

**MASTER HOSPITAL LEASE AGREEMENT**

This Master Hospital Lease Agreement (the “Lease”) is made and entered into effective the 1st day of October, 2018 by and among:

**THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION**, herein represented and appearing through Jay Dardenne, Commissioner of Administration, Division of Administration, Office of the Governor, State of Louisiana, under the authority granted pursuant to La. R.S. 39:11 and other applicable law, whose mailing address is Post Office Box 94095, Baton Rouge, Louisiana 70804-9095, (“Lessor”); and

**OCHSNER LSU HOSPITALS, L.L.C.**, a Louisiana limited liability company, represented herein by \_\_\_\_\_, its \_\_\_\_\_, duly authorized by virtue of a resolution adopted \_\_\_\_\_, with a mailing address of \_\_\_\_\_, (Federal I.D. No. XX-XXX \_\_\_\_\_) (“Lessee”);

and provides as follows:

**WITNESSETH**

**WHEREAS**, Lessor is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

**WHEREAS**, Lessor has legal custody of the hospital facilities and associated outpatient clinics known as LSU Medical Center Shreveport in Shreveport, Louisiana (the “Shreveport Hospital”) and E.A. Conway Medical Center in Monroe, Louisiana (“E.A. Conway” and together with the Shreveport Hospital, referred to herein as the “Hospitals”); and,

**WHEREAS**, Lessor has the right to lease and grant a right of use in the Hospitals to Lessee pursuant to a Right Of Use Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”); and,

**WHEREAS**, Lessee is a single member limited liability company whose member is Ochsner LSU Health System of North Louisiana (“OLHS-NL”), a non-profit corporation organized and existing under the laws of the State of Louisiana including without limitation La.

R.S. 12:201, et seq., who is committed to and whose principal purpose is to provide healthcare and hospital services to patients in the State of Louisiana, including to Louisiana's indigent and medically underserved, and to serve as a site for graduate medical education for the training and further development of medical and clinical professionals in the State of Louisiana; and,

**WHEREAS**, Lessor and OLHS-NL are parties to a Cooperative Endeavor Agreement dated October 1, 2018 (as the same may be amended from time to time, the "CEA"), pursuant to which they will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

**WHEREAS**, this Lease is an integral aspect of the CEA and furthers the above stated goals; and,

**WHEREAS**, the Shreveport Hospital includes the premises described in Exhibit A-1 hereto (the "Shreveport Premises"); and,

**WHEREAS**, E.A. Conway includes the premises described in Exhibit A-2 hereto (the "Monroe Premises," collectively with the Shreveport Premises the "Leased Premises"); and,

**WHEREAS**, Lessee desires to lease the Leased Premises.

**NOW, THEREFORE**, in consideration of Lessor's obligation to lease the Leased Premises to Lessee, the rent to be paid by Lessee to Lessor during the term of this Lease, and the mutual benefits accruing to the parties under this Lease and the CEA, the parties do hereby enter into this Lease on the following terms and conditions:

**I. LEASED PREMISES; TERM**

A. Leased Premises. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below),

unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Lease or in the CEA. Lessee or Lessee's agent has had an opportunity to visually inspect the Leased Premises and acknowledges that the Leased Premises appear in good and acceptable condition as of the execution of this Lease.

B. Term. The Term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Article XII below, shall continue for an initial term of ten (10) years (the "Initial Term") , and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term"), for a total term ("Term") of twenty (20) years, unless any Party gives written notice of its intent not to renew the Lease for a Renewal Term (a "Non-Renewal Notice") not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable. Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the normal expiration of the CEA shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to any applicable Wind Down Period (as defined and described in the CEA).

C. Commencement Date. For purposes of this Lease, the term "Commencement Date" shall mean 12:00 a.m. on [\_\_\_\_\_, \_\_, 2018], unless otherwise mutually agreed upon by the parties in writing, which agreement not to be unreasonably withheld, conditioned or delayed.

D. Limited Waiver of Warranties. Except as otherwise expressly provided in this Lease, Lessor makes no warranty of fitness, condition, or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that Lessor is not, directly or indirectly, making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by, a person who successfully obtains pursuant to final, definitive judgment the ownership or a right to possession of the Leased Premises, in whole or in material part, which adversely and materially affects the operations of the Hospitals. Notwithstanding the

foregoing, and to the extent allowed by law, Lessor hereby agrees that it, at its sole cost, shall defend and indemnify Lessee against any and all claims and lawsuits challenging the right of Lessee to lease and occupy, or otherwise materially disturbing Lessee's actual physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospitals.

## **II. RENT**

A. Base Rent. During the Term, the annual base rent for the Leased Premises (the "Leased Premises Rent") shall be \$41,827,876.35. If the Commencement Date is prior to [\_\_\_\_\_, 2018], then the Leased Premises Rent shall accrue starting \_\_\_\_\_, 2018]. The Leased Premises Rent shall be payable by Lessee to Lessor in two (2) equal installments, with the first installment being due and payable on January 1, and the second installment being due and payable on June 30. In the event this Lease is terminated prior to its normal expiration, the Leased Premises Rent payment for that Lease year shall be prorated based on the actual number of days in that Lease year this Lease is in effect.

B. Additional Rent. In addition to the Leased Premises Rent, Lessee shall also pay any and all other charges or payments which Lessee is or becomes obligated to pay pursuant to this Lease (collectively, the "Additional Rent" and together with the Leased Premises Rent, the "Rent"). Except as otherwise set forth herein, any Additional Rent owed to Lessor shall be due within thirty (30) days after receipt of any invoice therefor from Lessor, which invoice shall include a description and itemization of such Additional Rent due.

C. Adjustments to Leased Premises Rent. Adjustments to the Leased Premises Rent shall be based on the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor (the "Index"). Commencing with the

first anniversary of the Commencement Date and annually on each anniversary of the Commencement Date thereafter, the Leased Premises Rent for the new Lease year shall be adjusted upward or downward by dividing the Index currently in effect as of such respective anniversary by the Index in effect as of the Commencement Date and multiplying the resulting quotient by the annual Leased Premises Rent payable under Paragraph II.A above; provided, however, that the Leased Premises Rent shall never be adjusted downward to an amount that is less than the initial Leased Premises Rent amount. If the Index is no longer available or is no longer published at a frequency needed to calculate said adjustment, then the parties shall use the current equivalent of the Index.

D. Triple Net Lease. This Lease is intended to be a triple net lease. Lessee agrees that the Rent provided for herein shall be an absolute net return to Lessor free and clear of any expenses, charges, insurance or taxes whatsoever of any kind, character or nature (except as otherwise, if any, provided herein); it being understood and agreed to by Lessee that Lessee shall bear responsibility during the Term for the payment of all costs and expenses associated with the management, operation, and maintenance of the Leased Premises, including without limitation all costs and expenses described in Article VI below. Except as may be expressly provided otherwise in this Lease or the CEA, Lessor will not be required to make any payment on Lessee's behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee under this Lease, or with respect to the Leased Premises.

E. Off-Set of Rent for Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due Lessee as a result of any overpayment while another party was responsible for the Hospitals' Medicare and Medicaid Provider Numbers, Lessor will seek an immediate appropriation to reimburse Lessee, and Lessee will assign to Lessor any rights to negotiate, contest, settle or otherwise resolve such recoupment

action. Notwithstanding the foregoing, Lessee shall have an immediate right of set-off against Rent due under this Lease to compensate Lessee in an amount consistent with the amount withheld under the recoupment action; provided, however, that within thirty (30) days of receipt by Lessee of invoices, Lessee shall pay to Lessor any and all such invoices for amounts that Lessee receives as repayment of any sums which were withheld from reimbursement due Lessee to the extent so set off.

### **III. USE**

The Leased Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, research and laboratory facilities, and any uses that are accessory to any of the foregoing (each of such uses, individually or collectively, a "Permitted Use"), and for no other purposes without the prior written consent of Lessor. Lessee will conduct the operations of the Hospitals on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the "Law") and in accordance with the provisions of the CEA. Except as may otherwise be expressly provided for in this Lease, Lessee has no right and shall not attempt to sell, exchange, transfer, alienate, and/or dispose of the Leased Premises (including any interest therein) in any way. Lessee shall ensure that the Leased Premises remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Commencement Date, unless approved in advance and in writing by Lessor.

### **IV. ASSIGNMENT : SUBLEASE**

A. No Assignment. Lessee may not, without the prior written consent of Lessor, assign or

otherwise encumber in whole or in part this Lease or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, assign its interest under this Lease to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the assignee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

B. No Subletting. Lessee may not, without the prior written consent of Lessor, sublet in whole or in part the Leased Premises or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, sublease the Leased Premises to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the sublessee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

C. Lessee Remains Liable. In no event shall any assignment or subletting of all or any portion of the Leased Premises release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor's express written agreement given in advance of such assignment or subletting, which agreement may be granted or withheld in Lessor's sole discretion. Lessee shall not permit any act or omission with respect to the Leased Premises that would adversely affect Lessor's title and rights thereto.

**V. IMPROVEMENTS AND ALTERATIONS BY LESSEE**

A. Lessee's Improvements and Alterations. Alterations and improvements to the Leased Premises shall be made according to the following procedure:

1. Lessee shall not make any alterations and improvements (collectively "Improvements") to the Leased Premises without the advance written consent of Lessor.

2. All Improvements, including but not limited to "Major Alterations" (defined as any Improvement or other change to the Leased Premises which is estimated in good faith to cost in excess of Five Hundred Thousand Dollars (\$500,000.00) and which: (i) is structural in nature; or (ii) would materially change the Leased Premises exterior appearance; or (iii) would materially change or affect the electrical, mechanical, life/safety, heating, ventilating and air conditioning or utilities systems or routing servicing of the Leased Premises), shall be made subject to design and construction oversight by Lessor and Lessor's Office of Facility Planning and Control ("OFPC"), including without limitation the right of Lessor and OFPC to review and approve plans and specifications prior to the commencement of construction, to require such changes as may be necessary to comply with applicable building codes, space standards, and standards ensuring quality of construction, to conduct periodic inspections during construction to ensure that work is being performed in compliance with the approved plans and specifications, and to ensure compliance with all applicable federal, state, and local laws and ordinances, including without limitation La. R.S. 40:1724. Such Improvements shall not reduce the then fair market value of the Leased Premises and shall not adversely impact the structural integrity of the Leased Premises. Approval by Lessor of any Improvements shall not constitute any warranty by Lessor to Lessee of the adequacy of the design for Lessee's intended use of the Leased Premises. All work performed for or by Lessee shall be subject to and in accordance with all federal, state, parish and city building and/or fire department codes and ordinances, and any required alterations performed in



connection with such Improvements to meet said codes and ordinances shall be performed by Lessee, at Lessee's expense. All work shall be performed for or by Lessee in a good and workmanlike manner, and Lessee shall prosecute the same to completion with reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's leasehold interest or any of Lessor's property, and Lessee shall furnish: (i) a clear lien certificate for any Major Alterations to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Major Alterations.

3. Before the commencement of any work in excess of Five Hundred Thousand Dollars (\$500,000.00) for construction of Improvements, Lessee shall supply Lessor with appropriate performance and payment bonds. These bonds are at Lessee's expense and shall be issued in a form satisfactory to Lessor and in such a manner as to protect the Lessor's interest in the Leased Premises. Any requirement of this Paragraph V.A.3 may be waived with the consent of Lessor.

4. The rights, responsibilities and obligations of OFPC shall be governed by the provisions of La. R.S. 40:1724, all other regulatory and statutory authority granted to FP&C with respect to maintenance, repair and/or improvements to public buildings and property, and this Lease. This Lease is not intended and shall not be interpreted to derogate from any of FP&C's rights, responsibilities, and obligations.

5. Upon the early termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section \_\_\_\_\_), Lessor shall pay to Lessee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by Lessee to the Leased Premises that were approved by Lessor in accordance with this Paragraph V.A above, computed on a GAAP basis (herein "Unamortized Improvements"), but

only to the extent such payment is expressly funded by the State for such specific purpose in accordance with Section XIV.K below; provided, however, any such obligation to pay pursuant to this Paragraph V.A.5, shall be reduced on a dollar-for-dollar basis to the extent any Lessor funds or other funds of the State of Louisiana are expended to improve the Leased Premises subsequent to the Commencement Date because of Lessee's failure to satisfy its obligations hereunder.

B. Cost of Lessee's Improvements. Lessee shall be solely responsible for all costs incurred in connection with any Improvements to the Leased Premises undertaken by Lessee. Following completion of any Improvements, Lessee shall provide to Lessor a lien waiver from Lessee's contractor covering the cost of work, materials, and equipment supplied by the contractor and all subcontractors and materialmen. All Improvements made to the Leased Premises by Lessee shall become and remain the property of Lessor at the normal expiration or early termination of this Lease without any cost to Lessor, subject to Lessor's conditional obligation to pay for Unamortized Improvements as set forth in Paragraph V.A.5 above. Notwithstanding the foregoing, if Lessee performs a Major Alteration without obtaining Lessor's prior written consent, in addition to any other remedy available for such violation, Lessor may, at its option, by written notice to Lessee require that Lessee remove the Major Alteration specified in such notice at Lessee's sole cost and return the Leased Premises to their condition prior to the unauthorized performance of the Major Alteration. If Lessee fails to remove such a Major Alteration and restore the Leased Premises to its original condition within sixty (60) days of the above-described written notice, or if such removal and restoration cannot be completed in sixty (60) days and Lessee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, Lessee shall promptly reimburse, as Additional Rent, the Lessor for any expense that Lessor incurs in performing such removal and restoration. Lessee may purchase such additional personal property, fixtures, equipment, furniture and other unattached

items of personal property which Lessee may like to place in the Leased Premises including, but not limited to, counters, shelving, chairs and other unattached movable machinery, equipment and inventory (collectively, the "Lessee Personal Property"), and the Lessee Personal Property shall be owned by Lessee and may be removed from the Leased Premises by Lessee at the end of this Lease; provided, however, that Lessee shall repair any damage to the Leased Premises caused by such removal. Lessee's Personal Property shall not include the equipment leased by Lessor to Lessee pursuant to that certain Equipment Lease between Lessor and Lessee dated as of \_\_\_\_\_ (the "Equipment Lease").

**VI. OPERATION, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES**

A. Operation. Lessee shall be responsible to procure and maintain all services and equipment necessary or required for its operation of the Hospitals and use of the Leased Premises.

B. Use. Lessee shall procure and maintain all licenses, permits and accreditations (if any) required for its use of the Leased Premises.

C. Maintenance and Repair.

1. Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, boilers, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, life/safety, sprinkler, lock and security, computer service, public address, air and water pollution control, and waste disposal systems, facilities, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good a working condition and repair (ordinary wear and tear and casualty excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or

replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable and regardless of by whom such items were placed in the Leased Premises. All maintenance, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Leased Premises. Lessee shall ensure that routine preventive maintenance and repairs are performed in accordance with manufacturer-recommended schedules by an authorized maintenance/repair contractor. Lessee shall be responsible for ensuring that all necessary certifications are maintained on any and all such equipment and machinery, including but not limited to certifications required by the State Fire Marshal and Louisiana Department of Health. If Lessee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of Lessor's notice that such maintenance repairs, restoration, or replacements are necessary (or within such longer period of time as may reasonably be required to commence such work), Lessor may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of Lessee, and shall be entitled to collect the same from Lessee as Additional Rental due hereunder within thirty (30) days of written demand by the Lessor.

2. It is understood and agreed that Lessor shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Leased Premises during the Term, that Lessor shall not be obligated at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises, and that Lessor shall not be obligated to maintain the Leased Premises in any respect whatsoever, whether at the expense of Lessor, Lessee or otherwise.

3. Lessee agrees that all Improvements to the Leased Premises constructed by Lessee pursuant to this Lease shall comply with the requirements of Title 40, Chapter 8, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC

FACILITIES FOR THE DISABLED COMMUNITY,” more specifically, sections La. R.S. 40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

4. Lessee further agrees to make, at its own expense and subject to obtaining any Lessor and other approvals that may be required by this Lease, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date, including the furnishing of required sanitary facilities and fire protection facilities, and Lessee shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with the order of the Louisiana State Fire Marshal. Lessee shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other safety equipment or devices, or any licenses or permits required by the State Fire Marshal’s office. At no expense to Lessor, Lessee agrees to comply with any order issued during the Term by the State Fire Marshal’s Office within the timeframe mandated by that Office.

5. Lessor agrees to preserve all available warranties of workmanship related to the Leased Premises and agrees to exercise its rights with respect to all such warranties with reasonable diligence following receipt of written request from Lessee.

6. Lessee further agrees to periodically paint the exterior and interior of the Leased Premises as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition, at Lessee’s sole cost.

7. Without limiting anything in this Lease, Lessee shall comply with the maintenance standards outlined in maintenance policies, procedures, manuals and logs maintained by each Hospital’s Director of Physical Plant (the “Maintenance Standards”). Lessee may propose alternative equivalent maintenance standards for approval by Lessor within forty-five (45) days of the execution of this Lease by all of the parties. Lessor, to the best of its

knowledge and belief, has maintained the Leased Premises in accordance with the Maintenance Standards.

D. Security and Other Services. Lessee shall at its sole cost provide or cause to be provided all security service, custodial service, janitorial service, medical waste disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and maintenance of the Leased Premises. Lessee acknowledges that Lessor has made no representation or warranty with respect to systems and/or procedures for the security of the Leased Premises, any persons occupying, using or entering the Leased Premises or any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises.

## **VII. UTILITIES**

Lessee shall arrange and timely pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Hospitals and the Leased Premises (individually or collectively, the “Utility Service”), and all Utility Service shall be obtained in or transferred to Lessee’s name as of the Commencement Date and maintained in Lessee’s name throughout the Term. Such payments shall be made by Lessee directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as Lessee may make. Lessor shall have no responsibility to Lessee for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service. Lessor shall not be in default under this Lease or be liable to Lessee or any other person

for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service by the provider of any Utility Service. All future telephone and other communications lines which are an addition to those already present shall be installed at the expense of the Lessee. Lessee shall be responsible for providing entrance cable and facilities into the building(s) to the extent not in place as of the Commencement Date to accommodate the telephone, computer and other electronic needs of the Leased Premises. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

### **VIII. INSURANCE**

A. Lessee Responsibility for Insurance Coverage. Throughout the Term of this Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Leased Premises, the following insurance (or, in each case and with Lessor's advance written approval, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

1. Special form (formerly known as "all risk") property insurance, including loss or damage caused by fire, lightning, earthquake, named storm, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge which insurance shall be in an amount not less than one hundred percent (100%) of the then-full replacement cost of the buildings and improvements on the Leased Premises, without deduction for depreciation;

2. A policy of commercial general liability insurance with respect to the Leased Premises and Lessee's operations, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement or repair of the Leased Premises of not less than \$5,000,000 combined

single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and contractual liability covering Lessee's indemnification obligations under this Lease;

3. A policy of motor vehicle liability insurance for all owned and non-owned vehicles, including rented or leased vehicles with coverage of not less than \$5,000,000 combined single limit per occurrence;

4. With respect to work to construct Improvements undertaken by Lessee on the Leased Premises, a Builder's Risk policy protecting Lessor against damage caused by demolition, pile or any precarious work, which requirement may be satisfied, at Lessee's option, as a part of a Builder's Risk policy provided by the contractor for a particular construction project;

5. Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Leased Premises, in an amount not less than \$5,000,000 with deductible provisions reasonably acceptable to Lessor;

6. Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State of Louisiana, or any act hereafter enacted as an amendment thereto or in lieu thereof, sufficient to cover all persons employed by Lessee in connection with its use of the Leased Premises; and

7. Pursuant to the provisions of La. R.S. 40:1299.39, et seq., medical malpractice liability insurance insuring claims arising out of malpractice or negligence occurring at or related to the operations of the Hospitals on the Leased Premises in an amount not less than \$1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to Lessor and



Lessee if Louisiana law limiting the amount of such claims is repealed or amended to raise the limits on such claims.

B. Additional Requirements.

1. All insurance required in this Article VIII and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana, and rated at least A- Class VII by Best's Insurance Reports or as otherwise approved by Lessor. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days' prior written notice to Lessor and the State.

2. All policies of liability insurance Lessee maintains according to this Lease will name Lessor and LSU and all of their board members, officers, administrators, employees and agents, and such other persons or firms as Lessor reasonably specifies from time to time as additional insureds (collectively, the "Lessor Insured Parties"), and Lessor shall also be named as a loss payee on any property damage insurance. In the event that Lessor approves Lessee's use of a commercially reasonable program of self-insurance, Lessee shall extend the coverage afforded thereby and all protections and benefits associated therewith to the Lessor Insured Parties as fully as though the Lessor Insured Parties were named as additional insureds and loss payees, as applicable, on a policy of commercial insurance.

3. Lessee shall deliver to Lessor upon occupancy of the Leased Premises certificates of insurance and declaration pages for each policy required by this Lease. Upon request by Lessor, Lessee shall promptly provide copies of original policies and all endorsements thereto.

4. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the Lessor Insured Parties.

5. All liability policies maintained by Lessee pursuant to this Lease shall be written as primary policies, not contributing with and not in excess of coverage that Lessor may carry, if any.

6. All insurance required hereby shall provide that the insurance companies issuing such required policies shall have no recourse against Lessor and LSU for payment of premiums or for assessments under any form of the policies.

7. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the Lessor Insured Parties.

8. All insurance required hereunder shall be occurrence coverage. Claims made policies are not allowed.

9. Any deductibles or self-insured retentions must be approved in writing by Lessor. Lessee shall be responsible for deductibles and self-insured retentions.

10. Lessee shall not: (a) do anything or fail to do anything which would allow an insurer insuring the Leased Premises to refuse or reduce a claim; (b) vary any required insurance in a manner that would adversely affect Lessor's interests without Lessor's prior written consent; or (iii) enforce, conduct, settle or compromise a claim relating to the Leased Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

C. Condemnation, Casualty and Other Damage. During the Term, the risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (individually or collectively, the "Casualty"), or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings or a conveyance in lieu thereof

(individually or collectively, the “Expropriation”) is expressly assumed by Lessee. None of the foregoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its Rent, or any other obligation hereunder, except as specifically set forth below. Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises caused as a result of a Casualty or an Expropriation.

D. Restoration Obligations.

1. During the Term, if all or any portion of the Leased Premises is damaged or destroyed by a Casualty, Lessee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at Lessee’s sole cost and expense. Lessee may, at its option and sole discretion, opt to demolish the damaged or destroyed buildings in accordance with La. R.S. 38:2212.2; provided, however, that Lessee shall obtain prior written approval of the Lessor prior to demolishing any building that existed on the Leased Premises when this Lease commenced and constructing new replacement buildings or other improvements under the procedures described in Article V above. Lessor shall not unreasonably withhold, condition or delay its consent to the demolition.

2. During the Term, if all or any portion of the Leased Premises is damaged or destroyed by a Casualty and Lessee is not reasonably able under the circumstances to repair, restore or replace the Leased Premises, all insurance proceeds received or payable as a result of such Casualty shall be paid to Lessor and shall be retained by Lessor, and Lessee shall pay to Lessor the amount of any unpaid deductible.

E. Compensation Award. If either the Shreveport Premises or the Monroe Premises (or both) shall be taken by Expropriation, this Lease shall terminate as of the date of such taking and

Lessor shall be entitled to the entirety of all compensation awarded or paid as result of taking of the Leased Premises, and Lessee shall promptly pay to Lessor any such compensation received. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Lessee, Lessee shall have the option to terminate this Lease. If this Lease is not terminated as provided in this Paragraph VIII.E, then the Rent shall be abated for the balance of the Term remaining in proportion to the market value of the Leased Premises so taken, unless Lessor, at its sole option, restores the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial Expropriation of the Leased Premises shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award in proportion to the value of any Unamortized Improvements made by Lessee to the Leased Premises and approved by Lessor and the State in accordance with this Paragraph V.A above. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense, if a separate award can be made to Lessee. Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award; provided, however, that no such separate claim by Lessee shall reduce any compensation or award to be made to Lessor.

## **IX. HAZARDOUS MATERIALS**

### **A. Hazardous Materials.**

1. Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, release, transported, stored, but not including materials existing in or about the Leased Premises prior to

the Commencement Date, or disposed of in or about the Leased Premises by Lessee or its officers, directors, employees, agents, invitees or sublessees, other than those Hazardous Materials usually and customarily used for the Permitted Use, as long as such materials are lawfully stored and used by Lessee and the quantity of such materials does not equal or exceed a “reportable quantity” as defined in 40 CFR § 302 as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or remediated or disposed of in compliance with all Laws applicable thereto. In no event shall Lessee cause the deposit, release, or discharge of any Hazardous Materials to the air, soil or groundwater of the Leased Premises in violation of applicable Law.

2. Notwithstanding Paragraph IX.A.1 above, Lessee shall have the right to continue to lawfully use and store certain Hazardous Materials as a “Large Quantity Generator” (collectively, “Permitted Excess”) directly related to the provision of medical services within the Leased Premises (collectively, “Permitted Excess Use”); provided, however, Lessee shall at all times fully comply with all applicable Laws and the provisions set forth in this Lease.

3. In the event any Hazardous Materials are in any manner generated, maintained, processed, produced, manufactured, used, treated, released, transported, stored, remediated or disposed of in or about Leased Premises, Lessee shall:

a) fully comply with all applicable Laws; provided, however, to the extent any provisions of federal, state, local, and other Laws conflict or provide inconsistent standards with respect to Hazardous Materials, Lessee shall comply with the strictest of such Laws in each such event of a conflict or inconsistency; and

b) apply for and maintain all required licenses, approvals, and other authorizations (including, without limitation, obtaining and maintaining for any Permitted Excess

a Hazardous Waste Generator Identification Number from the U.S. Environmental Protection Agency or any successor thereto); and

c) accurately mark and label all Hazardous Materials in or about the Leased Premises in accordance with applicable Laws; and

d) maintain at all times an accurate inventory of any Permitted Excess of Hazardous Materials in or about the Leased Premises (including, without limitation, the quantities all such Permitted Excess as well as the length of time such Permitted Excess is stored in or about the Leased Premises; and

e) maintain, update, keep, and preserve all other information and documentation with respect to Hazardous Materials as may be required by applicable Law and as may otherwise be requested by Lessor; and

f) cause all Hazardous Materials to be transported from the Leased Premises and disposed of only by professional haulers authorized to handle and transport Hazardous Materials by the U.S. Department of Transportation (“DOT”), all in accordance with applicable Laws; and

g) maintain, update, keep, and preserve all material safety data sheets, record keeping, reporting, and other tracking systems for Hazardous Materials (which shall include, without limitation, such records and manifests related to the transportation and disposal of any Hazardous Materials); and

h) provide appropriate training and updated training of personnel with respect to Hazardous Materials; and

i) devise, update, and maintain at all times a contingency plan for emergencies related in any way to Hazardous Materials which may be located in or about the Leased Premises; and

j) designate in accordance with applicable Laws and have available at all times such personnel and resources to respond to any emergency associated with Hazardous Materials; and

k) timely submit copies of all required reports, applications, inspections, renewals, updates, and other submittals to the appropriate authorities with copies simultaneously sent to Lessor and the State; and

l) not at any time use, store, or handle any such Permitted Excess in quantities or for lengths of time exceeding those permitted by applicable Laws; and

m) not apply for, seek or in any manner utilize any exemptions with respect to Hazardous Materials under applicable Laws without first obtaining Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; and

n) upon ceasing any Permitted Excess or Permitted Excess Use, comply with all closure provisions under applicable Laws and provide Lessor and the State with copies of all reports and other submittals with respect to such closure as well as copies of the final closure documentation; and

o) promptly respond to inquiries from Lessor or the State, or any other state agency, and provide such information and documentation with respect to Hazardous Materials in or about (or suspected to be in or about) the Leased Premises.

4. Lessor shall have access to, and a right to perform inspections and tests of, the Leased Premises as it may desire to determine Lessee's compliance with Laws and Lessee's obligations under this Article IX. Access shall be granted to Lessor upon Lessor's reasonable prior notice to Lessee and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Lessee's operations. Lessee shall reimburse Lessor for the costs and expenses incurred by Lessor for any such inspections and tests, and such amounts shall be

deemed Additional Rent payable in accordance with Paragraph II.B above. From time to time (including, without limitation, upon the expiration or earlier termination of this Lease), Lessor shall have the right, at its option and at Lessor's sole cost and expense, to undertake an environmental assessment of the Leased Premises to determine Lessee's compliance with all Laws and Lessee's obligations under this Article IX. Lessor and Lessee agree that Lessor's receipt of or satisfaction with any environmental assessment in no way waives any rights that Lessor holds against Lessee or affects any liabilities of Lessee under this Lease in any manner.

**B. Indemnification for Environmental Liabilities.**

1. Lessee agrees at its sole cost to indemnify, defend (with counsel reasonably acceptable to Lessor) and hold Lessor and the Lessor Indemnitees (as defined below) harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages except as set forth below), disbursements or expenses of any kind (including attorneys' and experts fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any of Lessor Indemnitees in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Paragraph IX.A above; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Lessor or Lessor's employees.

2. Nothing herein shall require Lessee to indemnify, defend and hold harmless Lessor or its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Leased Premises prior to the execution of this



Lease, except to the extent Lessee or its employees, agents, or contractors exacerbates or mishandles the same in violation of applicable Law.

C. Survival. The provisions of Paragraph IX.B above will survive the normal expiration or earlier termination of this Lease for a period of five (5) years; provided, however, the aforementioned five (5) year period shall not apply to limit any claim, investigation, or other proceeding that is pending at the time of such expiration/termination.

**X. INDEMNIFICATION**

A. Lessee's Indemnification to Lessor and to LSU.

1. Lessee shall indemnify, defend and hold harmless Lessor and LSU and all of their administrators, board members, officers, agents, and employees, together with any of their respective successors and assigns (collectively, the "Lessor Indemnitees"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is attributable to the acts, omissions, use of, and/or activities of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors. Lessee shall further indemnify, defend and hold harmless the Lessor Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts or omissions of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors occurring after the Commencement Date.

2. All the foregoing indemnification provisions shall apply to Permitted Uses, as well as uses that are not permitted under this Lease.

3. Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under this Article X.A shall not extend to any loss, damages or other claims to the extent proven to have arisen out of the gross negligence or willful misconduct of any Lessor Indemnitees arising out of Lessor's performance of its obligations under this Lease.

B. Lessor's Indemnification. To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its directors, officers, agents, employees, and contractors, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) to the extent resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor or the Lessor Indemnitees arising out of Lessor's performance of its obligations under this Lease.

## **XI. TAXES, FEES AND LICENSES**

A. Payment of Taxes. Lessee shall collect (as applicable) and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which accrue during the Term on or against or with respect to the Leased Premises, Lessee's Improvements or the business conducted by Lessee on the Leased Premises, if any (together with any related interest and penalties but excluding any taxes on the net income of Lessor), which may be payable or determined to be payable in connection with this Lease or the Leased Premises.

B. Licenses. Lessee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by Lessee on the Leased Premises.

**XII. EVENT OF DEFAULT; REMEDIES**

A. Lessee Event of Default. Each of the following shall be an Event of Default by Lessee (each, a "Lessee Event of Default") under the terms of this Lease:

1. failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within seven (7) calendar days after the date of written notice to Lessee of such failure; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph XII.A.1 in any calendar year, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any calendar year;

2. failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within seven (7) calendar days after the date of written notice to Lessee of such violation; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph XII.A.2 in any five-year period, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any five-year period;

3. a court Order for relief in any involuntary case commenced against Lessee, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, and said Order is not vacated within one hundred twenty (120) days, or the entry of a decree or order by a court having jurisdiction appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of, or for Lessee or a substantial part of the properties of Lessee or order winding up or liquidation of the affairs of Lessee, and the continuance of any such decree or order unstayed and in effect for one hundred twenty (120) consecutive days;

4. commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted;

5. any failure by Lessee to comply with any material obligations of this Lease (other than those failures described in Paragraphs XII.A.1 - XII.A.4 above), if such failure is not cured within fifteen (15) calendar days after the date of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence.

B. Lessor Event of Default. A default by Lessor (a "Lessor Event of Default") will occur under this Lease if Lessor fails to perform any of its material obligations or covenants under this Lease, and such failure is not cured within fifteen (15) calendar days after Lessor's receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within fifteen (15) calendar days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

C. Remedies.

1. In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to, terminate this Lease upon written notice to Lessee (a "Termination Notice"); provided, however, that any early termination of this Lease and any vacation and surrender of the Leased Premises by Lessee in connection therewith shall be subject to any wind-down provisions in the CEA.

2. At the normal expiration of the Term or on the earlier termination of this Lease for any reason (subject to any applicable wind-down provisions as set forth in Paragraph XII.C.1

above), Lessee shall vacate the Leased Premises and shall surrender the same to Lessor in good order and condition, ordinary wear and tear excepted.

3. Except as otherwise expressly provided in this Lease, all rights and remedies of the parties provided for herein shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former.

D. Termination of the CEA. The normal expiration or early termination of either the CEA for any reason shall result in the concurrent termination of this Lease subject to any applicable wind-down provisions in the CEA.

**XIII. NOTICES**

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

**If to Lessor:**

Division of Administration  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: Commissioner

With a copy to:

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

**If to OLH:**

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

With a copy to:

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

or to such other address as a Party may from time to time specify by written notice to the other Parties. Any such notice shall, for all purposes, be deemed to be given and received (a) if by hand or electronic delivery, when delivered, (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service.

**XIV. MISCELLANEOUS**

A. Lessor's Right to Enter Property. Lessor reserves the right, but shall be under no obligation, to enter the Leased Premises at any time to inspect the same, as long as Lessor's inspection does not unreasonably interfere with Lessee's operations or the provision of patient care in the Hospitals. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. Lessee shall not deny Lessor access to the Leased Premises in connection with Lessor's exercise of its inspection rights under this Paragraph XIV.A.

B. Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA.

C. Waiver. Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of such term or

condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the non-performance and fails to object to it. No waiver or breach shall affect or alter this Lease but each of the terms of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by either party shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

D. Severability. The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of this Lease or the CEA.

E. Recordation of Lease. It shall be the responsibility of Lessee to prepare an notice of this Lease (the "Notice"), which each party agrees to execute and to record in each of the Office of the Parish Recorder of the Parish of Caddo and the Parish Recorder of the Parish of Ouachita. The form of the Notice shall require the written approval of Lessor prior to recording. Lessee shall provide Lessor with a certified copy of the recorded Notice. Recordation of the Notice shall be at Lessee's expense.

F. Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with terms of this Lease.

G. Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

H. Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the

entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by all of the parties hereto.

I. Choice of Law; Venue. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. The parties agree that the exclusive venue for any court proceeding arising under this Lease is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

J. Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the Commissioner of Administration or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

K. Appropriation of Funds. All State and Lessor obligations under this Lease to make payments of any kind in any fiscal year shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, all as determined in their sole discretion by, respectively, the State and by Lessor.

IN WITNESS WHERE, the Parties have caused this Lease to be duly executed and delivered, as of the date first above written.



**LESSOR:**

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

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**LESSEE:**

**OCHSNER LSU HOSPITALS, L.L.C**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**EXHIBIT A-1 : SHREVEPORT PREMISES**

## BUILDINGS

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land and grounds appurtenant thereto, are included with and part of the "Shreveport Premises." The buildings are identified on the satellite images attached hereto as part of this Exhibit A-1 and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Hospital, including A Wing, B Wing, C Wing, D Wing, E Wing, F Wing, G Wing, H Wing, J Wing, K Wing, N Wing, O Wing, R Wing, S Wing, Laundry and Therapeutic Radiology
2	Feist Weiller Cancer Center
3	Eye Clinic
4	Women & Children's Center
5	Ambulatory Care Center
6	Spartan Building / Warehouse
7	WCC Powerhouse
8	Grounds Crew Building 2
9	Physical Plant
10	Grounds Crew Shop
11	Old Power Distribution
12	New Power Distribution
13	Kirby Street / Billing (see separate legal description attached hereto)
14	St. Vincent Ave. / Viral Disease Clinic (see separate legal description attached hereto )

### Special Considerations:

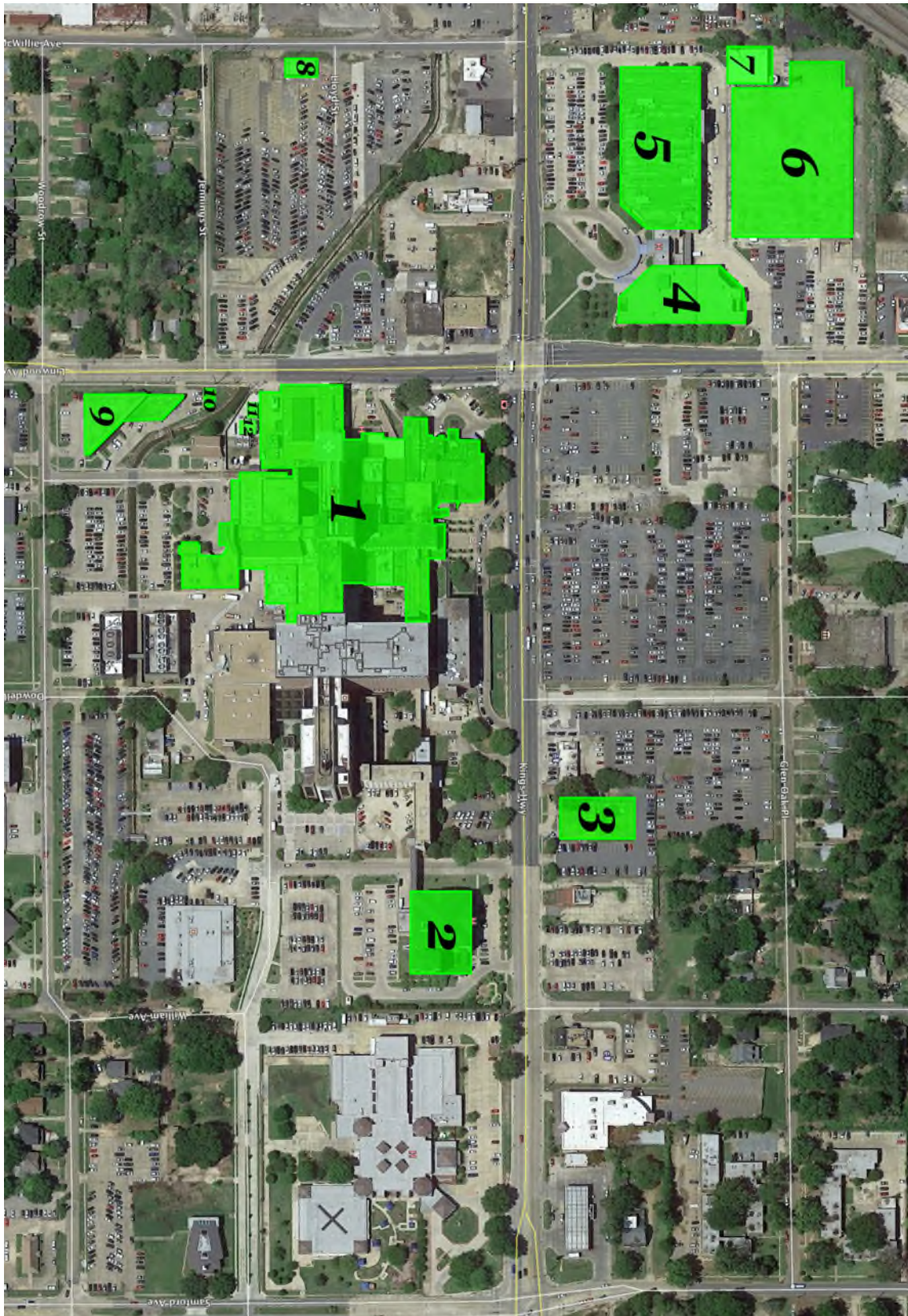
1. The Comprehensive Care Building. The Comprehensive Care Building is not considered part of the Shreveport Premises under this Lease, is not listed in the table above, and is not highlighted on the attached satellite image. However, that building is leased to Lessee pursuant to a separate lease agreement executed contemporaneously with this Lease at the rate of \$13.50 / square foot.

## 2. Additional Space:

- 2.1. Lessor Reserved Space. As of the Effective Date, Lessor and/or Lessor's permittees occupy and use the office, clinical, and lab space set forth in the attached table that is part of this Exhibit A-1 (the "Lessor Reserved Space"), and Lessee hereby subleases and assigns to Lessor and Lessor's permittees its right to occupy and use the Lessor Reserved Space for the Term of this Lease or until Lessor notifies Lessee that it no longer needs the Lessor Reserved Space. The Lessor Reserved Space is valued at \$13.50 per square foot, and Lessor shall, on a monthly basis, cause the payment to Lessee of the sum of EIGHTEEN THOUSAND TWENTY-EIGHT AND 13/100 DOLLARS (\$18,028.13) (being the total square footage of the Lessor Reserved Space (16,025 sq. ft.) multiplied by \$13.50 and divided into twelve equal installments), said payments being due and payable to Lessee on the first day of each month. Notwithstanding anything in this Lease to the contrary, and further notwithstanding any argument that Lessee's sublease and assignment of the Lessor Reserved Space to Lessor extinguishes by operation of law any remaining obligations that Lessee has regarding the Lessor Reserved Space (including without limitation by operation of the legal principle of confusion), Lessee's sublease and assignment to Lessor of the Lessor Reserved Space shall not release Lessee from and shall not otherwise operate to waive or extinguish any of Lessee's obligations regarding the Lessor Reserved Space under the Lease, it being the express intent and agreement of all of the Parties hereto that Lessee shall remain bound by and shall continue to perform all of its obligations regarding the Lessor Reserved Space under the Lease; by way of example only and without in any way limiting the generality of the foregoing, (a) Lessee shall continue to be liable for the full amount of the Rent under Article II of the Lease without any diminution or offset thereof for Lessor's occupancy and use of the Lessor Reserved Space, (b) Lessee shall continue to provide all services to the Lessor Reserved Space as set forth in Article VI of the Lease, (c) Lessee shall continue to provide all utilities to the Lessor Reserved Space as set forth in Article VII of the Lease, and (d) Lessee shall continue to maintain all insurance coverage for the Lessor Reserved Space as set forth in Article VIII of the Lease.
- 2.2. Additional Lessee Space. In addition to the buildings and facilities included in the table above, the office, clinical, and lab space set forth in the attached table that is part of this Exhibit A-1 (the "Additional Lessee Space") shall be included with and part of the Shreveport Premises and shall be subject to all of the terms of the Lease pertaining thereto. The Additional Lessee Space is valued at \$13.50 per square foot, and Lessee shall, on a monthly basis, pay to Lessor the sum of ELEVEN THOUSAND FOUR HUNDRED SIXTY-NINE AND 38/100 DOLLARS (\$11,469.38) (being the total square footage of the Additional Lessee Space (10,195 sq. ft.) multiplied by \$13.50 and divided into twelve equal installments), said payments being due and payable to Lessor on the first day of each month.

- 2.3. Lessee Storage Space. In addition to the buildings and facilities included in the table above, the storage space set forth in the attached table that is part of this Exhibit A-1 (the "Lessee Storage Space") shall be included with and part of the Shreveport Premises and shall be subject to all of the terms of the Lease pertaining thereto. The Lessee Storage Space is valued at \$6.00 per square foot, and Lessee shall, on a monthly basis, pay to Lessor the sum of EIGHT THOUSAND THREE HUNDRED SEVENTY-THREE AND 50/100 DOLLARS (\$8,373.50) (being the total square footage of the Lessee Storage Space (16,747 sq. ft.) multiplied by \$6.00 and divided into twelve equal installments), said payments being due and payable to Lessor on the first day of each month.
- 2.4. Adjustments. Lessor shall have the right (but not the obligation) on thirty (30) days' notice to cancel its sublease of all or any part of the Lessor Reserved Space, and Lessee shall have the right (but not the obligation) on thirty (30) days' notice to release back to Lessor all or any part of the Additional Lessee Space and Lessee Storage Space. Furthermore, Lessor shall have the right on ninety (90) days' notice to require Lessee to release all or any part of the Additional Lessee Space and all or any part of the Lessee Storage Space, and Lessee shall have the right on ninety (90) days' notice to cancel Lessor's sublease of all or any part of the Lessor Reserved Space. Notice under this Subsection 2.4 shall be given pursuant to Article XIII of the Lease and shall specify the date on which the cancellation/release (as applicable) shall be effective (the "Return Date"). Effective upon the Return Date, the subject space shall be returned to the other Party reasonably clean and ready for use and occupancy, and effective upon the first day of the calendar month immediately following the Return Date, a corresponding adjustment (calculated using the square footage values set forth hereinabove) shall be made to the monthly payments owed by the returning Party hereunder.

MAIN CAMPUS MAP



Buildings-4

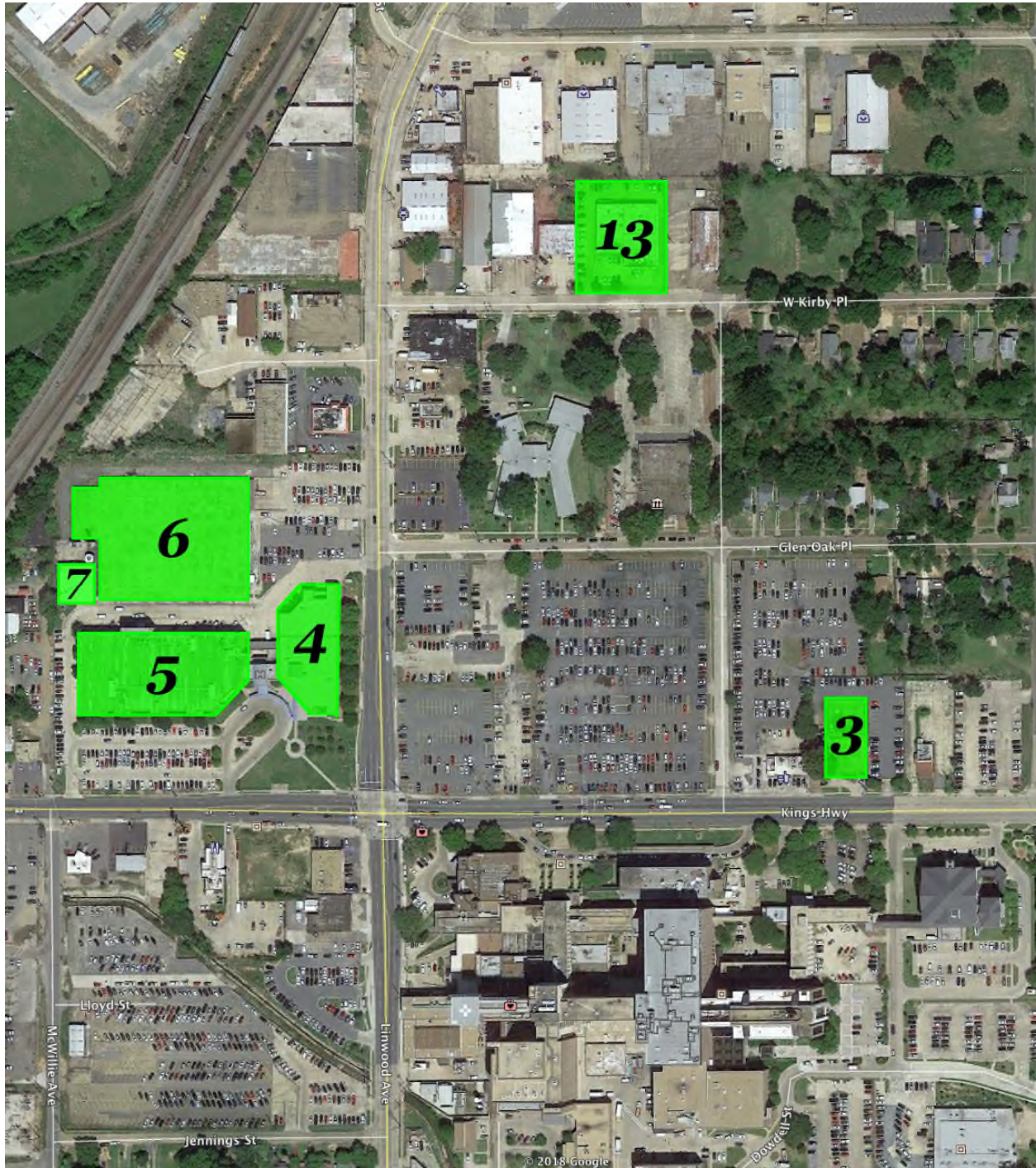
**KIRBY STREET / BILLING OFFICE : LEGAL DESCRIPTION**

TRACT I: The East 10 feet of Lots 110, 111, 112, 113 and 114; the East 10 feet of the South 2.8 feet of Lot 109; the West 65 feet of Lots 115, 116, 117, 118 and 119, and the West 65 feet of the South 2.8 feet of Lot 120; in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat of re-subdivision recorded in Conveyance Book 150, Page 76, Caddo Parish Records; said described property being the West 75 feet of the property acquired by Robert A. Mackey from Agora Corporation as per deed recorded April 26, 1960, Conveyance Book 892, Page 665, Caddo Parish Records, together with all buildings and improvements thereon.

TRACT II: The East 100 feet of the West 140 feet of Lots 110 through 114, both inclusive, and the South 2.8 feet of the East 100 feet of the West 140 feet of Lot 109, all in the re-subdivision of Blocks "A", "B" and "F" of the Sunny Slope Subdivision, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per plat thereof recorded in Conveyance Book 150, Page 76, Caddo Parish Records, together with all buildings and improvements located thereon.



**KIRBY STREET / BILLING OFFICE : MAP**



Buildings-6



**ST. VINCENT AVENUE / VIRAL DISEASE CLINIC**

Lot 1, FHT Subdivision, Unit No. 2, a subdivision in the City of Shreveport, Caddo Parish, Louisiana, as per that plat recorded in Book 1800 at Page 432 of the records of Caddo Parish, Louisiana, lying in the Southwest (SW) Quarter of the Southwest (SW) Quarter of Section 24, T17N, R14W, Shreveport, Caddo Parish, Louisiana, together with all building and improvements located thereon.



Buildings-7

## PARKING

The following parking lots are included with and part of the “Shreveport Premises.” The lots are identified on the attached satellite images and are shaded in blue with white numerals designating the lot numbers.

<b>Lot No.</b>	<b>Lot Name</b>	<b>Approx. Capacity</b>
1	X Lot	125
2	Ambulatory Care	165
3	J Lot	452
4	T Lot	53
5	N Lot	61
6	Feist Weiller Cancer Center	65
7	K Lot	17
8	Building C	25
9	Patient / Visitor Lots	329
10	P Lot	206
11	G Lot	13
12	Physical Plant	4
13	K Wing / Print Shop	7
14	H Lot	38
15	F Lot	74
16	Emergency Department	12
17	M1 South	312
18	MS South	249
	Kirby Street Billing Office / all on-site parking	
	St. Vincent Ave. Viral Disease Clinic / all on-site parking	

The parking capacity listed for each lot is approximate and no guarantee is made as to actual capacity.

Lessee shall be responsible at its sole cost and expense to maintain the parking lots listed above and all appurtenant walkways, lighting, and grounds and to perform all maintenance, repairs, restorations, and replacements thereto, and to maintain them in as good a working condition and repair as existed as of the Effective Date of the Master Hospital Lease, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable.

### Special Considerations:

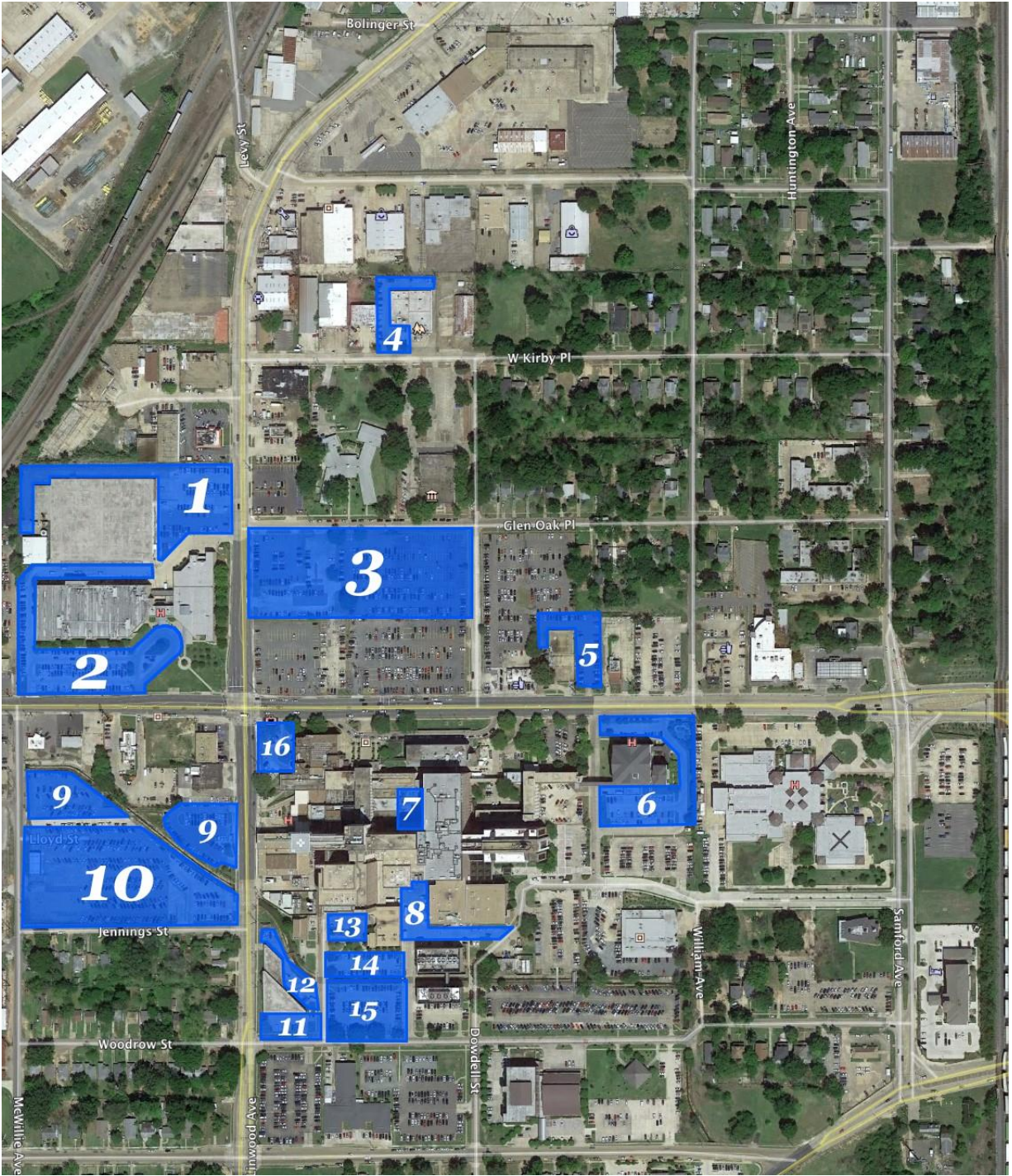
1. As of the Effective Date of this Lease, an undetermined number of employees and permittees of Lessee’s predecessor are parking in lots that are reserved to Lessor, and an undetermined number of employees and permittees of Lessor’s

predecessor are parking in lots that are reserved to Lessee. Lessor and Lessee agree that subject to Section 2 below, no later than the first anniversary of the Effective Date of this Lease, each shall have moved all of their respective employees and permittees out of the other's parking lots, and that after the first anniversary of the Effective Date, both Parties will ensure that their employees and permittees are not parking in lots reserved for the other's use.

2. Notwithstanding Section 1 above:

- 2.1. Lessee agrees to reserve during the Term of this Lease the use of ten (10) parking spaces within N Lot (Lot No. 5) for use by Lessor and Lessor's permittees at no additional cost or consideration to Lessor.
- 2.2. Lessee agrees to reserve during the Term of this Lease the use of four (4) parking spaces within the Feist Weiller Cancer Center Lot (Lot No. 6) for use by Lessor and Lessor's permittees at no additional cost or consideration to Lessor.
- 2.3. Lessee agrees to allow during the Term of this Lease interns, residents, and fellows working in the Shreveport Hospital to park in Lot P (Lot No. 10) and Lot F (Lot No. 15) at no additional cost or consideration to Lessor.





Parking-3





Parking-4

**EXHIBIT A-2 : MONROE PREMISES**

## BUILDINGS

The following buildings and facilities, including all heating, ventilating, air conditioning, boilers, mechanical, electrical, elevator, telephone, cable and other utility, plumbing, fire, life-safety, sprinkler, lock and security, computer, public address, air and water pollution control, and waste disposal systems, facilities, and fixtures appurtenant thereto, and all of the surrounding land, grounds, and parking areas appurtenant thereto, are included with and part of the "Monroe Premises." The buildings are identified on the satellite images attached hereto as part of this Exhibit B and are shaded in green with black numerals designating the building numbers.

<b>Bldg. No.</b>	<b>Building</b>
1	Morgue Ambulance Building
2	Maintenance Building
3	Family Practice Building
4	Main Hospital Building
5	Power & Maintenance Building
6	Med II Clinic Building
7	Security / Medical Records Building
8	Covered Walkways
9	Storage Enclosure Building
10	Switchgear Building
11	TMP Building 1
12	TMP Building 2
13	Emergency Preparedness Building
14	Maintenance / Surplus Storage Building (see note below)
15	Electronic Medical Records
16	Maps
17	Physicians Building
18	Helipad

Special Considerations:

1. Maintenance & Surplus Storage Building. The Maintenance & Surplus Storage Building burned prior to the Effective Date and is currently being rebuilt by the State of Louisiana. Once the building is complete it will become part of the Monroe Premises.
2. Parking. LSU faculty, physicians, and staff will be allowed to park in parking areas of the Monroe Premises at no additional cost or consideration to LSU.





Formosa Ave

Mimosas Dr

Levee