

**LEASE**

(University Medical Center Leasing)

This contract of Lease ("Lease") is made and entered into effective the 17<sup>th</sup> day of 2015.

**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 April 17, 2015, a copy of which is attached hereto, with its office at 20010 W. Lake Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (hereinafter referred to as "LSU" or "Lessor");

**DIVISION OF ADMINISTRATION** for the State of Louisiana, acting by and through the Commissioner of Administration, Division of Administration ("Division");

**THE STATE OF LOUISIANA ("State") THROUGH THE DIVISION OF ADMINISTRATION**, herein represented and organized through Kristin U. Nichols, Commissioner of Administration, Division of Administration, Office of the Governor, State of Louisiana, under the authority created pursuant to La. R.S. 30:11 and other applicable law, whose mailing address is Post Office Box 64006

**UNIVERSITY HOSPITAL AND CLINICS, INC.**, a Louisiana nonprofit corporation, duly authorized by virtue of a Resolution adopted May 19, 2015, a copy of which is attached hereto, with a mailing address of 1214 Coolidge Boulevard, Lafayette, Louisiana 70503 (hereinafter referred to as "Lessee"),

provides as follows:

**WITNESSETH**

**WHEREAS** Lessee is a major teaching hospital committed to developing medical and clinical professionals in the State of Louisiana 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 of Louisiana;

hospitals are under LSU's ownership and control, and that this Lease is intended to provide for the operation of the hospitals in a manner consistent with the provisions of La. R.S. 17:3215; and,

7 and La. R.S. 17:3215; and,

**WHEREAS**, Lessee 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

University Medical Center model will provide physicians and patients with

of care that optimizes the use of all resources; and,

**WHEREAS**, LSU, Lessee, Lafayette General Hospital, Southern Louisiana Community

Department of Health and Hospitals and Division of Administration, and the

Indeavor Agreement dated March 7, 2012, and the CEA (as the same may be amended from time to time, the

"CEA") through which LSU, Lessee, the Louisiana Department of Health and Hospitals and

Division of Administration will collaborate to develop and maintain the "University Medical Center

graduate medical education programs; and to provide quality health care to uninsured and

Medicare patients; and,

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

**WHEREAS**, it is the intent of the parties to this Lease to enhance the stability and

positioned to continue to attract the most talented faculty, students, residents and other medical

professionals; and,

**WHEREAS**, Lessor 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, all of which hospital operations are located at

2200 West C Street, Lafayette, Louisiana (the "Leased Premises"), the legal description of which is attached hereto as Exhibit "B";

WHEREAS, the Leased Premises includes hospital, medical office, clinic, ambulatory surgical and other related space which will be leased by Lessor to Lessee together with the

Equipment for the purposes set forth herein;

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

IN WITNESS WHEREOF, 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, the parties have entered into this Lease, on the following terms and conditions:

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

For the consideration and value stated herein, Lessor hereby leases to Lessee the Leased Premises and Equipment and Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below) for the Term (as defined below)

and in the CEA. The Term of this Lease shall begin on the Commencement Date (as hereinafter

and continuing on each annual anniversary date thereafter (each an "Extension Date") shall be

remaining portion of the Initial Term and shall be extended for a period of one (1) year period so that after the fifth (5<sup>th</sup>) year of the Initial Term, the Term shall be a

Rolling Five-Year Term; provided, however, that the extension provision of this sentence shall

no longer apply if LESSEE or LESSOR provides written notice to the other party of its intent to terminate this Lease on or before one hundred

the Term of this Lease. Furthermore, any termination of this Lease shall be subject to a Wind Down Period defined and set forth in the O&A.

For the purposes of this Lease, the "Commencement Date" shall mean the 24th day of June 2012, unless contractually extended by the parties, which extension shall not be unreasonably withheld.

## ARTICLE II. RENT

**Section 2.1 Quarterly Rent.** During the Term, the consideration for the rental of the Leased Premises and Equipment, the access to Lessor's workforce, the opportunity to operate a

2390 West Congress, Lafayette, Louisiana, pursuant to an agreement of Sublease between

Lessor as Sublessor, and Lessee as Sublessee, and the acquisition of Lessor's hospital provider

in four (4) equal quarterly installments (the "Quarterly Rent") of \$1,000,000.00, the first

installment being due and payable on the Commencement Date, and the remaining

installments being due and payable quarterly on the 1st day of each quarter thereafter.

Quarterly Rent payments will be due no later than each installment. April 1st of 2012 (the "Quarterly

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 the last

quarter of the Term to the last day of the Term.

**Section 2.2 Advance Rent**

this Lease, Lessee shall prepay to Lessor a portion of the Rent as follows (the "Advance Rent"):

\$15,790,500.00 shall be prepaid by Lessee which payment represents the full value of all

Quarterly Rent for the first year of the term of this Lease.

Quarterly Rent for the first year of the term of this Lease shall include the

the CEA, occurring because of the fact that the State is obligated to provide

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 providing ICHS and other

programs to provide health care to the community and to seek to reduce the financial burden on

the State of providing this health care.

Notwithstanding the above, the State shall not be obligated to refund any

prepaid Rent shall be reduced on a dollar-for-dollar basis by the amount of the

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 by the amount of the

incurred as a result of the State's obligations pursuant to the CEA 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 Rent and Additional Rent may be referred to collectively herein as the "Rent". Except as

otherwise set forth in this Lease, the Rent shall be paid by Lessee to Lessor

days after receipt of the invoice, with reasonable description and itemization of the charges, from

Lessor.

**Section 2.4 Rent Payments** All Rent is payable by Lessee to Lessor at the following address:

address, until notified in writing by Lessor. P. O. Box 91508, Baton Rouge, Louisiana 70821.

**Section 2.5 Adjustments to Quarterly Rent.**

(a) The parties agree that as of the end of the 60th day of the end of every five (5) year period thereafter (each an "Adjustment Date") the Quarterly

rent may be reviewed and adjusted in order to reflect fair market value for the rental of the

Leased Premises and Lessor, the owner of the Leased Premises, is a major teaching hospital at the Leased Premises and the acquisition of Lessor's hospital provider

General Market Rental Value and 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 on a new Quarterly Rent.

account for a change in value. In the event Lessor and Lessee cannot so agree in writing or 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 appraisals.

(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 thirty (30) days of the receipt of such notice,

appraiser having at least ten (10) years' experience appraising commercial real estate in the

Lafayette area and who is a member in good standing of the National Association of Real Estate Appraisers

for the Leased Premises as of the beginning of each five (5) year period. Each party shall

the other of the appointment of its Qualified Appraiser within ten (10) days of the

appointment of the other party's Qualified Appraiser. If neither party appoints a

Qualified Appraiser within the above time period, the appointment of its Qualified Appraiser shall

only one party appoints its Qualified Appraiser within the above time period, the

appointment of its Qualified Appraiser shall be deemed to have occurred ten (10) days after the

Value shall be the value determined by that Qualified Appraiser. If neither party appoints a

(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

reasonably appropriate. The Fair Market Rental Value shall be determined by the

Qualified Appraiser within the above time period. If neither party appoints a

(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 initial two Qualified Appraisers shall be borne by the party hiring them, and the fee of the third Qualified Appraiser shall be borne equally by Lessor and Lessee.

**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 shall include, but not be limited to, all taxes, insurance, and other charges payable by the Lessee.

whichever of any kind, character or nature it being understood and agreed to by Lessee that 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.

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 Use** The Leased Premises and Equipment shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinic, outpatient pharmacy operations, or other medical

that are necessary and appropriate for the foregoing.



the prior written consent of Lessor, Lessee will conduct its business on the Leased Premises in compliance with all federal, state, local, and government regulations, orders, codes and decrees (herein "Laws") and in accordance with the provisions of the CEA and the original acquisition of the Leased premises by the State of Louisiana.

Department of Health and Human Resources, dated January 22, 1981, recorded as File No. 89-00115 in the records of the Clerk of Court of Lafayette Parish, Louisiana.

**ARTICLE IV  
SUBLETTING AND ASSIGNMENT**

**Section 4.1. No Assignment.** Lessee shall not assign, sublease, 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 in the Leased Premises to a wholly owned subsidiary, 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 subsidiary or of substantiality of the assets of Lessee, provided that such assignee shall be a resident of Louisiana.

Lessor agrees to assume in writing Lessee's obligations hereunder without release of Lessee, 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 in 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 in 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 in 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

Premises and/or Equipment (collectively "Permitted Subleases") as (1)

56. The above-mentioned Permitted Subleases shall be subject to the following conditions:

level entity wholly owned or controlled by Lessee, or to any other entity that is

other subtenants which support the operations of the Hospital, as the term "Hospital" is defined

similar scope and operation; (3) a third party with which (i) Lessee and/or Lafayette General

Health Systems, Inc. and (ii) Lessee have an affiliation agreement relating to the healthcare

academic or research activities conducted in the Hospital, and (j) any entity of similar or

purpose of providing in-patient long-term acute care, inpatient rehabilitation, treatment and/or

inpatient chemical dependency treatment. The Lessee shall ensure that at all times the

number of licensed acute care beds available for acute care patients in the Leased Premises

below eighty (80) at any one time, and so long as such sublease or event 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 Subleases shall be in accordance with the

applicable terms and conditions of this Lease, and further provided that such subleases expressly

acknowledges the above in the sublease. Any such Permitted Sublease for which such prior

(a) has not been approved by the Board of Directors of the Hospital, and (b) has not been approved by the Board of Directors of the Hospital, and (c) further the direction of the Hospital

and 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 review and approval. Any failure of the Lessor Representative to respond within thirty (30) days of receipt of such request shall constitute approval.

Notwithstanding to whomsoever such sublease is made, the Lessor Representative shall not be deemed to have approved such sublease unless and until the Lessor Representative has received and approved a copy of the sublease.

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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 CFA. Any sublease shall contain a provision to the effect that if this Lease is terminated for any reason, the sublease shall automatically terminate.

Notwithstanding to whomsoever such sublease is made, the Lessor Representative shall not be deemed to have approved such sublease unless and until the Lessor Representative has received and approved a copy of the sublease.

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(ii) be terminated without any liability to LSU or DOA. Further, any sublease shall contain a provision to the effect that if this Lease is terminated for any reason, the sublease shall automatically terminate.

Notwithstanding to whomsoever such sublease is made, the Lessor Representative shall not be deemed to have approved such sublease unless and until the Lessor Representative has received and approved a copy of the sublease.

Notwithstanding to whomsoever such sublease is made, the Lessor Representative shall not be deemed to have approved such sublease unless and until the Lessor Representative has received and approved a copy of the sublease.

discretion.

IMPROVEMENTS AND ALTERATIONS BY LESSEE

Section 5.1. Lessee's Improvements and Alterations. Lessee shall not make

Major Alterations (as defined in Article 1.1) without the prior written approval of Lessor, which approval can be given by the ISU Representative or by the Director of Facility

Planning in the ISU President's Office and the Division, which approval shall not be

unreasonably withheld or delayed. In connection with any requested Major Alteration Lessee

shall submit to Lessor and the Division an explanation of the work proposed to be carried out in

a level of detail required by Lessor in its reasonable discretion, and including plans and

specifications therefor unless the requirement of such plans and specifications is waived

by Lessor and the Division in their reasonable discretion. Lessor and the

Division in the event of a denial of a request for a Major Alteration within (30)

days after receipt by the Lessor Representative and the Division of such information as is

necessary to describe the Major Alteration in reasonable detail, Lessor and the Division shall be

deemed to have approved the request.

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

Premises or which is significant in nature or which would materially change the

appearance or structure of the Leased Premises, or (ii) which would materially affect

the electrical, mechanical, heating, ventilating and air conditioning or utilities systems or routing

of the Leased Premises, or (iii) 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, shall be

performed by Lessee, at its cost or expense to Lessor or the Division.

All Improvements shall be made in accordance with I. D. S. 17.2261 et seq. Such

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

reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's lessorhold interest or any of Lessor's

property and Lessee shall furnish (i) check list certificates for any Major Improvements to the Leased Premises, in addition to the certificate of completion, with Lessee's final bill of materials

Leased Premises which are not Major Improvements

shall be subject to the same work and shall be subject to the same work

Premises. Any requirement of this Section 5.1(b) may be waived with the consent of Lessor and Division.

(a) The rights, responsibilities and obligations of the Division of Administration, Office of Facility Planning and Control ("OPC") shall be governed by the

provisions of La R.S. 17:3361, La R.S. 40:1724, and all other regulatory and statutory authority.

(d) Upon termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section 14.1 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 Lessee and the Director in accordance with this Section 5.1, and such amount shall be funded by the State in accordance with Section 17.12 hereof, provided, however, any such

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 releasing 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 Major

written notice to Lessee require that Lessee remove the Major Alteration specified in such notice

within sixty (60) days of the date of such notice

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 Debt, the

Landlord pay the cost for any additional personal property, fixtures, equipment, furniture and other

unattached items of personal property which Lessee may place in the Lessor's Premises including

but not limited to, computer, telephone, television, chairs, and other unattached movable

personal property and equipment (collectively "Personal Property") and the Personal

Property shall be and remain the property of Lessee and may be removed by Lessee at any time

without compensation to the Landlord, provided that Lessee shall

reimburse the Landlord for any Personal Property or Equipment covered by such removal. Lessee's Personal

Property shall not include the Equipment leased by Lessor to Lessee pursuant to this Lease.

## ARTICLE VI.

services and equipment necessary or required for its use of the Lessor's Premises and Equipment

accommodation (if any) required for its use of the Lessor's Premises and Equipment

Lessee shall be responsible for the cost of such services and equipment

elevators, telephone, cable and other utility lines, plumbing, fire sprinkler and security systems, computer services, air and water pollution control and waste disposal facilities, and structural

cepted, 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 Lessor, Lessee, or any other party, and regardless of by whom such items were placed in the Leased Premises; provided, however,

Lessor or DOA shall provide the funding for which has been included in a line of credit granted by the State Bond Commission.

Leased premises. If Lessee fails to commence such maintenance, repairs, restoration, or replacements within 60 days of receipt of Lessor's notice that such

restoration, or replacements are necessary (or within such longer period or 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 recover from Lessee the amount of such expenses incurred within 10 days of written demand for reimbursement.



(a) Lessee shall have full and sole responsibility for the condition, repair

good working order as of the Commencement Date. Lessee shall provide written notice to Lessor

equipment that were not in good working order as of the Commencement Date. Lessee shall

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 Article VI.

(b) It is understood and agreed that Lessor shall be responsible for all 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.

(c) Lessee agrees that all Improvements to the Leased Premises constructed

40.1731 through 40.1744, and any other or modified requirements imposed to make the Leased

agency.

(4) Lessee further agrees to make at its own expense all changes and

Lessee), 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;

State Fire Marshal, provided however, that in the event

Major Alterations to the Leased Premises, the written consent of the Lessor and EPC must

be obtained prior to the commencement of any work in accordance with Section 5.1 hereof.

Lessee shall remain responsible for an event occurring within any required permit response

furnishing of fire extinguishers and other fire 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

time of such order.

(e) Lessee accepts the Leased Premises and Equipment in their present

condition, that being the condition or state in which the Leased Premises and/or Equipment exist

or in law, oral or written, by Lessor, except as set forth in Section 6.10 herein below. Lessor

agrees to preserve all available warranties of workmanship, if any, related to the Leased Premises

and agrees to exercise its rights with respect to all such warranties, if any, then exist, with

Lessee's acceptance of this lease shall constitute an acknowledgment of the condition of the Leased Premises and Equipment at the time of acceptance.

(d) 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.

(g) 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

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

and Hospitals.

(h) Furthermore, Lessee shall comply with the standard outlined in Exhibit

attached hereto. Lessee may propose alternative equivalent maintenance standards for approval by Lessor within forty-five (45) days of completion of this Lease. Lessee, to the best of its knowledge and belief, has maintained the Leased Premises in accordance with the standards

Section 6.4 Security and Other Services. Lessor shall provide or cause to be

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 for the purposes stated in the Equipment Schedule without the prior written consent of Lessor. The 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 local government now or hereafter in effect, including all environmental laws and regulations of any regulatory agency, and any other laws, ordinances, regulations, orders, or rules having similar effect. Lessee shall not make 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, utilities, 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.

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

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. If Lessee has knowledge or reason to

believe that any Equipment has been damaged during the Term of this Lease, Lessee shall

promptly notify I SII 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 use the insurance proceeds stemming from the damage to

may not dispose of any damaged Equipment except as set forth in this Article VII.

Section 7.5. Delegation of Equipment. Lessee shall be solely responsible for any

equipment returned to Lessor pursuant to section 7.5 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 I, Part 3, Title 39, R.S. 39:321 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. P.S. 30:330;

(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 thorough physical inventory of the Equipment

as required by La. P.S. 30:324 and La. R.S. 312, 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. P.S. 30:324, 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

Lessee's Property Manager 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 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;

(411) The obligation to make all records and reports regarding the

and equipment available for inspection and annual audit as required by La. R.S. 57:527.

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

and other documentation regarding the Equipment.

LSU shall also assist Lessee in obtaining access to any online tracking and reporting systems and

Property Control obligations.

LSU shall assist Lessee in assuming and continuing the Property Control obligations for the

Equipment, and shall provide assistance to Lessee in the administration of the Equipment.

LSU shall also assist Lessee in obtaining access to any online tracking and reporting systems and

Property Control obligations.

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Property Control obligations.

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Property Control obligations.

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Property Control obligations.

without the advance written approval of LSU. In the event that Equipment is purportedly sold, alienated, conveyed, transferred, or otherwise disposed of without the advance written approval of LSU, such sale shall be null and void and without legal effect. In the event that Lessee needs to return a piece of equipment

to LSU, Lessee 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 when and 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

take all reasonable steps to access 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

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 in Rent



or its designee.

Section 7.0 Taxes and Liens. Lessee shall pay 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

and in its own name contest any such item of tax, assessment, lien, or other governmental charge

period of such contest and any appeal therefrom. LESSEE will cooperate to the extent reasonably

necessary with Lessee in any such claim, defense, or contest.

Section 7.10 LESSEE shall deliver the Equipment to Lessee in the same condition as it is

its "as is" and existing condition, without any warranty of any kind or nature, whether express or

implied, or statutory or otherwise, as to the condition (patent or latent) or state of

repair of the Equipment on the date of same for Lessee's purposes or for any other purpose.

**ARTICLE VIII.  
INTENTIONALLY LEFT BLANK.**

**ARTICLE IX.  
UTILITIES.**

in or upon or in connection with the Leased Premises and Equipment during the Term, including

without limitation, water, gas, electricity, medical, ocean, sewerage, exchange, trash removal

Light, heat, cable, internet and telephone service and other utilities necessary for the operation of

the Leased Premises and Equipment ("Utility Services"), and all Utility Services shall be obtained

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 Services to the Leased

Premises and Equipment as for the cost to receive Utility Services, Lessor shall not be in default

consequential damage, or otherwise, for any failure in supply of any Utility Service by the

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

the Leased Premises and Equipment, of sufficient size to meet

future or additional installation requirements of Lessee will be provided by Lessee.

## ARTICLE IV INSURANCE

Section 10.1 Lessee Responsibility for Insurance Coverage. Lessee shall secure and

maintain coverage to be secured and maintained at its sole cost and expense:

- (i) Special form (formerly known as "all risk") property insurance, including

including fire, theft, windstorm and flood and other perils, which insurance shall be in an

amount not less than one hundred percent (100%) of the full replacement cost of the buildings



(v) workers compensation insurance issued by a responsible carrier

under the Labor Code of the State of Louisiana in any act hereafter enacted or amended

hereof or in lieu thereof, sufficient to cover all persons employed by

its use of the Leased Premises and Equipment.

(vi) 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

out of 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.

#### Section 10.2 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

shall be issued by companies authorized to transact business in the State of Louisiana and

provide that the policies shall not be amended or materially altered without 30 days prior written

notice to Lessor. Lessee may satisfy its obligation under this Section by appropriate

endorsements of its blanket or excess insurance policies.

(b) All companies providing insurance Lessee maintains according to this Lease

shall be named as additional insureds ("AII Insured

Parties") and Lessor shall also be named as a loss payee on any property damage insurance

(a) Lessor reserves the right to reasonably request the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor and any other insureds) and any other documents, together with

Lessor, as additional insureds) Certificates of insurance and the declaration page for each policy.

Lessor shall be named as an additional insured on all policies covering the Leased Premises and, if requested by Lessor, from time to time at least all parts of the Leased Premises and Equipment, including all

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) All insurance required hereby shall provide 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. Lessor shall be responsible for deductibles and self-insured retentions.

decrease in the enjoyment and beneficial use of the Leased Premises and Equipment due to any

condemnation, expropriation, or eminent domain proceedings (collectively, "Casualty") expressly assumed by Lessee. None of the forgoing events shall entitle Lessee to any

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 10.1. Restoration. If the Leased Premises or Equipment is damaged or destroyed by a Casualty, Lessor shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at Lessor's sole cost and expense. Lessee may elect to demolish the damaged or destroyed buildings and construct new replacement buildings or other improvements under the

however, that Lessee shall obtain approval of the Lessor prior to demolishing any building that exists 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

in excess of 50% (50%) percent of the replacement value of the Leased Premises and/or Equipment and that has a material adverse impact on Lessor's ability to operate

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

property insurance coverage is terminated or discontinued, Lessor shall be entitled to the termination or discontinuation of the term of

the property insurance coverage, and Lessor shall be entitled to the proceeds of any property insurance coverage provided, substantially similar services as Lessee had provided in the leased premises in accordance with the specific requirements set forth in the CPA.

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, shall be paid to Lessor and shall be retained by Lessor.

Section 10.5. Termination. Amount. If the entire Leased Premises shall be taken by Lessee, 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

only a portion of the Leased Premises shall be taken, Lessor shall retain the compensation awarded or paid upon any such taking of the Leased Premises, and the portion of the Leased Premises so taken shall be deemed to be taken for the entire Leased Premises.

If the Lease is not terminated as provided in this Section 10.5, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion of the Leased Premises so taken.

Lessor shall, at its sole option, convey the remaining portion of the Leased Premises to a third party, or Lessor shall, at its sole option, terminate the Lease as provided in this Section 10.5.

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

be entitled to the proceeds of any property insurance coverage provided, substantially similar services as Lessee had provided in the leased premises in accordance with the specific requirements set forth in the CPA.

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

insurance, or other source, which shall participate in Lessee's award

## ARTICLE XI. HAZARDOUS MATERIALS

### Section 11.1 Hazardous Materials.

(a) Subsequent to the effective date of this Lease, Lessee shall not allow

Hazardous Materials (as defined below) to be generated, maintained,

including, but not limited to, asbestos and lead-based materials,

on 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

use, as long as such materials are necessary, used in accordance with applicable

materials does not equal or exceed 40 CFR §§ 302 and 305

and as may be amended, and so long as such hazardous materials are generated,

manufactured, used, treated, stored, remediated or disposed of

in compliance with all Laws applicable thereto. In no event shall Lessee cause the deposit,

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

Hazardous Materials on the Leased Premises, Lessee 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 pollutant or contaminant defined as

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

any violation of any Law at any time in and made be in effect or any offense, hazardous, toxic or dangerous waste substance or material

(c) Lessee shall promptly notify Lessor in writing, in Lessee has or acquires

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 of the Leased Premises during the Term of any Laws pertaining to Hazardous Materials, Lessee shall promptly notify Lessor of

reports, correspondence and submissions made by Lessee to the United States Environmental

(CCHA) and the 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

penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages,

defending or prosecuting any litigation, claim or proceeding) that may at any time be imposed

arising from or out of Lessee's violation of any of its obligations set forth in Section 11.1(a)

above.

(c) 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 construction liabilities, penalties,

litigation, demands, judgments, suits, proceedings, damages (including

consequential damages; however, Lessee shall not indemnify for consequential damages on

including attorneys' and experts' fees and fees and expenses incurred in investigating,

including attorneys' and experts' fees and fees and expenses incurred in investigating,

including attorneys' and experts' fees and fees and expenses incurred in investigating,

including attorneys' and experts' fees and fees and expenses incurred in investigating,

arising from or out of Lessee's violation of any of its obligations set forth in Section 11.1(a)

above.

(d) Nothing herein shall require Lessee to indemnify, defend and hold

of this Lease.

(c) The provisions of this Section will survive the termination or expiration

## ARTICLE XII. INDEMNIFICATION

Section 12.1. Lessee's Indemnification to Lessor. Lessee shall indemnify, defend and

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 or is caused in whole or in part by or attributable to Lessor's use of, and/or activities on the Leased Premises

and Equipment by Lessee, its officers, agents, employees, invitees, permittees, contractors, or

Commencement Date.

Notwithstanding any provision to the contrary contained in this Lease, Lessor

acknowledges and the Lessor hereby agrees to indemnify, defend and hold Lessor harmless from and against all

**Section 12.2 Lessee's Indemnification to Division** Lessee shall indemnify, defend

and hold harmless Division and its officers and employees, together with any of their respective

successors and assigns (collectively, the "Division Indemnitees") against any and all loss, cost

and expenses (including, but not limited to, actual attorney 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, permanent 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.

Such obligations shall include, but not be limited to, the payment of reasonable attorneys' fees and

costs, including the cost of investigation, and the cost of any governmental action involving the presence or expected

presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but

not to the extent any such claim, suit or judgment is caused in whole or in part by the acts of Lessee, its officers, agents

employees, invitees, permittees, contractors or subcontractors, or any combination thereof.

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, Division

acknowledges that the Lessee's obligation to indemnify and hold any Division Indemnitees

harmless under this Article shall not extend to any loss, damages or other claims to the extent

such loss, damages or other claims are caused in whole or in part by the negligence or willful misconduct of any Division Indemnitee.

Section 12.3. Lessor's Indemnification. To the extent authorized by Law, Lessor will

indemnify, defend and hold Lessee, its successors and assigns 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

employees.

Section 12.4. Division's Indemnification. To the extent authorized by Law, Division

will indemnify, defend and hold Lessee, its successors and assigns together with any of Lessee's permitted successors and assigns, from and against any claims, liabilities,

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 Division, its board members, officers or employees.

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

Section 12.1. Payment of Taxes. Lessor shall collect (as applicable) and deposit the

appropriate collecting authorities all federal, state and local taxes and fees, which occur during the Term on or against or with respect to the Leased Premises, Lessor's operations, the equipment or the business conducted by Lessor on the Leased Premises.

Section 12.2. Licenses. Lessor shall maintain in effect all federal, state and local

Leased Premises.

**DEFAULT BY LESSEE**

**Section 14.1 Default.** Each of the following shall be an Event of Default by Lessee

Failure of Lessee to pay Rent to Lessor on the date on which Rent 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 receive written notice and a NYC (5) business day period of time to pay Rent on Lessee shall only be waived once (1) per year.

Failure of Lessee 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 received by Lessor and Lessee has not cured the same.

(b) Failure to obtain and maintain all insurance as required under this Lease and to reimburse Lessor for the cost of such insurance within ten (10) 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 requested within 120 days of the entry of a decree or order by a court having jurisdiction over the affairs of 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) which are specifically identified in Article XIV, shall constitute a violation of this Lease. If a violation of this Lease occurs, Lessor may, at its option, require Lessee to cure the violation, provided that Lessor pursues the cure of the violation with reasonable diligence.

In addition to any other remedies provided by Law and the covenants and conditions 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 herein, Lessee is given in writing, notice specifying Lessee's failure and Lessee fails to correct the failure.

#### ARTICLE XV. DEFAULT BY LESSOR

Notwithstanding to whomsoever this Lease may be assigned, an Event of Default shall 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) days of the date of the failure. If Lessor fails to cure the failure within thirty (30) days of the date of the failure, Lessee may, at its option, terminate this Lease and continue this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

#### ARTICLE XVI. 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:** University Hospital and Clinics, Inc.  
1214 Coolidge Blvd

Attn: David Calcedo, President/CEO

**With a copy to:** Lafayette General Health System, Inc.  
1214 Coolidge Blvd.  
Lafayette, Louisiana 70503  
Attn: Gordon Rountree, General Counsel

**Guarantor:** Lafayette General Health System, Inc.  
1214 Coolidge Blvd.  
Lafayette, Louisiana 70503  
Attn: David Calcedo, President/CEO

**With a copy to:** Lafayette General Health System, Inc.  
1214 Coolidge Blvd.  
Lafayette, Louisiana 70503  
Attn: Gordon Rountree, General Counsel

**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:** ESO System Office  
3810 West Lakeshore Drive  
Baton Rouge, Louisiana 70808  
Attn: Executive Vice President for Health Care

**With a copy to:** Taylor Porter Brooks & Phillips, L.L.P.  
Attn: Nancy C. Dougherty  
401 Poydras Street, Suite 2000  
Baton Rouge, Louisiana 70801

**Administration:** Division of Administration  
Claiborne Building  
1201 North Third Street



With a copy to:

Director  
Office of Facility Planning and Control  
Division of Administration  
Claiborne Building  
1201 North Third Street

Claiborne Building  
1201 North Third Street

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 XVII. MISCELLANEOUS

Equipment, as hereinafter defined, shall be deemed to be equipment if it is used in the proper function of the Lessee's business. Lessee shall attempt to maintain the equipment in a state of good repair and shall be responsible for the cost of repair and replacement of such equipment.

Leased Premises or Equipment.

Section 17.2 - 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, but shall be deemed to be a

understand and agreed that no provision contained herein nor any employees, agents, members,

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

term or condition, even if the party accepting or acquiescing in the non-complying performance

knows of the nature of the performance and fails to object to it. No waiver or breach shall affect

any other terms of this Lease, but each of the terms of this Lease shall continue in full force and effect with

GENERAL CITY FUNDING GROUP SHALL BE LIMITED TO THE EXTENT OF THE LIMITED WARRANTY PROVIDED HERE

ONLY, AND THE WAIVER OF SUCH LIABILITY SHALL BE LIMITED TO THE EXTENT OF THE EXPRESS

waiver shall affect any default other than the default specified in the express waiver for the time

subsequent breach of the same covenant, term, or condition.

Section 17.4. Lessor's Consent. In any instance in which a party's consent or approval

party agrees not to unreasonably withhold, delay or condition such consent or approval.

Section 17.5. Severability. The provisions of this Lease are severable. Any term

or condition of the Lease or the CEA.

Section 17.6. Deletion of CEA. Deleted

Recorder of the Parish of Lafayette. The form of the Extract of Lease shall

of Lease. Recordation of the Extract of Lease shall be at Lessee's expense.

**Section 17.7. Successors and Assigns.** This Lease shall be binding on and will inure to

and benefit of the parties to this Lease and their respective successors and assigns

such assignment was made in a manner consistent with terms of this Lease.

each of which shall be deemed an original; but all of which together will constitute only one agreement.

**Section 17.9. 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 made in writing in this Lease, shall be binding on either party.

**Section 17.10. Choice of Law.** This Lease shall be construed under and in accordance

proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

**Section 17.11. 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 Lessee by the

President of the LSU System or by his designee, and on behalf of Lessee by any duly authorized representative of Lessee.

**Section 17.12. Appropriation of Funds.** Notwithstanding anything to the contrary

Legislature of sufficient funds, therefor, and the availability of funds, full and complete

Legislature of sufficient funds, therefor, and the availability of funds, full and complete

and lease to be paid hereunder shall be subject to, and contingent upon, appropriation by the

Louisiana Legislature of sufficient funds, specifically and expressly appropriated for the refund of

United States to the extent of said refund. A refund shall be made to the extent of the amount of the

of the amount of the refund of said refund to the extent of the amount of the refund of said refund

this Section 17.12, the State, the Division, and Lessee, or its agents, shall not be held liable for

seek specific appropriation for such refund by the Louisiana Legislature, and the Division and/or

Lessee, shall include in one or more of their annual budgets the amount of the refund of said

appropriation of funds for the purpose of making such refund of said refund of said refund

TO THIS LEASE.

SECTION 17.15. FURNISHING OF RECORDS. Within one (1) year after the

furnishings of any services hereunder and in the event the services provided by the parties

in accordance with the terms of this Lease shall be made available to the parties

the parties shall make available, upon written request of the Secretary 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

**ARTICLE XVIII.**

**LIMITED ASSUMPTION OF LIABILITIES**

It is expressly understood and agreed that Lessee will not assume any liability, obligation, claim against or contract of Lessee of any kind or nature, at any time existing or asserted, whether or not assumed, 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, claim against or contract of Lessee of any kind or nature, at any time existing or asserted, whether or not assumed, whether fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Lessor to the extent of Lessee's liability for the Leased Premises or the Equipment located thereon (the "Hospital") prior to the Commencement

of this Lease, including, but not limited to, any and all Medicare and/or Medicaid liabilities. Furthermore, in the event that a claim for reimbursement is made by the State which results in a set-off of reimbursement due Lessee as a result of an overpayment while LSU was responsible for the Hospital's Medicare and Medicaid Provider Numbers, the State will seek an

order of summary judgment for the set-off amount. In the event that the State obtains such an order, Lessor shall have an immediate right of set-off against Lessee under the Lease to the extent of the amount withheld under the arrangement. Lessor shall not be responsible for any such set-off amount.

Notwithstanding the above, Lessor shall have an immediate right of set-off against Lessee under the Lease to the extent of the amount withheld under the arrangement. Lessor shall not be responsible for any such set-off amount. Lessor shall not be responsible for any such set-off amount.

from reimbursement due Lessee but which amounts were later paid or restored to Lessee.

**ARTICLE XIX.**  
**INTERVENTION**

Now herein enters Lafayette General Health System, Inc., a Louisiana non-profit corporation, which is the Lessor in this Lease, and the Lessee in this Lease.

full and timely payment and performance of all of University Hospital and Clinics, Inc.'s

obligations under this Lease.

(The remainder of this page intentionally left blank.)

Signatures on the Following Page

[Signature Page for Lease (University Medical Center Lafayette)]

This Lease was made by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Division of Administration, the State of Louisiana and University Hospitals and Clinics, Inc., is executed in duplicate original counterparts.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the 17th day

under their respective signatures:

WITNESSES:

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

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

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

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

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

WITNESSES:

DIVISION OF ADMINISTRATION  
STATE OF LOUISIANA

Printed Name: Elizabeth Turner

By: [Signature]  
Kristy Nichols  
Commissioner of Administration

Printed Name: Portia Johnson

Date: 5/17/13

WITNESSES:

STATE OF LOUISIANA, through DIVISION OF  
ADMINISTRATION

Printed Name: Elizabeth Turner

By: [Signature]  
Kristy Nichols  
Commissioner of Administration

Printed Name: Portia Johnson

Date: 5/17/13

WITNESSES:

UNIVERSITY HOSPITAL AND CLINICS, INC.

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

By: \_\_\_\_\_  
David Callecod  
President/CEO

Its President/CEO

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

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

University Hospitals and Clinics, Inc., is executed in duplicate original counterparts.

of May, 2013, in the presence of the undersigned competent witnesses on the dates set forth under their respective signatures:

WITNESSES:

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

Printed Name: Jason Draddy

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

Date: 5/14/13

WITNESSES:

DIVISION OF ADMINISTRATION

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

By: \_\_\_\_\_  
Kristy Nichols  
Commissioner of Administration

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

WITNESSES:

STATE OF LOUISIANA, through DIVISION OF ADMINISTRATION

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

By: \_\_\_\_\_  
Kristy Nichols  
Commissioner of Administration

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

WITNESSES:

UNIVERSITY HOSPITAL AND CLINICS, INC.

Printed Name: Kim Darden

By: David Colledge  
President/CEO

Date: 5/17/13



WITNESSES:

Ginger Curtis

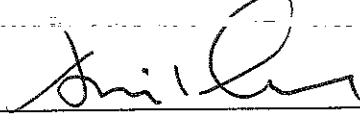
Printed Name: Ginger Curtis

Kim Darden

Printed Name: Kim Darden

INTERVENOR/GUARANTOR:

LAFAYETTE GENERAL HEALTH SYSTEM,  
INC.

By: 

David Callecod  
Its President/CEO

Date: 5/17/13

**EXHIBIT "A"  
EQUIPMENT**

All of Lessor's right, title and interest in and to the Equipment set forth on the attached lists.

Under the terms of the term "Equipment" shall include all equipment owned by Lessor or Lessor's agent or assignee, with a value of more than \$1,000.00, which is located on the Leased Premises.

By mutual agreement, the parties may substitute more complete lists for the attached exhibit within thirty (30) days of the Commencement Date of this Lease.

EXHIBIT "B"  
LEASED PREMISES

All of Lessor's right, title and interest in and to the following described property:  
Commencing at the intersection of the centerline of West Congress Street and the centerline of Bertrand Drive, thence proceed north  $37^{\circ} 45' 47''$  west a distance of 94.55 feet to the point of beginning; thence proceed north  $30^{\circ} 21' 47''$  west a distance of 1057.08 feet to a point and corner; thence proceed north  $56^{\circ} 21' 48''$  east a distance of 812.75 feet along the northerly property line to a point and corner; thence proceed south  $37^{\circ} 51' 00''$  east a distance of 1029.21 feet along the easterly property line to a point and corner; thence proceed south  $52^{\circ} 09' 00''$  west a distance of 616.76 feet along the northerly right of way of West Congress Street to a point and corner; thence proceed south  $52^{\circ} 09' 00''$  west a distance of 140.00 feet along the northerly right of way of West Congress Street to a point and corner; thence proceed south  $52^{\circ} 09' 00''$  west a distance of 140.00 feet along the northerly right of way of West Congress Street to a point and corner; thence proceed south  $52^{\circ} 09' 00''$  west a distance of 140.00 feet along the northerly right of way of West Congress Street to the point of beginning.

Property description covering a tract of land containing 942,421 square feet or 21.635 acres, belonging to the University of Southwestern Louisiana, located at the corner of Bertrand Drive and West Congress Street, Section 32, Township 10 North, Range 10 East, Parish of Iberville, Louisiana.

Subject to a right of way to the State of Louisiana, Department of Transportation and Development Office of Highways, Baton Rouge, Louisiana, as Parcel No. 3-1, including four (4) Construction Straddles designated Parcel Nos. 3-1-C-1, 3-1-C-2, 3-1-C-3, 3-1-C-4, all as HHS 8160 (002), LEFT TURN LANES, BERTRAND DRIVE AT CONGRESS, I.A. 3025.

Development Office of Highways, Baton Rouge, Louisiana, as Parcel No. 3-1, including four (4) Construction Straddles designated Parcel Nos. 3-1-C-1, 3-1-C-2, 3-1-C-3, 3-1-C-4, all as

Book C, Entry No. 79,12421, of the records of Iberville Parish.

LESS AND EXCEPT:

Commencing at the intersection of the centerlines of Bertrand Drive and West Congress Street thence proceed North  $37^{\circ} 45' 47''$  West a distance of 94.55 feet to a point; thence proceed North  $30^{\circ} 21' 47''$  West along a line that becomes the Easterly right-of-way of Bertrand Drive a distance of 1057.08 feet to a point; thence proceed North  $56^{\circ} 21' 48''$  East along a fence line a distance of 257.10 feet to the point of beginning; thence proceed North  $56^{\circ} 21' 48''$  East along the fence line a distance of 150.41 feet to a point and corner; thence proceed South  $37^{\circ} 52'$

...distance of 150.0 feet to a point and corner  
...distance of 150.0 feet to a point and corner  
...distance of 150.0 feet to a point and corner  
...these angles North 27° 51' 12" West along an unmarked line a distance of 96.6

feet to the point of beginning. Property contains .279 acres more or less.

## EXHIBIT "C" SERVICE STANDARDS, BUILDING

General	Standard
<p>In general, all elements of building fabric, fixtures and fittings, floor and floor coverings, and furniture shall at all times be</p>	<p>in good repair and weathered, subject to reasonable wear and tear, which is in part subject to environmental</p>
	<p>obligations.</p>
<p>Walkways</p> <ul style="list-style-type: none"> <li>• Safety barriers</li> <li>• Balconies</li> <li>• Eaves</li> <li>• Rendering</li> <li>• Chimneys/flues</li> </ul>	<p>Free from structural cracks or pests.</p> <ul style="list-style-type: none"> <li>• Chimney stacks/flues and vents are structurally sound and secure and free from blockages and if flues, free from soot.</li> <li>• Free from debris, moss growth and bird droppings.</li> </ul>
<ul style="list-style-type: none"> <li>• Vents</li> </ul>	<p>Free from structural cracks and/or deflection.</p>
<p>Including but not limited to:</p> <ul style="list-style-type: none"> <li>• Internal walls</li> <li>• Partitions</li> </ul>	<ul style="list-style-type: none"> <li>• Free from damp and vermin</li> </ul>
<ul style="list-style-type: none"> <li>• Elevators, escalators, dumbwaiters</li> <li>• Pneumatic tubes</li> </ul>	<ul style="list-style-type: none"> <li>• Free from undue damage and of reasonable appearance for location and standards</li> <li>• Free from asbestos and other hazardous materials</li> </ul>
<p><b>Fixtures and Fittings</b></p> <p>Including but not limited to:</p> <ul style="list-style-type: none"> <li>• Windows and doors and</li> </ul>	<ul style="list-style-type: none"> <li>• The floor coverings are complete</li> <li>• The floor covering is runny race to the door so as to prevent water ingress and safety hazard.</li> </ul>
<ul style="list-style-type: none"> <li>• Sills</li> <li>• Hatches</li> <li>• Vents</li> <li>• Shelving</li> <li>• Cupboards</li> </ul>	<ul style="list-style-type: none"> <li>• Cracks or any other condition which could cause a health and safety hazard.</li> <li>• 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)</li> </ul>

**Element**

**Standard**

- Mirrors

- Free from nests.

- Balustrades
- Magnetic door holders
- Floor covering's

**Decorative Finishes**

- Free from all but minor surface blemishes or undue wear and tear

Including but not limited to:

- Paintwork
- Polishes
- Special finishes applied to walls ceilings woodwork metalwork, pipework and other visible elements)

- Free from cracks, or any other surface degradation inconsistent with a building maintained in accordance with Good Building Practice

**Furniture & Equipment**

- Is free from spitz, cracks and other defects including squeaks and is free from all but minor surface blemishes, scratches, 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**

**General**

- 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.

**Emergency power supply**

- Standby power supply shall be operational, secure and tested in compliance with normal practice with standards
- Batteries shall be adequately ventilated, free from acid leakage, batteries shall be topped up and fully charged
- Batteries shall be adequately ventilated, free from acid leakage, batteries shall be topped up and fully charged
- Batteries shall be adequately ventilated, free from acid leakage, batteries shall be topped up and fully charged

**MV & LV Distribution System**

Including but not limited to:

- Distribution equipment and protective devices fuse switches

- Fuse elements or circuit breaker mechanisms in working order.
- Contacts and connections clean and mechanically tight
- No overheating during normal operating loads
- Torque all bus connections to manufacturer

Distribution boards

Fuses

**Element**      **Standard**      **Check List**

<p>MCB's, MCCB's, EMO's and MCCB's</p>	<ul style="list-style-type: none"> <li>• Test all alarm functions</li> <li>• Identification notices where necessary</li> </ul>	
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<p>HV Distribution Systems</p> <p>Distribution equipment</p> <p>Isolators</p> <p>Distribution units</p> <p>CEL, CRB's, ACR's and LFJ CR's</p>	<p>Devices shall be clearly marked</p> <p>Contacts and connections clean and mechanically tight</p> <p>No overheating during normal operating loads</p> <p>Secure to authorized access only</p> <p>Recording instruments operational where provided and necessary</p> <p>Transformers are maintained as per manufacturer's</p>	
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<p>every two years.</p>	<ul style="list-style-type: none"> <li>• No signs of excessive heating</li> <li>• Provide lock out procedure.</li> <li>• Balance loads</li> <li>• Test all protective relaying including injection testing at least</li> </ul>	
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	<p>at a minimum every ten years.</p> <ul style="list-style-type: none"> <li>• Indicate fault levels.</li> <li>• Check electronic operation of all breakers and that power</li> <li>• Torque all bolted connections</li> <li>• Identify all current transformer and potential transformer ratios.</li> <li>• Provide ground fault relaying as needed</li> </ul> <p>Marker and covering notices where necessary.</p>	
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<p>Hot and Cold Water Systems</p>	<p>Taps, valves and other related fittings fixtures function as intended.</p> <p>Pipelwork and fittings shall be fastened securely to their intended points of anchorage.</p> <p>There shall be no persistent drips or leaks of water from pipework, taps, valves and/or fittings.</p>	
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<p>Heating, Ventilating and Air Conditioning</p>	<p>All ventilation systems shall function as intended without fan/ventilation systems shall have a minimum of 10% free area.</p>	
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<ul style="list-style-type: none"> <li>• Fume hoods</li> </ul>	<p>achieve ASHRAE Standards as well as code and JCAH requirements</p> <ul style="list-style-type: none"> <li>• Ductwork fittings and pipework shall be securely fastened to</li> </ul>	
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<ul style="list-style-type: none"> <li>• Heaters</li> <li>• Ductwork</li> <li>• Mixers and dampers</li> </ul>	<ul style="list-style-type: none"> <li>• There shall be no persistent or unreasonable leakages of water (or other heating/cooling medium) or from ventilation systems</li> </ul>	
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<ul style="list-style-type: none"> <li>• Covers</li> </ul>	<p>Free from corrosion and organic growth</p>	
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**Element**

**Standard**

<p>Boiling Water and Local Heating Systems</p> <ul style="list-style-type: none"> <li>• Pneumatic tube system</li> <li>• Fire and smoke dampers</li> </ul>	<p>Health Authorities requirements</p>
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<p>Sanitary and Drainage Systems (Including all sanitary ware and associated)</p>	<ul style="list-style-type: none"> <li>• Provide a safe and comfortable environment.</li> <li>• All pipework and fittings fastened securely to their intended</li> </ul> <p>There shall be no leakage of waste and/or foul water and/or rain water.</p>
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<p>Fire, Flood, Gas, and other Emergency Systems</p>	<p>Fire, Flood, Gas, and other Emergency Systems</p>
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<p>Medical Gas Systems</p>	<p>Medical Gas Systems shall be maintained in accordance with Department regulations, State Fire Marshal regulations as well as R-AB requirements.</p>
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<p><b>Communications Systems</b> (Including but not limited to:</p> <ul style="list-style-type: none"> <li>• All infrastructure cabling including telecommunications and</li> <li>• IT/data other than backbone</li> </ul>	<ul style="list-style-type: none"> <li>• The Communications systems shall be maintained in accordance with all relevant codes and standards.</li> <li>• All electrical communications and data transmission installations to comply with relevant codes and standards.</li> </ul>
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<ul style="list-style-type: none"> <li>• Public address system (if provided)</li> <li>• PABX</li> <li>• Nurse call system hardware (First Response Maintenance), including radio paging</li> </ul>	
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<p>Patient education system; and</p> <p>All communication and equipment installed in the Facility.</p>	
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<p><b>Safety</b></p> <p><b>Alarm systems</b></p> <ul style="list-style-type: none"> <li>• Lighting conductor should be completely isolated and comply with codes and standards</li> </ul>	<p>Function as intended without undue noise or vibration.</p> <p>wiring, fittings, fixtures, controls and safety devices shall be properly housed and fastened securely to their intended points of anchorage and access.</p> <ul style="list-style-type: none"> <li>• MICC cable protective coatings intact.</li> <li>• Light transmittance at the design lux levels.</li> </ul>
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## Service Standards, Horticulture

### Element

### Standard

#### Tree Shrubs & Hedges

and 30 as to minimize

- The risk of crime or vandalism
- The opportunity for storm wind damage
- Risk of fire
- The presence of any unwanted plants, parasites, or insects

- Trimmed, pruned and/or cut to maintain healthy plant growth

Free from disease and/or aphid infestation

- Replaced as and when necessary to maintain appearance
- If irrigated, maintain irrigation system.

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:

- Paving
- Paths
- Driveways
- Roads

- 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

#### Hard standings

Facility entrances

External staircases

exterior stairs

- No loose paving or other paving stones

- Free from graffiti and/or vandalism

Maintain handicapped accessible routes including unobstructed (physically and visually impaired and

- Protection of vehicles from chemical sprays during any applications

#### Site Landscaping and Ornamentation

Including but not limited to:

- Guard rails

Sound, safe and even surface with no potholes or sinking

- Free from moss, algae and/or interstitial weeds

- Free from graffiti and/or vandalism

- Statues or ornamental objects
- Bollards
- Bus stops
- Street lights

**Element**

**Standard**

Element	Standard
<p><b>Perimeter</b></p> <ul style="list-style-type: none"> <li>• Fences/walls</li> <li>• Gates</li> </ul>	<p>Intersect safe sound and secure.</p> <ul style="list-style-type: none"> <li>• Locks are operational.</li> <li>• Free from graffiti and/or vandalism</li> </ul>
<p><b>External Area/Recreational Areas</b></p> <p>Including but not limited to:</p> <ul style="list-style-type: none"> <li>• Courtyards</li> <li>• Patios</li> </ul>	<p>Safe and secure.</p> <ul style="list-style-type: none"> <li>• Free from graffiti and/or vandalism</li> </ul>
<p><b>Gutters and Drains</b></p>	<ul style="list-style-type: none"> <li>• Swept.</li> <li>• Free from litter, leaves, weeds and extraneous material</li> </ul>
<p><b>Facility</b></p>	<ul style="list-style-type: none"> <li>• Free from litter, including cigarette ends and chewing gum residue.</li> </ul>
<p><b>Signage</b></p>	<ul style="list-style-type: none"> <li>• Garbage bins do not have less than 75% capacity and free from malodor.</li> </ul>
<p><b>Signage</b></p>	<p>All hazard notices and safety signs are maintained, recorded</p>