

RIGHT OF USE AND OCCUPANCY

(Houma Medical Center)

This contract of Right of Use and Occupancy (the "Agreement") is made and entered into effective the 23rd day of June, 2013 by and between:

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

THE STATE OF LOUISIANA ("State"), THROUGH THE DIVISION OF ADMINISTRATION ("Division"), 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;

SOUTHERN REGIONAL MEDICAL CORPORATION, a Louisiana non-profit corporation, whose sole member is "HSD" (defined below), herein represented by Phyllis Peoples, duly authorized, by virtue of a resolution of its Board of Directors, adopted _____, 2013, a copy of which is attached hereto, with a mailing address of 1978 Industrial Boulevard, Houma, Louisiana 70363 (hereinafter referred to as "SRMC" or "Grantee"); and

HOSPITAL SERVICE DISTRICT NO. 1 OF THE PARISH OF TERREBONNE, a body corporate created pursuant to La. R.S. 46:1051 et. seq., represented herein by Phyllis Peoples, its CEO, duly authorized by virtue of a resolution adopted _____, 2013, a copy of which is attached hereto, with a mailing address of 8166 Main Street, Houma, Louisiana 70360 (Federal I.D. No. XX-XXX____) (hereinafter referred to as "HSD" or "Guarantor");

provides as follows:

WITNESSETH

WHEREAS, LSU is a major teaching hospital committed to developing medical and clinical professionals in the State of Louisiana in order to improve access to healthcare in its service area; and,

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana, 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, Grantee, HSD and LSU support building a new model for the relationship between a major teaching hospital and a school of medicine and its teaching programs, and this new model will provide physicians and patients with a new environment of care that optimizes the use of all resources; and,

WHEREAS, LSU, Grantee, Guarantor, the State of Louisiana, the Louisiana Department of Health and Hospitals ("DHH"), and Division of Administration ("DOA") are parties to a Cooperative Endeavor Agreement dated June 23, 2013 (as the same may be amended from time to time, the "CEA") through which LSU, Grantee, Guarantor and DHH, will, among other public purposes, collaborate to develop and maintain nationally recognized graduate medical education programs and to provide quality health care to "Medically Indigent" (as defined in the CEA), low-income, needy, inmate, and other populations.

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

WHEREAS, it is a collective goal of the parties to this Agreement and the CEA to enhance the stability and competitiveness of Louisiana's medical education and training programs and health care for the above patients; and,

WHEREAS, Grantor is the owner of certain immovable property with all buildings and improvements thereon, and the equipment located therein (herein "Equipment") which Equipment is reflected on Exhibit "A" hereof, all of which hospital and related operations are

located at 1978 Industrial Boulevard, Houma, Louisiana (the "Premises"), the legal description of which is attached hereto as Exhibit "B";

WHEREAS, the Premises includes a hospital, medical office, clinic space, and ambulatory surgical space, which will be used and occupied by Grantee together with the Equipment for the purposes set forth herein; and,

WHEREAS, this Agreement furthers the educational and public service missions of Grantor and the State;

WHEREAS, unless otherwise provided herein, the capitalized, defined terms used in the CEA shall have the same meanings in this Agreement;

NOW, THEREFORE, in consideration of Grantor's grant of this Right of Use and Occupancy, the commitments and obligations undertaken by Grantee under the CEA, and the services SRMC will provide at the premises and the mutual benefits accruing to the parties under this Agreement and the CEA, the parties do enter into this Agreement, on the following terms and conditions:

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

For the consideration and upon the terms and conditions hereinafter expressed, Grantor grants to Grantee, here present and accepting same, the right to use and occupy the Premises and the right to use the Equipment here present and accepting the same, commencing on the Commencement Date (as defined in the CEA), for the Term (as defined in the CEA and below), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein or in the CEA. Notwithstanding the above, LSU shall have the right during the term of this Agreement to use and occupy two offices located on the Premises, namely Room 1242-B and the office currently occupied by Susan Arceneaux in the fiscal building adjacent to Room A017, (the

“LSU Space”). Furthermore, LSU shall have the right to use the common areas related thereto.

Grantee shall pay for all expenses related to the LSU Space including, but not limited to, utilities, security and janitorial costs and expenses and no payment shall be required by LSU for such right of use and occupancy.

LSU shall have 24 hour access to the LSU Space and LSU agrees to adhere to Grantee security requirements with respect to such access.

Notwithstanding the above, this Agreement shall terminate as of the termination of the CEA and any termination of this Agreement shall be subject to a Wind Down Period as defined and set forth in the CEA.

For the purposes of this Agreement, the “Commencement Date” shall mean the 24th day of June, 2013 at 12:00:00 a.m., unless mutually extended by the parties by written consent, which consent shall not be unreasonably withheld, and shall terminate upon expiration of the Term of the CEA, subject to the Winddown provision of the CEA.

ARTICLE II. CONSIDERATION

Section 2.1 Consideration. This Agreement is entered into by LSU in consideration of the obligations and commitments undertaken by Grantee under the CEA, including the payments to be made thereunder and Grantee’s obligation to pay LSU an annual administrative fee each year this Agreement is in effect, for LSU’s costs and expenses related to its oversight of the Premises, including LSU’s employee’s time and expenses, subject to a cap (the “Cap”). The initial annual administrative fee Cap for the first year is \$125,000.00, and this Cap will be increased annually as of July 1 each year of the term of this Lease based upon the increase in the Consumer Price Index (“CPI”) of the then current year June CPI index compared to the June 2013 CPI index. Such increase is to be computed by comparing the June 2013 CPI to the then

current year index for the month of June. In addition, Grantee shall also pay any and all other charges or payments which Grantee is or becomes obligated to pay pursuant to this Agreement (the "Additional Fees"). Except as otherwise set forth herein, the annual administrative fee and any Additional Fees owed to LSU shall be due within thirty (30) days after receipt by Grantee of Grantor's invoice, with reasonable description and/or itemization of the fees.

Section 2.2 Payments. All payments by Grantee to Grantor shall be sent to the following address: P. O. Box 91308, Baton Rouge, Louisiana 70821 until notified differently in writing by Grantor.

Section 2.3 Expenses. This Agreement imposes, and Grantee agrees to pay, all costs and expenses associated with the management, operation, maintenance and capital renewal of the Premises and Equipment, including without limitation all costs and expenses described in Article VI hereof. Under no circumstances will LSU be required to make any payment on Grantee's behalf or for Grantee's benefit under this Agreement, or assume any monetary obligation of Grantee or with respect to the Premises and Equipment under this Agreement.

ARTICLE III. USE

Section 3.1 Permitted Use. The Premises and Equipment shall be used and/or occupied by Grantee, or the "Manager" (as such term is defined in the CEA) 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 ("Permitted Use"), and for no other purposes without the prior written consent of LSU. Grantee will conduct or cause its Manager to conduct its business on the Premises in compliance with all federal, state, local and parish rules, laws,

ordinances, and governmental regulations, orders, codes and decrees (herein "Law") and in accordance with this Agreement and the provisions of the CEA. It is expressly agreed that no other third party manager shall be appointed by Grantee without LSU's expressly written approval, all as provided in the CEA.

Section 3.2 Care for the Medically Indigent, Uninsured and Medicaid Population.

In consideration for Grantee's use of the Facilities and Equipment without rent by Grantor, and as more fully set forth in the CEA, Grantee shall make available and provide Core Safety Net Services and Key Services Lines (as those terms are defined in the CEA) and shall provide free or reduced cost health care to patients that present for treatment at the Premises, including the Medically Indigent, low income, needy and Medicaid populations, in accordance with a charity care policy that is consistent in all material respect with LSU Policy Number 2525-12 (attached as an Exhibit to the CEA) , which is the current policy for determining eligibility for free or reduced cost health care services on the Premises and shall not be amended without the mutual agreement of the Parties.

Section 3.3 Reduction of Services. Except as otherwise provided in this Agreement or the CEA, the Grantee will not close the Premises or the emergency room on the Premises, unless such closure is approved by the Louisiana Legislature. Grantee will not reduce health care services provided on the Premises in any manner which (i) would cause the expenditures related to the operation of the Premises to be reduced on an annualized basis by greater than thirty-five percent (35%) of the previous fiscal year actual spending level; or (ii) if Grantee reduces services provided at the Premises by greater than fifteen percent (15%) in any one year, Grantee will not reduce or allow the reduction of services at the Premises by more than fifteen

percent (15%) in any one (1) year for the next three (3) years unless such reduction is approved by the Louisiana Legislature.

**ARTICLE IV.
ASSIGNMENT AND GRANT OF THIRD PARTY RIGHTS**

Section 4.1 **No Assignment.** Grantee may not, without the prior written consent of LSU, assign, mortgage, grant a security interest or otherwise encumber in whole or in part this Agreement or any interest therein; provided, Grantee may, with prior written notice to LSU, but without the consent of LSU, assign all of its rights under this Agreement (1) to a non-profit corporation or low-profit limited liability company or other non-profit legal entity wholly owned or wholly controlled by Grantee or its sole member HSD, or (2) to any non-profit entity that is a successor by merger to the Grantee or that acquires Grantee or all or substantially all of the assets of Grantee, provided that such assignee or other entity expressly assumes Grantee's obligations hereunder.

Section 4.2 **Third-Party - Grant of Rights.** Grantee, without the prior written consent of the President of the LSU System or his designee (the "Grantor Representative" or "LSU Representative"), which consent shall not be unreasonably withheld, may not lease or grant any rights of use or occupancy (collectively "Third-Party Grant") of all or any portion of the Premises and/or Equipment; provided, Grantee may, with prior written notice to Grantor, but without the consent of the Grantor Representative, grant one or more Third-Party Grants of all or a portion of the Premises and/or Equipment (collectively "Permitted Third-Party Grants") to (1) a nonprofit corporation, low-profit limited liability company, or other nonprofit legal entity wholly owned or controlled by Grantee, or its member or to any nonprofit entity that is a successor by merger to the Grantee or that acquires Grantee or all or substantially all of the assets of Grantee; (2) retail subtenants, such as restaurants, drug stores, flower shops,

newsstands, brace shops, and other subtenants which support the operations of the hospital located on the Premises (“Hospital”) and which would be routinely housed in a hospital or medical clinic of similar scope and operation; (3) a third party with which Grantee or LSU have an affiliation agreement relating to the healthcare, academic or research activities conducted in the Premises, and (4) any entity or entities for the purpose of providing in-patient long-term acute care, in-patient rehabilitation treatment and/or inpatient chemical dependency treatment, so long as such Third-Party Grant does not reduce the number of licensed acute care beds available for acute care patients in the Premises below sixty-five (65) at any one time, and so long as such Third-Party Grant does not materially conflict with or materially diminish, or be materially inconsistent with the Public Purpose as such term is defined in the CEA; provided that any such Permitted Third-Party Grant shall be subject and subordinate to all of the terms and conditions of this Agreement, and the use of the Premises and/or Equipment permitted under any such Permitted Third-Party Grant shall be in accordance with the applicable terms and conditions of this Agreement; further provided that such Third-Party Grantee is expressly made subject to all of the foregoing and expressly acknowledges the above in the Third-Party Grant. Any such Permitted Third-Party Grant for which such prior written consent of LSU is not required pursuant to this Section 4.2 shall: (a) have a term not exceeding the Term of this Agreement; and (b) further the mission of the Hospital and the Public Purpose as set forth in the CEA. Any Third-Party Grant not meeting the foregoing criteria shall be submitted to the LSU Representative for its prior review and approval, which approval shall not be unreasonably withheld. Any failure of the LSU Representative to respond within thirty (30) days of receipt of such written request shall be deemed consent. In the event the LSU Representative disapproves such a request, the LSU Representative shall give written reasons for such disapproval. Under

no circumstances may Grantee enter into a Third-Party Grant for any space for any adult establishment (as defined by an applicable zoning code) including, but not limited to, adult bookstore, adult movie theater, adult novelty shop, tattoo shop, adult cabaret, liquor store or tobacco shop. Furthermore, notwithstanding anything contained in this Agreement to the contrary, Grantee shall not enter into any Third-Party Grant for all or part of the Premises with any physicians group or medical practice if such would be materially inconsistent with the Public Purpose as such term is defined in the CEA. Each Third-Party Grant shall contain a provision to the effect if this Agreement is terminated for any reason, the Third-Party Grant, at LSU's sole option, shall (i) continue in full force and effect with LSU being automatically substituted for Grantee as the grantor under such Third-Party Grant, with no liability for LSU for any obligations of Grantee (or any permitted assignee) which arose before LSU exercised its option to continue the Third-Party Grant, or (ii) be terminated without any liability to LSU or Division. Further, any Third-Party Grant shall contain a provision restricting any further Third-Party Grant or assignment of all or any part of such Third-Party Grant rights.

Section 4.3 Grantee Remains Liable. In no event shall any assignment or Third-Party Grant of all or any portion of the Premises and/or Equipment release Grantee from any obligations under this Agreement, unless such release shall be evidenced by LSU's express written agreement at the time of the assignment or entering into the Third-Party Grant, which agreement may be withheld in LSU's sole discretion.

ARTICLE V. IMPROVEMENTS AND ALTERATIONS BY GRANTEE

Section 5.1 Grantee's Improvements and Alterations. Grantee shall not make any Major Alteration (defined herein) to the Premises without the prior written approval of LSU and the Division which approval can be given by the LSU Representative or by the Director of

Facility Planning in the LSU President's office, which approval shall not be unreasonably withheld or delayed. In connection with any requested Major Alteration, Grantee shall submit to LSU and the Division an explanation of the work proposed to be carried out, in a level of detail required by LSU in its reasonable discretion, and including plans and specifications therefor unless the requirement of such plans and specifications is waived in writing by LSU and the Division in their reasonable discretion. LSU and the Division shall have thirty (30) days to review the adequacy of the information submitted in connection with such a requested Major Alteration. If neither LSU nor the Division has notified Grantee of LSU'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 of such information, LSU and the Division shall be deemed to have approved the request.

(a) A "Major Alteration" is any alteration or other change to the Premises: (i) which is structural in nature; (ii) which would materially change the 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 Premises, or (v) which is estimated in good faith to cost in excess of \$225,000.00. Unless otherwise specifically provided herein, all alterations and improvements to the Premises, including, but not limited to, Major Alterations (collectively, "Improvements") shall be performed by Grantee at no cost or expense to LSU 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 Premises, and shall not adversely impact the structural integrity of the Premises. Approval by LSU and/or the Division of any Major Alterations shall not constitute any warranty by LSU and/or the Division to Grantee of the adequacy of the design for Grantee's

intended use of the Premises. All work performed for or by Grantee 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 Grantee, at Grantee's expense. All work shall be performed for or by Grantee in a good and workmanlike manner, and Grantee shall prosecute the same to completion with reasonable diligence. Grantee shall complete all Improvements so as not to create any liens or encumbrances against the Premises or Grantee's interest or any of LSU's property, and Grantee shall furnish: (i) a clear lien certificate for any Improvements which constituted a Major Alteration ("Major Improvements") to the Premises; or (ii) any other evidence thereof with respect to any Improvements to the Premises which are not Major Improvements.

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

(c) Notwithstanding anything to the contrary contained in this Agreement, the rights, responsibilities and obligations of the Division of Administration 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 Office of Facility Planning and Control ("FPC") with respect to maintenance, repair and/or improvements to public buildings and property.

(d) Except as provided below, upon termination of this Agreement for any reason, other than (i) a Grantee Event of Default (as defined in Section 13.1 hereof), or (ii)

Grantee and/or HSD exercising any option, if any, to terminate the CEA because of Oshsner Clinic Foundation's wholly owned subsidiary's withdrawal from or termination of the Management Agreement as provided in the CEA, LSU and Division shall pay to Grantee an amount equal to the book value as of such termination date of the unamortized Major Alterations made by Grantee to the Premises that were approved (or deemed approved) by LSU and the Division in accordance with this Section 5.1, computed on a GAAP basis, but only to the extent such payment is funded by the State in accordance with Section 16.12 hereof; provided, however, any such obligation to pay pursuant to this Section 5.1(d), shall be reduced on a dollar-for-dollar basis to the extent any State, Division or LSU funds are expended to improve the Premises subsequent to the Commencement Date of this Agreement, because of a failure by Grantee to satisfy its obligations hereunder.

Section 5.2 Cost of Grantee's Improvements. Grantee shall be solely responsible for the costs of all Improvements to the Premises undertaken by Grantee pursuant to Section 5.1. Following completion of the Improvements, Grantee shall provide to LSU a lien waiver from Grantee's contractor covering the cost of work, materials and equipment supplied by the contractor and all subcontractors and materialmen. All Improvements made to the Premises by Grantee shall become and remain the property of LSU at the termination of the Agreement without any cost to LSU, except that LSU and Division must pay Grantee for any Major Alterations made by Grantee to the Premises that were approved by LSU and the Division in accordance with Section 5.1. Notwithstanding the foregoing, if Grantee performs a Major Alteration without obtaining LSU's and FPC's consent (or deemed consent as set forth above), in addition to any other remedy available for such violation, LSU may, at its option, by written notice to Grantee require that Grantee remove the Major Alteration specified in such notice and

return the Premises to their condition prior to the unauthorized performance of the Major Alteration. If Grantee fails to remove such a Major Alteration and restore the 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 Grantee does not commence such removal and restoration within sixty (60) days and perform the removal and restoration diligently to completion, Grantee shall promptly reimburse, as Additional Fees, LSU for any expense that LSU incurs in performing such removal and restoration. Grantee shall pay the cost for any additional personal property, fixtures, equipment, furniture and other unattached items of personal property which Grantee may place in the 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 Grantee and may be removed by Grantee at any time or times prior to the expiration of the Term; provided, however, that Grantee shall repair any damage to the Premises and/or Equipment caused by such removal. Grantee's Personal Property shall not include the Equipment to which LSU has granted the right of use to Grantee pursuant to this Agreement.

ARTICLE VI.

OPERATION, MAINTENANCE, REPAIR, SECURITY AND OTHER SERVICES

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

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

Section 6.3 **Maintenance and Repair** Grantee shall, at its sole cost and expense during the Term, maintain the Premises, including all fixtures located therein, and make and perform all maintenance, repairs, restorations, and replacements to the Premises, including

without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, telephone, cable and other utility lines, plumbing, fire, sprinkler and security systems, computer service, air and water pollution control and waste disposal facilities, roof, structural walls, sewer lines, including any septic tank and effluent disposal system that may be necessary, and foundations, fixtures, equipment, and appurtenances to the Premises as and when needed to maintain them in as good or better working condition and repair (ordinary wear and tear excepted) as existed as of the Commencement Date, regardless of whether such maintenance, repairs, restorations or replacements are ordinary or extraordinary, routine or major, foreseeable or unforeseeable, or are at the fault of Grantee, LSU or some other party, and regardless of by whom such items were placed in the Premises; provided, however, if damage is caused by the active fault of LSU after the Commencement Date, Grantee reserves, and may pursue, any claims against LSU related thereto; and provided however, Lessee or the Division shall provide for maintenance and improvements to the Premises for which funding has been included in a line of credit, if any, granted by the State Bond Commission prior to the Commencement Date of this Agreement ("Approved Maintenance"). 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 Premises. If Grantee fails to commence such maintenance, repairs, restoration, or replacements, within sixty (60) days of receipt of Grantor'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), LSU may (but shall not be obligated to) make or cause to be made such repairs, restoration, and replacements, at the expense of Grantee, and shall be entitled to collect the same from Grantee as Additional Fees due hereunder within thirty (30) days of written demand by LSU.

(a) Grantee shall have full and sole responsibility for the condition, repair, maintenance and management of the Equipment; provided, however, that Grantee shall not owe any maintenance obligation under this Agreement respecting any item of Equipment that is not in good working order as of the Commencement Date. Grantee shall provide written notice to LSU no later than sixty (60) days after the Commencement Date of this Agreement of any specific items of Equipment that were not in good working order as of the Commencement Date. Grantee shall maintain the Equipment and each and every portion thereof in good working order and condition and shall be solely responsible for all costs and expenses accrued or incurred in connection therewith. LSU shall not be responsible for any repairs to or maintenance of the Equipment, whether ordinary or extraordinary, foreseen or unforeseen, structural or non-structural. Grantee shall maintain accurate records of all material work performed in furtherance of its obligations under this Article VI.

(b) It is understood and agreed that LSU shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Premises and Equipment during the Term other than as set forth in Section 6.3. LSU 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 Premises and Equipment, or maintain the Premises and Equipment in any respect whatsoever, whether at the expense of Grantor, Grantee, or otherwise.

(c) As a unit of government, Grantee agrees that all Improvements to the Premises constructed by Grantee pursuant to this Agreement 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 Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

(d) Grantee further agrees to make, at its own expense, all changes and additions to the Premises required by reason of any change in law that occurs after the Commencement Date (subject to obtaining any LSU approvals that may be required by this Agreement), including the furnishing of required sanitary facilities and fire protection facilities, and Grantee 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 Premises, the written consent of LSU and FPC must be obtained prior to the commencement of any work in accordance with Section 5.1 hereof. Grantee 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 Grantor, Grantee 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) Grantee accepts the Premises and the Equipment in its "as is" condition, that being the condition or state in which the Premises and/or Equipment exist at the effective date of this Agreement, without representation or warranty, express or implied, in fact or in Law, oral or written, by LSU. LSU agrees to preserve all available warranties of workmanship, if any, related to the Premises and agrees to exercise its rights with respect to all such warranties, if any then exist, with reasonable diligence following receipt of written request from Grantee.

(f) Grantee further agrees to do at no expense to LSU, painting of the exterior

and interior as applicable and as necessary to maintain the Premises in a neat, clean, safe, sanitary and habitable condition.

(g) Grantee 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 Premises or to the extent necessary or used to preserve and protect the Premises, including but not limited to boilers, elevators, HVAC, fire panels, lock and security systems, and any public address system, and shall ensure that all such equipment is properly maintained in clean, safe, and continues in an operable condition, subject to any previously authorized and budgeted Approved Maintenance by LSU or the Division as described in Section 6.3. Grantee 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. Grantee shall be responsible for ensuring that all necessary certification is maintained on any and all such equipment and machinery, including but not limited to certification required by the State Fire Marshal and the Department of Health and Hospitals.

(h) Furthermore, Grantee shall comply with the standard outlined in Exhibit "C" attached hereto. Grantee may propose alternative equivalent maintenance standards for approval by LSU within forty-five (45) days of execution of this Agreement. LSU, to the best of its knowledge and belief, has maintained the Premises in accordance with the standards set forth on Exhibit "C" hereto.

Section 6.4 Security and Other Services. Grantee shall provide or cause to be provided all utilities, security service, custodial service, janitorial service, medical waste

disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and maintenance of the Premises. Grantee acknowledges that LSU has made no representation or warranty with respect to systems and/or procedures for the security of the Premises; any persons occupying, using or entering the Premises; or any equipment, finishing, or contents of the Premises. It is the sole responsibility of Grantee to provide for the security of persons on or entering the Premises and/or property located at the Premises, in accordance with reasonable and prudent business practices utilized for similar facilities.

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

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

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

Section 7.3 Lost and Stolen Equipment. Whenever Grantee has knowledge or reason to believe that any Equipment has been lost or stolen during the Term of this Agreement,

Grantee shall promptly notify LSU in writing and shall report such lost/stolen Equipment as required by law. Grantee shall promptly replace all lost and stolen Equipment with comparable items of substantially similar specification and value, which items shall be owned by LSU and shall be considered Equipment subject to this Agreement, and Grantee shall be solely responsible for all costs and expenses incurred in connection therewith; alternatively, and in lieu of replacing the lost/stolen Equipment, Grantee may pay to LSU the replacement cost of said lost/stolen Equipment.

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

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

Section 7.6 Compliance with State Law. While Grantee shall not assume LSU's statutory obligations, Grantee shall comply with the same standards for "Property Control" for the Equipment as set forth in Title 39 of the Louisiana Revised Statutes, Chapter 1, Part XI (La.

R.S. 39:321 – 39:332), and in Title 34 of the Louisiana Administrative Code, Part VII (sections 101 – 901), including but not limited to:

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

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

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

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

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

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

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

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

Section 7.7 Coordination Between Grantee and LSU. At the commencement of this Agreement, and to assist Grantee in meeting its Property Control obligations for the Equipment as required under this Agreement, LSU shall make available to Grantee all of LSU's existing inventory schedules, property location indices, reports, records, and other documentation regarding the Equipment. LSU shall also assist Grantee in obtaining access to any online tracking and reporting systems and other secure sites necessary for Grantee to perform its Property Control obligations under this Agreement.

LSU shall monitor Grantee's performance of its Property Control obligations to ensure compliance with law and shall cooperate with Grantee and provide reasonable advice and assistance to Grantee when requested and when available and Grantee shall pay/reimburse LSU an amount not to exceed \$50,000.00 per annum, which amount shall be increased annually in accordance with the CPI adjustment for the administrative fee in Section 2.1 as Additional Fees for LSU's cost and expenses related thereto, including LSU's employees time and expense.

Whenever Grantee is required by law to submit reports, records, inventories, or other documentation regarding the Equipment to the Commissioner of the Division of Administration of the State of Louisiana, the Louisiana Property Assistance Agency, or to any other governmental agency, Grantee shall contemporaneously supply a copy of said report/record/inventory to LSU at the LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805, or at such other location as designated from time to time by LSU.

Section 7.8 Alienation of Equipment. Grantee has no right to and shall not sell, alienate, convey, or otherwise transfer any Equipment to any person or entity other than LSU without the advance written approval of LSU. In the event that Equipment is purportedly sold / alienated / conveyed / transferred without LSU's advance written approval, such shall be null and void and without legal effect. In the event that Grantee needs to return a piece of equipment to LSU for any reason, Grantee shall provide written notice of same to LSU at the LSU Health Care Services Division, 5429 Airline Highway, Baton Rouge, Louisiana, 70805, or at such other location as designated from time to time by LSU. Said notice shall identify the Equipment by its description, tag number, and inventory number, shall state where the Equipment is physically located at the time notice is given, and shall state where the Equipment may be retrieved by LSU. Grantee may store the Equipment off-site pending its retrieval by LSU, provided that Grantee shall be responsible for all costs and expenses incurred in moving and/or storing the Equipment, and provided further that Grantee shall report the relocation if and as required by law. Grantee shall take all reasonable steps to decommission the Equipment and prepare it for retrieval by LSU, specifically including but limited to Grantee removing any and all hazardous substances from the Equipment and disposing of same in accordance with law, and Grantee shall be responsible for all costs incurred in connection therewith. LSU shall have one hundred eighty (180) days after receipt of the aforementioned notice to take physical possession of the Equipment and to remove the Equipment from the Premises, at which time all of Grantee's remaining obligations with respect to the Equipment shall cease, except that Grantee shall remain liable as set forth in this Agreement for any claims, costs, causes of action, expenses, repairs, damages, and liabilities arising out of or incurred with respect to the Equipment during the Term prior to the time that LSU takes physical possession of the Equipment, and Grantee shall not be

entitled to any diminution of Grantee's obligations with respect thereto, reasonable wear and tear excepted. LSU shall give reasonable prior notice to Grantee when it intends to take physical possession of the Equipment. Grantee shall also be responsible to purge any computer or medical equipment of any and all Personal Health Information (PHI) prior to pick up by LSU or its designee.

Section 7.9 Taxes and Liens. Grantee shall pay as they become due all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment. Grantee shall not allow any part of the Equipment to become and remain subjected to any mechanic's, laborer's or materialman's lien. Notwithstanding the foregoing, Grantee may at its own expense and in its own name contest any such item of tax, assessment, lien, or other governmental charge and, in the event of such contest, may permit the item so contested to remain unpaid during the period of such contest and any appeal therefrom. LSU will cooperate to the extent reasonably necessary with Grantee in any such claim, defense, or contest.

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

ARTICLE VIII. UTILITIES

Grantee shall arrange and pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Premises and Equipment during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash

removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Premises and Equipment (“Utility Service”), and all Utility Service shall be obtained in or transferred to Grantee’s name as of the Commencement Date through the end of the Term. Such payments shall be made by Grantee directly to the respective utility companies furnishing such Utility Services under such contract or contracts therefor as Grantee may make. Grantor shall have no responsibility to Grantee for the quality or availability of Utility Service to the Premises and Equipment, or for the cost to procure Utility Service. LSU shall not be in default under this Agreement or be liable to Grantee 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 Grantee. Grantee 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 Premises and Equipment. Conduits of sufficient size to meet future or additional installation requirements of Grantee will be provided by Grantee.

ARTICLE IX. INSURANCE

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

(i) Special form (formerly known as “all risk”) property insurance, including loss or damage caused by fire, lightening, earthquake, 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 full replacement cost of the buildings and improvements on the Premises and of Equipment, without deduction for depreciation.

(ii) A policy of commercial general liability insurance with respect to the Premises and Equipment and Grantee's operations related thereto, whether conducted on or off the 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 use, operation, management, maintenance, replacement or repair of the Premises and/or the Equipment 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 and water damage legal liability.

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

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

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

(vi) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation

under the laws 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 Grantee in connection with its use of the Premises and Equipment.

(vii) Pursuant to the provisions of La. R.S. 40:1299.39, et seq., or La. R.S. 40:1299.41, et seq., as applicable, medical malpractice liability insurance insuring claims arising out of malpractice or negligence occurring at or related to the Premises and Equipment in an amount not less than \$1,000,000; provided, however, the coverage will be increased to limits reasonably acceptable to LSU and Grantee if Louisiana law limiting the amount of such Claims is repealed or amended to raise the limits on such Claims.

Section 9.2 Additional Requirements.

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

(b) All policies of liability insurance Grantee maintains according to this Agreement will name LSU, its board members, officers, employees and agents, and such other persons or firms as LSU reasonably specifies from time to time as additional insureds ("LSU Insured Parties"), and LSU shall also be named as a loss payee on any property damage insurance, provided, however, that during the Term of this Agreement, and provided Grantee is not in default, any such property damage insurance proceeds shall be used for repair or restoration

of the Premises, if so requested by Grantee.

(c) LSU reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming LSU, and any others reasonably specified by LSU, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to LSU upon occupancy of the Premises and, if requested by LSU, 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 Grantee 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 Grantee pursuant to this Agreement shall be written as primary policies, not contributing with and not in excess of coverage that LSU 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 Grantor, and shall not exceed those that are customary for prudent, similar type and size businesses. Grantee shall be responsible for paying 100% of any deductibles and self-insured retentions.

Section 9.3 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Premises and Equipment due to any damage

or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (collectively "Casualty") occurring during the Term of this Agreement; or by the taking of all or any portion of the Premises by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by Grantee. None of the foregoing events shall entitle Grantee to any abatements, set-offs or counter claims with respect to its obligations under this Agreement or CEA. Notwithstanding anything else in this Agreement to the contrary, LSU is not obligated to restore, replace or repair any damage to the Premises and/or Equipment or to Grantee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Premises and Equipment caused as a result of a Casualty occurring during the Term of this Agreement.

Section 9.4 Restoration Obligations. If all or any portion of the Premises or Equipment is damaged or destroyed by a Casualty during the Term of this Agreement, Grantee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at Grantee's sole cost and expense, subject to use of any insurance proceeds received by either Grantee or LSU resulting from a policy issued to Grantee. Grantee 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 Grantee shall obtain approval of LSU prior to demolishing any building that existed on the Premises when this Agreement commenced. LSU 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 Premises and/or Equipment and

that has a material, adverse impact on Grantee's ability to operate the Premises for the Permitted Use, Grantee may elect to terminate this Agreement by providing written notice of such termination to LSU no later than ninety (90) days following such Casualty, in which event Grantee shall have no obligation to restore or demolish the Premises and Equipment, but LSU shall be entitled to receipt of the proceeds of Grantee's property insurance coverage payable as a result of such Casualty; plus the amount of any deductible or self-retention.

In the event Grantee is unable to repair, restore or replace the Premises and Equipment for any reason, all insurance proceeds for such Premises and Equipment received or payable as a result of such Casualty, shall be paid to LSU and shall be retained by LSU.

Section 9.5 Compensation Award. If the entire Premises shall be taken by Expropriation, this Agreement shall terminate as of the date of such taking, in which event LSU shall retain all compensation awarded or paid upon any such taking of the Premises. If any part of the Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Grantee, Grantee shall have the option to terminate the Agreement. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial taking of the Premises shall belong to and be the property of LSU without any participation by Grantee, except that Grantee shall have the right to receive and shall be paid a portion of the award to the extent of the unamortized cost of Grantee's improvements. Grantee shall provide all evidence and documentation to support such allocation at its sole cost and expense. If a separate award can be made to Grantee, Grantee shall have the right to enter a separate claim against the condemning authority, in which event Grantee shall not participate in LSU's award.

ARTICLE X.
HAZARDOUS MATERIALS

Section 10.1 Hazardous Materials.

(a) During the Term of this Agreement, Grantee 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 Premises prior to the effective date hereof) or disposed of in or about the Premises by Grantee or its officers, directors, employees, agents, invitees or any grantee under any Third Party Grant, other than those Hazardous Materials usually and customarily used for the Permitted Use, as long as such materials are lawfully stored and used by Grantee 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 Grantee cause the deposit, release, or discharge of any Hazardous Materials to the soil or groundwater of the Premises in violation of applicable Law subsequent to the effective date of this Agreement.

(b) In the event that Grantee causes any violation of applicable Law with regard to Hazardous Materials at the Premises, Grantor shall have the right to reasonably require that Grantee engage, at Grantee’s expense, a contractor to remediate or dispose of, in accordance with Law, all Hazardous Materials generated, maintained, processed, produced, manufactured, used, treated, released, stored or disposed of on the Premises subsequent to the effective date hereof. For purposes of this Agreement, “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 at or on the Premises.

(c) Grantee shall promptly notify LSU in writing if Grantee 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 Premises in violation of the Law during the Term. Grantee shall promptly notify Grantor, and provide copies following receipt, of all written complaints, claims, citations, demands, inquiries, or notices relating to the violation or alleged violation at the Premises during the Term of any Laws pertaining to Hazardous Materials. Grantee shall promptly deliver to Grantor copies of all notices, reports, correspondence and submissions made by Grantee to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), the Louisiana Department of Health and Hospitals (DHH), or any other Governmental Authority concerning the violation or alleged violation at the Premises during the Term of any Laws pertaining to Hazardous Materials.

(d) Grantee agrees to indemnify, defend (with counsel reasonably acceptable to Division at Grantee’s sole cost) and hold Division and their employees, contractors, and agents harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages of third parties; however, Grantee shall not indemnify for consequential damages on claims brought by Division or Division’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) that may at any time be imposed upon, incurred by or asserted or awarded against Division or any of them in connection with or arising from or out of Grantee's violation of any of its obligations set forth in Section 10.1(a) above.

(e) Grantee agrees to indemnify, defend (with counsel reasonably acceptable to Grantor at Grantee's sole cost) and hold Grantor, its employees, contractors, and agents harmless from and against all environmental liabilities and costs, liabilities and obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (including consequential damages of third parties; however, Grantee shall not indemnify for consequential damages on claims brought by Grantor, or Grantor'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) that may at any time be imposed upon, incurred by or asserted or awarded against Grantor or any of them in connection with or arising from or out of Grantee's violation of any of its obligations set forth in Section 10.1(a) above.

(f) Nothing herein shall require Grantee to indemnify, defend and hold harmless Grantor, its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Premises prior to the Commencement Date of this Agreement.

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

**ARTICLE XI.
INDEMNIFICATION**

Section 11.1 Grantee's Indemnification to Grantor. Grantee shall indemnify, defend and hold harmless Grantor and its board members, officers and employees, together with any of their respective successors and assigns (collectively, the "Grantor 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 Grantee's use of, and/or activities on, the Premises and Equipment by Grantee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Grantee shall further indemnify, defend and hold harmless the Grantor Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts of Grantee, its officers, agents, employees, invitees, permittees, contractors or subcontractors, occurring after the Commencement Date.

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

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

Section 11.2 Grantee's Indemnification to Division. Grantee shall indemnify, defend and hold harmless Division and its officers and employees, together with any of their respective successors and assigns (collectively, the "Division Indemnitees"), against any and all loss, cost, 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 Grantee's use of, and/or activities on, the Premises and Equipment by Grantee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Grantee 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 Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts of Grantee, its officers, agents, employees, invitees, permittees, contractors or subcontractors, occurring after the Commencement Date.

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

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

Section 11.3 Grantor's Indemnification. To the extent authorized by Law, Grantor will indemnify, defend and hold harmless Grantee 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 Grantor, its board members, officers or employees.

Section 11.4 Division's Indemnification. To the extent authorized by Law, Division will indemnify, defend and hold harmless Grantee 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 XII. TAXES, FEES AND LICENSES

Section 12.1 Payment of Taxes. Grantee 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 Premises, Grantee's Improvements, the Equipment or the business conducted by Grantee on the Premises.

Section 12.2 Licenses. Grantee shall maintain in effect all federal, state and local licenses and permits required for the operation of the business as conducted by Grantee on the Premises.

ARTICLE XIII. DEFAULT BY GRANTEE

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

- (a) Failure by Grantee or HSD to timely make any payments due to Grantor

under this Agreement which failure shall not be cured within five (5) business days after any such payment is due.

(b) Failure to obtain and maintain all insurance as required under this Agreement and/or to furnish to Grantor 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 Grantee of such violation.

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

(d) Commencement by Grantee 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 Agreement (other than the payment of money or obtaining and maintaining insurance) if the failure is not cured within thirty (30) days after delivery of written notice to Grantee of such Agreement violation or such longer period of time as may reasonably be required for Grantee to cure the violation, provided that Grantee pursues the cure of the violation with reasonable diligence.

In addition to any other remedies provided by Law and except as otherwise provided herein, Grantor may, but shall not be obligated to, terminate this Agreement during the continuance of a Grantee Event of Default, provided that in addition to the notice and cure period

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

**ARTICLE XIV.
DEFAULT BY GRANTOR**

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

**ARTICLE XV.
NOTICES**

Any and all notice required or appropriate under this Agreement 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:

Grantee: Southern Regional Medical Corporation
1978 Industrial Boulevard
Houma, Louisiana 70363
Attn: Chief Executive Officer

With a copy to: Chabert Operational Management, LLC
1514 Jefferson Highway
New Orleans, Louisiana 70821
Attn: General Counsel

And to:
Watkins, Walker & Eroche, PC
501 Roussell St.
Houma, LA 70360
Attention: Daniel J. Walker

Guarantor: Hospital Service District No. 1 of Terrebonne Parish
8166 Main Street
Houma, Louisiana 70360
Attn: Phyllis Peoples

With a copy to: Baker Donelson Bearman Caldwell & Berkowitz, PC
Chase Tower North
450 Laurel Street, 20th Floor
Baton Rouge, Louisiana 70801
Attn: Dickie Patterson

And to:
Watkins, Walker & Eroche, PC
501 Roussell St.
Houma, LA 70360
Attention: Daniel J. Walker

Grantor: Board of Supervisors of Louisiana State University and
Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808
Attn: Executive Vice President for Health Care

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

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

**State of Louisiana,
Division of
Administration:** Commissioner of Administration
Division of Administration
Claiborne Building

1201 North Third Street
Baton Rouge, Louisiana 70801

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

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

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

ARTICLE XVI. MISCELLANEOUS

Section 16.1 Grantor's Right to Enter Property. Grantor understands and acknowledges the need to respect the privacy of health care patients seeking services on the Premises. Grantor directly and/or through its agents reserves the right to enter the Premises at any time to inspect the Premises and the Equipment, as long as Grantor's inspection does not unreasonably interfere with the operation of the proper function of Grantee's business. Grantor shall attempt to provide Grantee with reasonable advance notice of its intent to inspect the Premises and Equipment, unless notice is impossible or impractical. Unless necessitated by an emergency condition, Grantor shall report to Grantee's Administration Office prior to any such inspection. Grantee shall have the right to have a representative accompany Grantor during such entry and inspection. Grantee shall not deny Grantor reasonable access to the Premises or Equipment, subject to the provisions of this Section and reasonable limitations on interference with Grantee's delivery of health care services on the Premises.

Section 16.2 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Grantor and Grantee as described in this Agreement and/or the CEA.

Section 16.3 Waiver. The Grantor and Grantee agree that either party's failure to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it. No waiver or breach shall affect or alter this Agreement but each of the terms of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by either party shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

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

Section 16.5 Severability. The provisions of this Agreement are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Agreement.

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

Section 16.7 Successors and Assigns. This Agreement shall be binding on and will inure to the benefit of the parties to this Agreement and their respective successors and assigns, provided any such assignment was made in a manner consistent with terms of this Agreement.

Section 16.8 Counterparts. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

Section 16.9 Entire Agreement. This Agreement, together with the CEA and 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 Agreement, have any binding effect. Any amendments to this Agreement must be reduced to writing and signed by both parties.

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

Section 16.11 Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it may be given on (a) behalf of Grantor by the then

President of the LSU System or by his designee, and on (b) behalf of Grantee by its then President or any officer designated by said President.

Section 16.12 Appropriation of Funds. Notwithstanding anything to the contrary contained in this Agreement, all State, Division and Grantor obligations under this Agreement to make payments of any kind in a future fiscal year, shall be contingent obligations subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation; provided further and notwithstanding anything to the contrary contained herein or in the CEA, any and all obligations of the Division and/or Grantor pursuant to Section 5.1 of this Agreement to refund or pay any money shall be subject to, and contingent upon, appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated for refunding of such sums to Grantee (the "Grantee Appropriation"), and any such obligation by any obligor is limited only to the portion of said Grantee Appropriation which said obligor receives. In the event that Grantee is due a refund or payment pursuant to the provisions of Section 5.1 and this Section 16.12, the State, the Division and Grantor agree to make good faith best efforts to seek specific appropriation for such refund or payment by the Louisiana Legislature, and the Division and/or Grantor shall include in one or more of their annual budget requests, a request for the appropriation of funds for the purpose of making such refund or payment to Grantee pursuant to this Agreement.

Section 16.13 Provision of Records. Until the expiration of four (4) years after the furnishings of any services hereunder and in the event the services provided by the parties hereunder are valued at Ten Thousand Dollars (\$10,000.00) or more during any 12-month period, the parties shall make available, upon written request of the Secretary of the United States Department of Health and Human Services, or upon the written request of the United

States Comptroller General, or any of their duly authorized representatives, all contracts, books, documents or records that are necessary to certify the nature and extent of any and all charges, costs and payments made or received hereunder.

**ARTICLE XVII.
LIMITED ASSUMPTION OF LIABILITIES**

It is expressly understood and agreed that Grantee will not assume nor be liable for any liability, obligation, claim against or contract of Grantor of any kind or nature, at any time existing or asserted, whether or not accrued, whether fixed, contingent or otherwise, whether known or unknown, and whether or not recorded on the books and records of Grantor, arising out of or by reason of this or any other transaction or event occurring prior to the Commencement Date. Grantor agrees to satisfy and hold Grantee harmless from and against any and all liabilities arising from or relating to the operation of the hospital facility at the Premises and the Equipment located therein prior to the Commencement Date, including, but not limited to, any and all Medicare and/or Medicaid liabilities. Furthermore, in the event of a federal program recoupment action which results in a set-off of reimbursement due Grantee as a result of an overpayment while LSU was responsible for the Hospital's Medicare and Medicaid Provider Numbers, the State will seek a prompt appropriation to reimburse Grantee, and Grantee will assign to LSU any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, Grantee shall have an immediate right of set-off against any amounts due under this Agreement to compensate Grantee in an amount consistent with the amount withheld under the recoupment action.

**ARTICLE XVIII.
INTERVENTION**

And now comes and intervenes Hospital Service District No. 1 of the Parish of Terrebonne to agree and consent to all of the terms and conditions of this Agreement and to

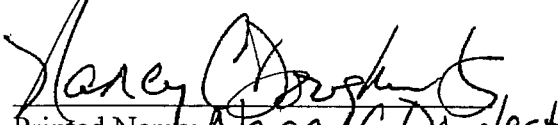
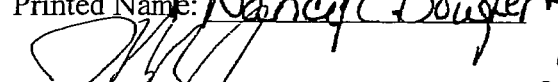
guarantee the obligations of Grantee, and Guarantor does hereby in solido with Grantee guarantee the full and timely payment and performance of all Grantee's obligations under this Agreement.

[The remainder of this page intentionally left blank.
Signatures are on the Following Pages.

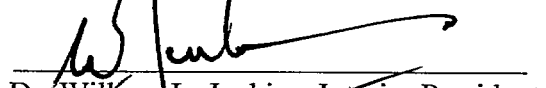
[Signature Page for Right of Use and Occupancy (Houma Medical Center)]

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

WITNESSES:


Printed Name: Nancy C. Douglas

Printed Name: JAMES E. MARCHANT

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


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

[Signature Page for Right of Use and Occupancy (Houma Medical Center)]

IN WITNESS WHEREOF, the parties hereto have signed their names as of the 24th day of June, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

STATE OF LOUISIANA, through DIVISION OF
ADMINISTRATION

Elizabeth Merrill
Printed Name: Elizabeth Merrill

Stormy Hambrick
Printed Name: Stormy Hambrick

By: Kristy Nichols
Kristy Nichols
Commissioner of Administration

[Signature Page for Right of Use and Occupancy (Houma Medical Center)]

IN WITNESS WHEREOF, the parties hereto have signed their names as of the 23 day of June, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

SOUTHERN REGIONAL MEDICAL CORPORATION

Diane Yeates
Printed Name: DIANE YEATES

Daniel J. Walker
Printed Name: DANIEL J. WALKER

By: *Phyllis L. Peoples*
Phyllis L. Peoples
Chief Executive Officer

[Signature Page for Right of Use and Occupancy (Houma Medical Center)]

IN WITNESS WHEREOF, the parties hereto have signed their names as of the 23 day of June, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

**HOSPITAL SERVICE DISTRICT NO. 1 OF
TERREBONNE PARISH**

Diane Yeates
Printed Name: DIANE YEATES

By: *Phyllis Peoples*
Phyllis L. Peoples
Its Chief Executive Officer

Daniel J. Walker
Printed Name: DANIEL J. WALKER

Exhibit A
EQUIPMENT

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

Exhibit B
PREMISES

TRACT I;

The following described parcel of land situated in Terrebonne Parish, Louisiana:

COMMENCING at the Intersection of the southern right-of-way of Industrial Boulevard and the center line of La, Hwy. 57;

THENCE, North 81 degrees 59 minutes 44 seconds West 1,369.43 feet to the Northeast corner of said tract, designated by the letter "A", this being the point of beginning;

THENCE, on and along the Western right-of-way of an eighty (80') foot proposed road South 08 degrees 56 minutes 10 seconds east 1,000.57 feet to the Southeast corner of said tract, designated by the letter "B";

THENCE, on and along the Northern line of a proposed sixty (60') foot road South 81 degrees 03 minutes 50 seconds West 900.00 feet to the Southwest corner of said tract, designated by the letter "C";

THENCE, on and along a line between the said tract "C-H" and properties of Walter Land Co. North 08 degrees 56 minutes 10 seconds West 1,274.71 feet to its intersection with the Southern right-of-way of Industrial Boulevard; this being the Northwest corner of said tract, designated by the letter "D";

THENCE, on and along the Southern right-of-way of Industrial Boulevard South 81 degrees 59 minutes 44 seconds East 940.82 feet to its Intersection with the aforementioned eighty (80) foot road right-of-way; this being the point of beginning, and designated by the letter "A", all as more particularly shown on a plat prepared by T. Baker Smith & Son, Inc., dated May 14, 1974, entitled "Plat Showing Survey of 23.505 Acre Tract "C-H" from Walter Land Co. in Section 12, T17S-R17E, Terrebonne Parish, Louisiana".

Being the same property acquired by Louisiana Health and Social and Rehabilitation Services Administration by an Act of Donation from Walter Land Company dated November 22, 1974, Parish of Terrebonne, State of Louisiana and registered at COB 604, folio 857.

AND TRACT II;

THAT PORTION OF GROUND, situated in the Parish of Terrebonne, Louisiana, in Section 12, Township 17 South, Range 17 East, in Medical Services Complex, approved under Entry No. 569072 In COB 719, folio 70, Map No. 4827 and according to survey of N. Michael Martin of Euclid Engineering Co., Inc., dated June 23, 1978, a print of which survey is annexed to an act of sale recorded under Entry No. 571309 in COB 721 of the records of Terrebonne Parish, Louisiana, said portion is composed of the westerly 30 feet of Lot 3, and the easterly 70 feet of Lot 2 of Block 2 bounded by Picone Road, Adams Road and property of Walter Land Company on the South and West, and said portion measures 100 feet front on Picone Road, same width in the rear, by a depth of 350 feet between equal and parallel lines. Said property Is also more particularly described as

follows:

The easternmost 70 feet of Lot 2, Block 2 and the westernmost 30 feet of Lot 3, Block 2 of Medical Services Complex, a subdivision of property belonging to Walter Land Company, located in Section 12, T17S, R17E, Terrebonne Parish, Louisiana, as shown on a map prepared by Euclid Engineering Co., Inc., dated January 13, 1978, revised May 3, 1978 (Entry No. 569072 in COB 719, folio 701, Map No. 4827, Records of Terrebonne Parish, Louisiana) and maps of M. Michael Martin of Euclid Engineering Co., Inc., dated June 23, 1978.

Being the same property acquired by South Louisiana Medical Associates, A Professional Corporation by an Act of Exchange of Property from Ochsner Clinic Health Services Corporation dated August 20, 1988, Parish of Terrebonne,

State of Louisiana and registered at COB 1157, folio 188.

Exhibit 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 • Railings • Racking • Notice boards • Mirrors • Balustrades • Magnetic door holders • Floor covering's 	<ul style="list-style-type: none"> • The floor coverings are complete • The floor covering is fully fixed to the floor so as not to cause a health and safety hazard • The floor covering is free from tears, scoring, cracks or any other damage that is unsightly and/or could cause a health and safety hazard. • Floor covering surfaces shall be maintained in such a way as to provide a suitable uniform surface (taking into account the pre-existing sub-surface) with minimal resistance, for wheeled beds, trolleys, wheel chairs and any other wheeled vehicle in use in the Facilities. • Allow adequate drainage where necessary. • Free from pests.
Decorative Finishes Including but not limited to: <ul style="list-style-type: none"> • Paintwork • Fabric • Special finishes applied to walls, 	<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.

Element	Standard
ceilings, woodwork, metalwork, pipework and other visible elements)	
Furniture & Equipment	<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
General	<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.
Emergency Power Supply	<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
MV & LV Distribution System Including but not limited to: <ul style="list-style-type: none"> • Distribution equipment and protective devices fuse switches • Isolators • Distribution boards • Fuses • MCB's, ACB, Elcb's and RCE's • Exposed distribution cables 	<ul style="list-style-type: none"> • Fuse elements or circuit breaker mechanisms in working order. • Contacts and connections clean and mechanically tight. • No overheating during normal operating loads. • Secure to authorized access only. Recording instruments operational where necessary • Torque all bus connections to manufacturer recommendations. • Provide lock out procedure • 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.
HV Distribution Systems Including but not limited to: <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

Element	Standard
	<ul style="list-style-type: none"> • Protective coatings are intact. • No signs of excessive heating • Provide lock out procedure. • Balance loads • Test all protective relaying including injection testing at least every two years. • Provide coordination study after every significant change or at a minimum every ten years. • Indicate fault levels. • Check electronic operation of all breakers and that power source is battery operated • Torque all bolted connections • Identify all current transformer and potential transformer ratios. • Provide ground fault relaying as needed. • Marker and covering notices where necessary.
<p>Hot and Cold Water Systems</p>	<ul style="list-style-type: none"> • Taps valves and other related fittings fixtures function as intended. • Pipework and fittings shall be fastened securely to their intended points of anchorage. • There shall be no persistent drips or leaks of water from pipework, taps, valves and/or fittings.
<p>Heating Ventilating and Air Conditioning Systems Including but not limited to:</p> <ul style="list-style-type: none"> • Fume hoods • Humidifiers • Dehumidifiers • Heaters • Ductwork • Mixing boxes and dampers • Coolers • Inlet/outlet grills • Cooling towers (and other local ventilation systems • Pneumatic tube system • Fire and smoke dampers 	<ul style="list-style-type: none"> • All ventilation systems shall function as intended without undue noise or vibration • Maintain air changes and ventilation levels as required to achieve ASHRAE Standards as well as code and JCAH requirements • Ductwork, fittings and pipework shall be securely fastened to their intended points of anchorage. • There shall be no persistent or unreasonable leakages of water (or other heating/cooling medium) or from ventilation systems • Secure to authorized access only. • Free from corrosion, erosion and organic growth. • Pneumatic tube system operates to the Manufacturers and Health Authorities requirements.
<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

Element**Standard**

	well as JCAH requirements.
<p>Communications Systems Including but not limited to:</p> <ul style="list-style-type: none"> • All infrastructure cabling, including telecommunications and data cabling; • IT/data other than backbone during any warranty period • Public address system (if provided) • PABX • Nurse call system hardware (First Response Maintenance), including radio paging • Patient education/entertainment system; and • All communication and information technology equipment installed in the Facility 	<ul style="list-style-type: none"> • The Communications systems shall be maintained in accordance with all relevant codes and standards. • All electrical communications and data transmission installations to comply with relevant codes and standards. • Shall function as intended
<p>Electrical Systems Including but not limited to:</p> <ul style="list-style-type: none"> • Lighting • Safety • Alarm systems 	<ul style="list-style-type: none"> • Weatherproof where appropriate. • Function as intended without undue noise or vibration; wiring, fittings, fixtures, controls and safety devices shall be properly housed and fastened securely to their intended point of anchorage and labeled. • Lighting conductor should be complete, isolated and comply with codes and standards • MICC cable protective coatings intact. • Light remittance at the design Lux levels

Service Standards, Horticulture

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

Service Standards, Grounds and Garden Maintenance

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