

**EQUIPMENT LEASE**

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

THIS EQUIPMENT LEASE (the "Lease") is entered into as of the 5<sup>th</sup> day of April, 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 March 27, 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"),

and

**OUR LADY OF THE LAKE HOSPITAL, INC.**, a Louisiana nonprofit corporation, represented herein by K. Scott Wester, its President and Chief Executive Officer, duly authorized by virtue of a resolution adopted March 20, 2013, a copy of which is attached hereto, with a mailing address of 7777 Hennessy Boulevard, Plaza 2, Suite 6002, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX3651) (hereinafter referred to as "OLOL" or "Lessee"),

and provides as follows:

**WITNESSETH**

**WHEREAS**, OLOL is a major teaching hospital committed to developing medical and clinical professionals in the State of Louisiana (herein the "State") in order to improve access to healthcare in its service area; and,

**WHEREAS**, LSU is a public constitutional corporation organized and existing under the laws of the State, 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**, OLOL and LSU support building a new model for the relationship between a major teaching hospital and a school of medicine and its teaching 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, OLOL, the Louisiana Department of Health and Hospitals, and Division of Administration are parties to a Cooperative Endeavor Agreement dated February 5, 2010, as amended (the “CEA”) through which LSU, OLOL, the Louisiana Department of Health and Hospitals, and Division of Administration will collaborate to develop and maintain nationally recognized graduate medical education programs; and,

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

**WHEREAS**, LSU and OLOL, through their collaboration, desire to provide clinical experience in outpatient clinics operated by OLOL; and,

**WHEREAS**, Lessor is the owner of certain immovable property with all buildings and improvements thereon, consisting of medical office and clinic space, and ambulatory surgical space (the “Leased Premises”), which is being leased to OLOL by separate agreement for the purpose of operating outpatient clinics and other Permitted Use (defined herein); and,

**WHEREAS**, Lessor is the owner of equipment and movable property located within and about the Leased Premises; and,

**WHEREAS**, the aforementioned equipment and movable property will be leased by Lessor to Lessee for the purpose of operating outpatient clinics and other permitted uses as defined herein; and,

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

**NOW, THEREFORE,** in consideration of Lessor's obligation to lease the aforementioned 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, the parties do enter into this Lease, on the following terms and conditions:

**ARTICLE I**  
**LEASE OF EQUIPMENT**

In consideration of the covenants, agreements, and conditions herein set forth, which Lessee hereby agrees shall be kept and performed, LSU does hereby lease unto Lessee, and Lessee does hereby lease from LSU, certain equipment and movable property located in the Leased Premises, said equipment and movable property being more fully described and itemized on the attached Exhibit "A" (the "Equipment").

**ARTICLE II**  
**TERM**

Unless sooner terminated in accordance with the terms and conditions set forth herein and in the CEA, this Lease shall be and continue in full force and effect for a term of five (5) 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 sixty (60) 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 ten (10) years. For purposes of this Lease, the

“Commencement Date” shall mean the fifteenth (15th) day of April, 2013, unless mutually extended by the parties by written consent, which consent shall not be unreasonably withheld.

### **ARTICLE III** **CONSIDERATION**

The annual consideration for this Lease is the payment by Lessee to Lessor of a sum equal to the aggregate rental amount as reflected on Exhibit “A” for each item of Equipment listed on Exhibit “A,” payable in four (4) equal quarterly installments (the “Quarterly Rent”), with the first installment being due and payable on the Commencement Date, and the remaining installments being due and payable, respectively, on the 1<sup>st</sup> day of each calendar quarter thereafter (so that Quarterly Rent payments will be due no later than 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. Quarterly Rent is payable by Lessee to Lessor at the following address, until notified in writing differently by Lessor: LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805. The annual rent amount may be reduced as set forth in Section 5.2 below as specific items of Equipment are released from the Lease and returned to LSU as set forth in Section 5.1 below. Lessee may, within the first twenty (20) days following execution of this Lease and in addition to Lessee’s obligation to pay Quarterly Rent as set forth above, pre-pay to LSU up to the full value of one additional year’s rent for the Equipment; provided, however, that under no circumstances (including but in no way limited to termination of this Lease due to a Lessee Event of Default, termination of this Lease due to a Lessor Event of Default, and/or a termination of this Lease due to Lessee having removed all of the Equipment from the Lease pursuant to Section 5.1 herein), shall LSU ever be obligated to

repay or refund to Lessee any part of any amount pre-paid by Lessee. Lessee expressly acknowledges that any such prepayment will be made unconditionally, with no right of Lessee under any circumstances to seek repayment or reimbursement of same.

**ARTICLE IV**  
**USE, MAINTENANCE, AND REPAIRS**

4.1 Permitted Use. Subject to the terms and provisions hereof, Lessee may use the Equipment solely for medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, and/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 (the "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.

4.3 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.

4.4 Maintenance. 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, and provided further that Lessee shall not owe any further maintenance obligation under this Lease respecting any item of Equipment for which Lessee has provided written notice to LSU pursuant to Section 5.1 below that Lessee no longer needs said item of Equipment for the purposes set forth in the CEA. 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 4.4.

4.5 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 LSU the fair market value of said Equipment.

4.6 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 Section 5.1 below.

4.7 Relocation of Equipment. Lessee shall be solely responsible for any costs or expenses of any kind incurred relocating Equipment, specifically including but not limited to the relocation of any and all Equipment from the Earl K. Long in-patient hospital site on Airline Highway in Baton Rouge to the facility located at 9032 Perkins Road in Baton Rouge.

4.8 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:

- a. 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;
- b. The obligation to maintain property identification marks on the Equipment as required by La. R.S. 39:323;

c. 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;

d. 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;

e. 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;

f. 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;

g. 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;

h. 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.

#### 4.9 Coordination Between Lessee and LSU.

a. 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.

b. 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.

c. 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, 5429 Airline Highway, Baton Rouge, Louisiana, 70805, or at such other location as designated from time to time by LSU.

d. 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.

4.10 Alienation of Equipment. Lessee 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 sold / alienated / conveyed / transferred without LSU's advance written approval, such shall be null and void and without legal effect.

4.11 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.

4.12 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 V**

### **SURPLUS AND REPLACEMENT EQUIPMENT**

5.1 Disposition of Surplus Equipment. Throughout the Term, Lessee shall have the discretion to remove specific items of Equipment from the Lease based on Lessee's determination that Lessee no longer needs those specific items of Equipment for the purposes set forth in the CEA. Once Lessee determines that it no longer needs a specific item of Equipment:

- a. Lessee shall provide written notice of its determination to LSU at the LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805,

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 as provided for below. Lessee may store the Equipment off-site pending its retrieval by LSU as set forth below, 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 as set forth below, 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.

b. 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 (including but not limited to Lessee's obligations under Sections 4.4, 4.5, and 4.6) 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. LSU shall give reasonable prior notice to Lessee when it intends to take physical possession of the Equipment.

c. LSU shall then be responsible for disposing of the Equipment in accordance with law, or for making other disposition of the Equipment, all at no cost, liability, or obligation to Lessee.

5.2 Recalculation of Rent. Each year on the anniversary of the Commencement Date, Lessee shall be entitled to reduce the amount of future rent owed to LSU with respect to surplus Equipment removed from the Lease during the previous year pursuant to the process set forth in section 5.1 above. The reduction for each such item of Equipment shall be the rent amount associated with that Equipment set forth in Exhibit "A."

5.3 New Equipment. Lessee may at any time place its own property and equipment in the facilities governed by the CEA, and such shall remain the property and equipment of Lessee and shall not be considered Equipment subject to this Lease; provided, however, that Lessor and Lessee may provide elsewhere for an option in favor of Lessor to purchase such property and equipment at a later date.

## **ARTICLE VI** **INSURANCE**

6.1 Required Insurance. Throughout the Term of this Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Equipment, the following insurance:

a. Property insurance against loss and/or damage to the Equipment, including loss or damage caused by fire, lightning, earthquake, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, are insured for property of similar character and location,

which insurance shall be in an amount not less than one hundred percent (100%) of the full replacement cost of the Equipment.

b. Commercial general liability insurance for injuries to persons (including bodily injury and death) and/or 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 Equipment, and for injuries to persons and/or property occurring in or about the Equipment, in the minimum amount of \$5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability and water damage legal liability.

6.2 Insurers. Lessee shall obtain commercial insurance coverage in order to comply with the insurance required to be maintained by Lessee under this Section 6. All insurance required in this Section and all renewals of such insurance shall be issued by companies duly licensed and authorized to transact business in the State of Louisiana, and rated at least A- Class VIII by Best's Insurance Reports or as otherwise approved in writing by Lessor. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days' prior written notice to Lessor.

6.3 Additional Insureds. LSU and its board members, officers, employees, and agents, and such other persons or firms as LSU reasonably specifies from time to time (the "LSU Insured Parties") shall each be named as additional insureds on all policies required hereby, and LSU shall also be named as a loss payee on all required property damage insurance.

6.4 Required Insurance Shall Be Primary. All insurance required hereby shall be written as primary policies, not contributing with and not in excess of coverage that Lessor may carry, if any.

6.5 Failure to Comply With Reporting Requirements. All insurance required hereby shall expressly provide that any failure of Lessee to comply with reporting requirements of a policy required hereby shall not affect coverage provided to the LSU Insured Parties.

6.6 No Recourse. All insurance required hereby shall provide that the insurance companies issuing the required policies shall have no recourse against LSU for payment of premiums or for assessments under any form of the policies.

6.7 Deductibles and SIR's. Any deductibles or self-insured retentions must be declared to and accepted by LSU. Lessee shall be responsible for all deductibles and self-insured retentions.

6.8 No Special Limitations. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the LSU Insured Parties.

6.9 Occurrence Based Policies. All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

6.10 Verification of Coverage. Lessee shall furnish LSU with declarations pages, certificates of insurance, and evidence of the payment of all premiums of such policies prior to the Commencement Date. Lessee shall likewise furnish LSU with declarations pages, certificates of insurance, and evidence of the payment of all premiums of all renewal policies. LSU reserves the right to request complete copies of all original and renewal policies (together with copies of all endorsements). Upon failure of Lessee to furnish, deliver and maintain such insurance as provided herein, and expiration of the cure period in Section 9.1(b), then LSU may,

but shall not be obligated to, obtain said insurance on behalf of Lessee at Lessee's commercially reasonable cost and expense. Failure of Lessee to purchase and/or maintain any required insurance shall not relieve Lessee from any liability or indemnification hereunder.

6.11 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the 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 and/or Equipment 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 herein.

## **ARTICLE VII INDEMNIFICATION**

7.1 Lessee's Indemnification. Lessee shall indemnify, defend and hold harmless Lessor and its officers, agents and employees, together with any of their respective successors and assigns (collectively, the "**Lessor Indemnitees**"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss, or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is

attributable to the lease, use, operation, management, maintenance, repair, and/or replacement of the Equipment by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. 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 Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under this Section 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.

7.2 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 their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) related to the Equipment and resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its officers, agents or employees.

## **ARTICLE VIII** **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:



**Lessor:**

Board of Supervisors of Louisiana State  
University and Agricultural and  
Mechanical College  
3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808  
Attn: President of LSU System  
Attn: Vice President of Health Affairs

**Lessee:**

Our Lady of the Lake Hospital, Inc.  
777 Hennessy Blvd., Suite 6002  
Baton Rouge, Louisiana 70808  
Attn: Chief Executive Officer

**With a copy to:**

LSU System Office  
3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808

**With a copy to:**

Taylor, Porter, Brooks & Phillips, L.L.P.  
Attn: LSU Healthcare Partner  
451 Florida St., 8<sup>th</sup> Floor  
Baton Rouge, Louisiana 70801

**With a copy to:**

Franciscan Missionaries of Our Lady  
Attn: General Counsel  
4200 Essen Lane  
Baton Rouge, Louisiana 70810

**ARTICLE IX**  
**LESSEE DEFAULT**

9.1 Each of the following shall constitute a "Lessee Event of Default" hereunder:

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 past due; provided, however, that Lessee shall only be entitled to one (1) late payment notice per year under this Section 9.1(a), and provided further that a Lessee Event of Default shall automatically occur if Lessee fails to pay 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. Failure by Lessee to comply with any other covenant, condition, term, or agreement of this Lease (other than payment of Rent and obtaining and maintaining insurance) if the failure is not cured within thirty (30) 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.

d. 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.

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

9.2 Whenever any Lessee Event of Default shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law

provided, LSU shall have the right, without any further demand or notice, to declare this Lease terminated. No remedy conferred upon or reserved to LSU by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease and as now or hereafter existing at law or in equity.

**ARTICLE X**  
**BOARD 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. Whenever any Lessor Event of Default referred to in this section shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law provided, Lessee shall have the right, without any further demand or notice, to declare this Lease terminated. No remedy conferred upon or reserved to Lessee by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease and as now or hereafter existing at law or in equity.

**ARTICLE XI**  
**MISCELLANEOUS**

11.1 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, 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 hereto. 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.

11.2 Louisiana Law to Apply. This Lease shall be construed under and in accordance with the laws of the State of Louisiana, and the sole forum for all disputes arising out of this Lease shall be the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

11.3 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.

11.4 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.

11.5 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 notice to Lessor, but without the consent of Lessor, assign its interest as Lessee under this Lease to a non-profit corporation, limited liability company, 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, all in form and substance approved by Lessor. In no event shall any assignment of all or any portion of the 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, which agreement may be withheld in Lessor's sole discretion.

11.6 No Subletting. Lessee may not, without the prior written consent of Lessor, sublease all or any portion of the Equipment; provided, Lessee may, with prior notice to Lessor, but without the consent of Lessor, sublease all or a portion of the Equipment to a corporation, limited liability company, limited liability partnership, or other legal entity wholly owned or controlled by Lessee, or to any 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 all such subleases shall be

subject and subordinate to all of the terms and conditions of this Lease and the use of the Equipment permitted under any such sublease shall be in accordance with the applicable terms and conditions of this Lease, and further provided that such sublessee assumes Lessee's obligations hereunder by operation of law or agrees to assume in writing Lessee's obligations hereunder, all in form and substance approved by Lessor. In no event shall any subletting of all or any portion of the 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 subletting, which agreement may be withheld in Lessor's sole discretion.

11.7 Books, Records and Audit. The books, accounts and records of Lessee which pertain directly to the Equipment shall be maintained at the principal office of Lessee. LSU may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Lessee and its contractor(s) to the extent necessary to verify compliance with this Lessee or insofar as said books, bank accounts, records and accounts directly relate to Lessee's performance of its obligations under this Lease. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of LSU, by independent auditors retained by LSU to conduct such audit, by the Louisiana Legislative Auditor or by the Office of the Governor, Division of Administration, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of Lessee.

11.8 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.

11.9 Authorized Representative of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the President of the LSU System or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

11.10 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.

*The rest of this page intentionally left blank.*

Signature page for Equipment Lease by and between the Board of Supervisors  
of Louisiana State University and Agricultural and Mechanical College  
and Our Lady of the Lake Hospital, Inc.

IN WITNESS HEREOF, the parties hereto have signed their names, as of the 5<sup>th</sup> day of  
April, 2013, in the presence of the undersigned competent witnesses.

**WITNESSES:**

Kay Miller  
Name: Kay Miller

Linda Davis  
Name: LINDA DAVIS

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

By: [Signature]  
William L. Jenkins, Interim President  
Louisiana State University System

Date: 4/5/13

**WITNESSES:**

Jody Martin  
Name: Jody Martin

Nancy C. Dougherty  
Name: Nancy C. Dougherty

**OUR LADY OF THE LAKE HOSPITAL, INC.**

By: [Signature]  
K. Scott Wester,  
President and Chief Executive Officer

Date: 4/5/13