved to approve the minutes of the 12-7-11, 12-  
15-11 & 12-30-11 HSD Meetings.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

-1-

EXHIBIT  
E

#2

Agenda Item #2

On Motion of Mr. Cavignac, seconded by Mr. Gray it was moved to adopt the following Resolution:

**HSD RESOLUTION 01-12**

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE BOARD OF COMMISSIONERS OF THE HOSPITAL SERVICE DISTRICT OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, OR HIS WRITTEN DESIGNEE, UPON RECOMMENDATION AND CERTIFICATION BY THOMAS MERIC, DUPLANTIER & MERIC ARCHITECTS, LLC, ARCHITECT OF RECORD, TO APPROVE BRICE BUILDING COMPANY'S APPLICATIONS FOR PAYMENT FOR CONSTRUCTION OF THE NEW ST. BERNARD PARISH MEDICAL OFFICE BUILDING IN CHALMETTE, LOUISIANA AND TO DO ALL THINGS NECESSARY AND APPROPRIATE TO COORDINATE AND SUBMIT SAID PAYMENT APPLICATIONS TO THE STATE OF LOUISIANA, DIVISION OF ADMINISTRATION, OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT FOR REIMBURSEMENT AND UPON RECEIPT THEREOF PAY BRICE BUILDING COMPANY WITH SAID FUNDS OR ITS OWN RESOURCES.

WHEREAS, the State of Louisiana, Division of Administration, Office of Community Development, Disaster Recovery Unit, Community Development Block Grant Program ("CDBG") committed approximately Five Million and 00/100s (\$5,000,000.00) Dollars in grant funds and the to construct and equip a medical office building at 8000 West Judge Perez Drive, Chalmette, Louisiana 70043 (the "MOB"); and

WHEREAS, on October 3, 2011 the Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "HSD") awarded the contract to develop and construct the MOB to Brice Building Company ("Brice"); and

WHEREAS, the HSD will utilize the CDBG funds, and its own resources, to pay Brice for its approved construction and equipment costs for the MOB; and

WHEREAS, on a monthly basis Brice will submit detailed pay applications to Thomas Meric, Duplantier & Meric Architects, LLC, Architect of Record for the MOB, for its progress and construction of the MOB; and

WHEREAS, Meric will review each application for payment from Brice for compliance with the construction schedule, plans and specifications for the MOB (the "Requirements"); and

WHEREAS, assuming Meric's review of the particular payment application indicates Brice successfully complied with the Requirements, Meric will certify the work as complete and submit five (5) certified and stamped copies of the payment application, recommending payment thereon, to the HSD for review and approval (an "Approved Brice Payment Application"); and,

WHEREAS, the HSD, in recognition of CDBG's reimbursement process and Brice's need to receive timely payment for work certified as complete by Meric, desires to efficiently review and approve an Approved Brice Payment Application and submit the same to CDBG for reimbursement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the HSD, does hereby authorize its Chairman, or his written designee, upon receipt of an Approved Brice Payment Application, from Meric, to accept, review and approve the same for payment, on the HSD's behalf; and,

BE IT FURTHER RESOLVED, that the Board of Commissioners of the HSD further authorizes its Chairman, or his written designee, to do all things necessary and proper to coordinate and submit any Approved Brice Payment Application, on behalf of the HSD, to CDBG for reimbursement and otherwise authorize the issuance of payments to Brice for Approved Brice Payment Applications upon receipt of CDBG funds, or from its own resources.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January 19<sup>th</sup>, 2012.

#3

Agenda Item #3

On Motion of Mr. Cavignac, seconded by Mr. Gray it was moved to adopt the following Resolution:

#### HSD RESOLUTION 02-12

A resolution providing for the incurring of debt and issuance of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000) of Taxable Limited

Tax Bonds, Series 2012A, of the Hospital Service District of the Parish of St. Bernard, State of Louisiana; prescribing the form, terms and conditions thereof and providing for the payment thereof; awarding such Bonds to the purchasers thereof; and providing for other matters in connection therewith.

WHEREAS, pursuant to an election held in the Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "Issuer"), on November 2, 2010, the voters approved the levy and collection of eight (8) mills tax (the "Tax") on all taxable property within the territory of the Issuer for a period of ten (10) years for the purpose of constructing, equipping, maintaining and operating hospital facilities for the Issuer; and

WHEREAS, Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, authorizes the Issuer to borrow money in anticipation of revenues to be realized from special taxes to be used only for the purposes for which the tax was voted; and

WHEREAS, pursuant to and in accordance with the foregoing, the Issuer now desires to incur debt and issue its Taxable Limited Tax Bonds, Series 2012A in the principal amount of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000) (the "Bonds") for the purpose of constructing, equipping, maintaining and operation hospital facilities in the District and paying the costs of issuance thereof; and

WHEREAS, other than the Bonds herein authorized, the Issuer will have no outstanding obligations as of the date of delivery of the Bonds of any kind or nature payable from or enjoying a lien on the Tax herein pledged, EXCEPT the outstanding Limited Tax Certificates, Series 2011, and the Limited Tax Bonds, Series 2012B, being delivery simultaneously with the Bonds (collectively, the "Outstanding Parity Bonds"); and

WHEREAS, under the terms and conditions of the resolutions adopted by the Issuer on June 13, 2011, and January 19, 2012, authorizing the issuance of the Outstanding Parity Bonds (the "Outstanding Parity Bond Resolutions"), the Issuer has authority to issue additional bonds on a complete parity with the Outstanding Parity Bond under the terms and conditions provided therein; and

WHEREAS, the maturities of the Bonds have been arranged so that the principal and interest requirements for any calendar year on the Bonds and the Outstanding Parity Bonds do not exceed 75% of the revenues estimated to be received by the Issuer from the Tax in the year 2012; and

WHEREAS, it is the desire of the issuer to fix the details necessary with respect to the issuance of the Bonds and to provide for the authorization and issuance thereof; and

WHEREAS, it is the further desire of the issuer to provide for the sale of the Bonds to the Purchaser (hereinafter defined) at the price and in the manner hereinafter provided;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, that:

SECTION 1) Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"Act" means Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

"Agreement" means the agreement to be entered into between the issuer and the Paying Agent pursuant to this Resolution.

"Bond" means any bond of the issuer authorized to be issued by this Resolution, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any bond previously issued.

"Bonds" means the issuer's Taxable Limited Tax Bonds, Series 2012A, authorized by this Resolution, in the total aggregate principal amount of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000).

"Bond Register" means the records kept by the Paying Agent at its principal corporate office in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

"Executive Officers" means the Chairman and Recording Secretary of the Governing Authority.

"Fiscal Year" means the one-year accounting period beginning January 1 and ending December 31 of each year, or such other accounting period as may be designated by the Governing Authority as the fiscal year of the issuer.

"Governing Authority" means the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana.

"Government Securities" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are non-callable prior to their maturity, may be United States Treasury obligations such as the State and Local Government Series and may be in book-entry form.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing March 1, 2013.

"Issuer" means Hospital Service District of the Parish of St. Bernard, State of Louisiana.

"Outstanding" when used with respect to the Bonds means, as of the date of determination, any Bond theretofore issued and delivered under this Resolution, except:

1. Any Bond theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
2. Bonds for which payment or redemption sufficient funds or government securities, or both, have been theretofore deposited in trust for the owners of such Bonds with the effect specified in this Resolution or by law;
3. Any Bond in exchange for or in lieu of which another Bond has been registered and delivered pursuant to this Resolution; and
4. Any Bond alleged to have been mutilated, destroyed, lost or stolen which may have been paid as provided in this Resolution or by law.

"Outstanding Parity Bonds" shall mean the Issuer's Taxable Limited Tax Certificates, Series 2011, with a final maturity of March 1, 2015, and Limited Tax Bonds, Series 2012B, being delivery simultaneously with the Bonds, with a final maturity on March 1, 2020.

"Outstanding Parity Bond Resolutions" shall mean the resolutions adopted by the Issuer on June 13, 2011, and January 19, 2012, authorizing the issuance of the Outstanding Parity Bonds.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register.

"Paying Agent" means Regions Bank, New Orleans, Louisiana, until a successor Paying Agent shall have been appointed pursuant to the applicable provisions of this Resolution, and thereafter "Paying Agent" shall mean such successor Paying Agent.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Purchaser" means Regions Bank, New Orleans, Louisiana, the original purchaser thereof.

"Resolution" means this resolution authorizing the issuance of the Bonds, as it may be supplemented and amended.

"Tax" means the 8 mills which was authorized at an election held on November 2, 2010 (such rate being subject to adjustment from time to time due to reassessment) for the purpose of constructing, equipping, maintaining and operation hospital facilities within the Issuer, to be levied and collected annually through the year 2019.



SECTION 2) Authorization of Bonds: Maturities. Subject to the approval of the Louisiana State Bond Commission, and in compliance with the terms and provisions of the Act, the Outstanding Parity Bond Resolutions, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000) for, on behalf of, and in the name of the Issuer, for the purpose of constructing, equipping, maintaining and operating hospital facilities in the Issuer, and paying the costs incurred in connection with the issuance of the Bonds; and to represent said indebtedness this Governing Authority does hereby authorize the issuance of its Taxable Limited Tax Bonds, Series 2012A, in the principal amount of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000). The Bonds shall be in fully registered form, shall be dated the date of delivery thereof, shall be issued in denominations corresponding to the principal amount of each maturity (one Bond per maturity), and shall be numbered from R-1 upward. The Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, commencing March 1, 2013, at the following rates of interest per annum and shall become due and payable and mature serially on March 1 of the years and in the amounts, as follows:

<u>Bond Number</u>	<u>Year (March 1)</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
R-1	2013	\$ 300,000	3.67%
R-2	2014	470,000	3.67%
R-3	2015	490,000	3.67%
R-4	2016	1,545,000	3.67%
R-5	2017	1,600,000	3.67%
R-6	2018	1,110,000	3.67%

The principal of the Bonds upon maturity shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds shall be payable by check of the Paying Agent mailed by the Paying Agent to the Owner (determined as of the close of business on the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Resolution upon transfer of, in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so neither gain nor loss in interest shall result from such transfer, exchange or substitution.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Resolution, executed by the Paying Agent by manual signature.

SECTION 3) Redemption Provisions. The Bonds are not callable for redemption prior to their stated maturities.

SECTION 4) Registration and Transfer. The Issuer shall cause the Bond Register to be kept by the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in an authorized denomination of the same maturity and like principal.

SECTION 5) Form of Bonds. The Bonds and the endorsements to appear thereon shall be in substantially the following forms, respectively to-wit:

[FORM OF BOND]

No. R-\_\_\_\_\_

Principal Amount \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ST. BERNARD

TAXABLE LIMITED TAX BOND, SERIES 2012A  
OF  
HOSPITAL SERVICE DISTRICT OF THE PARISH OF ST. BERNARD,  
STATE OF LOUISIANA

Bond <u>Date</u>	Maturity <u>Date</u>	Interest <u>Rate</u>
_____, 2012	March 1, _____	_____%

The Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "Issuer"), promises to pay, but solely from the source and as hereinafter provided, to:

REGIONS BANK  
NEW ORLEANS, LOUISIANA

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, payable on March 1 and September 1 of each year, commencing

ing March 1, 2013 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid. The principal of this Bond, upon maturity or redemption, is payable in lawful money of the United States of America at the principal office of Regions Bank, New Orleans, Louisiana, or successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner (determined as of the close of business on the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

This Bond is one of an authorized issue aggregating in principal the sum of Five Million Five Hundred Fifteen Thousand Dollars (\$5,515,000) of Taxable Limited Tax Bonds, Series 2012A, of the Issuer (the "Bonds") all of like tenor and effect except as to number, denomination, and maturity, said Bonds having been issued by the Issuer pursuant to a resolution adopted by its governing authority on January 19, 2012 (the "Resolution"), for the purpose of constructing, equipping, maintaining and operating hospital facilities in the Issuer and paying the costs of issuance thereof, under the authority conferred by Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

The Bonds are callable for redemption prior to their stated maturities at any time, in whole or in part, at the principal amount being redeemed plus accrued but unpaid interest to date.

This Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's outstanding Taxable Limited Tax Certificates, Series 2011, with a final maturity of March 1, 2015, and Limited Tax Bonds, Series 2012B, being delivery simultaneously with the Bonds, with a final maturity on March 1, 2020 (the "Outstanding Parity Bonds"). It is certified that the Issuer, in issuing this Bond and the issue of which it forms a part, has complied with all the terms and conditions set forth in the resolution authorizing the issuance of the Outstanding Parity Bonds.

The Issuer shall cause to be kept at the principal office of the Paying Agent a register (the "Bond Register") in which registration of the Bonds and of transfers of the Bonds shall be made as provided in the Resolution. This Bond may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. This Bond may be assigned by the execution of the assignment form hereon or by other instrument of transfer and assignment acceptable to the Paying Agent.

The Bonds, equally with the Outstanding Parity Bonds, are secured by an Irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of an 8 mills tax authorized to be levied through the year 2019 (the "Tax") on all the property subject to taxation within the corporate boundaries of the Issuer at an election held on November 2, 2010 (such rate being subject to adjustment from time to time due to reassessment). For a more complete statement of the Tax revenues from which and conditions under which this Bond is issued, reference is hereby made to the Resolution.

The Issuer, in the Resolution, has also entered into certain other covenants and agreements with the registered owner of this Bond, including provisions for the issuance of additional bonds payable from the proceeds of the Tax on a parity with this Bond, for the terms of which reference is made to the Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that this Bond is authorized by and issued in conformity with the requirements of the Constitution and statutes of this State. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

IN WITNESS WHEREOF, the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, acting as the governing authority of the Issuer, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Council Chairman and Recording Secretary of its governing authority, the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, and the corporate seal of said governing authority to be impressed hereon.

HOSPITAL SERVICE DISTRICT OF THE PARISH  
OF ST. BERNARD, STATE OF LOUISIANA

/s/ Gretchen H. Smith

Recording Secretary

/s/ Wayne J. Landry

Chairman

(SEAL)

\* \* \* \* \*

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(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

This Bond is one of the Bonds referred to in the within mentioned Resolution.

Regions Bank,  
New Orleans, Louisiana

Date of Registration: \_\_\_\_\_ By: \_\_\_\_\_

Authorized Officer

\* \* \* \* \*

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

Please Insert Social Security  
or other Identifying Number of  
Assignee

--

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_  
attorney or agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

SECTION 6) Execution of Bonds. The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, which signature and corporate seal may be either manual or facsimile.

SECTION 7) Pledge and Dedication of Revenues. Pursuant to the Act, the Bonds, equally with the Outstanding Parity Bonds, shall be secured by and payable from an irrevocable pledge and dedication of the avails or proceeds of the Tax. This Governing Authority does hereby obligate itself and its successors in office to impose and collect the Tax annually through the year 2019, so long as the Bonds and the Outstanding Parity Bond are outstanding, as provided in the proposition authorizing the Tax, and does hereby irrevocably and irrepealably dedicate, appropriate and pledge the annual income to be derived from the assessment, levy and collection of the Tax in each of the years in which the Bonds, or any portion thereof, are outstanding, to the payment of the Bonds and the Outstanding Parity Bonds.

SECTION 8) Sinking Fund. (a) For the payment of the principal of and the interest on the Bonds and the Outstanding Parity Bonds and any additional parity obligations, there has been created a special fund known as "Hospital Service District of the Parish of St. Bernard, State of Louisiana, Taxable Limited Tax Bonds Series 2012A Sinking Fund," said Sinking Fund is being maintained with the regularly designated fiscal agent bank of the Issuer. The Issuer shall deposit in the Sinking Fund at least one (1) day in advance of the date on which each payment of principal and/or interest on the Bonds and the Outstanding Parity Bonds falls due, funds fully sufficient to promptly pay principal of and/or interest so falling due on such date. Said fiscal agent bank shall make available from the Sinking Fund to the Paying Agent funds fully sufficient to pay promptly principal and interest falling due on such date.



(b) All moneys deposited with the regularly designated fiscal agent bank or banks of the Issuer or the Paying Agent under the terms of this Resolution shall constitute sacred funds for the benefit of the Owners of the Bonds and the Owners of the Outstanding Parity Bonds, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

(c) All or any part of the moneys in the Sinking Fund shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana.

SECTION 9) Parity Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the Tax having priority over or parity with the Bonds, except that additional obligations may hereafter be issued on a parity with the Bonds and the Outstanding Parity Bonds under the following conditions:

(1) The Bonds herein authorized or any part thereof, including the interest thereon, may be refunded, and so long as there is no increase in debt service payments, due in any Fiscal Year on such refunding bonds versus that owed on the Bonds, the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded.

(2) Additional obligations may be issued on and enjoy a full and complete parity with the Bonds and the Outstanding Parity Bonds with respect to the Tax, provided that the combined principal and interest requirements for any calendar year on the Bonds, the Outstanding Parity Bonds, and the said additional obligations of indebtedness may not exceed 75% of the revenues estimated to be realized from the levy of the Tax in the year in which such additional obligations of indebtedness are issued; it being provided, however, that the proceeds of said additional obligations are to be expended only for the purposes for which the Tax is levied.

(3) Junior and subordinate obligations may be issued without restriction.

(4) The Issuer must be in full compliance with all covenants and undertakings in connection with the Bonds and the Outstanding Parity Bonds and there must be no delinquencies in payments required to be made in connection therewith.

(5) The additional bonds must be payable as to principal on March 1st of each year, in which principal falls due, and payable as to interest on March 1 and September 1 of each year.

SECTION 10) Budget and Financial Statements. As long as any of the Bonds and the Outstanding Parity Bonds are outstanding and unpaid in principal or interest, the Issuer shall prepare and adopt a budget prior to the beginning of each Fiscal Year and shall furnish a copy of such budget within thirty (30) days after its adoption to the Purchaser.

SECTION 11) Application of Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Resolution, to cause the Bonds to be prepared or printed, to issue, execute and seal the Bonds, and to effect delivery thereof as hereinafter provided. The proceeds derived from the sale of the Bonds shall be deposited by the Issuer with its fiscal agent bank or banks or the Paying Agent bank to be used only for the purpose for which the Bonds are issued.

SECTION 12) Bonds Legal Obligations. The Bonds shall constitute a legal, binding and valid special obligation of the Issuer and shall be the only representation of the indebtedness as herein authorized and created.

SECTION 13) Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer, or its successor, and the Owners from time to time of the Bonds and any such Owner may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Governing Authority or the Issuer as a result of issuing the Bonds.

SECTION 14) Amendment to Resolution. No material modification or amendment of this Resolution, or of any Resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity or redemption provisions of the Bonds, or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the obligation of the Issuer to pay the principal of and the interest on the Bonds as the same shall come due from the revenues appropriated, pledged and dedicated to the payment thereof by this Resolution, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Resolution, without the consent of the Owners of the Bonds.

SECTION 15) Recital of Regularity. This Governing Authority having investigated the regularity of the proceedings had in connection with the Bonds herein authorized and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

"It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State."

SECTION 16) Effect of Registration. The Issuer, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and

for all other purposes whatsoever, and to the extent permitted by law, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 17) Notices to Owners. Wherever this Resolution provides for notice to the Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner at the address of such Owner as it appears in the Bond Register. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent and the Issuer, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 18) Cancellation of Bonds. All Bonds surrendered for payment shall be promptly canceled by either the Paying Agent or the Issuer. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

SECTION 19) Mutilated, Destroyed, Lost or Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Resolution equally and ratably with any other Outstanding Bonds. Any additional procedures set forth in the Agreement, authorized in this Resolution, shall also be available with respect to any mutilated, destroyed, lost or stolen Bond. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of any mutilated, destroyed, lost or stolen Bond.

SECTION 20) Discharge of Resolution; Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owner, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the money, securities, and funds pledged under this Resolution and all covenants, agreements, and other obligations of the Issuer to the Owner shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Resolution to the Issuer.

Bonds or interest installments for the payment or redemption of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if they are defeased in the manner provided by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

SECTION 21) Successor Paying Agent; Paying Agent Agreement. The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Resolution is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of an resolution or resolution giving notice of the termination of the Agreement and appointing a successor and (b) causing notice to be given to the Owner. Every Paying Agent appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the Issuer in such form as may be satisfactory to said officers, the signatures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 22) Disclosure Under SEC Rule 15c2-12. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR 240.15c2-12(b)], because:

i) the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and

ii) the Bonds are being sold to only one financial institution (i.e., no more than thirty-five persons), which (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds and (ii) is not purchasing the Bonds for more than one account or with a view to distributing the Bonds.

SECTION 23) Publication. A copy of this Resolution shall be published immediately in one (1) issue of the official journal of the Issuer.

SECTION 24) Award of Bonds. The Issuer hereby accepts the offer of the Purchaser to purchase the Bonds; provided, however, that such acceptance shall be expressly conditioned upon the approval of the Issuance of the Bonds by the Louisiana State Bond Commission. Assuming such approval, the Bonds shall be delivered to the Purchaser upon payment of the principal amount thereof and accrued interest to the date of delivery of the Bonds.

SECTION 25) Severability; Application of Subsequently Enacted Laws. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Resolution which validate or make legal any provision of the Resolution and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Resolution and to the Bonds.

SECTION 26) Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 27) Effective Date. This Resolution shall become effective immediately.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the Resolution was declared adopted on this, the 19<sup>th</sup> day of January 19<sup>th</sup>, 2012.

#4

Agenda Item #4

On Motion of Mr. Cavignac, seconded by Mr. Gray it was moved to adopt the following Resolution:

#### HSD RESOLUTION 03-12

Million Dollars (\$4,000,000) of Limited Tax Bonds, Series 2012B, of the Hospital Service District of the Parish of St. Bernard, State of Louisiana; prescribing the form, terms and conditions thereof and providing for the payment thereof; awarding such Bonds to the purchasers thereof; and providing for other matters in connection therewith.

WHEREAS, pursuant to an election held in the Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "Issuer"), on November 2, 2010, the voters approved the levy and

collection of eight (8) mills tax (the "Tax") on all taxable property within the territory of the Issuer for a period of ten (10) years for the purpose of constructing, equipping, maintaining and operating hospital facilities for the Issuer; and

WHEREAS, Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, authorizes the Issuer to borrow money in anticipation of revenues to be realized from special taxes to be used only for the purposes for which the tax was voted; and

WHEREAS, pursuant to and in accordance with the foregoing, the Issuer now desires to incur debt and issue its Limited Tax Bonds, Series 2012B in the principal amount of Four Million Dollars (\$4,000,000) (the "Bonds") for the purpose of constructing, equipping, maintaining and operation hospital facilities in the District and paying the costs of issuance thereof; and

WHEREAS, other than the Bonds herein authorized, the Issuer will have no outstanding obligations as of the date of delivery of the Bonds of any kind or nature payable from or enjoying a lien on the Tax herein pledged, EXCEPT the outstanding Limited Tax Certificates, Series 2011, and the Taxable Limited Tax Bonds, Series 2012A, being simultaneously delivered with the Bonds (collectively, the "Outstanding Parity Bonds"); and

WHEREAS, under the terms and conditions of the resolutions adopted by the Issuer on June 13, 2011, and January 19, 2012, authorizing the issuance of the Outstanding Parity Bond (the "Outstanding Parity Bond Resolutions"), the Issuer has authority to issue additional bonds on a complete parity with the Outstanding Parity Bond under the terms and conditions provided therein; and

WHEREAS, the maturities of the Bonds have been arranged so that the principal and interest requirements for any calendar year on the Bonds and the Outstanding Parity Bonds do not exceed 75% of the revenues estimated to be received by the Issuer from the Tax in the year 2012; and

WHEREAS, it is the desire of the Issuer to fix the details necessary with respect to the issuance of the Bonds and to provide for the authorization and issuance thereof; and

WHEREAS, it is the further desire of the Issuer to provide for the sale of the Bonds to the Purchaser (hereinafter defined) at the price and in the manner hereinafter provided;

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, that:

SECTION 28) Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"Act" means Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

"Agreement" means the agreement to be entered into between the Issuer and the Paying Agent pursuant to this Resolution.

"Bond" means any bond of the Issuer authorized to be issued by this Resolution, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any bond previously issued.

"Bonds" means the Issuer's Limited Tax Bonds, Series 2012B, authorized by this Resolution, in the total aggregate principal amount of Four Million Dollars (\$4,000,000).

"Bond Register" means the records kept by the Paying Agent at its principal corporate office in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

"Executive Officers" means the Chairman and Recording Secretary of the Governing Authority.

"Fiscal Year" means the one-year accounting period beginning January 1 and ending December 31 of each year, or such other accounting period as may be designated by the Governing Authority as the fiscal year of the Issuer.

"Governing Authority" means the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana.

"Government Securities" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are non-callable prior to their maturity, may be United States Treasury obligations such as the State and Local Government Series and may be in book-entry form.

"Interest Payment Dates" means March 1 and September 1 of each year, commencing March 1, 2013.

"Issuer" means Hospital Service District of the Parish of St. Bernard, State of Louisiana.

"Outstanding" when used with respect to the Bonds means, as of the date of determination, any Bond theretofore issued and delivered under this Resolution, except:

1. Any Bond theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
2. Bonds for which payment or redemption sufficient funds or government securities, or both, have been theretofore deposited in trust for the owners of such Bonds with the effect specified in this Resolution or by law;
3. Any Bond in exchange for or in lieu of which another Bond has been registered and delivered pursuant to this Resolution; and
4. Any Bond alleged to have been mutilated, destroyed, lost or stolen which may have been paid as provided in this Resolution or by law.

"Outstanding Parity Bond" shall mean the Issuer's Taxable Limited Tax Certificates, Series 2011, with a final maturity of March 1, 2015, and the Taxable Limited Tax Bonds, Series 2012A, being simultaneously delivered with the Bonds, with a final maturity of March 1, 2020.



"Outstanding Parity Bond Resolutions" shall mean the resolution adopted by the Issuer on June 13, 2011, and January 19, 2012, authorizing the issuance of the Outstanding Parity Bonds.

"Owner" when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register.

"Paying Agent" means Regions Bank, New Orleans, Louisiana, until a successor Paying Agent shall have been appointed pursuant to the applicable provisions of this Resolution, and thereafter "Paying Agent" shall mean such successor Paying Agent.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Purchaser" means Regions Bank, New Orleans, Louisiana, the original purchaser thereof.

"Resolution" means this resolution authorizing the issuance of the Bonds, as it may be supplemented and amended.

"Tax" means the 8 mills which was authorized at an election held on November 2, 2010 (such rate being subject to adjustment from time to time due to reassessment) for the purpose of constructing, equipping, maintaining and operation hospital facilities within the Issuer, to be levied and collected annually through the year 2019.

SECTION 29) Authorization of Bonds: Maturities. Subject to the approval of the Louisiana State Bond Commission, and in compliance with the terms and provisions of the Act, the Outstanding Parity Bond Resolutions, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness of Four Million Dollars (\$4,000,000) for, on behalf of, and in the name of the Issuer, for the purpose of constructing, equipping, maintaining and operating hospital facilities in the Issuer, and paying the costs incurred in connection with the issuance of the Bonds; and to represent said indebtedness

this Governing Authority does hereby authorize the issuance of its Limited Tax Bonds, Series 2012B, in the principal amount of Four Million Dollars (\$4,000,000). The Bonds shall be in fully registered form, shall be dated the date of delivery thereof, shall be issued in denominations corresponding to the principal amount of each maturity (one Bond per maturity), and shall be numbered from R-1 upward. The Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, commencing March 1, 2018, at the following rates of interest per annum and shall become due and payable and mature serially on March 1 of the years and in the amounts, as follows:

<u>Bond</u> <u>Number</u>	<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
R-1	2018	\$ 550,000	3.10%
R-2	2019	1,690,000	3.10%
R-3	2020	1,760,000	3.10%

The principal of the Bonds upon maturity shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds shall be payable by check of the Paying Agent mailed by the Paying Agent to the Owner (determined as of the close of business on the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Resolution upon transfer of, in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so neither gain nor loss in interest shall result from such transfer, exchange or substitution.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Resolution, executed by the Paying Agent by manual signature.

SECTION 30) Redemption Provisions. The Bonds are callable for redemption if full, or in part, at any time on or after March 1, 2017, at the principal amount thereof and accrued interest to the date fixed for redemption.

SECTION 31) Registration and Transfer. The Issuer shall cause the Bond Register to be kept by the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in an authorized denomination of the same maturity and like principal.

SECTION 32) Form of Bonds. The Bonds and the endorsements to appear thereon shall be in substantially the following forms, respectively to-wit:

[FORM OF BOND]

No. R-\_\_\_\_\_

Principal Amount \$\_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF LOUISIANA

PARISH OF ST. BERNARD

LIMITED TAX BOND, SERIES 2012B

OF

HOSPITAL SERVICE DISTRICT OF THE PARISH OF ST. BERNARD,

STATE OF LOUISIANA

Bond <u>Date</u>	Maturity <u>Date</u>	Interest: <u>Rate</u>
_____, 2012	March 1, _____	_____%

The Hospital Service District of the Parish of St. Bernard, State of Louisiana (the "Issuer"), promises to pay, but solely from the source and as hereinafter provided, to:

REGIONS BANK  
NEW ORLEANS, LOUISIANA

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, payable on March 1 and September 1 of each year, commenc-

ing March 1, 2013 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid. The principal of this Bond, upon maturity or redemption, is payable in lawful money of the United States of America at the principal office of Regions Bank, New Orleans, Louisiana, or successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner (determined as of the close of business on the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

This Bond is one of an authorized issue aggregating in principal the sum of Four Million Dollars (\$4,000,000) of Limited Tax Bonds, Series 2012B, of the Issuer (the "Bonds") all of like tenor and effect except as to number, denomination, and maturity, said Bonds having been issued by the Issuer pursuant to a resolution adopted by its governing authority on January 19, 2012 (the "Resolution"), for the purpose of constructing, equipping, maintaining and operating hospital facilities in the Issuer and paying the costs of issuance thereof, under the authority conferred by Section 742.2 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

The Bonds are callable for redemption prior to their stated maturities at any time, in whole or in part, at the principal amount being redeemed plus accrued but unpaid interest to date.

This Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's outstanding Taxable Limited Tax Certificates, Series 2011, with a final maturity of March 1, 2015, and the Taxable Limited Tax Bonds, Series 2012A, being simultaneously delivered with the Bonds, with a final maturity of March 1, 2020 (the "Outstanding Parity Bonds"). It is certified that the Issuer, in issuing this Bond and the issue of which it forms a part, has complied with all the terms and conditions set forth in the resolution authorizing the issuance of the Outstanding Parity Bonds.

The Issuer shall cause to be kept at the principal office of the Paying Agent a register (the "Bond Register") in which registration of the Bonds and of transfers of the Bonds shall be made as provided in the Resolution. This Bond may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. This Bond may be assigned by the execution of the assignment form hereon or by other instrument of transfer and assignment acceptable to the Paying Agent.

The Bonds, equally with the Outstanding Parity Bonds, are secured by an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of an 8 mills tax authorized to be levied through the year 2019 (the "Tax") on all the property subject to taxation within the corporate boundaries of the Issuer at an election held on November 2, 2010 (such rate being subject to

adjustment from time to time due to reassessment). For a more complete statement of the Tax revenues from which and conditions under which this Bond is issued, reference is hereby made to the Resolution. The Issuer, in the Resolution, has also entered into certain other covenants and agreements with the registered owner of this Bond, including provisions for the issuance of additional bonds payable from the proceeds of the Tax on a parity with this Bond, for the terms of which reference is made to the Resolution.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that this Bond is authorized by and issued in conformity with the requirements of the Constitution and statutes of this State. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

IN WITNESS WHEREOF, the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, acting as the governing authority of the Issuer, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Council Chairman and Recording Secretary of its governing authority, the Board of Commissioners of Hospital Service District of the Parish of St. Bernard, State of Louisiana, and the corporate seal of said governing authority to be impressed hereon.

HOSPITAL SERVICE DISTRICT OF THE PARISH  
OF ST. BERNARD, STATE OF LOUISIANA

\_\_\_\_\_  
/s/ facsimile

Recording Secretary

\_\_\_\_\_  
/s/ facsimile

Chairman

(SEAL)

\* \* \* \* \*

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

This Bond is one of the Bonds referred to in the within mentioned Resolution.

Regions Bank,  
New Orleans, Louisiana

Date of Registration: \_\_\_\_\_ By: \_\_\_\_\_

Authorized Officer

\* \* \* \* \*

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_

Please Insert Social Security  
or other Identifying Number of  
Assignee

--

--30--



the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_

\_\_\_\_\_  
attorney or agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

\* \* \* \* \*

SECTION 33) Execution of Bonds. The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, which signature and corporate seal may be either manual or facsimile.

SECTION 34) Pledge and Dedication of Revenues. Pursuant to the Act, the Bonds, equally with the Outstanding Parity Bonds, shall be secured by and payable from an irrevocable pledge and dedication of the avails or proceeds of the Tax. This Governing Authority does hereby obligate itself and its successors in office to impose and collect the Tax annually through the year 2019, so long as the Bonds and the Outstanding Parity Bond are outstanding, as provided in the proposition authorizing the Tax, and does hereby irrevocably and irrepealably dedicate, appropriate and pledge the annual income to be derived from the assessment, levy and collection of the Tax in each of the years in which the Bonds, or any portion thereof, are outstanding, to the payment of the Bonds and the Outstanding Parity Bonds.

SECTION 35) Sinking Fund. (a) For the payment of the principal of and the interest on the Bonds and the Outstanding Parity Bonds and any additional parity obligations, there has been created a special fund known as "Hospital Service District of the Parish of St. Bernard, State of Louisiana, Taxable Limited Tax Bonds Series 2012B Sinking Fund," said Sinking Fund is being maintained with the regularly designated fiscal agent bank of the Issuer. The Issuer shall deposit in the Sinking Fund at least one (1) day in advance of the date on which each payment of principal and/or interest on the Bonds and the Outstanding Parity Bonds falls due, funds fully sufficient to promptly pay principal of and/or interest so

falling due on such date. Said fiscal agent bank shall make available from the Sinking Fund to the Paying Agent funds fully sufficient to pay promptly principal and interest falling due on such date.

(b) All moneys deposited with the regularly designated fiscal agent bank or banks of the Issuer or the Paying Agent under the terms of this Resolution shall constitute sacred funds for the benefit of the Owners of the Bonds and the Owners of the Outstanding Parity Bonds, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

(c) All or any part of the moneys in the Sinking Fund shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana.

SECTION 36) Parity Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the Tax having priority over or parity with the Bonds, except that additional obligations may hereafter be issued on a parity with the Bonds and the Outstanding Parity Bonds under the following conditions:

(1) The Bonds herein authorized or any part thereof, including the interest thereon, may be refunded, and so long as there is no increase in debt service payments, due in any Fiscal Year on such refunding bonds versus that owed on the Bonds, the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded.

(2) Additional obligations may be issued on and enjoy a full and complete parity with the Bonds and the Outstanding Parity Bonds with respect to the Tax, provided that the combined principal and interest requirements for any calendar year on the Bonds, the Outstanding Parity Bonds, and the said additional obligations of indebtedness may not exceed 75% of the revenues estimated to be realized from the levy of the Tax in the year in which such additional obligations of indebtedness are issued; it being provided, however, that the proceeds of said additional obligations are to be expended only for the purposes for which the Tax is levied.

(3) Junior and subordinate obligations may be issued without restriction.

(4) The Issuer must be in full compliance with all covenants and undertakings in connection with the Bonds and the Outstanding Parity Bonds and there must be no delinquencies in payments required to be made in connection therewith.

(5) The additional bonds must be payable as to principal on March 1st of each year, in which principal falls due and payable as to interest on March 1 and September 1 of each year.

SECTION 37) Budget and Financial Statements. As long as any of the Bonds and the Outstanding Parity Bonds are outstanding and unpaid in principal or interest, the Issuer shall prepare and adopt a budget prior to the beginning of each Fiscal Year and shall furnish a copy of such budget within thirty (30) days after its adoption to the Purchaser.

SECTION 38) Application of Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Resolution, to cause the Bonds to be prepared or printed, to issue, execute and seal the Bonds, and to effect delivery thereof as hereinafter provided. The proceeds derived from the sale of the Bonds shall be deposited by the Issuer with its fiscal agent bank or banks or the Paying Agent bank to be used only for the purpose for which the Bonds are issued.

SECTION 39) Bonds Legal Obligations. The Bonds shall constitute a legal, binding and valid special obligation of the Issuer and shall be the only representation of the indebtedness as herein authorized and created.

SECTION 40) Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer, or its successor, and the Owners from time to time of the Bonds and any such Owner may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Governing Authority or the Issuer as a result of issuing the Bonds.

SECTION 41) Amendment to Resolution. No material modification or amendment of this Resolution, or of any Resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Bonds then

outstanding; provided, however, that no modification or amendment shall permit a change in the maturity or redemption provisions of the Bonds, or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the obligation of the Issuer to pay the principal of and the interest on the Bonds as the same shall come due from the revenues appropriated, pledged and dedicated to the payment thereof by this Resolution, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Resolution, without the consent of the Owners of the Bonds.

SECTION 42) Recital of Regularity. This Governing Authority having investigated the regularity of the proceedings had in connection with the Bonds herein authorized and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

"It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State."

SECTION 43) Effect of Registration. The Issuer, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 44) Notices to Owners. Wherever this Resolution provides for notice to the Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner at the address of such Owner as it appears in the Bond Register. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent and the Issuer, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 45) Cancellation of Bonds. All Bonds surrendered for payment shall be promptly canceled by either the Paying Agent or the Issuer. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

SECTION 46) Mutilated, Destroyed, Lost or Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction

of the destruction, loss or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Resolution equally and ratably with any other Outstanding Bonds. Any additional procedures set forth in the Agreement, authorized in this Resolution, shall also be available with respect to any mutilated, destroyed, lost or stolen Bond. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of any mutilated, destroyed, lost or stolen Bond.

**SECTION 47) Discharge of Resolution; Defeasance.** If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owner, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of the money, securities, and funds pledged under this Resolution and all covenants, agreements, and other obligations of the Issuer to the Owner shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Resolution to the Issuer.

Bonds or interest installments for the payment or redemption of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if they are defeased in the manner provided by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

**SECTION 48) Successor Paying Agent; Paying Agent Agreement.** The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Resolution is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of an resolution or resolution giving notice of the termination of the Agreement and appointing a successor and (b) causing notice to be given to the Owner. Every Paying Agent appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the Issuer in such form as may be satisfactory to said officers, the signa-

tures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 49) Arbitrage. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bond under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bond or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bond to be an "arbitrage bond" or would result in the inclusion of the interest on the Bond in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bond in a manner which would cause the Bond to be a "private activity bond".

( SECTION 50) Designation as "Qualified Tax-Exempt Obligation". The Bond is designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer finds and determines that:

Comment [DMW1]:  
Delete the following section if the debt is not bank-qualified.

- (a) the Bond is not a "private activity bond" within the meaning of the Code; and
- (b) the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer and all subordinate entities in calendar year 2012 does not exceed \$10,000,000.

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 51) Disclosure Under SEC Rule 15c2-12. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR + 240.15c2-12(b)], because:

**Comment [DMW2]:**  
Change the following if the Issue is subject to the SEC Continuing Disclosure Rules. See \\Pforcom\Central\Disclos\ for appropriate language

i) the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and

ii) the Bonds are being sold to only one financial institution (i.e., no more than thirty-five persons), which (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds and (ii) is not purchasing the Bonds for more than one account or with a view to distributing the Bonds.

SECTION 52) Publication. A copy of this Resolution shall be published immediately in one (1) issue of the official journal of the Issuer.

SECTION 53) Award of Bonds. The Issuer hereby accepts the offer of the Purchaser to purchase the Bonds; provided, however, that such acceptance shall be expressly conditioned upon the approval of the issuance of the Bonds by the Louisiana State Bond Commission. Assuming such approval, the Bonds shall be delivered to the Purchaser upon payment of the principal amount thereof and accrued interest to the date of delivery of the Bonds.

SECTION 54) Severability; Application of Subsequently Enacted Laws. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution or of the Bonds, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Resolution which validate or make legal any provision of the Resolution and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Resolution and to the Bonds.

SECTION 55) Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 56) Effective Date. This Resolution shall become effective immediately.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

~ 38 ~

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#5

Agenda Item #5

On Motion of Mr. Gray, seconded by Mr. it was moved to adopt the following Resolution:

### HSD RESOLUTION 04-12

BE IT RESOLVED, that the St. Bernard Parish Hospital Service District hereby authorizes Tim P. Burke, St. Bernard Parish Hospital CEO and his Designee Patty L. Justico, St. Bernard Parish Hospital CFO to be check signers with the following signing privileges:

- For checks on any accounts less than or equal to \$10,000, the CEO may authorize the CFO as the CEO's Designee;
- For checks greater than \$10,000 on any accounts, the CEO may authorize or the CFO as the CEO's Designee with the Chairman or the Chairman's Designee signature;
- For payroll checks on any accounts, the CEO or CFO as the CEO's Designee may sign with the Chairman or the Chairman's Designee signature;

WHERE AS all checks no matter the amount will require two signatures of authorized check signers,

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#6

Agenda Item #6

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## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

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On Motion of Mr. Gray, seconded by Mr. Cavignac it was moved to adopt the following Resolution:

### HSD Resolution 05-12

BE IT RESOLVED, that the St. Bernard Parish Hospital Service District hereby authorizes Tim P. Burke, St. Bernard Parish Hospital CEO with signing authority on contractual arrangements based on the following policy:

- Contracts with an annual value less than or equal to \$10,000 may be authorized by the St Bernard Parish Hospital CEO;
- Contracts with an annual value greater than \$10,000 and less than or equal \$25,000 may be authorized by the St Bernard Parish Hospital CEO and the Chairman or his Designee's signature.
- Contracts with an annual value greater than \$25,000 must be authorized by Board action and approval.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#7

### Agenda Item #7

On Motion of Mr. Cavignac, seconded by Mr. Gray, it was moved to approve Entergy Right of Way Instrument for 8000 West Judge Perez Drive; Chalmette, LA which will allow a right of way, servitude and easement for the location construction, reconstruction, improvements, repairs, operation, inspection, patrol, replacement and maintenance of electric power and communication facilities, or the removal thereof, now or in the future

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

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## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

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The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#8

### Agenda Item #8

On Motion of Mr. Gray, seconded by Mr. Cavnagac, it was moved to discuss ancillary services for the Medical Office Building (MOB) and which will be permissible.

Mr. Landry asked Mr. Burke if he had prepared a list.

Mr. Burke stated that he had not.

Mr. Landry made a request that FMOL prepare a suggested list of items that they would recommend to exclude from any participant in the MOB being able to provide.

Without out objection the item was changed to read: Motion to discuss ~~ancillary~~ have FMOL recommend which ancillary services would be prohibited/excluded for the Dr's of the Medical Office Building (MOB) to provide. ~~and which will be permissible.~~

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnagac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#9

### Agenda Item #9

Without objection It was moved to ratify the executed CEA and Act of Donation for the CT Scan with St. Bernard Health Center, Inc. (Access Health)

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnagac, Gray

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## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

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NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#10

Agenda Item #10

On Motion of Mr. Cavnagac, seconded by Mr. Gray it was moved to appoint Wayne J. Landry to the St. Bernard Hospital Foundation Board.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavnagac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012

#11

Agenda Item #11

Without objection Item #11 was removed from the agenda.

#12

Agenda Item #12

Without objection item #12 was removed from the agenda.

#13

Agenda Item #13

On Motion of Mr. Cavnagac, seconded by Mr. Gray it was moved to approve Change Order 1 (CPR -01): Stump Removal in the amount of \$2,876.00 as recommended by Hammes Co.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

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## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

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YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#14

### Agenda Item #14

On Motion of Mr. Cavignac, seconded by Mr. Gray it was moved to approve Change Order 2 (CPR -02): Additional Site Paving in the amount of \$35,549.99 as recommended by Hammes Co.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#15

### Agenda Item #15

On Motion of Mr. Cavignac, seconded by Mr. Gray it was moved to approve Change Order 3 (CPR -03): Extend Entergy Duct Bank in the amount of \$5,521.00 as recommended by Hammes Co.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

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## Minutes of Hospital Service District Meeting of January 19<sup>th</sup>, 2012

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And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

#16

Agenda Item #16

On Motion of Mr. Gray, seconded by Mr. Cavignac it was moved to approve Change Order 4 (CPR -07):  
Site Drainage in the amount of \$36,304.00 as recommended by Hammes Co.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Cavignac, Gray

NAYS: None

ABSENT: DiFatta, Sercovich

The Chairman, Mr. Landry, cast his vote as YEA.

And the motion was declared adopted on this, the 19<sup>th</sup> day of January, 2012.

There being no further business for discussion, the Chairman, Mr. Landry declared the meeting adjourned  
at 3:15 p.m. on this the 19<sup>th</sup> day of January, 2012.

*Gretchen H. Smith*  
Gretchen H. Smith  
Recording Secretary

*Wayne J. Landry*  
Wayne J. Landry  
Chairman