

**MASTER HOSPITAL LEASE AGREEMENT  
(LSU Medical Center - Shreveport)  
(E.A. Conway Medical Center)**

This Master Hospital Lease Agreement (this "Lease") is made and entered into effective the 30<sup>th</sup> day of September, 2013 by and among:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, President of the Louisiana State University System, duly authorized by virtue of Resolutions of the Board of Supervisors, adopted May 28 and June 7, 2013, 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");

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

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

**BRF HOSPITAL HOLDINGS, L.L.C.**, a Louisiana limited liability company, represented herein by Stephen F. Skrivanos, its Chairman, duly authorized by virtue of a resolution adopted September 25, 2013, with a mailing address of 1505 Kings Highway, Shreveport, Louisiana 71133 (Federal I.D. No. XX-XXX9229) (hereinafter referred to as "Lessee"); and

provides as follows:

**WITNESSETH**

**WHEREAS**, LSU is a public corporation organized and existing under the constitution and laws of the State of Louisiana, and LSU's institutions, including its medical schools and hospitals, are under LSU's supervision and management pursuant to La. Const. Art. VIII, Section 7 and La. R.S. 17:3215; and,

**WHEREAS**, Lessee is a limited liability company organized and existing under the laws of the State of Louisiana pursuant to La R.S. 12:1301 ,et seq., committed to provide healthcare and hospital services and furthering the development of medical and clinical professionals in the State of Louisiana and, in particular, its service area; and,

**WHEREAS**, LSU, Lessee, the State and the Louisiana Department of Health and Hospitals (“DHH”) are parties to a Cooperative Endeavor Agreement dated September 30, 2013 (as the same may be amended from time to time, the “CEA”), pursuant to which LSU, Lessee, the State and DHH will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

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

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

**WHEREAS**, Lessor is the owner of (i) the parcel(s) of land located in Shreveport, Caddo Parish, Louisiana, as described on Exhibit A-1 attached hereto and made a part hereof (the “Shreveport Land”), (ii) all buildings (including the hospital building in which the Shreveport Hospital is located with an address of 1501 Kings Highway, Shreveport, Louisiana 71133), parking areas and lots appurtenant to such building and structures presently situated upon the Shreveport Land (collectively, the “Shreveport Improvements”); (iii) all servitudes, rights and appurtenances relating to the Shreveport Land and the Shreveport Improvements (collectively, the “Shreveport Appurtenant Rights”); and (iv) all equipment, machinery, fixtures, and other

items of property, including all components thereof, now and hereafter permanently affixed to or incorporated into the Shreveport Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all replacements, modifications, alterations and additions thereto (collectively the “Shreveport Fixtures”, and together with the Shreveport Land, the Shreveport Improvements and the Shreveport Appurtenant Rights, the “Shreveport Premises”); and

**WHEREAS**, Lessor is the owner of (i) the parcel(s) of land located in Monroe, Ouachita Parish, Louisiana, as described on Exhibit A-2 attached hereto and made a part hereof (the “Monroe Land”), (ii) all buildings (including the hospital building in which E.A. Conway is located with an address of 4864 Jackson Street, Monroe, Louisiana 71202), parking areas and lots appurtenant to such building and structures presently situated upon the Monroe Land (collectively, the “Monroe Improvements”); (iii) all servitudes, rights and appurtenances relating to the Monroe Land and the Monroe Improvements (collectively, the “Monroe Appurtenant Rights”); and (iv) all equipment, machinery, fixtures, and other items of property, including all components thereof, now and hereafter permanently affixed to or incorporated into the Monroe Improvements, including, without limitation, all furnaces, boilers, heaters, electrical equipment, heating, plumbing, lighting, ventilating, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling and air-conditioning systems and apparatus, sprinkler systems and fire and theft protection equipment, all of which to the greatest extent permitted by law, are hereby deemed by the parties hereto to constitute real estate, together with all

replacements, modifications, alterations and additions thereto (collectively the “Monroe Fixtures”, along with the Monroe Land, the Monroe Improvements and the Monroe Appurtenant Rights, the “Monroe Premises”) (the Monroe Premises and the Shreveport Premises collectively referred to as the “Leased Premises”); and,

**WHEREAS**, (1) the Shreveport Premises includes approximately 1,111,752 square feet in the aggregate of hospital, medical office, clinic space, and ambulatory surgical space; and (2) the Monroe Premises includes approximately 350,503 square feet of hospital, medical office, clinic space, and ambulatory surgical space; and,

**WHEREAS**, Lessee desires to lease the Leased Premises on which operations of the Hospitals are conducted; and,

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

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

**ARTICLE I  
LEASED PREMISES; TERM**

**Section 1.01 Leased Premises.** For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Lease or in the CEA. Lessee or Lessee’s agent has had an opportunity to visually inspect the Leased Premises and acknowledges that the Leased Premises appear in good and acceptable condition as of the execution of this Lease.

**Section 1.02 Limited Waiver of Warranties.** Except as otherwise provided in this Lease, the State and LSU make no warranty of fitness, condition or title whatsoever, and Lessee hereby waives any such warranties and acknowledges that the State and LSU are not making any such warranties whatsoever, other than the warranty of peaceful possession against eviction from, or disturbance in fact caused by a person who successfully obtains, pursuant to final definitive judgment, ownership or a right to possession of, the Leased Premises, in whole or in material part, which adversely and materially affects the operations of the Hospitals. Notwithstanding the foregoing, and to the extent allowed by law, the State and LSU hereby agree that the State and LSU, at their sole cost, shall defend and indemnify Lessee against any and all claims and lawsuits challenging the right of Lessee to lease and occupy, or otherwise materially disturbing Lessee's actual physical possession of, all or part of the Leased Premises which adversely affects the operations of the Hospitals.

**Section 1.03 Term of Lease.** The Term of this Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Section 12.02, shall continue for an initial term of five (5) years (the "Initial Term") and together with all extensions, the "Term"). Beginning on the expiration of the first (1st) year of the Initial Term and continuing on each annual anniversary date thereafter (each an "Extension Date"). the then-remaining portion of the Initial Term shall automatically be extended for an additional one (1) year period so that after the first (1st) year of the Initial Term, the Term of this Lease shall be a Rolling Five-Year Term; provided, however, that the extension provision of this sentence shall no longer apply if Lessee provides the other parties with written notice at least one hundred eighty (180) calendar days prior to an Extension Date that Lessee does not intend to extend the Term of this Lease. Notwithstanding the foregoing, the Term of this

Lease shall not exceed a total of ninety nine (99) years and this Lease shall automatically terminate upon completion of the 99<sup>th</sup> year. During the first five months of the fifth year of the Initial Term and of each fifth year thereafter, Lessee and Lessor shall engage an independent nationally recognized valuation expert on hospital facilities to appraise the fair market value of this Lease, excluding Lessee's building improvements. If the fair market value of the Lease payments, as determined by the valuation expert, is five percent (5%) less than or greater than the Leased Premises Rent payment in effect as of the valuation date, the Leased Premises Rent payment will be adjusted, up or down, to the fair market value. The adjusted fair market value Leased Premises Rent will then become the base rent for CPI adjustments as described in Section 2.04. Notwithstanding anything in this Lease to the contrary, the parties acknowledge that any early termination or the expiration of the CEA shall cause this Lease to simultaneously terminate; provided, however, any such termination of this Lease shall be subject to the Wind Down Period (as defined and described in the CEA).

**Section 1.04 Commencement Date.** For purposes of this Lease, the term "Commencement Date" shall mean 12:00 a.m. on October 1, 2013, unless otherwise mutually agreed upon by the parties in writing, which agreement not to be unreasonably withheld, conditioned or delayed.

## **ARTICLE II RENT**

**Section 2.01 Monthly Base Rent.** During the Term, the annual base rent for the Leased Premises (the "Leased Premises Rent") shall be \$38,763,891.38; provided, however, that during the Term, Lessee may seek to have certain portions of Shreveport Premises or the Monroe Premises removed from Exhibits A-1 and A-2 and to have the annualized Lease Premises Rent due and payable for the remainder of the Term (together with all installments

thereof as provided in this Article II) equitably adjusted to account for any such change(s) in the Leased Premises. Lessor and Lessee shall negotiate in good faith as to whether the requested portion of the Shreveport Premises or the Monroe Premises should be removed from this Lease. The Leased Premises Rent shall be payable by Lessee to LSU in twelve (12) equal monthly installments (the "Leased Premises Monthly Rent"), with the rent for the first two months of the Initial Term being due and payable on November 1, 2013, and the remaining installments being due and payable, respectively on the first (1<sup>st</sup>) day of each calendar month thereafter during the Term. Notwithstanding the foregoing, the Leased Premises Monthly Rent for the months of July, August and September, 2014 shall be paid by Lessee to Lessor on or before June 30, 2014 and no Leased Premises Monthly Rent payments shall be due during those months. The payment of the Leased Premises Monthly Rent shall resume on October 1, 2014 and shall continue on the first (1<sup>st</sup>) day of each calendar month thereafter during the Term. Notwithstanding the foregoing, Lessor, Lessee and the State may mutually agree in writing to the pre-payment of all or part of the Leased Premises Monthly Rent at any time in the future on such terms and conditions as are acceptable to them. In the event the Commencement Date should fall on a date other than the first day of a calendar month, the first Leased Premises Monthly Rent payment shall be prorated based on the actual number of days in such calendar month from and including the Commencement Date to and including the last day of such calendar month. In the event that the last day of the Term is a day other than the last day of a calendar month, the last Leased Premises Monthly Rent payment shall be prorated based on the actual number of days in such calendar month from and including the first day of such calendar month to and including the last day of the Term.

**Section 2.02 Additional Rent.** In addition to the Leased Premises Monthly Rent, Lessee shall also pay any and all other charges or payments which Lessee is or becomes obligated to pay pursuant to this Lease (collectively, the “Additional Rent” and together with the Leased Premises Monthly Rent, the “Rent”). Except as otherwise set forth herein, any Additional Rent owed to Lessor shall be due within thirty (30) days after receipt of any invoice therefor from Lessor, which invoice shall include a description and itemization of such Additional Rent due.

**Section 2.03 Rent Payments.** All Rent is payable by Lessee to Lessor (i) at the following address, until notified differently in writing by Lessor: P. O. Box 91308, Baton Rouge, Louisiana 70821, or (ii) by wire transfer pursuant to the wiring instructions given to Lessee by Lessor.

**Section 2.04 Adjustments to Leased Premises Monthly Rent.**

(a) Commencing with the first anniversary of the Commencement Date, the Leased Premises Rent shall be adjusted upward or downward every anniversary of the Commencement Date, using the Index by dividing the Current Index by the Base Index and multiplying the resulting quotient by the annual Leased Premises Rent payable under Section 2.01 of this Lease. The adjusted Leased Premises Rent for the year following the adjustment shall be determined by using the applicable Current Index divided by the Base Index times the Leased Premises Rent set forth in Section 2.01. Notwithstanding the foregoing, the Leased Premises Rent shall not be adjusted downward to a level below the initial Leased Premises Rent amount.

(b) For purposes of this Lease, the term “Base Index” shall mean the Index for the month of September of 2013.



(c) For purposes of this Lease, the term “Current Index” shall mean the Index for the month of September immediately preceding each anniversary date of the Commencement Date.

(d) For purposes of this Lease, the term “Index” shall mean the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) (the “Index”), published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or if the current Index is no longer available or is no longer published at a frequency needed to calculate the aforementioned adjustment, then the current equivalent of the Index.

**Section 2.05 No Adjustments or Offsets.** This Lease is intended to be a net lease, meaning that except for any Rent abatement and set-off rights specifically set forth in this Lease or in Section 14.2 of the CEA, the Rent provided for herein shall be paid to Lessor without deduction for any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with the management, operation, maintenance and leasehold improvements of the Leased Premises, including without limitation all costs and expenses described in Article VI. Under no circumstances will Lessor be required to make any payment on Lessee’s behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee or with respect to the Leased Premises under this Lease.

**ARTICLE III  
USE**

**Section 3.01 Permitted Use.** (a) the Shreveport Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations 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; and (b) the Monroe Premises shall be used and/or occupied by Lessee solely for a hospital, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations 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 (each of the uses described in Section 3.01(a) and Section 3.01(b) above, individually or collectively, a “Permitted Use”), and for no other purposes without the prior written consent of Lessor which consent shall not be unreasonably withheld, delayed or conditioned. Lessee will conduct the operations of the Hospitals on the Leased Premises in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA.

**ARTICLE IV  
SUBLETTING AND ASSIGNMENT**

**Section 4.01 No Assignment.** Lessee shall not assign this Lease or any interest therein without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, assign its interest as Lessee under this Lease to a non-profit

corporation, limited liability company, limited liability partnership or other non-profit legal entity wholly owned or controlled by Lessee or Biomedical Research Foundation of Northwest Louisiana (“BRF”), or to any non-profit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that such assignee assumes Lessee's obligations hereunder by operation of law or agrees to assume in writing Lessee's obligations hereunder without release of Lessee, all in form and substance approved in writing by Lessor.

**Section 4.02 No Subletting.** Lessee may not sublease all or any portion of the Leased Premises, without the prior written consent of Lessor, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, sublease all or a portion of the Leased Premises to a nonprofit corporation, limited liability company, limited liability partnership, or other nonprofit legal entity wholly owned or controlled by Lessee or BRF, or to any nonprofit entity that is a successor by merger to Lessee or that acquires Lessee or all or substantially all of the assets of Lessee.

**Section 4.03 Lessee Remains Liable.** In no event shall any assignment or subletting of all or any portion of the Leased Premises release Lessee from any obligations under this Lease, unless such release shall be evidenced by Lessor’s express written agreement at the time of such assignment or subletting, which agreement may be granted or withheld in Lessor’s sole discretion.

**ARTICLE V  
IMPROVEMENTS AND ALTERATIONS BY LESSEE**

**Section 5.01 Lessee's Improvements and Alterations.**

(a) All alterations and improvements to the Leased Premises, including, but not limited to, Major Alterations (collectively, "Improvements") shall be made in accordance with La. R.S. 17:3361, et seq. Such Improvements shall not reduce the then fair market value of the Leased Premises, and shall not adversely impact the structural integrity of the Leased Premises. Approval by Lessor or the Division of any Major Alterations shall not constitute any warranty by Lessor or the Division to Lessee of the adequacy of the design for Lessee's intended use of the Leased Premises. All work performed for or by Lessee shall be subject to and in accordance with all federal, state, parish and city building and/or fire department codes and ordinances. Any required alterations performed in connection with such Improvements to meet said codes and ordinances shall be performed by Lessee, at Lessee's expense. All work shall be performed for or by Lessee in a good and workmanlike manner, and Lessee shall prosecute the same to completion with reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's leasehold interest or any of Lessor's property, and Lessee shall furnish: (i) a clear lien certificate for any Major Improvements to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Major Improvements. For purposes of this Lease, the term "Major Alteration" means any alteration or other change to the Leased Premises: (i) which is structural in nature; or (ii) which would materially change the Leased Premises exterior appearance; or (iii) which would materially change or affect the electrical, mechanical, life/safety, heating, ventilating and air conditioning or utilities systems or routing servicing of the

Leased Premises; and (iv) which is estimated in good faith to cost in excess of Five Hundred Thousand Dollars (\$500,000.00).

(b) Before the commencement of any work in excess of Five Hundred Thousand Dollars (\$500,000.00) for construction of Improvements, Lessee shall supply Lessor with appropriate performance and payment bonds. These bonds are at Lessee's expense and shall be issued in a form satisfactory to Lessor and in such a manner as to protect the Lessor's interest in the Leased Premises. Any requirement of this Section 5.01(b) may be waived with the consent of Lessor and Division, which consent shall not be unreasonably withheld, delayed or conditioned.

(c) The rights, responsibilities and obligations of the Division of Administration, Office of Facility Planning and Control ("FPC") shall be governed by the provisions of La. R.S. 17:3361, La. R.S. 40:1724, and all other regulatory and statutory authority granted to the Division of Administration, FPC with respect to maintenance, repair and/or improvements to public buildings and property.

(d) Upon termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section 12.01 hereof), in addition to any other amounts that may be due to Lessee, LSU and DOA shall pay to Lessee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by Lessee to the Leased Premises that were approved by Lessor and the Division in accordance with this Section 5.01, computed on a GAAP basis (herein "Unamortized Improvements"), but only to the extent such payment is funded by the State in accordance with Section 14.11 hereof; provided, however, any such obligation to pay pursuant to this Section 5.01(d), shall be reduced on a dollar-for-dollar basis to the extent any State, Division or Lessor funds are expended to improve the Leased Premises

subsequent to the Commencement Date of this Lease, because of a failure by Lessee to satisfy its obligations hereunder. The Parties agree that no action is authorized under this Lease that would jeopardize the tax exempt status of any bonds that have been issued in connection with capital improvements contemplated on the Commencement Date in the Capital Outlay Act of 2013 or that may be issued after the Commencement Date.

**Section 5.02 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 5.01. Following completion of any Improvements, Lessee shall provide to Lessor a lien waiver from Lessee's contractor covering the cost of work, materials and equipment supplied by the contractor and all subcontractors and materialmen. All Improvements made to the Leased Premises by Lessee shall become and remain the property of Lessor at the termination of this Lease without any cost to Lessor. Notwithstanding the foregoing, if Lessee performs a Major Alteration without obtaining Lessor's and Division's consent (or deemed consent as set forth above) or subsequent written approval, in addition to any other remedy available for such violation, Lessor may, at its option, by written notice to Lessee require that Lessee remove the Major Alteration specified in such notice and return the Leased Premises to their condition prior to the unauthorized performance of the Major Alteration. If Lessee fails to remove such a Major Alteration and restore the Leased Premises to its original condition within sixty (60) days of the above-described written notice, or if such removal and restoration cannot be completed in sixty (60) days, and Lessee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, Lessee shall promptly reimburse, as Additional Rent, the Lessor for any expense that Lessor incurs in performing such removal and restoration. Lessee may purchase such additional personal property, fixtures,

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

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

**Section 6.01 Operation.** Lessee shall be responsible to procure and maintain all services and equipment necessary or required for its operation of the Hospitals and use of the Leased Premises.

**Section 6.02 Use.** Lessee shall procure and maintain all licenses, permits and accreditations (if any) required for its use of the Leased Premises.

**Section 6.03 Maintenance and Repair.**

(a) Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, life/safety, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, fixtures, equipment, and appurtenances to the Leased Premises as and when needed to maintain them in as good a working condition and

repair (ordinary wear and tear and casualty excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable and regardless of by whom such items were placed in the Leased Premises. All maintenance, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Leased Premises. If Lessee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of Lessor's notice that such maintenance repairs, restoration, or replacements are necessary (or within such longer period of time as may reasonably be required to commence such work), Lessor may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of Lessee, and shall be entitled to collect the same from Lessee as Additional Rental due hereunder within thirty (30) days of written demand by the Lessor.

(b) It is understood and agreed that except as provided in Section 5.1 of the CEA, Lessor shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Leased Premises during the Term. Except as provided in Section 5.1 of the CEA, 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, or to maintain the Leased Premises in any respect whatsoever, whether at the expense of Lessor, Lessee or otherwise

(c) Lessee agrees that all Improvements to the Leased Premises constructed by Lessee pursuant to this Lease shall comply with the requirements of Title 40, Chapter 8, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR THE DISABLED COMMUNITY," more specifically, sections La. R.S.



40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

(d) Lessee further agrees to make, at its own expense, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date (subject to obtaining any Lessor approvals that may be required by this Lease), including the furnishing of required sanitary facilities and fire protection facilities, and Lessee shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with the order of the Louisiana State Fire Marshal; provided however, that in the event of any Major Alterations to the Leased Premises, the written consent of the Lessor must be obtained prior to the commencement of any work in accordance with Section 5.01 hereof. Lessee shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other safety equipment or devices, or any licenses or permits required by the State Fire Marshal's office. At no expense to Lessor, Lessee agrees to comply with any order issued during the Term by the State Fire Marshal's Office within the timeframe mandated by that Office.

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

(f) 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 address system, and shall ensure that all such equipment is properly maintained in clean, safe, and continues in an operable condition. Lessee shall be responsible for all routine preventative maintenance and repairs on all such operational equipment, including but not limited to, the HVAC systems; provided, however, that any such routine preventive maintenance and repairs shall be consistent with LSU's current practice and performed in accordance with manufacturer recommended schedules and be performed by an authorized maintenance/repair contractor. Lessee shall be responsible for ensuring that all necessary certification is maintained on any and all such equipment and machinery, including, but not limited to, certification required by the State Fire Marshal and DHH.

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

**Section 6.04 Security and Other Services.** Lessee shall provide or cause to be provided all security service, custodial service, janitorial service, medical waste disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and

maintenance of the Leased Premises. Lessee acknowledges that Lessor has made no representation or warranty with respect to systems and/or procedures for the security of the Leased Premises, any persons occupying, using or entering the Leased Premises or any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises, in accordance with Lessee's reasonable and prudent business practices utilized for similar facilities.

## **ARTICLE VII UTILITIES**

Lessee shall arrange and timely pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Hospitals and the Leased Premises (individually or collectively, the "Utility Service"), and all Utility Service shall be obtained in or transferred to Lessee's name as of the Commencement Date and maintained in Lessee's name throughout the Term. Such payments shall be made by Lessee directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as Lessee may make. Lessor shall have no responsibility to Lessee for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service. Lessor shall not be in default under this Lease or be liable to Lessee or any other person for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service by the provider of any Utility Service. All future telephone and other communications lines which are an addition to those already present shall be installed at the expense of the Lessee. Lessee shall be responsible for providing entrance cable and facilities into

the building(s) to the extent not in place as of the Commencement Date to accommodate the telephone, computer and other electronic needs of the Leased Premises. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

## **ARTICLE VIII INSURANCE**

**Section 8.01 Lessee Responsibility for Insurance Coverage.** Throughout the Term, Lessee shall secure and maintain or cause to be secured and maintained at its sole cost and expense:

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

(b) A policy of commercial general liability insurance with respect to the Leased Premises and Lessee’s operations, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement or repair of the Leased Premises of not less than \$5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and contractual liability covering Lessee’s indemnification obligations under this Lease;

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

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

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

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

(g) Pursuant to the provisions of La. R.S. 40:1299.39, et seq., medical malpractice liability insurance insuring claims arising out of malpractice or negligence occurring at or related to the operations of the Hospitals on the Leased Premises in an amount not less than \$1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to Lessor and Lessee if Louisiana law limiting the amount of such claims is repealed or amended to raise the limits on such claims.

**Section 8.02 Additional Requirements.**

(a) All insurance required in this Article VIII and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana, and rated at least A- Class VII by Best's Insurance Reports or as approved by Lessor, which approval shall not be unreasonably withheld, conditioned or delayed. All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days' prior written notice to Lessor and the Division. Lessee may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

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

(c) Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor, and any others reasonably specified by Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to Lessor upon occupancy of the Leased Premises. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the LSU Insured Parties.

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

(e) 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 with the exception of medical malpractice insurance which may be claims made coverage. If BRFHH elects to procure a claims made policy for medical malpractice, BRFHH will ensure that the Commencement Date is the start date of the coverage under the policy, with LSU named as an additional insured. Additionally, BRFHH will be obligated to purchase an extended reporting endorsement on an unlimited basis (unlimited tail coverage) at the termination of this Lease regardless of cause.

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

**Section 8.03 Condemnation, Casualty and Other Damage.** The risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (individually or collectively, the “Casualty”), or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings or a conveyance in lieu thereof (individually or collectively, the “Expropriation”) is expressly assumed by Lessee. None of the foregoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its Rent, or any other obligation hereunder, except as specifically set forth below.

Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises caused as a result of a Casualty or an Expropriation.

**Section 8.04 Restoration Obligations.**

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

(b) In the event Lessee is unable to repair, restore or replace the Leased Premises 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, and Lessee shall pay to Lessor the amount of any unpaid deductible.

**Section 8.05 Compensation Award.** If either the Shreveport Premises or the Monroe Premises (or both) shall be taken by Expropriation, this Lease shall terminate as of the date of such taking, in which event, Lessor shall retain all compensation awarded or paid upon any such taking of the Leased Premises. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Lessee, Lessee



shall have the option to terminate this Lease. If the Lease is not terminated as provided in this Section 8.05, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion of the Leased Premises so taken, unless Lessor, at its sole option, restores the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial Expropriation of the Leased Premises shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award to the extent of the replacement cost of Lessee's leasehold improvements approved by Lessor and the Division as provided herein. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense, if a separate award can be made to Lessee. Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award; provided, however, that no such separate claim by Lessee shall reduce any compensation or award to be made to Lessor.

## **ARTICLE IX HAZARDOUS MATERIALS**

### **Section 9.01 Hazardous Materials.**

(a) Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, release, transported, stored, but not including materials existing in or about the Leased Premises prior to the Commencement Date, or disposed of in or about the Leased Premises by Lessee or its officers, directors, employees, agents, invitees or sublessees, other than those Hazardous Materials usually and customarily used for the Permitted Use, as long as such materials are lawfully stored and used by Lessee and the quantity of such materials does not equal or exceed a

“reportable quantity” as defined in 40 CFR § 302, and as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or remediated or disposed of in compliance with all Laws applicable thereto. In no event shall Lessee cause the deposit, release, or discharge of any Hazardous Materials to the air, soil or groundwater of the Leased Premises in violation of applicable Law.

(b) Notwithstanding Section 9.01(a) above, Lessee shall have the right to continue to lawfully use and store certain Hazardous Materials as a “Large Quantity Generator” (collectively, “Permitted Excess”) directly related to the provision of medical services within the Leased Premises (collectively, “Permitted Excess Use”); provided, however, Lessee shall at all times fully comply with all applicable Laws and the provisions set forth in this Lease.

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

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

(ii) apply for and maintain all required licenses, approvals, and other authorizations (including, without limitation, obtaining and maintaining for any Permitted Excess a Hazardous Waste Generator Identification Number from the U.S. Environmental Protection Agency or any successor thereto); and

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Lessor shall have access to, and a right to perform inspections and tests of, the Leased Premises as it may desire to determine Lessee's compliance with Laws and Lessee's obligations under this Article IX. Access shall be granted to Lessor upon Lessor's reasonable prior notice to Lessee and at such times so as to minimize, so far as may be reasonable under the circumstances, any disturbance to Lessee's operations. Lessee shall reimburse Lessor for the costs and expenses incurred by Lessor for any such inspections and tests, and such amounts shall be deemed Additional Rent payable in accordance with Section 2.02 above. From time to time (including, without limitation, upon the expiration or earlier termination of this Lease), Lessor

shall have the right, at its option and at Lessor's sole cost and expense, to undertake an environmental assessment of the Leased Premises to determine Lessee's compliance with all Laws and Lessee's obligations under this Article IX. Lessor and Lessee agree that Lessor's receipt of or satisfaction with any environmental assessment in no way waives any rights that Lessor holds against Lessee or affects any liabilities of Lessee under this Lease in any manner.

**Section 9.02 Indemnification for Environmental Liabilities.**

(a) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee's sole cost) and hold Lessor and the Lessor Indemnitees (as defined below) harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages except as set forth below), disbursements or expenses of any kind (including attorneys' and experts fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any of Lessor Indemnitees in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Section 9.01; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Lessor or Lessor's employees.

(b) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Division at Lessee's sole cost) and hold Division and the Division Indemnitees (as defined below) harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages), disbursements or expenses of any kind (including

attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Division or any of Division Indemnitees in connection with or arising from or out of Lessee's violation of any of its obligations set forth in Section 9.01; provided, however, that notwithstanding the foregoing, Lessee shall not be liable for indemnification of consequential damages arising out of or based on claims brought by Division or Division's employees..

(c) Nothing herein shall require Lessee to indemnify, defend and hold harmless Lessor or its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Leased Premises prior to the execution of this Lease, except to the extent Lessee or its employees, agents, or contractors exacerbates or mishandles the same in violation of applicable Law.

**Section 9.03 Survival.** The provisions of Section 9.02 will survive the expiration or earlier termination of this Lease for a period of five (5) years; provided, however, the aforementioned five (5) year period shall not apply to any claim, investigation, or other proceeding that is pending.

## **ARTICLE X INDEMNIFICATION**

### **Section 10.01 Lessee's Indemnification to Lessor.**

(a) Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers, agents, and employees, together with any of their respective successors and assigns (collectively, the "Lessor Indemnitees"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising

out of or related to any claim, suit or judgment brought by or in favor of any person or persons for damage, loss or expense due to, but not limited to, bodily injury, including death, or property damage sustained by such person or persons which arises out of, is occasioned by or is attributable to the acts, omissions, use of, and/or activities on, the Leased Premises by Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors. Lessee shall further indemnify, defend and hold harmless the Lessor Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts or omissions of Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors occurring after the Commencement Date.

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

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

**Section 10.02 Lessee's Indemnification to Division.**

(a) Lessee shall indemnify, defend and hold harmless Division and its officers, agents, and employees, together with any of their respective successors and assigns (collectively, the "Division 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 or is occasioned by or is attributable to the acts, omissions, use of, and/or activities on, the Leased Premises by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Lessee shall further indemnify, defend and hold harmless the Division Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts or omissions of Lessee, its officers, agents, employees, invitees, permittees, contractors or subcontractors, occurring after the Commencement Date.

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

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

**Section 10.03 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) to the extent resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its board members, officers or employees.



**Section 10.04****Division's Indemnification.** To the extent authorized by Law, Division 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) 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 XI  
TAXES, FEES AND LICENSES**

**Section 11.01****Payment of Taxes.** Lessee shall collect (as applicable) and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which accrue during the Term on or against or with respect to the Leased Premises, Lessee's Improvements or the business conducted by Lessee on the Leased Premises, if any.

**Section 11.02****Licenses.** Lessee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by Lessee on the Leased Premises.

**ARTICLE XII  
EVENT OF DEFAULT; REMEDIES**

**Section 12.01****Lessee Event of Default.** Each of the following shall be an Event of Default by Lessee (each, a "Lessee Event of Default") under the terms of this Lease:

(a) failure by Lessee to pay Rent to Lessor on any date on which the same is due under this Lease, and this failure shall not be cured within fifteen (15) business days after the date of written notice to Lessee of such failure;

(b) failure by Lessee to obtain and maintain all insurance as required under this Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within fifteen (15) business days after the date of written notice to Lessee of such violation;

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

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

(e) any failure by Lessee to comply with any material obligations of this Lease (other than those failures described in Sections 12.01(a)-(d)), if such failure is not cured within thirty (30) days after the date of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence;

(f) the occurrence of a Terminating Event under the CEA or an Event of Default under that certain Equipment Lease Agreement between Lessor and Lessee dated as of September 30, 2013 (the "Equipment Lease").

**Section 12.02 Lessor Event of Default.** A default by Lessor (a “Lessor Event of Default”) will occur under this Lease if Lessor fails to perform any of its 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; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within thirty (30) business days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

**Section 12.03 Remedies.**

(a) In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default (as defined below), Lessor may, but shall not be obligated to, terminate this Lease; provided, however, that any early termination of this Lease and any vacation and surrender of the Leased Premises by Lessee in connection therewith shall be subject to the provisions of Section 13.4 of the CEA.

(b) At the expiration of the Term or on the earlier termination of this Lease for any reason (subject to Section 12.03(a) above), Lessee shall vacate the Leased Premises and shall surrender the same to Lessor in good order and condition, ordinary wear and tear excepted.

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

**ARTICLE XIII**  
**NOTICES**

**Section 13.01 Address for 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:

If to LSU:

Board of Supervisors of Louisiana State  
University and Agricultural and  
Mechanical College  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808  
Attention: F. King Alexander, President

With a copy to:

Taylor, Porter, Brooks & Phillips LLP  
8th Floor Chase Tower South  
451 Florida Street  
Baton Rouge, LA 70801  
Attention: Patrick D. Seiter, Esq.

If to Division or to State:

State of Louisiana, Division of  
Administration  
Claiborne Building, 7th Floor  
1201 N. Third Street  
Baton Rouge, LA 70802  
Attention: Commissioner

With a copy to:

State of Louisiana, Division of  
Administration  
P. O. Box 94004  
Baton Rouge, LA 70804-9004  
Attention: Elizabeth Baker Murrill,  
Esq.

If to Lessee:

BRF Hospital Holdings, L.L.C.  
c/o Biomedical Research Foundation  
of Northwest Louisiana  
1505 Kings Highway  
Shreveport, LA 71133  
Attention: Office of the President

With a copy to:

Sullivan Stolier Knight LC  
909 Poydras St. Suite 2600  
New Orleans, LA 70112  
Attention: Stephen M. Sullivan, Esq  
.

**Section 13.02 Timing of Notices.** 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 first refused.

**Section 13.03 Change in Notice Information.** 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 XIV  
MISCELLANEOUS**

**Section 14.01 Lessor's Right to Enter Property.** Lessor reserves the right, but shall be under no obligation, to enter the Leased Premises at any time to inspect the same, as long as Lessor's inspection does not unreasonably interfere with Lessee's operations. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. Lessee shall not deny Lessor access to the Leased Premises in connection with Lessor's exercise of its inspection rights under this Section 14.01.

**Section 14.02 Relationship of Parties.** Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA.

**Section 14.03 Waiver.** Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of such term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the non-performance and fails to object to it. No waiver or

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

**Section 14.04**Severability. The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Lease or the CEA.

**Section 14.05**Recordation of Lease. It shall be the responsibility of Lessee to prepare an notice of this Lease (the "Notice"), which each party agrees to execute and to record in each of the Office of the Parish Recorder of the Parish of Caddo and the Parish Recorder of the Parish of Ouachita. The form of the Notice shall require the written approval of Lessor prior to recording. Lessee shall provide Lessor with a certified copy of the recorded Notice. Recordation of the Notice shall be at Lessee's expense.

**Section 14.06**Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with terms of this Lease.

**Section 14.07**Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

**Section 14.08**Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease or the CEA, have any binding effect.

**Section 14.09**Choice of Law; Venue. This Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. In the event of any court proceeding, the parties agree that such proceeding shall be filed in the Louisiana Nineteenth Judicial District Court.

**Section 14.10**Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the President of the LSU System or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

**Section 14.11**Appropriation of Funds. All State, Division and Lessor obligations under this Lease to make payments of any kind in a future fiscal year, shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation.

**Section 14.12**Amendment. Any amendments to this Lease must be reduced to writing and signed by all of the parties hereto. Upon the reasonable request of Lessee and after presentation of documentation supporting Lessee's request, State, Division and Lessor agree to negotiate in good faith a modification of this Lease or the Term in the event that a determination is made that under Generally Accepted Accounting Principles this Lease must be treated by

Lessee as a capital lease or in the event that for cost report purposes this Lease is determined to be a virtual purchase in accordance with HIM 15.

[Remainder of this page intentionally left blank;  
Signatures begin on the following page]



IN WITNESS WHEREOF, the parties hereto have signed their names as of the 30th day of September, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

**WITNESSES:**

**BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE**, a public  
constitutional corporation of the State of Louisiana

\_\_\_\_\_

By: \_\_\_\_\_  
F. King Alexander, President of Louisiana  
State University System

\_\_\_\_\_

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

**DIVISION OF ADMINISTRATION, STATE  
OF LOUISIANA**

\_\_\_\_\_

By: \_\_\_\_\_  
Kristy Nicols, Commissioner

\_\_\_\_\_

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

**STATE OF LOUISIANA, through the  
DIVISION OF ADMINISTRATION**

\_\_\_\_\_

By: \_\_\_\_\_  
Kristy Nichols, Commissioner

\_\_\_\_\_

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

**BRF HOSPITAL HOLDINGS, L.L.C.**

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

By: \_\_\_\_\_  
Stephen F. Skrivanos, Chair

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

**EXHIBIT A-1**

**SHREVEPORT PREMISES**

**EXHIBIT A-2**  
**MONROE PREMISES**

