

LEASE
(Lake Charles Hospital Site)

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

This contract of Lease (“Lease”) is made and entered into effective the 23rd day of June, 2013 by and between:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation of the State of Louisiana, represented herein by William L. Jenkins, Interim President of the Louisiana State University System, duly authorized by virtue of a Resolution of the Board of Supervisors, adopted May 28, 2013, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as “LSU” or "Lessor");

THE STATE OF LOUISIANA (“State”), THROUGH THE DIVISION OF ADMINISTRATION (“DOA”), herein represented and appearing through Kristy H. Nichols, 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, and

SOUTHWEST LOUISIANA HOSPITAL ASSOCIATION d/b/a Lake Charles Memorial Hospital, a Louisiana nonprofit corporation, represented by Larry M. Graham, its President, duly authorized by virtue of a resolution adopted _____, a copy of which is attached hereto, with a mailing address of 1701 Oak Park Boulevard, Lake Charles, Louisiana 70601, (Federal I.D. No. XX-XXX_____) (hereinafter referred to as “SOUTHWEST” or "Lessee"),

provides as follows:

WITNESSETH

WHEREAS, Lessee owns and operates a major hospital committed to improving access to healthcare in its service area; and,

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana, and LSU’s institutions, including its medical schools and

hospitals, are under LSU's supervision and management pursuant to La. Const. Art. VIII, Section 7 and La. R.S. 17:3215; and,

WHEREAS, Lessee and LSU support building a new model for the relationship between a major hospital and a school of medicine and its teaching and/or health care programs, and that this new model will provide physicians and patients with a new environment of care that optimizes the use of all resources; and,

WHEREAS, LSU, Lessee, the Louisiana Department of Health and Hospitals and Division of Administration are parties to a Cooperative Endeavor Agreement dated June 23, 2013, (the "CEA") through which LSU, Lessee, the Louisiana Department of Health and Hospitals and DOA will collaborate; and,

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

WHEREAS, LSU and Lessee through their collaboration, desire to provide medical services at Lake Charles Memorial Hospital and in outpatient clinics operated by Lessee; and,

WHEREAS, LSU is the owner of certain immovable property with all buildings and improvements thereon, and the equipment located therein (herein "Equipment") which Equipment is reflected on Exhibit "A" hereof, which buildings, improvements, and equipment are located in Lake Charles, Louisiana (the "Leased Premises"), the legal description of which is attached hereto as Exhibit "B"; and,

WHEREAS, the Leased Premises will be leased by Lessor to Lessee for the purpose of operating outpatient clinics, diagnostic centers, and other Permitted Uses (defined below); and,

WHEREAS, this Lease furthers the educational and public service missions of Lessor; and the purposes of the CEA; and,

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

**ARTICLE I.
LEASED PREMISES, EQUIPMENT AND TERM**

For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises and Equipment unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for an initial term of ten (10) years (the "Initial Term", and together with any Renewal Terms, the "Term"), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein and in the CEA. Unless Lessee provides a written notice of non-renewal to Lessor at least ninety (90) days prior to the end of the then-current Term of the Lease, the Term of the Lease automatically shall extend for up to five (5) successive periods of one (1) year each (each, a "Renewal Term"), so that the maximum possible Term of the Lease shall be fifteen (15) years.

For the purposes of this Lease, the "Commencement Date" shall mean the 24th day of June, 2013 at 12:00:00 a.m., unless mutually extended by the parties by written consent, which consent shall not be unreasonably withheld.

**ARTICLE II.
RENT**

Section 2.1 Quarterly Rent. During the Term, the annual consideration for this Lease is the payment by Lessee to Lessor of a sum equal to \$2,487,000.00, payable in four (4) equal quarterly installments (the "Quarterly Rent") of \$621,750.00 each, with the first installment being due and payable on the Commencement Date, and the remaining installments being due and payable, respectively on the 1st day of each calendar quarter thereafter (so that

Quarterly Rent payments will be due no later than each January 1, April 1, July 1 and October 1 during the Term). In the event the Commencement Date should be a date other than the first day of a calendar quarter, the first Quarterly Rent payment shall be prorated to the end of that calendar quarter. In the event that the last day of the Term is a day other than the last day of a quarter, the last Quarterly Rent payment shall be prorated from the first day of that final quarter of the Term to the last day of the Term.

Section 2.2 Advance Rent. On or before June 27, 2013, Lessee shall pre-pay to Lessor a portion of the Rent as follows: Quarterly Rent in the total amount of \$3,730,500.00 shall be prepaid by Lessee, which payment represents the full value of the Quarterly Rent payments for one and one-half (1½) years of the Term. The prepayment shall be considered a payment of the entire Quarterly Rent due during the last half of the ninth (9th) and the entire tenth (10th) year of the Initial Term. Should this Lease terminate due to the default of Lessor, DOA or DHH, or due to a Terminating Event under and as defined in the CEA occurring because of the fault or failure of LSU, DOA or DHH, to the extent allowed by Law, and in addition to any other amounts that may be due to Lessee in consideration of State's obligations pursuant to the CEA to assist in preserving LSU's medical education programs, to provide health care to the community and to seek to reduce the financial burden on the State of providing this assistance, the Division and Lessor will refund to Lessee all prepaid Rent (with appropriate pro-ration if the Lease is terminated during the last year of the Term), but only to the extent such refund is funded by the State in accordance with Section 16.12 hereof; provided, however any obligation of the State to fund, and the Division and Lessor to refund, prepaid Rent shall be reduced on a dollar-for-dollar basis to the extent any State, Division and/or Lessor funds are expended to improve the

Leased Premises subsequent to the Commencement Date of this Lease because of a failure by Lessee to satisfy its obligations hereunder.

Section 2.3 Additional Rent. In addition to the Advance Rent and Quarterly Rent, the Lessee shall also pay any and all other charges or payments which Lessee is or becomes obligated to pay pursuant to this Lease (the "Additional Rent"). (The Advance Rent, Quarterly Rent and Additional Rent may be referred to collectively herein as the "Rent"). Except as otherwise set forth herein, any Additional Rent owed to Lessor shall be due within thirty (30) days after receipt of the invoice, with reasonable description and itemization of the charge, from Lessor.

Section 2.4 Rent Payments. Except for the Advance Rent which shall be either wired to LSU or actually delivered to LSU in the form of certified funds, on or before June 27, 2013, all Rent is payable by Lessee to Lessor at the following address, until notified differently in writing by Lessor: P. O. Box 91308, Baton Rouge, Louisiana 70821.

Section 2.5 Adjustments to Quarterly Rent.

(a) The parties agree that as of the end of the fifth (5th) year of the Term and as of the end of every five (5) year period thereafter (each an "Adjustment Date"), the Quarterly Rent may be reviewed and adjusted to the then current fair market value for the rental of the Leased Premises and Equipment and other related values and benefits (the "Fair Market Rental Value"). Any calculation of Fair Market Rental Value for the Quarterly Rent shall assume that the terms and conditions of this Lease, other than the amount of the Quarterly Rent, will continue to apply. Lessor and Lessee shall make good faith efforts to agree as to any adjustment of the Quarterly Rent to account for a change in value. In the event Lessor and Lessee cannot so agree in writing as set forth above no later than four (4) months prior to an Adjustment Date, either

Lessor or Lessee may initiate the following procedure to have the Quarterly Rent for the subsequent five (5) year period determined by independent appraisal.

(i) Either Lessor or Lessee may initiate the appraisal process by providing a written notice that it is invoking the procedure described in this Section 2.5(a).

(ii) Within twenty (20) days after the date of the written notice by one party to the other that it intends to revalue the Quarterly Rent, Lessor and Lessee shall each appoint an appraiser having at least ten (10) years' experience appraising commercial real estate in the Lafayette area and who is a member of the Appraisal Institute (hereinafter, a "Qualified Appraiser"). Each Qualified Appraiser shall make an estimate of the Fair Market Rental Value for the Leased Premises as of the beginning of such five (5) year period. Each party shall notify the other of the appointment of its Qualified Appraiser within ten (10) days after the appointment. Each party shall deliver to the other party a copy of its Qualified Appraiser's written report no later than sixty (60) days after the appointment of its Qualified Appraiser. If only one party appoints its Qualified Appraiser and delivers its Qualified Appraiser's report within sixty (60) days of the appointment of its Qualified Appraiser, then the Fair Market Rental Value shall be the value determined by that Qualified Appraiser. If neither party appoints a Qualified Appraiser or neither party delivers its Qualified Appraiser's report within sixty (60) days after the appointment of its Qualified Appraiser, then Lessee shall pay the Rent calculated for the previous five (5) year period.

(iii) If the difference between the Fair Market Rental Value conclusions of the Qualified Appraisers is less than ten (10%) percent, the Rent shall be set at the average of the two.

(iv) If the difference between the Fair Market Rental Value conclusions of the Qualified Appraisers is greater than ten (10%) percent, then the two Qualified Appraisers shall agree on a third Qualified Appraiser who shall be furnished the appraisal reports of the first two Qualified Appraisers along with any additional evidence the third Qualified Appraiser shall deem reasonably appropriate. The Fair Market Rental Value conclusion and report of such third Qualified Appraiser shall be conclusive as to the Fair Market Rental Value for the applicable five (5) year period. Should this process not be complete by the applicable Adjustment Date, the Rent for the previous five (5) year period shall continue until the third Qualified Appraiser has delivered his written Fair Market Rental Value conclusion and report to Lessor and Lessee, and the Rent for any partial quarter shall be prorated accordingly.

(v) The fees of the Qualified Appraisers shall be borne by the party initiating the foregoing process.

Section 2.6 Net Lease. This Lease is intended to be a net lease, meaning that except for any Rent abatement rights specifically set forth in this Lease, the Rent provided for herein shall be paid to Lessor without deduction for any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with the management, operation, maintenance and capital renewal of the Leased Premises and Equipment, including without limitation all costs and expenses described in Article VI hereof. Under no circumstances will Lessor 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 or with respect to the Leased Premises and Equipment under this Lease.

**ARTICLE III.
USE**

Section 3.1 **Permitted Uses.** The Leased Premises and Equipment shall be used and occupied by Lessee solely for medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations or any other medical, educational or hospital use or uses (including, without limitation, surgical, research and laboratory facilities) together with any uses that are accessory to any of the foregoing ("Permitted Uses"), and for no other purposes without the prior written consent of Lessor. Notwithstanding the fact that hospital use or uses as described above are a "Permitted Use" hereunder, Lessor and Lessee acknowledge and agree that, as of the date hereof, Lessee does not plan to operate the Leased Premises as a hospital or to have active inpatient beds at the Leased Premises.

Lessee will conduct its business on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (herein "Law") and in accordance with the provisions of the CEA.

**ARTICLE IV.
SUBLETTING AND ASSIGNMENT**

Section 4.1 **No Assignment.** Lessee may not, without the prior written consent of Lessor, assign, mortgage or otherwise encumber in whole or in part this Lease or any interest therein; provided, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, assign its interest as Lessee under this Lease to a non-profit corporation or low profit limited liability company, non-profit or low profit limited liability partnership, or other non-profit legal entity wholly owned or controlled by Lessee, or to any non-profit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that such assignee assumes Lessee's obligations hereunder by operation of

Law or agrees to assume in writing Lessee's obligations hereunder without release of Lessee, all in form and substance approved in writing by Lessor.

Section 4.2 No Subletting. Lessee, without the prior written consent of the President of the LSU System or his designee (the "Lessor Representative"), which consent shall not be unreasonably withheld, may not sublease or grant any other rights of use or occupancy of all or any portion of the Leased Premises and/or Equipment; provided, Lessee may, with prior written notice to Lessor, but without the consent of the Lessor Representative, grant one or more subleases of or grant any other rights of use or occupancy of all or a portion of the Leased Premises and/or Equipment (collectively "Permitted Subleases") to (1) a nonprofit corporation, or low-profit limited liability company, nonprofit limited liability partnership, or other nonprofit legal entity wholly owned or controlled by Lessee, or to any nonprofit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee; (2) retail subtenants such as restaurants, drug stores, flower shops, newsstands, brace shops, and other subtenants which support the operations of the Leased Premises for the Permitted Uses, and which would be routinely housed in similar settings; (3) a third party with which (i) Lessee and (ii) Lessor have an affiliation agreement relating to the healthcare, academic or research activities conducted in the Leased Premises; and (4) any entity or entities for Permitted Uses so long as such sublease or grant does not affect more than 15% of the square footage of the Leased Premises, and so long as such sublease or grant does not materially conflict with or materially diminish, or be materially inconsistent with the Public Purpose as such term is defined in the CEA; provided that all such Permitted Subleases shall be subject and subordinate to all of the terms and conditions of this Lease and the use of the Leased Premises and/or Equipment permitted under any such Permitted Sublease shall be in accordance with the applicable terms

and conditions of this Lease, and further provided that such sublessee expressly acknowledges the above in the sublease. Any such Permitted Sublease for which such prior written consent of the Lessor Representative is not required pursuant to this Section 4.2 shall: (a) have a term not exceeding the Term of this Lease; and (b) further the mission of the Public Purpose as set forth in the CEA. Any subleases not meeting the foregoing criteria shall be submitted to the Lessor Representative for its prior review and approval, which approval shall not be unreasonably withheld. Any failure of the Lessor Representative to respond within thirty (30) days of receipt of such written request shall be deemed consent. In the event the Lessor Representative disapproves such a request, the Lessor Representative shall give written reasons for such disapproval. The foregoing shall be exclusive of any subleases to LSU, all of which subleases are hereby consented to. Under no circumstances may Lessee sublease any space for any adult establishment (as defined by an applicable zoning code) including, but not limited to, adult bookstore, adult movie theater, adult novelty shop, tattoo shop, adult cabaret, liquor store or tobacco shop. Furthermore, notwithstanding anything contained in the Lease to the contrary, Lessee shall not enter into any sublease of all or part of the Leased Premises with any physicians group or medical practice if such sublease would be materially inconsistent with the Public Purpose as such term is defined in the CEA. Any sublease shall contain a provision to the effect if this Lease is terminated for any reason, the sublease, at Lessor's sole option, shall (i) continue in full force and effect with LSU being automatically substituted for Lessee as the Lessor under such sublease, with no liability for LSU for any obligations of Lessee (or any permitted assignee) which arose before LSU exercised its option to continue the sublease, and (ii) be terminated without any liability to LSU or DOA. Further, any sublease shall contain a provision restricting the sub-sublease or assignment of all or any part of such sublease.

Section 4.3 Lessee Remains Liable. In no event shall any assignment or subletting of all or any portion of the Leased Premises and/or Equipment release Lessee from any obligations under the Lease, unless such release shall be evidenced by Lessor's express written agreement at the time of the assignment or subletting, which agreement may be withheld in Lessor's sole discretion.

**ARTICLE V.
IMPROVEMENTS AND ALTERATIONS BY LESSEE**

Section 5.1 Lessee's Improvements and Alterations.

(a) Lessee shall not make any Major Alteration (defined herein) to the Leased Premises without the prior written approval of Lessor, which approval can be given by the Lessor Representative or by the Director of Facility Planning in the LSU President's Office and DOA, which approval shall not be unreasonably withheld or delayed. In connection with any requested Major Alteration, Lessee shall submit to Lessor and DOA an explanation of the work proposed to be carried out, in a level of detail required by Lessor and DOA in their reasonable discretion, and including plans and specifications therefor unless the requirement of such plans and specifications is waived in writing by Lessor and DOA in their reasonable discretion. If neither Lessor nor DOA has notified Lessee of Lessor's and DOA's approval or denial (with written reasons in the event of a denial) of a request for consent to a Major Alteration within thirty (30) days after receipt by the Lessor Representative and DOA of such information as is necessary to describe the Major Alteration in reasonable detail, Lessor and DOA shall be deemed to have approved the request. It is expressly agreed that LSU may deny any Major Alteration if it would, in LSU's opinion, adversely affect the Leased Premises from again being operated as a hospital.

(b) A "Major Alteration" is any alteration or other change to the Leased

Premises: (i) which is structural in nature; (ii) which would materially change the Leased Premises exterior appearance or structure limit line, (iii) which would materially change or affect the electrical, mechanical, heating, ventilating and air conditioning or utilities systems or routing servicing of the Leased Premises, or (v) which is estimated in good faith to cost in excess of \$500,000.00. Unless otherwise specifically provided herein, all alterations and improvements to the Leased Premises, including, but not limited to, Major Alterations, (collectively, "Improvements") shall be performed by Lessee, at no cost or expense to Lessor or the DOA. All Improvements shall be made in accordance with La. R.S. 17:3361, et seq. 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 and/or DOA of any Major Alterations shall not constitute any warranty by Lessor or DOA 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. 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 Improvements to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Major Improvements.

(c) Before the commencement of any work in excess of One Million Dollars

(\$1,000,000.00) 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 Section 5.1(c) may be waived with the consent of Lessor and DOA.

(d) The rights, responsibilities and obligations of the DOA shall be governed by the provisions of La. R.S. 17:3361, La. R.S. 40:1724, and all other regulatory and statutory authority granted to the DOA with respect to maintenance, repair and/or improvements to public buildings and property.

(e) Upon termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section 12.1 hereof), in addition to any other amounts that may be due to Lessee, LSU and DOA 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 and DOA in accordance with this Section 5.1, and to the extent required in accordance with Section 5.1(b) above, computed on a GAAP basis, but only to the extent such payment is funded by the State in accordance with Section 16.12 hereof; provided, however, any such obligation to pay pursuant to this Section 5.1(e), shall be reduced on a dollar-for-dollar basis to the extent any State, Division or Lessor funds are expended to improve the Leased Premises subsequent to the Commencement Date of this Lease, because of a failure by Lessee to satisfy its obligations hereunder.

Section 5.2 Cost of Lessee's Improvements. Lessee shall be solely responsible for the costs of all Improvements to the Leased Premises undertaken by Lessee pursuant to Section 5.1. Following completion of the 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 termination of the Lease without any cost to Lessor. Notwithstanding the foregoing, if Lessee performs a Major Alteration without obtaining Lessor's and DOA's consent (or deemed consent as set forth above), 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 and return the Leased Premises to their condition prior to the unauthorized performance of the Major Alteration. If Lessee fails to remove such 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 shall pay the cost for any additional personal property, fixtures, equipment, furniture and other unattached items of personal property which Lessee may place in the Leased Premises including, but not limited to, counters, shelving, showcases, chairs and other unattached movable machinery, equipment and inventory (collectively, "Personal Property"), and the Personal Property shall be and remain the property of Lessee and may be removed by Lessee at any time or times prior to the expiration of the Term; provided, however, that Lessee shall repair any damage to the Leased Premises and/or Equipment caused by such removal. Lessee's Personal Property shall not include the Equipment leased by Lessor to Lessee pursuant to this Lease.

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

Section 6.1 **Operation**. Lessee shall be responsible to procure and maintain all utilities, services and equipment necessary or required for its use of the Leased Premises and Equipment.

Section 6.2 **Use**. Lessee shall procure and maintain all licenses, permits and accreditation (if any) required for its use of the Leased Premises and Equipment.

Section 6.3 **Maintenance and Repair**

(a) Lessee shall, at its sole cost and expense during the Term, 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, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, roof, structural walls, sewer lines, including any septic tank and effluent disposal system that may be necessary, and foundations, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good or better working condition and repair (ordinary wear and tear 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, or are at the fault of Lessee, Lessor or some other party, and regardless of by whom such items were placed in the Leased Premises; provided, however, Lessor or DOA shall provide any maintenance and improvements to the Leased Premises funding for which has been included in a line of credit granted by the State Bond Commission prior to the effective date of this Lease. 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. If Lessee fails to commence such maintenance, repairs, restoration, or replacements, within 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 30 days of written demand by the Lessor. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that Lessee does not presently intend to operate the Leased Premises as a hospital and, as such, while Lessee shall generally maintain the Leased Premises as provided above and shall not permit the same to go to waste, Lessee shall not be required to return the Leased Premises to Lessor in condition as an operating hospital facility.

(b) Lessee shall have full and sole responsibility for the condition, repair, maintenance and management of the Equipment; provided, however, that Lessee shall not owe any maintenance obligation under this Lease respecting any item of Equipment that is not in good working order as of the Commencement Date. Lessee shall provide written notice to LSU no later than thirty (30) days after the Commencement Date of this Lease of any specific items of Equipment that were not in good working order as of the Commencement Date. Lessee shall maintain the Equipment and each and every portion thereof in good working order and condition and shall be solely responsible for all costs and expenses accrued or incurred in connection therewith. Lessor shall not be responsible for any repairs to or maintenance of the Equipment, whether ordinary or extraordinary, foreseen or unforeseen, structural or non-structural. Lessee shall maintain accurate records of all material work performed in furtherance of its obligations under this Section.

(c) 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 and Equipment during the Term. Lessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises and Equipment, or maintain the Leased Premises and Equipment in any respect whatsoever, whether at the expense of Lessor, Lessee, or otherwise.

(d) Lessee agrees that all Improvements to the Leased Premises constructed by the Lessee pursuant to this Lease shall comply with the requirements of Title 40, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR PHYSICALLY HANDICAPPED," 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, all as required for the Leased Premises' actual use from time to time (acknowledging, however, that Lessee does not presently intend to operate a hospital from the Leased Premises and, as such, shall not be required to comply with codes applicable to hospitals specifically unless Lessee is operating the Leased Premises as a hospital at any time during the Term).

(e) Lessee further agrees to make, at its own expense, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date (subject to obtaining any Lessor approvals that may be required by this Lease), 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; provided however, that in the event

of any Major Alterations to the Leased Premises, the written consent of the Lessor must be obtained prior to the commencement of any work in accordance with Section 5.1 hereof. 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.

(f) Lessee accepts the Leased Premises and Equipment in their "as is" condition, that being the condition or state in which the Leased Premises and/or Equipment exist at the effective date of this Lease, without representation or warranty, express or implied, in fact or in Law, oral or written, by Lessor, except as set forth in Section 6.3(i) herein below. Lessor agrees to preserve all available warranties of workmanship, if any exist, related to the Leased Premises and agrees to exercise its rights with respect to all such warranties, if any, which then exist, with reasonable diligence following receipt of written request from Lessee.

(g) Lessee further agrees to do at no expense to Lessor, painting of the exterior and interior as applicable and as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition.

(h) Lessee shall have the sole responsibility of all maintenance and repairs to all equipment operational at the time of occupancy, to the extent needed for its use of the Leased Premises or to the extent necessary to preserve and protect the Leased Premises, including but not limited to boilers, elevators, HVAC, fire panels, lock and security systems and the public address system, and shall ensure that all such equipment is properly maintained in clean, safe, and continues in an operable condition. Lessee shall be responsible for all routine preventive

maintenance and repairs on all such operational equipment, including but not limited to, the HVAC systems, provided, that any such routine preventive maintenance and repairs shall be performed in accordance with manufacturer recommended schedules and be performed by an authorized maintenance/repair contractor. Lessee shall be responsible for ensuring that all necessary certification is maintained on any and all such equipment and machinery, including, but not limited to, certification required by the State Fire Marshal and the Department of Health and Hospitals.

(i) Furthermore, Lessee shall comply with the standard outlined in Exhibit "C" attached hereto. Lessee may propose in writing alternative equivalent maintenance standards for approval by Lessor and DOA within sixty (60) days of execution of this Lease; if Lessor and DOA have not notified Lessee in writing of Lessor's and DOA's approval or denial of such alternative equivalent maintenance standards within thirty (30) days after receipt of such written proposal from Lessee, Lessor and DOA shall be deemed to have approved the proposal. Lessor, to the best of its knowledge and belief, has maintained the Leased Premises in accordance with the standards set forth on Exhibit "C" hereto.

Section 6.4 Security and Other Services. Lessee shall provide or cause to be provided all utilities, 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, in accordance with reasonable and prudent business practices utilized for similar facilities.

**ARTICLE VII.
USE, MAINTENANCE AND REPAIRS OF EQUIPMENT**

Section 7.1 Permitted Use. Subject to the terms and provisions hereof, Lessee may use the Equipment solely for a Permitted Use, and for no other purposes without the prior written consent of Lessor. Lessee's use of the Equipment shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish, or municipal government now or hereafter in effect, including all environmental laws and regulations and further including all material orders, rules, and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. Lessee shall not make any use of the Equipment which may make void or voidable any policy of insurance required to be maintained by Lessee pursuant to this Lease.

Section 7.2 Operation. Lessee shall provide all equipment, furnishings, supplies, facilities, services, and personnel required for the proper use, operation, and/or management of the Equipment in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations.

Section 7.3 Lost and Stolen Equipment. Whenever Lessee has knowledge or reason to believe that any Equipment has been lost or stolen during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such lost/stolen Equipment as required by law. Lessee shall promptly replace all lost and stolen Equipment with comparable items of substantially similar specification and value, which items shall be owned by LSU and shall be considered Equipment subject to this Lease, and Lessee shall be solely responsible for all costs and expenses incurred in connection therewith; alternatively, and in lieu of replacing the

lost/stolen Equipment, Lessee may pay to Lessor the replacement cost of said lost/stolen Equipment.

Section 7.4 Damaged Equipment. Whenever Lessee has knowledge or reason to believe that any Equipment has been damaged during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such damaged Equipment as required by law. Lessee shall promptly repair all damaged Equipment to substantially the same condition thereof as existed prior to the event causing such damage, and Lessee shall be solely responsible for making all required repairs to damaged Equipment; alternatively, in lieu of repairing the damaged Equipment and in the event the damage is covered by Lessee's insurance and not subject to any deductible, Lessee may pay the insurance proceeds stemming from the damage to LSU, provided said proceeds are sufficient to fairly compensate LSU for the damage. Lessee may not dispose of any damaged Equipment except as set forth in this Article VII.

Section 7.5 Relocation of Equipment. Lessee shall be solely responsible for any costs or expenses of any kind incurred relocating Equipment (except for the cost of relocating Equipment returned to Lessor pursuant to Section 7.8 below).

Section 7.6 Compliance with State Law. Lessee shall assume all of the "Property Control" obligations for the Equipment set forth in Title 39 of the Louisiana Revised Statutes, Chapter 1, Part XI (La. R.S. 39:321 – 39:332), and in Title 34 of the Louisiana Administrative Code, Part VII (sections 101 – 901), including but not limited to:

(i) The obligation to appoint a Property Manager as required by La. R.S. 39:322, and to post a faithful performance of duty bond as required by La. R.S. 39:330;

(ii) The obligation to maintain property identification marks on the Equipment as required by La. R.S. 39:323;

(iii) The obligation to make a complete physical inventory of the Equipment once each fiscal year as required by La. R.S. 39:324 and Section 313 of Part VII of Title 34 of the Louisiana Administrative Code, and to make annual reports thereof to the Commissioner of Administration and the Legislative Auditor as required by La. R.S. 39:324 and 39:325;

(iv) The obligation to maintain a master file of the agency inventory of Equipment as required by La. R.S. 39:324, and to maintain a property location index which shall be used to keep track of the location of the Equipment as required by Section 311 of Part VII of Title 34 of the Louisiana Administrative Code;

(v) The obligation to submit property control transmittal forms to the Louisiana Property Assistance Agency on a monthly basis as required by Section 317 of Part VII of Title 34 of the Louisiana Administrative Code;

(vi) The obligation to report lost, stolen, damaged, or destroyed Equipment as required by La. R.S. 39:330 and Section 305 of Title 34 of the Louisiana Administrative Code;

(vii) The obligation to maintain for three years the records, reports, and other documentation required by Section 305 of Title 34 of the Louisiana Administrative Code;

(viii) The obligation to make all records and reports regarding the Equipment available for examination as required by La. R.S. 39:328, and to make the records and Equipment available for inspection and annual audit as required by La. R.S. 39:329.

Section 7.7 Coordination Between Lessee and LSU. At the commencement of this Lease, and to assist Lessee in assuming and continuing the Property Control obligations for the Equipment, LSU shall make available to Lessee all of LSU's existing inventory schedules, property location indices, reports, records, and other documentation regarding the Equipment.

LSU shall also assist Lessee in obtaining access to any online tracking and reporting systems and other secure sites necessary for Lessee to perform its Property Control obligations.

LSU shall monitor Lessee's performance of its Property Control obligations to ensure compliance with law and shall cooperate with Lessee and provide reasonable advice and assistance to Lessee, at no additional cost to Lessee, when requested and when available, and Lessee shall pay/reimburse Lessor for its costs and expenses related thereto, including Lessor's employees' time and expenses as Additional Rent, not to exceed \$125,000.00 per year.

Whenever Lessee is required by law to submit reports, records, inventories, or other documentation regarding the Equipment to the Commissioner of the Division of Administration of the State of Louisiana, the Louisiana Property Assistance Agency, or to any other governmental agency, Lessee shall contemporaneously supply a copy of said report/record/inventory to LSU at the LSU Health Care Services Division, P. O. Box 91308, Baton Rouge, Louisiana, 70821, or at such other location as designated from time to time by Lessor.

LSU, LSU Health Care Services Division, and their agents shall have the right to inspect the Equipment at any reasonable time following reasonable prior notice in a manner which does not unreasonably interfere with Lessee's use thereof.

Section 7.8 Alienation of Equipment. Lessee has no right to and shall not sell, alienate, convey, or otherwise transfer any Equipment to any person or entity other than LSU without the advance written approval of LSU. In the event that Equipment is purportedly sold / alienated / conveyed / transferred without LSU's advance written approval, such shall be null and void and without legal effect. In the event that Lessee needs to return a piece of equipment to LSU for any reason, Lessee shall provide written notice of same to LSU at the LSU Health Care Services Division, P. O. Box 91308, Baton Rouge, Louisiana, 70821, or at such other

location as designated from time to time by LSU. Said notice shall identify the Equipment by its description, tag number, and inventory number, shall state where the Equipment is physically located at the time notice is given, and shall state where the Equipment may be retrieved by LSU. Lessee may store the Equipment off-site pending its retrieval by LSU, provided that Lessee shall be responsible for all costs and expenses incurred storing the Equipment, and provided further that Lessee shall report the relocation if and as required by law. Lessee shall take all reasonable steps to decommission the Equipment and prepare it for retrieval by LSU, specifically including but limited to Lessee removing any and all hazardous substances from the Equipment and disposing of same in accordance with law, and Lessee shall be responsible for all costs incurred in connection therewith. LSU shall have one hundred eighty (180) days after receipt of the aforementioned notice to take physical possession of the Equipment and to remove the Equipment from Lessee's facility, at which time all of Lessee's remaining obligations with respect to the Equipment shall cease, except that Lessee shall remain liable as set forth in this Lease for any claims, costs, causes of action, expenses, repairs, damages, and liabilities arising out of or incurred with respect to the Equipment during the Term prior to the time that LSU takes physical possession of the Equipment, and Lessee shall not be entitled to any diminution on Rent with respect thereto. LSU shall give reasonable prior notice to Lessee when it intends to take physical possession of the Equipment. Lessee shall also be responsible to purge any computer or medical equipment of any and all Personal Health Information (PHI) prior to pick up by Lessor or its designee.

Section 7.9 Taxes and Liens. Lessee shall pay as they become due all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment. Lessee

shall not allow any part of the Equipment to become and remain subjected to any mechanic's, laborer's or materialman's lien. Notwithstanding the foregoing, Lessee may at its own expense and in its own name contest any such item of tax, assessment, lien, or other governmental charge and, in the event of such contest, may permit the item so contested to remain unpaid during the period of such contest and any appeal therefrom. LSU will cooperate to the extent reasonably necessary with Lessee in any such claim, defense, or contest.

Section 7.10 Waiver and Disclaimer of Warranties. Lessee accepts the Equipment in its "as is" and existing condition, without any warranty of any kind or nature, whether express or implied, contractual or statutory and whether as to the condition (patent or latent) or state of repair of the Equipment or the fitness of same for Lessee's purposes or for any other purpose whatsoever, except as otherwise specifically provided for herein.

ARTICLE VIII. UTILITIES

Lessee shall arrange and pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises and Equipment 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 Leased Premises and Equipment ("Utility Service"), and all Utility Service shall be obtained in or transferred to Lessee's name as of the Commencement Date through the end of 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 and Equipment, 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 of heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity. All future telephone 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 and Equipment. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

ARTICLE IX. INSURANCE

Section 9.1 Lessee Responsibility for Insurance Coverage. Lessee shall secure and maintain or cause to be secured and maintained at its sole cost and expense:

(i) Special form (formerly known as “all risk”) property insurance, including loss or damage caused by fire, lighting, earthquake, collapse, sewer backup, vandalism and malicious mischief, named storm and flood and storm surge, which insurance shall be in an amount not less than **\$15,000,000.00**, which the parties agree is an agreed upon amount of coverage sufficient to rebuild the entirety of the Leased Premises for Lessee's present intended uses (as opposed to rebuilding the entire facility for its prior hospital uses), without deduction for depreciation.

(ii) A policy of commercial general liability insurance with respect to the Leased Premises and Equipment and Lessee's operations related thereto, 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 and/or the Equipment of not less than \$5,000,000 combined single limit per occurrence. Such limit may be met by means of combining a primary and an umbrella policy. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability and water damage legal liability.

(iii) 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. Such limit may be met by means of combining a primary and an umbrella policy.

(iv) With respect to work to construct Improvements undertaken by Lessee on the Leased Premises, a 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.

(v) 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.

(vi) 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 Equipment.

(vii) 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 Leased Premises and Equipment 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. Such limit may be met by means of combining a primary and an umbrella policy.

(viii) If requested by Lessee, and provided that DOA's Office of Risk Management ("ORM") is willing to provide coverage, then Lessor and DOA shall cause ORM to provide coverage for the Leased Premises against such insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, and Lessee shall reimburse Lessor for the cost of such coverage within fifteen (15) days of Lessee's receipt of ORM's invoice to Lessor therefore. In addition to the cost of ORM's invoice, Lessee shall pay to LSU a seven and one-half 7½% administrative fee computed on the ORM premium amount in order to reimburse Lessor for its administrative cost. Both the reimbursement of the ORM premium and the 7½% administrative fee shall be paid directly to Lessor separate from any lease payments, and may be placed by Lessor in a restricted account to fund the costs administered during the insurance program. Such coverage shall not include coverage for the equipment, and Lessee shall separately insure the equipment in accordance with the provisions of the Lease. Lessee shall be responsible for administering the current ORM required facility safety program. Lessee shall be responsible for the development of the ORM required safety program in consultation with Lessor and ORM for the Leased Premises. Furthermore, Lessee shall comply with all ORM requirements and regulations required for Lessor to obtain and maintain ORM coverage from ORM on the Leased Premises. Lessee shall be responsible for payment of any deductible equal to \$1,000 plus a percentage of the State's Self Insurance Retention

attributable to the facility at risk, said percentage to be determined by ORM. As long as ORM is providing coverage under this subsection 9.1(viii), Lessee is not required to insure the building and improvements under Section 9.1(i).

Additional Requirements.

(a) All insurance required in this Section 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 IX by Best's Insurance Reports or as approved by Lessor (such approval not to be unreasonably withheld or delayed). All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without 30 days' prior written notice to Lessor (10 days' in case of non-payment of premium). Lessee may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

(b) All policies of liability insurance Lessee maintains according to this Lease will name Lessor, its board members, officers, employees and agents, and such other persons or firms as Lessor reasonably specifies from time to time as additional insureds ("LSU Insured Parties"), and Lessor shall also be named as a loss payee on any property damage insurance.

(c) Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor, and any others reasonably specified by Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to Lessor upon occupancy of the Leased Premises and, if requested by Lessor, from time to time at least 30 days prior to the expiration of the term of each policy. 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 LSU Insured Parties.

(d) 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.

(e) The Parties acknowledge that Lessee and the insurance companies issuing the policies required hereunder shall have no recourse against LSU for payment of premiums or for assessments under the policies, and all insurance policies required hereby shall provide, to the extent commercially obtainable, that the insurance companies issuing such required policies shall have no recourse against LSU for payment of premiums or for assessments under any form of the policies.

(f) The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the LSU Insured Parties.

(g) All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

(h) Any deductibles or self-insured retentions must be declared to Lessor. Lessee shall be responsible for paying all deductibles and self-insured retentions.

Section 9.3 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises and Equipment 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 (collectively "Casualty"); or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by Lessee. None of the forgoing 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 and/or Equipment or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises and Equipment caused as a result of a Casualty.

Section 9.4 Restoration Obligations. If all or any portion of the Leased Premises or Equipment 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 opt to demolish the damaged or destroyed buildings and construct new replacement buildings or other improvements under the procedures described above in Article V, and in accordance with La. R.S. 38:2212.2; provided, however, that Lessee shall obtain approval of the Lessor prior to demolishing any building that existed on the Leased Premises when the Lease commenced. Lessor shall not unreasonably withhold its consent to the demolition. Notwithstanding the foregoing, in the event of a Casualty that results in a loss in excess of fifty (50%) percent of the replacement value of the Leased Premises and/or Equipment that has a material, adverse impact on Lessee's ability to operate the Leased Premises for the Permitted Use, Lessee may elect to terminate this Lease by providing written notice of such termination to Lessor no later than ninety (90) days following such Casualty, in which event Lessee shall have no obligation to restore or demolish the Leased Premises and Equipment, but Lessor shall be entitled to receipt of the proceeds of Lessee's property insurance coverage payable as a result of such Casualty; provided, however, if this Lease is terminated or expires by its terms prior to the termination or expiration of the term of the CEA, Lessee shall continue to provide, or cause to be provided, substantially similar services as Lessee had provided in the Leased Premises in accordance with the specific requirements set

forth in the CEA. In such event, Lessee shall retain any business interruption or similar insurance proceeds other than the property insurance coverage noted above.

In the event Lessee is unable to repair, restore or replace the Leased Premises and Equipment for any reason, all insurance proceeds received or payable as a result of such Casualty with respect to property insurance coverage (as opposed to business interruption or similar coverage) shall be paid to Lessor and shall be retained by Lessor.

Section 9.5 Compensation Award. If the entire Leased Premises shall be taken by Expropriation, this Lease shall terminate as of the date of such taking, in which event, Lessor shall retain all compensation awarded or paid upon any such taking of the Leased Premises. 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 the Lease. If the Lease is not terminated as provided in this Section 9.5, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion 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 taking 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 to the extent of the unamortized cost of Lessee's leasehold improvements. 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.

**ARTICLE X.
HAZARDOUS MATERIALS**

Section 10.1 Hazardous Materials.

(a) Subsequent to the effective date of this Lease, Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, released, stored, but not including materials existing in or about the Leased Premises prior to the effective date hereof, or disposed of in or about the Leased Premises by Lessee or its officers, directors, employees, agents, invitees or sub-lessees, 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 and 305, and 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 soil or groundwater of the Leased Premises in violation of applicable Law subsequent to the effective date of this Lease.

(b) In the event that Lessee causes any violation of applicable Law with regard to Hazardous Materials at the Leased Premises, Lessor shall have the right to reasonably require that Lessee engage, at Lessee’s expense, a contractor to remediate or dispose of, in accordance with Law, all Hazardous Materials used, stored, generated or disposed of on the Leased Premises subsequent to the effective date hereof. For purposes of this Lease, 'Hazardous Material' means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances

Control Act, 15 U.S.C. § 2601 et seq., or any other Law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as may now or at any time in the future be in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

(c) Lessee shall promptly notify Lessor in writing, if Lessee has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Leased Premises in violation of the Law during the Term. Lessee shall promptly notify Lessor, and provide copies following receipt of all written complaints, claims, citations, demands, inquiries, or notices relating to the violation or alleged violation at the Leased Premises during the Term of any Laws pertaining to Hazardous Materials. Lessee shall promptly deliver to Lessor copies of all notices, reports, correspondence and submissions made by Lessee to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), the Louisiana Department of Health and Hospitals (DHH), or any other Governmental Authority concerning the violation or alleged violation at the Leased Premises during the Term of any Laws pertaining to Hazardous Materials.

(d) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee's sole cost) and hold Lessor, its employees, contractors, and agents 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; however, Lessee shall not indemnify for consequential damages on claims brought by Lessor, or Lessor's employees), disbursements or expenses of any kind

(including reasonable 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 them in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Section 10.1.

(e) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to DOA at Lessee's sole cost) and hold DOA and their employees, contractors, and agents 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; however, Lessee shall not indemnify for consequential damages on claims brought by DOA or DOA's employees), disbursements or expenses of any kind (including reasonable 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 DOA or any of them in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Section 10.1.

(f) Nothing herein shall require Lessee to indemnify, defend and hold harmless the Lessor, 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.

(g) The provisions of this Section will survive the expiration or earlier termination of this Lease for a period of five (5) years.

ARTICLE XI. INDEMNIFICATION

Section 11.1 Lessee's Indemnification to Lessor. Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers 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 Lessee’s use of, and/or activities on, the Leased Premises and Equipment by Lessee, 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 of Lessee, its officers, agents, employees, invitees, permittees, contractors or subcontractors, occurring after the Commencement Date.

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

Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that the Lessee’s obligation to indemnify and hold any Lessor Indemnitees harmless under this Article shall not extend to any loss, damages or other claims to the extent arising out of the negligence or willful misconduct of any Lessor Indemnitees.

Section 11.2 Lessee’s Indemnification to DOA. Lessee shall indemnify, defend and hold harmless DOA and its officers and employees, together with any of their respective successors and assigns (collectively, the “DOA 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 Lessee's use of, and/or activities on, the Leased Premises and Equipment by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Lessee shall further indemnify, defend and hold harmless the DOA 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 of Lessee, its officers, agents, employees, invitees, permittees, contractors or subcontractors, occurring after the Commencement Date.

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

Notwithstanding any provision to the contrary contained in this Lease, DOA acknowledges that the Lessee's obligation to indemnify and hold any DOA Indemnitees harmless under this Article shall not extend to any loss, damages or other claims to the extent arising out of the negligence or willful misconduct of any DOA Indemnitees.

Section 11.3 Lessor's Indemnification. To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of Lessee's permitted 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) resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its board members, officers or employees.

Section 11.4 DOA's Indemnification. To the extent authorized by Law, DOA will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of Lessee's permitted 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) resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of DOA, officers or employees.

**ARTICLE XII.
TAXES, FEES AND LICENSES**

Section 12.1 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, the Equipment or the business conducted by Lessee on the Leased Premises.

Section 12.2 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.

**ARTICLE XIII.
DEFAULT BY LESSEE**

Section 13.1 Default. Each of the following shall be an Event of Default by Lessee (herein "Lessee Event of Default") under the terms of this Lease:

(a) Failure by Lessee to pay Rent to Lessor on the date on which this payment is due under this Lease, and this failure shall not be cured within five (5) business days after said Rent is due; provided, however, that Lessor shall provide written notice and a five (5) business day right to cure for failure to pay rent, but Lessee shall only be entitled to one (1) late payment notice per year under this Section 13.1(a), and provided further that a Lessee Event of Default shall automatically occur if Lessee fails to pay Quarterly Rent to Lessor on the date on which

payment is due under this Lease for a second time in any calendar year in which a written notice of late payment has been delivered, or deemed delivered, to Lessee under this Lease.

(b) Failure 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 two (2) business days after delivery of written notice to Lessee of such violation.

(c) 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 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 120 consecutive days.

(d) Commencement by Lessee of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted.

(e) Failure to comply with any of the obligations of this Lease (other than payment of Rent or obtaining and maintaining insurance) if the failure is not cured within sixty (60) days after delivery 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..

In addition to any other remedies provided by Law and except as otherwise provided herein, Lessor may, but shall not be obligated to, terminate this Lease during the continuance of a Lessee Event of Default, provided that in addition to the notice and cure period set forth above,

Lessee also is given, in writing, notice specifying Lessee's failure and Lessee fails to correct the alleged failure within thirty (30) days following receipt of such additional notice specifying the failure.

**ARTICLE XIV.
DEFAULT BY LESSOR**

Section 14.1 Default. A default by Lessor (herein "Lessor Event of Default") will occur under this Lease if Lessor fails to perform any of its obligations or covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor's receipt of written notice from Lessee of this failure; however, no Lessor Event of Default will occur if Lessor begins to cure this failure within thirty (30) business days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

**ARTICLE XV.
NOTICES**

Any and all notice required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) certified United States mail, postage prepared, receipt requested, to the following addresses:

Lessee: Southwest Louisiana Hospital Association
1701 Oak Park Boulevard
Lake Charles, Louisiana 70601
Attn: President

With a copy to: Baker, Donelson, Bearman, Caldwell &
Berkowitz, PC
201 St. Charles Avenue, Suite 3600
New Orleans, LA 70170-3600
Attn: Jon F. Leyens, Jr.

Lessor: Board of Supervisors of Louisiana
State University and Agricultural and

Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: Executive Vice President for
Health Care

With a copy to: LSU System Office
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: Vice President of Health Affairs

With a copy to: Taylor, Porter, Brooks & Phillips,
L.L.P.
Attn: LSU Health Care Partner
451 Florida St., 8th Floor
Baton Rouge, Louisiana 70801

State: Commissioner of Administration
Division of Administration
State of Louisiana
Claiborne Building
1201 North Third Street
Baton Rouge, Louisiana 70801

With a copy to: Director
Office of Facility Planning and Control
Division of Administration
Claiborne Building
1201 North Third Street
Baton Rouge, Louisiana 70801

Any such notice or communication shall be deemed to have been given either at the time of delivery, or on the business day on which delivery is refused.

Each party shall promptly inform all other parties in accordance with the Notice procedures set forth above of any changes in personnel or address for the purpose of sending required notices.

ARTICLE XVI. MISCELLANEOUS

Section 16.1 Lessor's Right to Enter Property. Lessor, directly and/or through its agents, reserves the right to enter the Leased Premises during normal business hours (except in

the event of an emergency, when Lessor's entry shall not be limited to normal business hours) to inspect the property and Equipment, as long as Lessor's inspection does not unreasonably interfere with the operation of the proper function of the Lessee's business. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises and Equipment, 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 or Equipment.

Section 16.2 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. In no event shall Lessee's officers, directors, employees or agents be liable for any of the obligations of Lessee hereunder.

Section 16.3 Waiver. The 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 that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the 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.

Section 16.4 Lessor's Consent. In any instance in which a party's consent or approval is required under this Lease, then, unless specifically stated otherwise in such provision, such party agrees not to unreasonably withhold, delay or condition such consent or approval.

Section 16.5 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 the Lease or the CEA.

Section 16.6 Recordation of Lease. It shall be the responsibility of Lessee to prepare an extract of the Lease, which each party agrees to execute to record in the Office of the Parish Recorder of the Parish of Calcasieu. The form of the Extract of Lease agreement shall require the approval of Lessor. Lessee shall provide Lessor with a certified copy of the recorded Extract of Lease. Recordation of the Extract of Lease shall be at Lessee's expense.

Section 16.7 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.

Section 16.8 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.

Section 16.9 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, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by both parties.

Section 16.10 Choice of Law. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana, and, in the event of a court proceeding, any such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

Section 16.11 Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it may be given on behalf of Lessor by the then President of the LSU System or by his designee, and on behalf of Lessee by any duly authorized representative of Lessee.

Section 16.12 Appropriation of Funds. Notwithstanding anything to the contrary contained in this Lease, all State, DOA and Lessor obligations under this Lease to make payments of any kind in a future fiscal year, shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation; provided, however, and notwithstanding anything to the contrary contained herein or in the CEA, any and all obligations of the DOA and/or Lessor pursuant to Section 2.2 of this Lease to refund prepaid Rent shall be subject to, and contingent upon, appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated for refunding of such sums to Lessee (the "Lessee Appropriation"), and any such obligation by any obligor is limited only to the portion of said Lessee Appropriation which said obligor receives. In the event that Lessee is due a refund of prepaid Rent pursuant to the provisions of Section 2.2 and this Section 16.12, the State, the DOA and Lessor agree to make good faith best efforts to seek specific appropriation for such refund by the Louisiana Legislature, and the DOA and/or Lessor shall include in one or more of their annual budget requests, a request for the appropriation of funds for the purpose of making such refund of prepaid Rent to Lessee pursuant to this Lease.

Section 16.13 Provision of Records. Until the expiration of four (4) years after the furnishings of any services hereunder and in the event the services provided by the parties hereunder are valued at Ten Thousand Dollars (\$10,000.00) or more during any 12-month period, the parties shall make available, upon written request of the Secretary of the United States Department of Health and Human Services, or upon the written request of the United States Comptroller General, or any of their duly authorized representatives, all contracts, books, documents or records that are necessary to certify the nature and extent of any and all charges, costs and payments made or received hereunder.

Section 16.14 Earlier Termination. Notwithstanding the "Term" set forth in this Lease, this Lease will terminate upon the termination of the CEA and Lessee will immediately vacate the Leased Premises, but in coordination with LSU.

**ARTICLE XVII.
LIMITED ASSUMPTION OF LIABILITIES**

It is expressly understood and agreed that Lessee will not assume nor be liable for any liability, obligation, claim against or contract of Lessor of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Lessor to the extent such liability, obligation or claim arises out of or relates to the operation of the hospital facility, Leased Premises or the Equipment located thereon (the "Hospital") prior to the Commencement Date of this Lease. To the extent allowed by Law, Lessor agrees to satisfy and hold Lessee harmless from and against any and all liabilities asserted against Lessee arising from or relating to the Hospital prior to the Commencement Date of this Lease, including, but not limited to, any and all Medicare and/or Medicaid liabilities.

[The Remainder of this Page is Intentionally Left Blank;
Signatures are on the Following Page.]

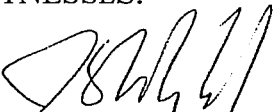
[Signature Page for Lake Charles Hospital Site Lease]

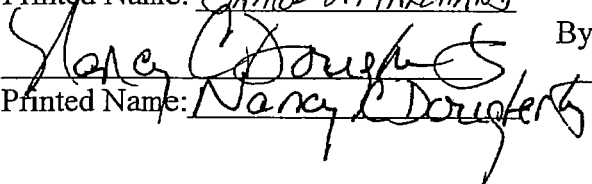
Lease by and among Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Division of Administration, the State of Louisiana and Southwest Louisiana Hospital Association, is executed in multiple original counterparts.

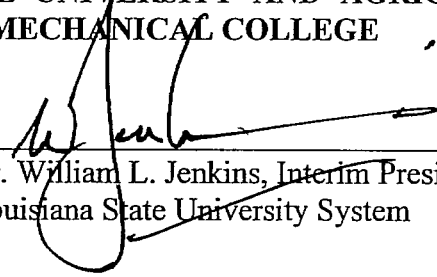
IN WITNESS WHEREOF, the parties hereto have signed their names as of the ___ day of June, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

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


Printed Name: JAMES E. MARCHANT

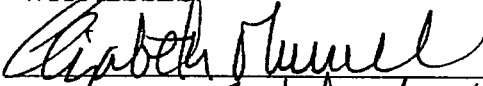
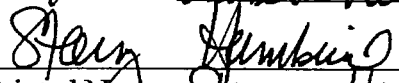

Printed Name: Nancy C. Douglas

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


[Signature Page for Lake Charles Hospital Site Lease]

Lease by and among Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Division of Administration, the State of Louisiana and Southwest Louisiana Hospital Association, is executed in multiple original counterparts.

WITNESSES:


Printed Name: Elizabeth Stumil

Printed Name: Stormy Hambrice

STATE OF LOUISIANA, through DIVISION OF ADMINISTRATION


By: 
Kristy Nichols
Commissioner of Administration

[Signature Page for Lake Charles Hospital Site Lease]

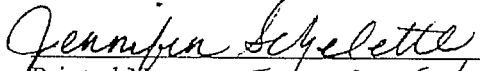
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WITNESSES:

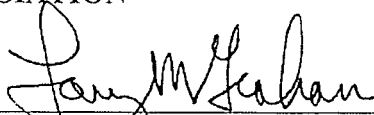
**SOUTHWEST LOUISIANA HOSPITAL
ASSOCIATION**



Printed Name: PAM DEVALL


Printed Name: Jennifer Schelette

By: _____



Larry M. Graham
President

ExhibitA
EQUIPMENT

Grantee agrees to reconcile the attached list of equipment to the actual equipment in/on the premises by October 1, 2013 and furnish that reconciled list to LSU by November 1, 2013.

ExhibitB
LEASED PREMISES

Lake Charles Hospital Site

Need

ExhibitC
SERVICE STANDARDS, BUILDING

Element	Standard
<p>General</p>	<ul style="list-style-type: none"> • In general, all elements of building fabric, fixtures and fittings, floor and floor coverings, and furniture and Equipment shall at all times be functional, operational subject to reasonable wear and tear, which is in turn subject to refurbishment obligations.
<p>Building Fabric External</p> <ul style="list-style-type: none"> • External walls • Roof • Fire escapes • Walkways • Safety barriers • Balconies • Eaves • Rendering • Chimneys/flues • Vents 	<ul style="list-style-type: none"> • Sound secure and weatherproof where appropriate. • Free from damp penetration or spalling • Claddings, copings and parapets are structurally sound and secure. • Free from vermin and/or pests. • Chimney stacks/flues and vents are structurally sound and secure and free from blockages and if flues, free from soot. • Free from debris, moss growth and bird droppings.
<p>Building Fabric Internal Including but not limited to:</p> <ul style="list-style-type: none"> • Internal walls • Partitions • Ceilings • Elevators, escalators, dumbwaiters • Pneumatic tubes 	<ul style="list-style-type: none"> • Free from structural cracks and/or deflection • Free from damp and vermin • Free from undue damage and of reasonable appearance for location • Comply with the requirements set out in codes and standards • Free from asbestos and other hazardous materials
<p>Fixtures and Fittings Including but not limited to:</p> <ul style="list-style-type: none"> • Doors (external, internal and fire) • Windows and stools and sills • Hatches • Vents • Shelving • Cupboards • Railings • Racking • Notice boards 	<ul style="list-style-type: none"> • The floor coverings are complete • The floor covering is fully fixed to the floor so as not to cause a health and safety hazard • The floor covering is free from tears, scoring, cracks or any other damage that is unsightly and/or could cause a health and safety hazard. • Floor covering surfaces shall be maintained in such a way as to provide a suitable uniform surface (taking into account the pre-existing sub-surface) with minimal resistance, for wheeled beds, trolleys, wheel chairs and any other wheeled vehicle in use in the Facilities. • Allow adequate drainage where necessary.

Element	Standard
<ul style="list-style-type: none"> • Mirrors • Balustrades • Magnetic door holders • Floor covering's 	<ul style="list-style-type: none"> • Free from pests.
<p>Decorative Finishes Including but not limited to:</p> <ul style="list-style-type: none"> • Paintwork • Fabric • Special finishes applied to walls, ceilings, woodwork, metalwork, pipework and other visible elements) 	<ul style="list-style-type: none"> • Free from all but minor surface blemishes or undue wear and tear • Free from cracks, or any other surface degradation inconsistent with a building maintained in accordance with Good Industry Practice.
<p>Furniture & Equipment</p>	<ul style="list-style-type: none"> • Is free from spitz, cracks and other defects including squeaks and is free from all but minor surface blemishes or undue wear and tear not in existence at the commencement of the lease. • Will be maintained in accordance with Occupational Health and Safety requirements and standards. • Will be maintained in accordance with manufacturer's requirements.

SERVICE STANDARDS, SYSTEMS

Element	Standard
<p>General</p>	<ul style="list-style-type: none"> • In general, all elements of building systems and Services systems including the elements outlined below shall at all times be functional, operational and satisfy the same performance requirements as existed at the time of commencement of the lease.
<p>Emergency Power Supply</p>	<ul style="list-style-type: none"> • Standby power supply shall be operational, secure and tested in compliance with standards • Test using live loads and demonstrate transfer scheme. • Emergency lighting units shall comply with standards, be free from dust, operational and fully charged • Batteries shall be adequately ventilated, free from acid leakage; batteries shall be topped up and fully charged
<p>MV & LV Distribution System Including but not limited to:</p> <ul style="list-style-type: none"> • Distribution equipment and protective devices fuse switches • Isolators • Distribution boards • Fuses • MCB's, ACB, Elcb's and RCE's • Exposed distribution cables 	<ul style="list-style-type: none"> • Fuse elements or circuit breaker mechanisms in working order. • Contacts and connections clean and mechanically tight. • No overheating during normal operating loads. • Secure to authorized access only. Recording instruments operational where necessary • Torque all bus connections to manufacturer recommendations. • Provide lock out procedure

Element	Standard
	<ul style="list-style-type: none"> • Regularly test all breakers and transformers • Regularly clean all switchgear and transformers. • Do injection testing at least every two years. • Test all alarm functions • Identification notices where necessary.
<p>HV Distribution Systems Including but not limited to:</p> <ul style="list-style-type: none"> • Distribution equipment • Isolators • Distribution units • OCB's ACB's and ELCB's 	<ul style="list-style-type: none"> • Ratings shall be clearly marked. • Fuse elements or circuit breaker mechanisms in working order. • Contacts and connections clean and mechanically tight • No overheating during normal operating loads • Secure to authorized access only. • Recording instruments operational where provided and necessary • Transformers are maintained as per manufacturer's recommendations at least every two years • Protective coatings are intact. • No signs of excessive heating • Provide lock out procedure. • Balance loads • Test all protective relaying including injection testing at least every two years. • Provide coordination study after every significant change or at a minimum every ten years. • Indicate fault levels. • Check electronic operation of all breakers and that power source is battery operated • Torque all bolted connections • Identify all current transformer and potential transformer ratios. • Provide ground fault relaying as needed. • Marker and covering notices where necessary.
<p>Hot and Cold Water Systems</p>	<ul style="list-style-type: none"> • Taps valves and other related fittings fixtures function as intended. • Pipework and fittings shall be fastened securely to their intended points of anchorage. • There shall be no persistent drips or leaks of water from pipework, taps, valves and/or fittings.
<p>Heating Ventilating and Air Conditioning Systems Including but not limited to:</p> <ul style="list-style-type: none"> • Fume hoods • Humidifiers • Dehumidifiers • Heaters • Ductwork • Mixing boxes and dampers • Coolers • Inlet/outlet grills • Cooling towers (and other local ventilation systems) • Pneumatic tube system • Fire and smoke dampers 	<ul style="list-style-type: none"> • All ventilation systems shall function as intended without undue noise or vibration • Maintain air changes and ventilation levels as required to achieve ASHRAE Standards as well as code and JCAH requirements • Ductwork, fittings and pipework shall be securely fastened to their intended points of anchorage. • There shall be no persistent or unreasonable leakages of water (or other heating/cooling medium) or from ventilation systems • Secure to authorized access only. • Free from corrosion, erosion and organic growth. • Pneumatic tube system operates to the Manufacturers and Health Authorities requirements.

Element	Standard
<p>Sanitary and Other Drainage Systems (Including all sanitary ware and associated fittings)</p>	<ul style="list-style-type: none"> • Shall function as intended without undue noise and vibration. • Provide a safe and comfortable environment. • All pipework and fittings fastened securely to their intended points of anchorage • There shall be no leakage of waste and/or foul water and/or rain water.
<p>Fire Fighting Equipment</p>	<ul style="list-style-type: none"> • Fire Extinguishers, fire suppression and other firefighting equipment shall be maintained in accordance with relevant codes and standards
<p>Medical Gases</p>	<ul style="list-style-type: none"> • Medical gas systems shall be maintained in accordance with relevant codes and standards and shall be tested and inspected in accordance with those standards, Health Department regulations, State Fire Marshal regulations as well as JCAH requirements.
<p>Communications Systems Including but not limited to:</p> <ul style="list-style-type: none"> • All infrastructure cabling, including telecommunications and data cabling; • IT/data other than backbone during any warranty period • Public address system (if provided) • PABX • Nurse call system hardware (First Response Maintenance), including radio paging • Patient education/entertainment system; and • All communication and information technology equipment installed in the Facility 	<ul style="list-style-type: none"> • The Communications systems shall be maintained in accordance with all relevant codes and standards. • All electrical communications and data transmission installations to comply with relevant codes and standards. • Shall function as intended
<p>Electrical Systems Including but not limited to:</p> <ul style="list-style-type: none"> • Lighting • Safety • Alarm systems 	<ul style="list-style-type: none"> • Weatherproof where appropriate. • Function as intended without undue noise or vibration; wiring, fittings, fixtures, controls and safety devices shall be properly housed and fastened securely to their intended point of anchorage and labeled. • Lighting conductor should be complete, isolated and comply with codes and standards • MICC cable protective coatings intact. • Light remittance at the design Lux levels

Service Standards, Horticulture

Element	Standard
Tree, Shrubs & Hedges	<ul style="list-style-type: none"> • Trimmed, pruned and/or cut to maintain healthy plant growth and so as to minimize <ul style="list-style-type: none"> ○ The risk of crime or vandalism ○ The opportunity for storm wind damage ○ Risk of fire ○ The obstruction of roadways, pathways, car parks, street lighting etc. • Are secure and safe. • Free from dead or dying branches • Free from litter. • Free from disease and/or aphid infestation • Replaced as and when necessary to maintain appearance • If irrigated, maintain irrigation system.
Grassed Areas	<ul style="list-style-type: none"> • Shall be uniform appearance • Edges shall be trimmed • Free from mole or vermin infestation. • Free from fallen leaves, weeds and litter • Shall be maintained to a uniform length • If irrigated, maintain irrigation system in working order as designed.
Flower Beds	<ul style="list-style-type: none"> • Free from fallen leaves, weeds and litter. • Free from disease and/or aphid infestation • If irrigated, maintain irrigation system in working order as designed

Service Standards, Grounds and Garden Maintenance

Element	Standard
Site Circulation Routes Including but not limited to: <ul style="list-style-type: none"> • Paving • Paths • Driveways • Roads • Parking Areas • Hard standings • Facility entrances • External staircases • External fire escapes if any or exterior stairs 	<ul style="list-style-type: none"> • Sound safe and even surface with no potholes or sinking • Free from standing water • Free from fallen leaves, moss, algae or interstitial weeds. • Free from fallen trees. • Curbs and edgings are sound • No loose curbs or paving stones. • Road markings and parking striping are clear and complete. • Free from graffiti and/or vandalism. • Maintain handicapped accessible routes free and unobstructed (physically and visually impaired and wheelchair users). • Protection of vehicles form chemical sprays during any applications.
External Furniture and Structures Including but not limited to: <ul style="list-style-type: none"> • Street lights • Guard rails • Copings • Statutes or ornamental objects • Bollards • Bus stops • Street lights 	<ul style="list-style-type: none"> • Sound secure safe and free from damage • Operating at their design performance where applicable • Free from moss, algae and or interstitial weeds • Free from graffiti and/or vandalism • Replacement of light elements

Element	Standard
Boundaries Including but not limited to: <ul style="list-style-type: none"> • Fences/walls • Gates 	<ul style="list-style-type: none"> • Intact safe sound and secure. • Free from graffiti and damage. • Locks are operational. • Free from graffiti and/or vandalism
External Play/Recreational Areas Including but not limited to: <ul style="list-style-type: none"> • Courtyards • Patios 	<ul style="list-style-type: none"> • Safe and secure. • Free from graffiti and/or vandalism
Gutters and Drains	<ul style="list-style-type: none"> • Swept. • Free from litter, leaves, weeds and extraneous material.
Facility	<ul style="list-style-type: none"> • Free from litter, including cigarette ends and chewing gum residue. • Garbage Bins shall be less than 75% capacity and free from malodor.
Signage	<ul style="list-style-type: none"> • All hazard notices and safety signs are maintained, recorded, located and displayed correctly, and fully serviceable.