

LEASE AGREEMENT
(Bogalusa – 400 Memphis St. and 104 Avenue B)

This Lease Agreement (this “*Lease*”) is made and entered into on the 14th day of January, 2014, by and between:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, President of the Louisiana State University System, duly authorized by virtue of a Resolution of the Board of Supervisors, adopted June 19, 2013, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as “*LSU*” or the “*Lessor*”);

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

OUR LADY OF THE ANGELS HOSPITAL, INC., a Louisiana nonprofit corporation, represented herein by Robert Burgess, its President and Chief Executive Officer, duly authorized by virtue of a resolution adopted June 26, 2013, a copy of which is attached hereto, with a mailing address of 4200 Essen Lane, Baton Rouge, Louisiana 70809 (hereinafter referred to as “*OLAH*” or the “*Lessee*”),

which provides as follows:

WITNESSETH

WHEREAS, the parties hereto have entered into that certain Master Hospital Agreement (the “*Master Agreement*”) of even date herewith;

WHEREAS, LSU shall, until the Commencement Date (as defined in the Master Agreement), operate the state hospital and clinic facilities located in Bogalusa, Louisiana, known

as LSU Bogalusa Medical Center (the “*Hospital*”), with the public purpose of providing efficient and effective health care to the community;

WHEREAS, pursuant to that certain Cooperative Endeavor Agreement (the “*CEA*”) executed effective as of even date herewith, by and among OLAH, LSU, the Division and the Louisiana Department of Health and Hospitals (“*DHH*”), on the Commencement Date and thereafter during the term of the CEA, OLAH shall continue the provision of health care to the indigent and high-risk Medicaid populations of the Bogalusa area at the Hospital, which includes several clinic and administrative buildings, including, without limitation: (i) premises located at 400 Memphis Street, Bogalusa, Louisiana (the “*Memphis Facility*”), more specifically set forth on Attachment A attached hereto; and (ii) premises located at 104 Avenue B, Bogalusa, Louisiana (the “*Administrative Facility*”, and together with the Memphis Facility, the “*Leased Premises*”), more specifically described and set forth on Attachment B attached hereto; all in accordance with the terms and conditions set forth in the CEA and any ancillary documents contemplated therein;

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

WHEREAS, LSU is the owner of the Leased Premises, which shall be leased by LSU to the Lessee in accordance with the provisions of this Lease, the Master Agreement and the CEA; and

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

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

following terms and conditions:

**ARTICLE I.
LEASED PREMISES AND TERM**

For the consideration and upon the terms and conditions hereinafter expressed, the Lessor leases the Leased Premises unto the Lessee, here present and accepting the same, commencing on the Commencement Date, for the Lease Term (as defined in the Master Agreement), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein, in the Master Agreement or in the CEA.

**ARTICLE II.
RENT**

Section 2.1 Lease Rent. During the Term, the Lessee shall pay to the Lessor the Master Lease Payment (as defined in the Master Agreement) in accordance with the provisions of the Master Agreement, and Lessee's payment of such Master Lease Payment to Lessor under the Master Agreement shall be deemed to satisfy all rent payment obligations of Lessee under this Lease except as otherwise provided herein.

Section 2.2 Advance Rent. The Lessee shall pay to the Lessor the Advance Rent (as defined in the Master Agreement) in accordance with the Master Agreement.

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

Section 2.4 Net Lease. This Lease is intended to be a net lease, meaning that except for any Rent abatement rights specifically set forth in this Lease, the Rent provided for herein or in the Master Agreement shall be paid to the 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 the Lessee that as between the Lessee and the Lessor, the 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, including, without limitation, all costs and expenses described in Article VI hereof. Under no circumstances will the Lessor be required to make any payment on the Lessee's behalf or for the Lessee's benefit under this Lease, or assume any monetary obligation of the Lessee or with respect to the Leased Premises under this Lease.

**ARTICLE III.
USE**

The Leased Premises shall be used and occupied by the Lessee solely for medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations or any other medical, educational or hospital use or uses (including, without limitation, surgical and laboratory facilities) together with any uses that are accessory to any of the foregoing (each a "*Permitted Use*"), and for no other purposes without the prior written consent of the President of the LSU System or his/her designee (the "*Lessor Representative*"). The Lessee will conduct its business on the Leased Premises in material compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (herein "*Law*") and in accordance with the provisions of the CEA.

ARTICLE IV.

SUBLETTING AND ASSIGNMENT

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

Section 4.2 No Subletting. The Lessee, without the prior written consent of the Lessor Representative, which consent shall not be unreasonably withheld, may not sublease or grant any other rights of use or occupancy of all or any portion of the Leased Premises; provided, the Lessee may, with prior written notice to the Lessor, but without the consent of the Lessor Representative, grant one or more subleases of or grant any other rights of use or occupancy of all or a portion of the Leased Premises (collectively "***Permitted Subleases***") to (1) a nonprofit corporation, a low-profit limited liability company, a nonprofit limited liability partnership, or other nonprofit legal entity wholly owned or controlled by or under common control with the Lessee, or to any nonprofit entity that is a successor by merger to the Lessee or that acquires the Lessee or all or substantially all of the assets of the Lessee; (2) retail subtenants, such as restaurants, drug stores, flower shops, newsstands, brace shops, and other subtenants which

support the operations of the Hospital and which would be routinely housed in a hospital or medical clinic of similar scope and operation; (3) a third party with which (i) the Lessee and (ii) LSU have an affiliation agreement relating to the healthcare, academic or research activities conducted in the Hospital; (4) any entity or entities for the purpose of providing in-patient long-term acute care, in-patient rehabilitation treatment, in-patient chemical dependency treatment and/or other health care services, so long as such sublease or grant does not materially conflict with or materially diminish, or be materially inconsistent with the Public Purpose as such term is defined in the CEA; and (5) health care service providers (including, but not limited to physicians) furnishing services to the community that are consistent with the Public Purpose and that do not adversely affect the GME Program (as 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 permitted under any such Permitted Sublease shall be in accordance with the applicable terms and conditions of this Lease, and further provided that such sublessee expressly acknowledges the foregoing in the sublease. Any such Permitted Sublease for which such prior written consent of the Lessor Representative is not required pursuant to this Section 4.2 shall: (a) have a term not exceeding the Term; and (b) not conflict with the mission 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 his/her prior review and approval, which approval shall not be unreasonably withheld. Any failure of the Lessor Representative to respond within thirty (30) days of receipt of such written request shall be deemed consent. In the event the Lessor Representative disapproves such a request, the Lessor Representative shall give written reasons for such disapproval. The foregoing shall be exclusive of any subleases to LSU, all of which subleases are hereby consented to. Under no

circumstances may the Lessee sublease any space for any adult establishment (as defined by an applicable zoning code) including, but not limited to, adult bookstore, adult movie theater, adult novelty shop, tattoo shop, adult cabaret, liquor store or tobacco shop. Any sublease shall contain a provision to the effect that if this Lease is terminated for any reason, any sublease, at the Lessor's sole option, shall: (i) continue in full force and effect with LSU being automatically substituted for the Lessee as the lessor under such sublease, with no liability for LSU for any obligations of the Lessee (or any permitted assignee) which arose before LSU exercised its option to continue the sublease; or (ii) be terminated without any liability to LSU or DOA. Further, any sublease shall contain a provision restricting the further sublease or assignment of all or any part of such sublease.

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

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

Section 5.1 Lessee's Improvements and Alterations.

(a) The Lessee shall not make any Major Alteration (defined herein) to the Leased Premises without the prior written approval of the Lessor Representative and the Division, which approvals shall not be unreasonably withheld or delayed. In connection with any requested Major Alteration, the Lessee shall submit to the Lessor Representative and the Division an explanation of the work proposed to be carried out, in a level of detail required by the Lessor Representative and the Division in their reasonable discretion, and including plans

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and specifications therefor unless the requirement of such plans and specifications is waived in writing by the Lessor Representative and the Division in their reasonable discretion. If neither the Lessor Representative nor the Division has notified the Lessee of the Lessor's and/or the Division's approval or denial (with written reasons in the event of a denial) of a request for consent to a Major Alteration within thirty (30) days after receipt by the Lessor Representative and the Division of such information as is necessary to describe the Major Alteration in reasonable detail, the Lessor and the Division shall be deemed to have approved the request.

(b) A "***Major Alteration***" is any alteration or other change to the Leased Premises: (i) which is structural in nature; (ii) which would materially change the Leased Premises exterior appearance or structure limit line; (iii) which would materially change or affect the electrical, mechanical, heating, ventilating and air conditioning or utilities systems or routing servicing of the Leased Premises; or (iv) which is estimated in good faith to cost in excess of \$500,000.00. Unless otherwise specifically provided herein, all alterations and improvements to the Leased Premises, including, but not limited to, Major Alterations, (collectively, "***Improvements***") shall be performed by the Lessee, at no cost or expense to the Lessor or the Division. All Improvements shall be made in accordance with La. R.S. 17:3361, *et seq.* Such Improvements shall not reduce the then fair market value of the Leased Premises, and shall not adversely impact the structural integrity of the Leased Premises. Approval by the Lessor Representative and/or the Division of any Major Alterations shall not constitute any warranty by the Lessor or the Division to the Lessee of the adequacy of the design for the Lessee's intended use of the Leased Premises. All work performed for or by the 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 the Lessee, at the Lessee's expense. All work shall be performed for or by the Lessee in a good and workmanlike manner, and the Lessee shall prosecute the same to completion with reasonable diligence. The Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or the Lessee's leasehold interest or any of the Lessor's property, and the Lessee shall furnish: (i) a clear lien certificate for any Improvements to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased Premises which are not Improvements.

(c) Before the commencement of any work in excess of One Million Dollars (\$1,000,000.00) for construction of Improvements, the Lessee shall supply the Lessor with appropriate Performance and Payment Bonds. These bonds are at the Lessee's expense and shall be issued in a form satisfactory to the Lessor and in such a manner as to protect the Lessor's interest in the Leased Premises. Any requirement of this Section 5.1(c) may be waived with the consent of the Lessor Representative and the Division.

(d) The rights, responsibilities and obligations of the Division, 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 FPC with respect to maintenance, repair and/or improvements to public buildings and property.

(e) Upon termination of this Lease for any reason other than a Lessee Event of Default (as defined in Section 12.1 hereof), in addition to any other amounts that may be due to the Lessee, the Lessor and the Division shall pay to the Lessee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by the Lessee to the Leased Premises that were approved by the Lessor and the Division in accordance with this Section 5.1, computed on a GAAP basis (herein the "**Unamortized Improvements**"), but only to

the extent such payment is funded by the State in accordance with Section 3.09 of the Master Agreement; provided, however, any such obligation to pay pursuant to this Section 5.1(e) shall be reduced on a dollar-for-dollar basis to the extent any funds of the State, the Division or the Lessor are expended to improve the Leased Premises subsequent to the Commencement Date of this Lease because of a failure by the Lessee to satisfy its obligations under this Lease.

Section 5.2 Cost of Lessee's Improvements. The Lessee shall be solely responsible for the costs of all Improvements to the Leased Premises undertaken by the Lessee pursuant to Section 5.1. Following completion of the Improvements, the Lessee shall provide to the Lessor a lien waiver from the Lessee's contractor covering the cost of work, materials and equipment supplied by the contractor and all subcontractors and materialmen. Subject to Section 5.1 above, all Improvements made to the Leased Premises by the Lessee shall become and remain the property of the Lessor at the termination of this Lease without any cost to the Lessor. Notwithstanding the foregoing, if the Lessee performs a Major Alteration without obtaining the Lessor's and/or the Division's consent (or deemed consent as set forth above), in addition to any other remedy available for such violation, the Lessor may, at its option, by written notice to the Lessee require that the 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 the 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 the Lessee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, the Lessee shall promptly reimburse, as Additional Rent, the Lessor for any expense that the Lessor incurs in performing such removal and restoration.

Pursuant to an Equipment Lease between the Lessor and the Lessee of even date herewith, the Lessor is leasing to the Lessee certain equipment and other movable property located at the Leased Premises. The Lessee shall pay the cost for any additional personal property, fixtures, equipment, furniture and other unattached items of personal property which the Lessee may place in the Leased Premises including, but not limited to, counters, shelving, showcases, chairs and other unattached movable machinery, equipment and inventory (collectively, "**Personal Property**"), and the Personal Property shall be and remain the property of the Lessee and may be removed by the Lessee at any time or times prior to the expiration of the Term; provided, however, that the Lessee shall repair any damage to the Leased Premises caused by such removal.

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

Section 6.1 **Operation.** The Lessee shall procure and maintain all services and equipment necessary or required for its use of the Leased Premises.

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

Section 6.3 **Maintenance and Repair**

(a) The Lessee shall, at its sole cost and expense during the Term, maintain the Leased Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Leased Premises, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, roof, structural walls, sewer lines, including any septic tank and effluent disposal system that may be necessary, and foundations,

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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 excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable, or are at the fault of the Lessee, the Lessor or some other party, 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 the Lessee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of the 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), the Lessor may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of the Lessee, and shall be entitled to collect the same from the Lessee as Additional Rental due hereunder within thirty (30) days of written demand by the Lessor.

(b) It is understood and agreed that the 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. The 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 maintain the Leased Premises in any respect whatsoever, whether at the expense of the Lessor, the Lessee, or otherwise.

(c) The Lessee agrees that all Improvements to the Leased Premises constructed by the Lessee pursuant to this Lease shall comply with the requirements of Title 40,

Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR PHYSICALLY HANDICAPPED," more specifically, sections La. R.S. 40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

(d) The 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 approvals of the Lessor Representative that may be required by this Lease), including the furnishing of required sanitary facilities and fire protection facilities, and the 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 Representative and the Division must be obtained prior to the commencement of any work in accordance with Section 5.1 hereof. The 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 the Lessor, the 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) The Lessee accepts the Leased Premises in its "as is" condition, that being the condition or state in which the Leased Premises exist on the Commencement Date of this Lease, without representation or warranty, express or implied, in fact or in Law, oral or written, by the Lessor, except as set forth in Section 6.3(h) herein below. The 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 the Lessee.

(f) The Lessee further agrees, at no expense to the Lessor, to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition, including, without limitation, painting the exterior and/or interior of the Leased Premises, as applicable.

(g) The 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 a clean, safe and operable condition. The 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, that any such routine preventative maintenance and repairs shall be performed in accordance with manufacturer recommended schedules and be performed by an authorized maintenance/repair contractor. The 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) Furthermore, the Lessee shall comply with the standards outlined in **Attachment C** attached hereto. The Lessee may propose alternative equivalent maintenance standards for approval by the Lessor Representative within forty-five (45) days of execution of this Lease. The Lessor, to the best of its knowledge and belief, has maintained the Leased Premises in accordance with the standards set forth on **Attachment C** hereto.

Section 6.4 Security and Other Services. The 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. The Lessee acknowledges that the Lessor has made no representation or warranty with respect to: (i) systems and/or procedures for the security of the Leased Premises; (ii) any persons occupying, using or entering the Leased Premises; or (iii) any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of the Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises, in accordance with reasonable and prudent business practices utilized for similar facilities.

**ARTICLE VII.
UTILITIES**

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

Service by the provider of any Utility Service of heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity. All future telephone lines which are an addition to those already present shall be installed at the expense of the Lessee. The 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 the Lessee will be provided by the Lessee.

**ARTICLE VIII.
INSURANCE**

Section 8.1 Lessee Responsibility for Insurance Coverage. The 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, lightning, earthquake, collapse, vandalism and malicious mischief, named storm and flood and storm surge which insurance shall be in an amount not less than one hundred percent (100%) of the full replacement cost of the buildings and improvements on the Leased Premises, without deduction for depreciation, with a deductible amount not to exceed amounts customarily carried by private entities for comparable facilities in the region.

(b) A policy of commercial general liability insurance with respect to the Leased Premises and the Lessee’s operations related thereto, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and property damage of not less than \$5,000,000 combined single limit per occurrence.

(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 the Lessee on the Leased Premises, a policy protecting the Lessor against damage caused by demolition, pile or any precarious work, which requirement may be satisfied, at the 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 the 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 the 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 Leased Premises in an amount not less than \$1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to the Lessor and the Lessee, if Louisiana law limiting the amount of such claims is repealed or amended to raise the limits on such claims.

Section 8.2 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 VIII by Best's Insurance Reports or as approved by the Lessor

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Representative (such approval not to be unreasonably withheld or delayed). All insurance policies provided by the Lessee shall expressly provide that the policies shall not be canceled or materially altered without thirty (30) days' prior written notice to the Lessor.

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

(c) The Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming the Lessor, and any others reasonably specified by the Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to the Lessor upon occupancy of the Leased Premises and, if requested by the Lessor, from time to time at least thirty (30) days prior to the expiration of the term of each policy. All insurance required hereby shall provide that any failure of the 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 the Lessee pursuant to this Lease shall be written as primary policies, not contributing with and not in excess of coverage that the 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 the Lessor. The Lessee shall be responsible for deductibles and self-insured retentions.

Section 8.3 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 (collectively "*Casualty*"); or by the taking of all or any portion of the Leased Premises by condemnation, expropriation, eminent domain proceedings or any conveyance of all or any portion of the Leased Premises pursuant to the threat of any such condemnation, expropriation or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Lessee. None of the forgoing events shall entitle the 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, the Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to the 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.

Section 8.4 Restoration Obligations. If all or any portion of the Leased Premises is damaged or destroyed by a Casualty, the Lessee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at the Lessee's sole cost and expense. The Lessee may opt to demolish the damaged or destroyed

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

In the event the 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 the Lessor and shall be retained by the Lessor.

Section 8.5 Compensation Award. If the entire Leased Premises shall be taken by Expropriation, this Lease shall terminate as of the date of such taking, in which event, the 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 the Lessee, the Lessee shall have the option to terminate this Lease. If this Lease is not terminated as provided in this Section 8.5, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion of the Leased Premises so taken, unless the Lessor, at its sole option, restores the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial taking of the Leased Premises shall belong to and be the property of the Lessor without any participation by the Lessee, except that the Lessee shall have the right to receive and shall be paid a portion of the award to the extent of the Unamortized Improvements. The 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 the Lessee, the Lessee shall have the right to enter a separate claim against the condemning authority, in which event the Lessee shall not participate in the Lessor's award.

**ARTICLE IX.
HAZARDOUS MATERIALS**

Section 9.1 Hazardous Materials.

(a) Subsequent to the Commencement Date, the Lessee shall not allow, cause or permit any Hazardous Materials (as defined below) to be generated, maintained, processed, produced, manufactured, used, treated, released, stored, but not including materials existing in or about the Leased Premises prior to the Commencement Date, or disposed of in or about the Leased Premises by the Lessee or its officers, directors, employees, agents, invitees or sub-lessees, other than those Hazardous Materials usually and customarily used for the Permitted Use, as long as such materials are lawfully stored and used by the Lessee and the quantity of such materials does not equal or exceed a "reportable quantity" as defined in 40 CFR §§ 302 and

305, and as may be amended, and so long as such Hazardous Materials are generated, maintained, processed, produced, manufactured, used, treated, released, stored or remediated or disposed of in compliance with all Laws applicable thereto. In no event shall the Lessee cause the deposit, release, or discharge of any Hazardous Materials to the soil or groundwater of the Leased Premises in violation of applicable Law subsequent to the Commencement Date.

(b) In the event that the Lessee causes any violation of applicable Law with regard to Hazardous Materials at the Leased Premises, the Lessor shall have the right to reasonably require that the Lessee engage, at the 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 Commencement Date. For purposes of this Lease, "**Hazardous Material**" means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, or any other Law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as may now or at any time in the future be in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

(c) The Lessee shall promptly notify the Lessor in writing, if the Lessee has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Leased Premises in violation of the Law during the Term. The Lessee shall promptly notify the Lessor, and provide copies following receipt of all written complaints, claims, citations, demands, inquiries, or notices relating to the violation or alleged violation at the Leased Premises during

the Term of any Laws pertaining to Hazardous Materials. The Lessee shall promptly deliver to the Lessor copies of all notices, reports, correspondence and submissions made by the Lessee to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), 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) The Lessee agrees to indemnify, defend (with counsel reasonably acceptable to the Lessor at the Lessee's sole cost) and hold the Lessor, its board members, employees, contractors, and agents harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages; however, the Lessee shall not indemnify for consequential damages on claims brought by the Lessor, or the Lessor's employees), 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) (collectively, "*Environmental Claims*") that may at any time be imposed upon, incurred by or asserted or awarded against the Lessor or any of them in connection with or arising from or out of the Lessee's violation of any of its obligations set forth in Section 9.1(a) above.

(e) The Lessee agrees to indemnify, defend (with counsel reasonably acceptable to the Division at the Lessee's sole cost) and hold the Division and its employees, contractors, and agents harmless from and against all Environmental Claims that may at any time be imposed upon, incurred by or asserted or awarded against the Division or any of them in connection with or arising from or out of the Lessee's violation of any of its obligations set forth

in Section 9.1(a) above.

(f) Nothing herein shall require the Lessee to indemnify, defend and hold harmless the Lessor, its employees, contractors or agents for any Environmental Claim arising from any Hazardous Materials which were present on the Leased Premises prior to the Commencement Date.

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

**ARTICLE X.
INDEMNIFICATION**

Section 10.1 Lessee's Indemnification to Lessor. The Lessee shall indemnify, defend and hold harmless the Lessor and its board members, officers and employees, together with any of their respective successors and assigns (collectively, the "*Lessor Indemnitees*"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment ("*Claim*") 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 Lessee's use of, and/or activities on, the Leased Premises by the Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors.

All of 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, the Lessor acknowledges that the Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under this Article shall not extend to any Claim to the extent arising out of the

negligence or willful misconduct of any Lessor Indemnitees.

Section 10.2 Lessee's Indemnification to Division. The Lessee shall indemnify, defend and hold harmless the Division and its officers and employees, together with any of their respective successors and assigns (collectively, the "*Division Indemnitees*"), against any and all Claims 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 Lessee's use of, and/or activities on, the Leased Premises by the Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors.

All of 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, the Division acknowledges that the Lessee's obligation to indemnify and hold any Division Indemnitees harmless under this Article shall not extend to any Claim to the extent arising out of the negligence or willful misconduct of any Division Indemnitees.

Section 10.3 Lessor's Indemnification. To the extent authorized by Law, the Lessor will indemnify, defend and hold harmless the Lessee and its officers, agents and employees, together with any of the Lessee's permitted successors and assigns (collectively, the "*Lessee Indemnitees*"), from and against any Claims resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of the Lessor, its board members, officers or employees. Notwithstanding any provision to the contrary contained in this Lease, the Lessee acknowledges that the Lessor's obligation to indemnify and hold any Lessee

Indemnities harmless under this Article shall not extend to any Claim to the extent arising out of the negligence or willful misconduct of any Lessee Indemnities.

Section 10.4 Division's Indemnification. To the extent authorized by Law, the Division will indemnify, defend and hold harmless the Lessee Indemnities, from and against any Claims resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of the Division, its board members, officers or employees. Notwithstanding any provision to the contrary contained in this Lease, the Lessee acknowledges that the Division's obligation to indemnify and hold any Lessee Indemnities harmless under this Article shall not extend to any Claim to the extent arising out of the negligence or willful misconduct of any Lessee Indemnities.

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

Section 11.1 Payment of Taxes. The 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, the Lessee's Improvements, or the business conducted by the Lessee on the Leased Premises.

Section 11.2 Licenses. The Lessee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business conducted by the Lessee on the Leased Premises.

**ARTICLE XII.
DEFAULT BY LESSEE**

Section 12.1 Default. Each of the following shall be an Event of Default by the Lessee (herein, each a "*Lessee Event of Default*") under the terms of this Lease:

- (a) Failure by the Lessee to pay Rent to the Lessor on the date on which this

payment is due under this Lease, and this failure shall not be cured within five (5) business days after said Rent is due; provided, however, that the Lessor shall provide written notice and a five (5) business day right to cure for failure to pay rent, but the Lessee shall only be entitled to one (1) late payment notice per year under this Section 12.1(a), and provided further that a Lessee Event of Default shall automatically occur if the Lessee fails to pay Rent to the Lessor on the date on which payment is due under this Lease for a second time in any calendar year in which a written notice of late payment has been delivered, or deemed delivered, to the Lessee under this Lease.

(b) Failure to obtain and maintain all insurance as required under this Lease and/or to furnish to the Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within two (2) business days after delivery of written notice to the Lessee of such violation.

(c) A court order for relief in any involuntary case commenced against the 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: (i) appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of, or for the Lessee or a substantial part of the properties or assets of the Lessee; or (ii) winding up or liquidating the affairs of the Lessee, and the continuance of any such decree or order unstayed and in effect for one hundred twenty (120) consecutive days.

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

(e) Failure to comply with any of the obligations of this Lease (other than

payment of Rent or obtaining and maintaining insurance) if the failure is not cured within sixty (60) days after delivery of written notice to the Lessee of such Lease violation or such longer period of time as may reasonably be required for the Lessee to cure the violation, provided that the Lessee pursues the cure of the violation with reasonable diligence.

In addition to any other remedies provided by Law and except as otherwise provided herein, the Lessor may, but shall not be obligated to, terminate this Lease during the continuance of a Lessee Event of Default, provided that in addition to the notice and cure period set forth above, the Lessee also is given, in writing, notice specifying the Lessee's failure and the Lessee fails to correct the alleged failure within thirty (30) days following receipt of such additional notice specifying the failure.

**ARTICLE XIII.
DEFAULT BY LESSOR**

A default by the Lessor (herein "*Lessor Event of Default*") will occur under this Lease if the 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 the Lessor's receipt of written notice from the Lessee of this failure; however, no Lessor Event of Default will occur if the Lessor begins to cure this failure within thirty (30) business days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

**ARTICLE XIV.
MISCELLANEOUS**

Section 14.1 Lessor's Right to Enter Leased Premises. The Lessor, directly and/or through its agents, reserves the right to enter the Leased Premises at any time to inspect the Leased Premises, as long as the Lessor's inspection does not unreasonably interfere with the operation of the proper function of the Lessee's business. The Lessor shall attempt to provide

the Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. The Lessee shall have the right to have a representative accompany the Lessor during such entry and inspection. The Lessee shall not deny the Lessor access to the Leased Premises.

Section 14.2 Miscellaneous Provisions of Master Agreement. All of the provisions set forth in Article III (entitled “Miscellaneous”) of the Master Agreement are incorporated herein by reference and made a part hereof in their entirety.

Section 14.3 Capitalized Terms. Any capitalized terms used in this Lease that are not defined in this Lease shall have the meaning ascribed to that capitalized, defined term in the CEA.

Section 14.4 Conflict. In the event that any provision set forth in this Lease contradicts any provision set forth in the Master Agreement, the specific provision set forth in this Lease shall govern the relationship of the parties.


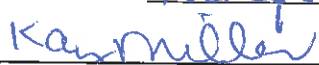
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Signatures are on the Following Page.]**

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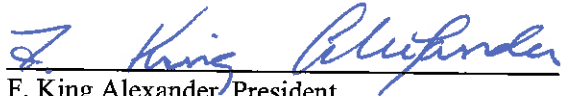
[Signature Page for Lease Agreement
(Bogalusa - 400 Memphis Street 104 Avenue B)]

IN WITNESS WHEREOF, the Lessor has signed its name on this ___ day of _____, 2014, in the presence of the undersigned competent witnesses:

WITNESSES:


Printed Name: Nancy C. Dougherty

Printed Name: Kay Miller


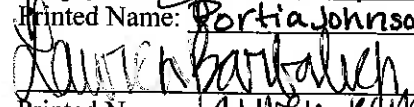
**BOARD OF SUPERVISORS OF LOUISIANA STATE
UNIVERSITY AND AGRICULTURAL AND
MECHANICAL COLLEGE**

By: 
F. King Alexander, President
LSU System

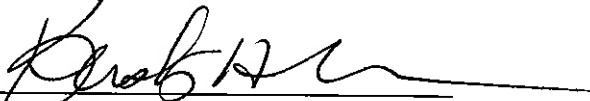
[Signature Page for Lease Agreement
(Bogalusa – 400 Memphis Street 104 Avenue B)]

IN WITNESS WHEREOF, the State has signed its name on this 14 day of January, 2014, in the presence of the undersigned competent witnesses:

WITNESSES:


Printed Name: Portia Johnson

Printed Name: Lauren Barkalich

STATE OF LOUISIANA, through DIVISION OF
ADMINISTRATION

By: 
Kristy Nichols
Commissioner of Administration

[Signature Page for Lease Agreement
(Bogalusa -- 400 Memphis Street 104 Avenue B)]

IN WITNESS WHEREOF, the Division has signed its name on this 14 day of January, 2014, in the presence of the undersigned competent witnesses:

WITNESSES:

Portia Johnson
Printed Name: Portia Johnson
AUSTIN KATHALIN
Printed Name: A-K-14

DIVISION OF ADMINISTRATION
STATE OF LOUISIANA

By:

Kristy Nichols
Kristy Nichols
Commissioner of Administration

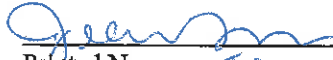
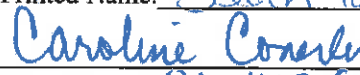
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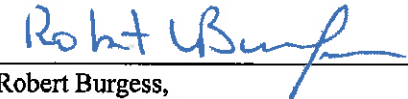
[Signature Page for Lease Agreement
(Bogalusa - 400 Memphis Street 104 Avenue B)]

IN WITNESS WHEREOF, the Lessee has signed its name on this 14th day of January, 2014, in the presence of the undersigned competent witnesses:

WITNESSES:

OUR LADY OF THE ANGELS HOSPITAL, INC.


Printed Name: Jean Taylor

Printed Name: CAROLINE CONERLY

By: 
Robert Burgess,
President and CEO

ATTACHMENT A
LEASED PREMISES
400 Memphis Street

PARCEL NO. 1:

Part of Lots 2, 3, 4 and 5, all of Lots 6, 7, 8, 9, 10 and 11 of Block 60 of the NORTHEAST BOGALUSA ADDITION to the City of Bogalusa, Washington Parish, Louisiana, more particularly described as follows:

Commence from the intersection of the western line of Jackson Street and the northerly line of Alabama Avenue and go in a westerly direction along the northern line of Alabama Avenue 79.10 feet to the point of beginning; thence from the point of beginning continue along the northern line of Alabama Avenue 161.6 feet; thence turn an angle to the right of 66 degrees 03 minutes and go 87.10 feet to the southern line of Mississippi Avenue; thence turn an angle to the right of 90 degrees and go along the southern line of Mississippi Avenue 123.5 feet; thence turn an angle to the right of 90 degrees and go 48.35 feet; thence turn an angle to the left of 65 degrees 48 minutes 51 seconds and go 64.49 feet; thence turn an angle to the right of 89 degrees 45 minutes 51 seconds and go 85.31 feet to the point of beginning. All as shown on survey by Richard B. Edwards dated March 8, 1990.

PARCEL NO. 2:

Three certain lots of ground, together with all the buildings and improvements thereon and all the appurtenances thereunto belonging, situated in the City of Bogalusa, Parish of Washington, State of Louisiana, designated as Lots Twelve (12), Thirteen (13), Fourteen (14) of Square No. 60, bounded by Memphis and Jackson Streets, Alabama and Mississippi Avenues, as shown on a map of the land of the Great Southern Lumber Company filed in the office of the Clerk of Court of Washington Parish, State of Louisiana, on June 17th, 1909, in Conveyance Book 15, folio 186. According to which plan said lots adjoin and measure, collectively, fifty six feet (56') front on Memphis Street, seventy feet (70') front on Mississippi Avenue, seventy six and six tenths feet (76.6') front on Alabama Avenue, and eighty seven and fourteen one hundredths feet (87.14') on the line of Lot No. Eleven (11).

PARCEL NO. 3:

Block number fifty nine (59) of Northeast Bogalusa, as shown on the map or plat filed by the Great Southern Lumber Company in the office of the Clerk of Court of Washington Parish, the act of dedication being recorded in C.B. 15, page 186, recorded June 18, 1909, the said Block being designated on said map as "Railroad Park", said Block being bound on the west by Austin Street, on the north by Louisiana Avenue, on the East by Memphis Street and on the South by Alabama Avenue.

PARCEL NO. 4:

A plot of ground in Lots Fifteen (15) and Sixteen (16) of Block Fifty Seven (57) in Northeast Bogalusa, and described as follows, to-wit: Commencing at the intersection point of the North

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margin of Louisiana Avenue and the East margin of Memphis Street for the point of beginning; thence in a Northerly direction along the East margin of Memphis Street run a distance of 121.5 feet; thence turn at an angle of 90 deg. to the right and run a distance of 42.5 feet, more or less; thence turn an angle of 90 deg. 30' to the right and run in a Southerly direction a distance of 105.5 feet, more or less, to the intersection of the North margin of Louisiana Avenue; thence in a Westerly direction along the North margin of Louisiana Avenue a distance of 44 feet more or less to the Point of Beginning, as per map of a portion of the City of Bogalusa, filed in the office of the Clerk of Court for Washington Parish, Louisiana.

PARCEL NO. 5:

A plot of ground measuring forty (40) feet frontage on Memphis Street by One Hundred (100) feet deep, and partially in Lots Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), and Nineteen (19) of Block Fifty Seven (57) of Northeast Bogalusa, and more particularly described as follows: Commencing at the intersection point of the North margin of Louisiana Avenue and the East margin of Memphis Street; thence in a Northerly direction along the East margin of Memphis Street a distance of One Hundred Twenty One and $\frac{5}{10}$ (121.5) feet to the Point of Beginning; thence continue along the same course a distance of forty (40) feet; thence turn an angle of ninety (90) degrees to the right and run a distance of One Hundred (100) feet; thence turn an angle of ninety (90) degrees to the right and run a distance of forty (40) feet; thence turn an angle of ninety (90) degrees to the right and run a distance of One Hundred (100) feet to the Point of Beginning. As per map of a portion of the City of Bogalusa, filed in the office of the Clerk of Court for Washington Parish, State of Louisiana, on June 17, 1909.

PARCEL NO. 6:

One lot or parcel of land in Lots Sixteen, Seventeen and Eighteen (16, 17, and 18) of Block Number Fifty Seven (57) in Northeast Bogalusa, Louisiana, and described as follows, to-wit: Starting at the intersection point of the North margin of Louisiana Avenue and the East margin of Memphis Street, which is the Southwest corner of Block No. 57; thence in an Easterly direction along the North margin of Louisiana Avenue a distance of 44.5 feet to the Point of Beginning; thence continue along the North margin of Louisiana Avenue a distance of 47.5 feet; thence turn an angle of 69 degrees to the left and run a distance of 88.5 feet; thence turn an angle of 90 degrees to the left and run a distance of 43.4 feet along a course perpendicular to Memphis Street. Thence turn an angle of 89 degrees and 30 minutes to the left and run a distance of 105.5 feet to the Point of Beginning; all as per map of the City of Bogalusa, Louisiana, and being in Headright 46, Township 3 South, Range 13 East.

PARCEL NOS. 1 and 2 being the same property acquired by The State of Louisiana pursuant to that certain Cash Deed filed of record on January 13, 2000, as Instrument # 216060 in Conveyance Book 503 at Folio 216 in the official records of the Parish of Washington, State of Louisiana. PARCEL NO. 3 being the same property acquired by the Washington-St. Tammany Charity Hospital, through the State Hospital Board, pursuant to that certain Act filed of record on June 23, 1949 in Conveyance Book 117 at Folio 116 in the official records of the Parish of Washington, State of Louisiana. PARCEL NOS. 4, 5 and 6 being the same property acquired by

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The State of Louisiana pursuant to that certain Cash Sale, dated August 29, 1986, and filed of record on September 30, 1986, as Instrument # 130142 in Conveyance Book 370 at Folio 343 in the official records of the Parish of Washington, State of Louisiana.

ATTACHMENT B
LEASED PREMISES
104 Avenue B

0.77 acres of land located in Headright 38, Township 3 South, Range 13 East, Washington Parish, City of Bogalusa, Louisiana, more fully described as follows:

Begin at the intersection point of the east margin of Avenue B and the north margin of west Second Street and run in a northerly direction along the east margin of Avenue B a distance of 100 feet; thence turn an angle 90 degrees to the right and run in an easterly direction a distance of 297 feet to the southeast corner of property donated to the State of Louisiana on April 26, 1957 and recorded in COB 149, Page 552, THE POINT OF BEGINNING; thence turn an angle of 90 degrees to the left and run in a northerly direction a distance of 272 feet to the northeast corner of the above mentioned property; thence turn an angle of 90 degrees to the right and run in an easterly direction a distance of 123 feet to the west margin of the railroad right of way; thence turn an angle of 90 degrees to the right and run in a southerly direction along the railroad right of way, a distance of 272 feet; thence turn an angle of 90 degrees to the right and run in a westerly direction a distance of 123 feet to the POINT OF BEGINNING.

All as per map of South Bogalusa filed in the office of the Clerk of Court of Washington Parish on March 29, 1917 and recorded in Conveyance Book 28, Page 74, and also, as per "Resubdivision or Supplemental Map No. 1 of the original map of South Bogalusa" recorded in Conveyance Book 120, Page 315 of the official records of Washington Parish, Louisiana.

1.85 acres of land located in Headrights 38 and 46, Township 3 South, Range 13 East, Washington Parish, City of Bogalusa, LA., more fully described as follows:

Being at the intersection point of the East margin of Avenue B and the North margin of Second Street and run in a Northerly direction along East margin of Avenue B a distance of 100 feet to the POINT OF BEGINNING, being the Northwest corner of the property conveyed to Southern Bell Telephone and Telegraph Company on January 17, 1952 and recorded in COB 127, page 444; thence continue in same Northerly direction along East margin of Avenue B a distance of 272 feet to the Southwest corner of property conveyed to State of Louisiana on October 24, 1947 and recorded in COB 110, page 562; thence turn an angle of 90 degrees to the right and run in an Easterly direction, along south line of property conveyed to State of Louisiana, above referred to, a distance of 297 feet; thence turn an angle of 90 degrees to the right and run in a southerly direction a distance of 272 feet; thence turn an angle of 90 degrees to the right and run in a Westerly direction a distance of 297 feet to the Point of Beginning.

All as per map of South Bogalusa, filed in the office of the Clerk of Court of Washington Parish, on March 29, 1917 and recorded in Conveyance Book 28, page 74; and also, as per

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"ReSubdivision or Supplemental Map No. 1 of the original map of South Bogalusa" recorded in Conveyance Book 120, page 315 of the official records of Washington Parish, Louisiana.

Servitude

A strip of land located in Headright 38, Township 3 South, Range 13 East, Washington Parish, City of Bogalusa, Louisiana, more fully described as follows:

Begin at the intersection point of the east margin of Avenue B and the north margin of West Second Street and run in an easterly direction along north margin of West Second Street a distance of 320 feet to the POINT OF BEGINNING; thence continue in the same easterly direction a distance of 55 feet; thence turn an angle of 90 degrees to the left and run in a northerly direction a distance of 100 feet; thence turn an angle of 90 degrees to the right and run a distance of 45 feet to the west margin of the railroad right of way; thence turn an angle of 90 degrees to the right and run along railroad right of way a distance of 160 feet; thence turn an angle of 90 degrees to the right and run a distance of 100 feet; thence turn an angle of 90 degrees to the right and run a distance of 60 feet to the POINT OF BEGINNING.

All as per map of South Bogalusa filed in the office of the Clerk of Court of Washington Parish on March 29, 1917 and recorded in Conveyance Book 28, page 74; and, also as per "ReSubdivision or Supplemental Map No. 1 of the original map of south Bogalusa" recorded in Conveyance Book 120, page 315 of the official records of Washington Parish, Louisiana.

ATTACHMENT C
SERVICE STANDARDS, BUILDING

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

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

SERVICE STANDARDS, SYSTEMS

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

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

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

Service Standards, Horticulture

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

Service Standards, Grounds and Garden Maintenance

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

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