AMENDMENT TO COOPERATIVE ENDEAVOR AGREEMENT

This Amendment to Cooperative Endeavor Agreement (the "Amendment") is made and entered into and effective the 10th day of April, 2013, by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), the Louisiana Department of Health and Hospitals ("DHH") the State of Louisiana, by and through the Division of Administration (the "State") and Our Lady of the Lake Hospital, Inc. ("OLOL"), a Louisiana nonprofit corporation. LSU, DHH, the Division and OLOL are referred to together as the "Parties," and each, a "Party."

W I T N E S S E T H:

WHEREAS, OLOL, LSU, the State and DHH are parties to that certain Cooperative Endeavor Agreement dated February 5, 2010 (the "CEA");

WHEREAS, LSU, through its public educational institutions and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all Louisiana citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and DHH are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, EKLMC, currently owned and operated by LSU, is experiencing severe financial challenges;

WHEREAS, OLOL has extensive experience in nonprofit hospital operations and finances and is committed to supporting LSU's clinical, research and teaching missions in the communities served by EKLMC;

WHEREAS, to maintain the viability of the Existing Outpatient Facilities and the LSU Urgent Care Clinic (collectively the "LSU Clinics") and the services provided by EKLMC and the current range of patient care services and programs, including graduate medical education, the Parties desire that: (i) the LSU Facilities, including certain furniture, fixtures and equipment located therein, will be leased, or occupancy thereof will be otherwise granted, to OLOL; (ii)

certain untagged and untracked furniture and equipment valued at less than $1,000 and consumables will be sold to OLOL, and (iii) the CEA be amended to reflect the lease of the LSU Clinics and related transactions (collectively, the "Transaction");

WHEREAS, among other things, the Transaction will afford OLOL the opportunity to acquire additional clinical facilities, access to a robust clinic infrastructure, create innovative health care delivery systems (such as a safety net accountable care organizations), and facilitate greater clinical integration, all of which will better serve its and the Baton Rouge community's patient population;

WHEREAS, OLOL is willing and desires to provide the financial resources and support, operational expertise, and other necessary resources and to take steps to ensure that the LSU Clinics, in collaboration with OLOL, continue to: (i) preserve the quality of medical education in Louisiana through medical training partnerships with LSU; and (ii) play a central role in providing healthcare services to the uninsured and high-risk Medicaid populations;

WHEREAS, the Parties recognize that the assumption of the management and operation of the LSU Clinics and the physical transition to and management and operation of the LSU Clinics by OLOL will include the commitment and the assumption of significant financial and operational investments by OLOL, including without limitation, working capital, transition costs, and funding or financing for certain improvements for the LSU Clinics, and OLOL desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties intend the Transaction and subsequent operation of the LSU Clinics by OLOL will reduce the need for State General Funds expenditures below those previously contemplated;

WHEREAS, pursuant to Section 16.10 of the CEA, the CEA may be amended by a written agreement executed by the Parties; and

WHEREAS, the Parties desire to amend the CEA to provide for the Transaction and to change the definition of GME Program Start Date to accelerate the transition contemplated by the CEA.

NOW, THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendment of Recitals. The first recital of the CEA is amended by deleting it in its entirety and inserting the following in its place:

> WHEREAS, OLOL is a nonprofit Louisiana corporation licensed as and operating a full service and accredited hospital with acute care beds, a multi-acre campus, the OLOL College, outpatient clinics (including the LSU Clinics after the GME Program Start Date), and other facilities located in Baton Rouge, Louisiana (collectively the "OLOL Campus"), and operating under the sponsorship of the Franciscan Missionaries of Our Lady;

2. Amendment of Exhibit 1. Sections (ddd) and (zzzzz) of Exhibit 1 of the CEA are hereby amended by deleting them in their entirety and the following substituted in their place:

(ddd) "GME Program Start Date" means April 15, 2013.

(zzzzz) "Residency Caps" has the meaning set forth in the recitals above and shall mean not less than 109.34 full time equivalency residency caps for Medicare IME and DGME reimbursement purposes at all times during the Term; provided, however, that if the merger of EKLMC into Medical Center of Louisiana ("MCLNO") as contemplated by Section 8.2 is not approved by CMS so as to preserve the Residency Caps previously associated with EKLMC, the minimum number of Residency Caps shall be the difference between (x) 109.34 and (y) the number of EKLMC slots redistributed to OLOL by CMS pursuant to Section 1886(h)(4)(H)(vi) of the Social Security Act, but not to exceed 42.13 slots.

3. Amendment of Section 1.2(c). Section 1.2(c) of the CEA is hereby amended by deleting it in its entirety and inserting "[Reserved]" in its place.

4. Amendment of Section 1.2(e). Section 1.2(e) is hereby amended by deleting "and financial performance" to read as follows: "(e) General oversight and assessment of the clinical quality of the Collaborative."

5. Amendment of Section 2.1(b) of the CEA. Section 2.1(b) of the CEA is amended by inserting "Except as agreed in writing by OLOL," at the beginning of the last sentence of Section 2.1(b).

6. Amendment of Section 2.1(d) of the CEA. Section 2.1(d) of the CEA is amended by inserting the following as a new Section 2.1(d):

(d) Caps for Residents Transitioned Prior to July 1, 2013. For all Residents and Fellows assigned or otherwise relocated from EKLMC to OLOL during the period from January 1, 2013 to June 30, 2013, LSU shall cause to be filed an amendment to the Medicare GME Affiliation Agreement formerly filed by EKLMC to assign a sufficient number of Residency Caps to OLOL to provide for IME and DGME reimbursement for such Residents and Fellows for such period.

7. Amendment of Section 3.3 of the CEA. Sections 3.3 of the CEA is amended by deleting it in its entirety and the following substituted in its place:

Section 3.3. LSU Outpatient Clinics.

(a) Lease and Operation of LSU Clinics. OLOL shall lease the LSU Clinics from LSU pursuant to immovable property lease and sublease agreements substantially in the form of Exhibits A-1(a), A-1(b) and A-1(c) to this Amendment (a "Clinic Lease"), an equipment lease agreement

substantially in the form of Exhibit A-2 to this Amendment (the "Equipment Lease"), and the CEA, as amended. Each Clinic Lease and the Equipment Lease will provide for a lease payment equal to fair market value as determined by an appraiser selected by OLOL and verified by an appraiser selected by LSU. During the term of the respective Clinic Lease, OLOL will provide or cause to be provided outpatient clinic services to patients at such location. If any Clinic Lease is terminated or expires by its terms prior to the termination or expiration of the Term of the CEA, OLOL shall continue to provide, or cause to be provided, substantially similar services through an alternate or successor facility intended to serve the patient population previously served at the facility under the applicable terminated or expired Clinic Lease in accordance with Section 3.3(c) below. With respect to the new urgent care center to be located in or adjacent to LSU's outpatient clinic on Airline Highway in the North Baton Rouge area (the "Urgent Care Clinic") and the Perkins Road surgical facility, the respective Clinic Lease shall commence once construction or renovation is completed and a final certificate of occupancy is issued for such location, if applicable, or if not the renovations and repairs have been completed to the reasonable satisfaction of OLOL.

(b) Completion of Construction. LSU will continue to completion with all reasonable diligence and speed the construction of the Urgent Care Clinic and renovations and repairs to the surgical facility located on Perkins Road.

(c) Continued Access to Clinic Services. The parties recognize the importance of continuing to maintain appropriate levels of services to the community, both for the continuum of care of patients and in training Residents and Fellows in the LSU GME Programs. Accordingly, the parties agree, subject to the terms and conditions of this Agreement, that OLOL will utilize the LSU Clinics or other appropriate facilities to provide outpatient clinical services for the Term of the CEA, provided that OLOL shall not be required to provide any service, take any action or fail to take any action that would result in a violation of or be inconsistent with the Ethical and Religious Directives.

8. Amendment of Section 4.1(d). Section 4.1(d) of the CEA is hereby amended by deleting it in its entirety and inserting "[Reserved]" in its place.

9. Amendment of Section 4.2(b) of the CEA. Sections 4.2(b) of the CEA is hereby amended by deleting it in its entirety and inserting "[Reserved]" in its place.

10. Amendment of Section 5.1 of the CEA. Section 5.1 of the CEA is amended by adding the following to the end of the existing text:

LSU shall cause the LSUHSC to enter into a professional services agreement with OLOL substantially in the form of Exhibit B to this Amendment.

11. Amendment of Section 8.2 of the CEA. Section 8.2 of the CEA is amended by deleting it in its entirety and the following substituted in its place:

Section 8.2. EKLMC Residency Caps.

(a) LSU shall take all action necessary to preserve at all times during the Term a number of Residency Caps equal to the Collaborative Residency Positions, and in all cases no less than 109.34 IME and DGME Residency Caps (unless reduced as provided in (b) below), all in accordance with CMS and ACGME requirements, and, subject to all Residency Review Committee ("RRC") requirements, cause such Residency Caps to be assigned to OLOL. The Parties anticipate the EKLMC license or provider number will be merged with the provider number of MCLNO, and will cooperate with each other and CMS, as well as any current or future third party operator of MCLNO, to facilitate the merger of the EKLMC provider number into MCLNO, including, without limitation, providing information as may be requested by CMS. LSU will (i) include OLOL in discussions with CMS on the requested merger approval, (ii) provide OLOL with documentation of approval or consent from CMS of such merger or other arrangement to preserve the Residency Caps, and (iii) provide OLOL with the acknowledgement and consent of any third party operating MCLNO or other LSU hospital that controls the Residency Caps, each in a form reasonably satisfactory to OLOL. If such merger is approved, LSU shall cause not less than 109.34 Residency Caps to be affiliated to OLOL, subject to RRC requirements, at all times during the term.

(b) In the event the merger of EKLMC into MCLNO is not approved by CMS, LSU shall: (i) cause the affiliation to OLOL of the number of Residency Caps equal to the difference between (x) 109.34 and (y) the number of EKLMC slots redistributed to OLOL by CMS pursuant to Section 1886(h)(4)(H)(vi) of the Social Security Act (the "Redistribution Rule"), but not to exceed 42.13 slots; (ii) use its best efforts to assist OLOL in the transfer of the EKLMC slots to OLOL pursuant to the Redistribution Rule, including, but not limited to: (A) ensuring that neither LSU nor any LSU Affiliate applies for any EKLMC slots; and (B) causing resident positions to be re-filled as residents graduate from the program for at least one cycle; and (iii) to the extent that the transferred slots are less than the total number of LSU residents training at OLOL, then LSU will arrange for MCLNO or some other provider to transfer slots through a Medicare GME Affiliation Agreement, as such term is defined in 42 C.F.R. 413.75(b). LSU shall take all action necessary to ensure that MCLNO and OLOL are a "Medicare GME affiliated group" as defined in 42 C.F.R. §413.75(b).

12. Addition of Section 9.7. The following is added as a new Section 9.7:

Section 9.7 Participation in Bayou Health. OLOL agrees to negotiate in good faith with all Bayou Health plans to establish reasonable terms with such plans, and if such terms are established will participate in such plans subject to the terms, conditions and rights of the parties for such plans. Satisfaction of the covenant in the prior sentence shall be deemed satisfaction of the requirements of Section 9.6. Notwithstanding the forgoing, (i) OLOL will not have to participate in any such plans to the extent the plan requirements are in violation of the Ethical and Religious Directives, and (ii) OLOL will not be considered in breach of this covenant if OLOL fails to participate in a plan because it terminates its participation in any such plan for cause as provided in the plan agreement or if OLOL determines in its reasonable discretion that such plan does not operate in a manner sufficient to allow OLOL to provide the patient care and quality level generally provided to OLOL's patients.

13. Amendment of Section 11.1(a). Section 11.1(a) of the CEA is amended by deleting it in its entirety and the following substituted in its place:

Section 11.1. Required Funding.

(a) Rulemaking. Subject to any approvals required by CMS, the State, through DHH, shall publish and promulgate a reimbursement rule which will provide that the State, through DHH, will pay to OLOL the costs identified on Schedule 11.1(a) incurred by OLOL on or after January 15, 2013, including any efficiency bonus due to OLOL as described on Exhibit 11.1-1, and subject to the limitations on certain clinic costs as described on Exhibit 11.1-1 (collectively the "Required Funding"). OLOL and DHH believe that costs will be acceptably captured in the future based on the use of Medicaid/Medicare Cost Report data and the other elements of the Cost Analysis Worksheets described below. Failure to publish and promulgate this rule, the amendment or repeal of this rule without the consent of OLOL, or the failure to pay amounts to OLOL pursuant to such rule will be grounds for termination of this Agreement as provided in Section 11.3. The methodology for determining the Required Funding shall be as set forth in subsection (b) below. If DHH, OLOL and LSU implement any coordinated care network or other managed care payment arrangement, such arrangement shall provide that OLOL will receive the Required Funding as described in this Agreement for the goods, services and actions provided by or through OLOL as part of such managed care payment arrangement.

14. Amendment of Section 11.2(a). Section 11.2(a) is amended by deleting it in its entirety and the following substituted in its place:

(a) Quarterly Payments. DHH shall make payments to OLOL based on the administrative rules described in Section 11.1. Medicaid per diem and other applicable payments pursuant to such rule shall be paid in accordance with DHH's normal payment procedure. The payment for the period from January 15, 2013 to the GME Program Start Date shall be made to OLOL within two (2) days of execution of the Amendment by all parties. DHH shall make all other supplemental payments, as shown on the Cost Analysis Worksheet, to OLOL on a prospective basis at the beginning of each quarter of the State's fiscal years during the portion of the Term in which OLOL is entitled to the Required Funding, with the first payment being made within two (2) days after the GME Program Start Date. The amount of such prospective supplemental payments for the first two (2) quarters of the first fiscal year of the State in which OLOL is entitled to payments under this Section will be determined based on a reasonable budget submitted to the State and LSU by OLOL for such year, and the remaining supplemental payments during the Term will be adjusted based on OLOL's cost experience for prior periods. DHH and OLOL shall establish a reasonable process for reconciling all costs and payments made pursuant to this Agreement and the repayment or offset of any differences resulting from such reconciliation and provide LSU a summary of such process.

15. Amendment of Section 13.1. Section 13.1 of the CEA is hereby amended by deleting subsections 13.1(a)(iv), 13.1(a)(xi), 13.1(b)(iii) and 13.1(b)(vii) in their entirety and inserting "[Reserved]" in their place, and deleting subsection 13.1(a)(ix) and replacing it with the following:

(ix) Failure, for any reason, including without limitation ACGME or RRC requirements, by LSU to cause the number of Residency Caps as required by this Agreement to be affiliated to OLOL at all times during the Term.

16. Deletion of Section 13.4(g). Section 13.4(g) is deleted in its entirety.

17. Amendment of Section 13.5(a). Section 13.5(a)(vi) of the CEA is hereby amended by deleting it in its entirety and the following substituted in its place:

(vi) The Clinic Leases shall terminate and OLOL shall cease operating the LSU Clinics;

18. Amendment of Section 13.5(b). Section 13.5(b)(ii) of the CEA is hereby amended by deleting subsection 13.5(b)(ii) in its entirety and inserting "[Reserved]" in its place.

19. Amendment of Schedule 11.1(a). Schedule 11.1(a) is amended by inserting the following as new items 5 and 6:

5. Outpatient Clinics. Any shortfall in reimbursement as determined pursuant to the applicable methodology set forth in Section 11.1(b) of the CEA related to the cost of providing goods and services at the North Baton Rouge Clinic, Mid-City Clinic, Leo Butler Clinic, Urgent Care Clinic, Medicine Clinic at MOB4, Surgical Clinic at Vista, and Retail Pharmacy, or any replacement, relocation or expansion of such facilities. The total net costs due under this CEA for the outpatient clinics shall not exceed the applicable reimbursement cap, as adjusted from time to time, set forth in Exhibit 11.1-1.

6. Accountable Care Services Agreement. The full cost of the Accountable Care Service Agreement entered into between LSU and OLOL will be additional amount in the calculation of Required Funding.

20. Amendment of Exhibit 11.1-1. Exhibit 11.1-1 is amended by deleting it in its entirety and replacing it with the Exhibit 11.1-1 attached hereto.

21. Services Agreements. LSU and OLOL shall negotiate in good faith to establish the terms of a transition services agreement and professional services agreement pursuant to which LSU will provide transition services and other professional services related to LSU Clinic operations, each in exchange for a fair market value services fee.

22. License Agreement. LSU and OLOL shall negotiate in good faith to establish the terms of a License Agreement pursuant to which OLOL will be entitled to use the name "LSU Health" in exchange for a fair market value license fee.

23. Clinical and Accountable Care Services Agreement. LSU and OLOL shall negotiate in good faith to establish the terms of a Clinical and Accountable Care Services Agreement pursuant to which the LSU Health Care Services Division ("HCSD") will provide certain clinical and data warehouse, data analytics and disease management services in exchange for a fair market value services fee.

24. No Other Amendment. The terms and provisions of the CEA not specifically amended shall continue in full force and effect.

25. Governing Law. This Amendment will be governed by and construed under the laws of the State of Louisiana without regard to conflicts-of-laws principles that would require the application of any other law.

26. Execution of Agreement. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Amendment and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original Amendment for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

Witnesses:

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

By: _____
Name: William L. Jenkins
Title: Interim LSU President
Date: 4/11/13

_____

OUR LADY OF THE LAKE HOSPITAL, INC., a Louisiana nonprofit corporation

By: _____
K. Scott Wester, CEO

Date: _____

STATE OF LOUISIANA, through its Division of Administration

_____

By: _____
Name: _____
Title: _____
Date: _____

LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS

_____

By: _____
Name: _____
Title: _____
Date: _____

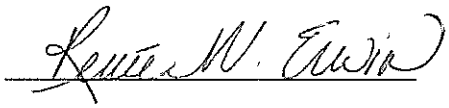
IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

Witnesses:

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

By:_____
Name:_____
Title:_____
Date: _____

_____



OUR LADY OF THE LAKE HOSPITAL, INC., a Louisiana nonprofit corporation

By:_____
K. Scott Wester, CEO

Date:_____

STATE OF LOUISIANA, through its Division of Administration

_____

By: _____
Name:_____
Title:_____
Date: _____

LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS

_____

By:_____
Name:_____
Title:_____
Date: _____

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

Witnesses:

_____

_____

Elizabeth B. Murrill

Elizabeth Waldron

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

By:_____
Name:_____
Title:_____
Date: _____

OUR LADY OF THE LAKE HOSPITAL, INC., a Louisiana nonprofit corporation

By:_____
K. Scott Wester, CEO

Date:_____

STATE OF LOUISIANA, through its Division of Administration

By: [signature]
Name: Kristy Nichols
Title: Commissioner
Date: 4-5-13

LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS

By: [signature]
Name: Kathy Kliebert
Title: Interim Secretary
Date: 4-5-13

EXHIBIT A-1(A)
FORM OF CLINIC LEASE

See attachment.

LEASE

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

This contract of Lease ("Lease") is made and entered into effective the _____ day of _____, 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 _____, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as "LSU" or "Lessor");

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

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

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

provides as follows:

WITNESSETH

WHEREAS, OLOL 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, OLOL and LSU support building a new model for the relationship between a major teaching hospital and a school of medicine and its teaching programs, and that this new model will provide physicians and patients with a new environment of care that optimizes the use of all resources; and,

WHEREAS, LSU, OLOL, the Louisiana Department of Health and Hospitals and Division of Administration are parties to a Cooperative Endeavor Agreement dated February 5, 2010, as amended (the "CEA") through which LSU, OLOL, the Louisiana Department of Health and Hospitals and Division of Administration will collaborate to develop and maintain nationally recognized graduate medical education programs; and,

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

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

WHEREAS, Lessor is the owner of certain immovable property with all buildings and improvements thereon, including equipment which is built into the buildings, is permanently attached and is a part of the immovables, located at _____ (the "Leased Premises"), the legal description of which is attached hereto as Exhibit "A"; and,

WHEREAS, the Leased Premises consists of approximately _____ square feet of medical office, clinic space, and ambulatory surgical space, which will be leased by Lessor to Lessee for the purpose of operating outpatient clinics and other Permitted Use (defined herein); and,

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

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

ARTICLE I.
LEASED PREMISES AND TERM

For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases the Leased Premises unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for an initial term of five (5) years (the "Initial Term", and together with any Renewal Terms, the "Term"), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein and in the CEA. Unless Lessee provides a written notice of non-renewal to Lessor at least sixty (60) days prior to the end of the then-current Term of the Lease, the Term of the Lease automatically shall extend for up to five (5) successive periods of one (1) year each (each, a "Renewal Term"), so that the maximum possible Term of the Lease shall be ten (10) years.

For the purposes of this Lease, the "Commencement Date" shall mean the 15th day of April, 2013, unless mutually extended by the parties by written consent, which consent shall not

be unreasonably withheld.

ARTICLE II.
RENT

Section 2.1 **Quarterly Rent.** During the Term, the annual consideration for this Lease is the payment by Lessee to Lessor of a sum equal to **$[Fair Market Value as agreed to by the parties]**, payable in four (4) equal quarterly installments (the "Quarterly Rent") of $_____ each, with the first installment being due and payable on the Commencement Date, and the remaining installments being due and payable, respectively on the 1st day of each quarter thereafter (so that Quarterly Rent payments will be due no later than each January 1, April 1, July 1 and October 1 during the Term). In the event the Commencement Date should be a date other than the first day of a calendar quarter, the first Quarterly Rent payment shall be prorated to the end of that calendar quarter. In the event that the last day of the Term is a day other than the last day of a quarter, the last Quarterly Rent payment shall be prorated from the first day of that final quarter of the Term to the last day of the Term. **[NOTE: WITH RESPECT TO NBR LOCATION, AS ADDITIONAL SQUARE FOOTAGE COMES ONLINE, THE QUARTERLY RENT WOULD GO UP ACCORDINGLY.]**

Section 2.2 **Advance Rent.** No later than twenty (20) days following execution of this Lease, Lessee shall pre-pay to Lessor a portion of the Rent as follows: Quarterly Rent in the total amount of $_____ shall be prepaid by Lessee, which payment represents the full value of the Quarterly Rent payments for one (1) year of the Term The prepayment shall be considered a payment of the entire Quarterly Rent due during the fifth (5th) year of the Initial Term, without regard to any future adjustment of rent pursuant to the CPI Index. If this Lease terminates for any reason, other than a Lessee Event of Default, before the end of the period with respect to which Lessee has prepaid Rent, then no later than six (6) months following the

termination date, to the extent allowed by Law, and in consideration of State's obligations pursuant to the CEA to assist in preserving LSU's medical education programs, to provide health care to the community and to seek to reduce the financial burden on the State of providing this assistance, the Division and Lessor will refund to Lessee all prepaid Rent attributable to the period after the date of termination of this Lease up to the total amount that was prepaid, to the extent such refund is funded by the State in accordance with Section 15.12 hereof; provided, however any obligation of the State to fund, and the Division and Lessor to refund, prepaid Rent shall be reduced on a dollar-for-dollar basis to the extent any State, Division and/or Lessor funds are expended to improve the Leased Premises subsequent to the Commencement Date of this Lease.

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

Section 2.4 **Rent Payments**. All Rent is payable by Lessee to Lessor at the following address, until notified differently in writing by Lessor: _____.

Section 2.5 **Adjustments to Quarterly Rent Based on Consumer Price Index.**

(a) The Quarterly Rent shall be increased annually, effective as of each anniversary of the Commencement Date (each, an "Adjustment Date") during the Term by an amount equal to the product obtained by multiplying the then current Quarterly Rent times the

CPI Fraction. (For purposes of determining the "CPI Fraction", the numerator shall be the CPI in effect as of thirty (30) days prior to the Adjustment Date, and the denominator shall be the CPI in effect as of the date which was one (1) year and thirty (30) days prior to the Adjustment Date.)

(b) In no event shall the CPI adjustment in the Quarterly Rent increase by an amount greater than five (5%) percent for any calendar year during the Term of the Lease. In no event shall the Quarterly Rent decrease.

(c) "CPI" shall mean the Consumer Price Index – U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) (the "Index"), published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or if the current Index is no longer available, then the current equivalent of the Index.

Section 2.6 **Net Lease.** This Lease is intended to be a net lease, meaning that except for any Rent abatement rights specifically set forth in this Lease, the Rent provided for herein shall be paid to Lessor without deduction for any expenses, charges, insurance, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by Lessee that as between Lessee and Lessor, Lessee shall bear responsibility for the payment of all costs and expenses associated with the management, operation, maintenance and capital renewal of the Leased Premises, including without limitation all costs and expenses described in Article VI hereof. Under no circumstances will Lessor be required to make any payment on Lessee's behalf or for Lessee's benefit under this Lease, or assume any monetary obligation of Lessee or with respect to the Leased Premises under this Lease.

ARTICLE III.
USE

Section 3.1 **Permitted Use.** The Leased Premises shall be used and occupied by Lessee solely for medical business offices, medical staff offices, medical education staff offices,

medical clinics, outpatient pharmacy operations or any other medical, educational or hospital use or uses (including, without limitation, surgical, 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 Lessor. Lessee will conduct its business on the Leased 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 the provisions of the CEA.

ARTICLE IV.
SUBLETTING AND ASSIGNMENT

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

Section 4.2 **No Subletting.** Lessee may not, without the prior written consent of Lessor, sublease all or any portion of the Leased Premises; provided, Lessee may, with prior written notice to Lessor, but without the consent of Lessor, sublease all or a portion of the Leased Premises to a nonprofit corporation, limited liability company, limited liability partnership, or other nonprofit legal entity wholly owned or controlled by Lessee, or to any

nonprofit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that all such subleases shall be subject and subordinate to all of the terms and conditions of this Lease and the use of the Leased Premises permitted under any such sublease shall be in accordance with the applicable terms and conditions of this Lease, and further provided that such sublessee assumes Lessee's obligations hereunder by operation of Law or agrees to assume in writing Lessee's obligations hereunder, all in form and substance approved in writing by Lessor.

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

ARTICLE V.
IMPROVEMENTS AND ALTERATIONS BY LESSEE

Section 5.1 Lessee's Improvements and Alterations.

(a) Lessee shall not make any Major Alteration (defined herein) to the Leased Premises without the prior written approval of Lessor and Division, which shall not be unreasonably withheld or delayed. In connection with any requested Major Alteration, Lessee shall submit to Lessor and Division an explanation of the work proposed to be carried out, in a level of detail required by Lessor and Division in their reasonable discretion, and including plans and specifications therefor unless the requirement of such plans and specifications is waived in writing by Lessor and Division in their reasonable discretion. If neither Lessor nor Division has notified Lessee of Lessor's and Division's approval or denial of a request for consent to a Major Alteration within thirty (30) days after receipt of such information as is necessary to describe the Major Alteration in reasonable detail, Lessor and Division shall be deemed to have approved the

request.

(b) A "Major Alteration" is any alteration or other change to the Leased Premises: (i) which is structural in nature; (ii) which would materially change the Leased Premises exterior appearance or structure limit line, (iii) which would materially change or affect the electrical, mechanical, heating, ventilating and air conditioning or utilities systems or routing servicing of the Leased Premises, or (v) which is estimated in good faith to cost in excess of $125,000.00. Unless otherwise specifically provided herein, all alterations and improvements to the Leased Premises, including, but not limited to, Major Alterations, (collectively, "Improvements") shall be performed by Lessee, at no cost or expense to Lessor. All Improvements shall be made in accordance with La. R.S. 17:3361, et seq. Such Improvements shall not reduce the then fair market value of the Leased Premises, and shall not adversely impact the structural integrity of the Leased Premises. Approval by Lessor and/or Division of any Major Alterations shall not constitute any warranty by Lessor or Division to Lessee of the adequacy of the design for Lessee's intended use of the Leased Premises. All work performed for or by Lessee shall be subject to and in accordance with all federal, state, parish and city building and/or fire department codes and ordinances. Any required alterations performed in connection with such Improvements to meet said codes and ordinances shall be performed by Lessee, at Lessee's expense. All work shall be performed for or by Lessee in a good and workmanlike manner, and Lessee shall prosecute the same to completion with reasonable diligence. Lessee shall complete all Improvements so as not to create any liens or encumbrances against the Leased Premises or Lessee's leasehold interest or any of Lessor's property, and Lessee shall furnish: (i) a clear lien certificate for any Major Improvements to the Leased Premises; or (ii) any other evidence thereof with respect to any Improvements to the Leased

Premises which are not Major Improvements.

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

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

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

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

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

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

Section 6.3 **Maintenance and Repair**

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

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

(b) It is understood and agreed that Lessor shall have no obligation to incur any expense of any kind or character in connection with the maintenance, repair, restoration or replacement of the Leased Premises during the Term. Lessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Leased Premises, or maintain the Leased Premises in any respect whatsoever, whether at the expense of Lessor, Lessee, or otherwise. **Notwithstanding the foregoing, Lessor and Lessee acknowledge that Division has contracted for and will complete, at Division's sole cost and expense, surgical core renovations and waterline damage repair to the Ambulatory Surgical facility [for Vista]. Notwithstanding the**

foregoing, Lessor and Lessee acknowledge that Division has contracted for and will complete, at Division's sole cost and expense, an addition to the North Baton Rouge Clinic [for Airline location] consisting of an Urgent Care Clinic.

(c) Lessee agrees that all Improvements to the Leased Premises constructed by the Lessee pursuant to this Lease shall comply with the requirements of Title 40, Part V, of the Louisiana Revised Statutes, "EQUAL ACCESS TO GOVERNMENTAL AND PUBLIC FACILITIES FOR PHYSICALLY HANDICAPPED," more specifically, sections La. R.S. 40:1731 through 40:1744, and any new or modified requirements imposed to make the Leased Premises accessible to persons with disabilities as would be applicable to LSU or to a state agency.

(d) Lessee further agrees to make, at its own expense, all changes and additions to the Leased Premises required by reason of any change in Law that occurs after the Commencement Date (subject to obtaining any Lessor approvals that may be required by this Lease), including the furnishing of required sanitary facilities and fire protection facilities, and Lessee shall furnish and maintain all fire extinguishers and other equipment or devices necessary to comply with the order of the Louisiana State Fire Marshal; provided however, that in the event of any Major Alterations to the Leased Premises, the written consent of the Lessor must be obtained prior to the commencement of any work in accordance with Section 5.1 hereof. Lessee shall further be responsible for all costs associated with any required periodic inspections and servicing of fire extinguishers and other safety equipment or devices, or any licenses or permits required by the State Fire Marshal's office. At no expense to Lessor, Lessee agrees to comply with any order issued during the Term by the State Fire Marshal's Office within the timeframe mandated by that Office.

(e) Lessee accepts the Leased Premises in its "as is" condition, that being the condition or state in which the Leased Premises exist at the effective date of this Lease, without representation or warranty, express or implied, in fact or in Law, oral or written, by Lessor, except as set forth in Section 6.3(h) herein below. Lessor agrees to preserve all available warranties of workmanship related to the Leased Premises and agrees to exercise its rights with respect to all such warranties with reasonable diligence following receipt of written request from Lessee.

(f) Lessee further agrees to do at no expense to Lessor, painting of the exterior and interior as applicable and as necessary to maintain the Leased Premises in a neat, clean, safe, sanitary and habitable condition.

(g) Lessee shall have the sole responsibility of all maintenance and repairs to all equipment operational at the time of occupancy, to the extent needed for its use of the Leased Premises or to the extent necessary to preserve and protect the Leased Premises, including but not limited to boilers, elevators, HVAC, fire panels, lock and security systems and the Public Address System, and shall ensure that all such equipment is properly maintained in clean, safe, and continues in an operable condition. Lessee shall be responsible for all routine preventative maintenance and repairs on all such operational equipment, including but not limited to, the HVAC systems, provided, 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. Lessee shall be responsible for ensuring that all necessary certification is maintained on any and all such equipment and machinery, including, but not limited to, certification required by the State Fire Marshal and the Department of Health and Hospitals.

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

Section 6.4 **Security and Other Services**. Lessee shall provide or cause to be provided all security service, custodial service, janitorial service, medical waste disposal, trash disposal, pest control services and all other services necessary for the proper upkeep and maintenance of the Leased Premises. Lessee acknowledges that Lessor has made no representation or warranty with respect to systems and/or procedures for the security of the Leased Premises; any persons occupying, using or entering the Leased Premises; or any equipment, finishing, or contents of the Leased Premises. It is the sole responsibility of Lessee to provide for the security of persons on or entering the Leased Premises and/or property located at the Leased Premises, in accordance with reasonable and prudent business practices utilized for similar facilities.

ARTICLE VII.
UTILITIES

Lessee shall arrange and pay for the furnishing of all utilities which are used or consumed in or upon or in connection with the Leased Premises during the Term, including without limitation water, gas, electricity, medical gases, sewerage, garbage, or trash removal, light, heat, cable, internet and telephone, power, and other utilities necessary for the operation of the Leased Premises ("Utility Service"), and all Utility Service shall be obtained in or transferred to Lessee's name as of the Commencement Date through the end of the Term. Such payments shall be made by Lessee directly to the respective utility companies furnishing such Utility Services under such

contract or contracts therefor as Lessee may make. Lessor shall have no responsibility to Lessee for the quality or availability of Utility Service to the Leased Premises, or for the cost to procure Utility Service. Lessor shall not be in default under this Lease or be liable to Lessee or any other person for any direct, indirect or consequential damage, or otherwise, for any failure in supply of any Utility Service by the provider of any Utility Service of heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity. All future telephone lines which are an addition to those already present shall be installed at the expense of the Lessee. Lessee shall be responsible for providing entrance cable and facilities into the building(s) to the extent not in place as of the Commencement Date to accommodate the telephone, computer and other electronic needs of the Leased Premises. Conduits of sufficient size to meet future or additional installation requirements of Lessee will be provided by Lessee.

ARTICLE VIII.
INSURANCE

Section 8.1 **Lessee Responsibility for Insurance Coverage**. Lessee 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, which insurance shall be in an amount not less than one hundred percent (100%) of the full replacement cost of the buildings and improvements on the Leased Premises, without deduction for depreciation.

(ii) A policy of commercial general liability insurance with respect to the Leased Premises and Lessee's operations related thereto, whether conducted on or off the Leased Premises, against liability for personal injury (including bodily injury and death) and property damage, of not less than $5,000,000 combined single limit per occurrence. 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 Lessee on the Leased Premises, a policy protecting Lessor against damage caused by demolition, pile or any precarious work, which requirement may be satisfied, at Lessee's option, as a part of a Builder's Risk policy provided by the contractor for a particular construction project.

(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 Leased Premises, in an amount not less than $5,000,000 with deductible provisions reasonably acceptable to Lessor.

(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 Labor Code of the State of Louisiana, or any act hereafter enacted as an amendment thereto or in lieu thereof, sufficient to cover all persons employed by Lessee in connection with its use of the Leased Premises.

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

Section 8.2 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 Lessor (such approval not to be unreasonably withheld or delayed). All insurance policies provided by Lessee shall expressly provide that the policies shall not be canceled or materially altered without 30 days' prior written notice to Lessor. Lessee may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

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

(c) Lessor reserves the right to reasonably request copies of original policies (together with copies of the endorsements naming Lessor, and any others reasonably specified by Lessor, as additional insureds). Certificates of insurance and the declaration page for each policy shall be delivered to Lessor upon occupancy of the Leased Premises and, if requested by Lessor, from time to time at least 30 days prior to the expiration of the term of each policy. All insurance required hereby shall provide that any failure of Lessee to comply with reporting requirement of a policy required hereby shall not affect coverage provided to the LSU Insured Parties.

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

(e) All insurance required hereby shall provide that the insurance companies issuing such required policies shall have no recourse against LSU for payment of premiums or for assessments under any form of the policies.

(f) The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the LSU Insured Parties.

(g) All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

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

Section 8.3 Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Leased Premises due to any damage or destruction thereof by acts of God, fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion, terrorist attack or otherwise (collectively "Casualty"); or

by the taking of all or any portion of the Leased Premises by condemnation, expropriation, or eminent domain proceedings (collectively "Expropriation") is expressly assumed by Lessee. None of the forgoing events shall entitle Lessee to any abatements, set-offs or counter claims with respect to payment of its Rent, or any other obligation hereunder, except as specifically set forth below. Notwithstanding anything else in this Lease to the contrary, Lessor is not obligated to restore, replace or repair any damage to the Leased Premises or to Lessee's fixtures, furniture, equipment or other personal property or make any alterations, additions, or improvements to the Leased Premises caused as a result of a Casualty.

Section 8.4 **Restoration Obligations**. If all or any portion of the Leased Premises is damaged or destroyed by a Casualty, Lessee shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof, at Lessee's sole cost and expense. Lessee may 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 Lessee shall obtain approval of the Lessor prior to demolishing any building that existed on the Leased Premises when the Lease commenced. Lessor shall not unreasonably withhold its consent to the demolition. Notwithstanding the foregoing, in the event of a Casualty that results in a loss in excess of fifty (50%) percent of the replacement value of the Leased Premises and that has a material, adverse impact on Lessee's ability to operate the Leased Premises for the Permitted Use, Lessee may elect to terminate this Lease by providing written notice of such termination to Lessor no later than ninety (90) days following such Casualty, in which event Lessee shall have no obligation to restore or demolish the Leased Premises, but Lessor shall be entitled to receipt of the proceeds of Lessee's property insurance coverage payable as a result of such Casualty;

provided, however, if this Lease is terminated or expires by its terms prior to the termination or expiration of the term of the CEA, Lessee shall continue to provide, or cause to be provided, substantially similar services as Lessee had provided in the Leased Premises in accordance with the specific requirements set forth in the CEA.

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

Section 8.5 **Compensation Award**. If the entire Leased Premises shall be taken by Expropriation, this Lease shall terminate as of the date of such taking, in which event, Lessor shall retain all compensation awarded or paid upon any such taking of the Leased Premises. If any part of the Leased Premises shall be taken by Expropriation, rendering the remaining portion unsuitable for the business of Lessee, Lessee shall have the option to terminate the Lease. If the Lease is not terminated as provided in this Section 8.5, then the Rent shall be abated for the balance of the Term remaining in proportion to the portion of the Leased Premises so taken, unless Lessor, at its sole option, restores the remaining portion of the Leased Premises to a complete architectural unit of substantially like quality and character as existed prior to such taking or conveyance. Notwithstanding anything to the contrary contained herein, all compensation awarded or paid upon a total or partial taking of the Leased Premises shall belong to and be the property of Lessor without any participation by Lessee, except that Lessee shall have the right to receive and shall be paid a portion of the award to the extent of the unamortized cost of Lessee's leasehold improvements. Lessee shall provide all evidence and documentation to support such allocation at its sole cost and expense. If a separate award can be made to

Lessee, Lessee shall have the right to enter a separate claim against the condemning authority, in which event Lessee shall not participate in Lessor's award.

ARTICLE IX.
HAZARDOUS MATERIALS

Section 9.1 Hazardous Materials.

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

(b) In the event that Lessee causes any violation of applicable Law with regard to Hazardous Materials at the Leased Premises, Lessor shall have the right to reasonably require that Lessee engage, at Lessee's expense, a contractor to remediate or dispose of, in accordance with Law, all Hazardous Materials used, stored, generated or disposed of on the Leased Premises subsequent to the effective date hereof. For purposes of this Lease, 'Hazardous Material' means and includes any hazardous substance or any pollutant or contaminant defined as

such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., or any other Law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as may now or at any time in the future be in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

(c) Lessee shall promptly notify Lessor in writing, if Lessee has or acquires notice or knowledge that any Hazardous Material has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Leased Premises in violation of the Law during the Term. Lessee shall promptly notify Lessor, and provide copies following receipt of all written complaints, claims, citations, demands, inquiries, or notices relating to the violation or alleged violation at the Leased Premises during the Term of any Laws pertaining to Hazardous Materials. Lessee shall promptly deliver to Lessor copies of all notices, reports, correspondence and submissions made by Lessee to the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health Administration (OSHA), the Louisiana Department of Environmental Quality (DEQ), the Louisiana Department of Health and Hospitals (DHH), or any other Governmental Authority concerning the violation or alleged violation at the Leased Premises during the Term of any Laws pertaining to Hazardous Materials.

(d) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Lessor at Lessee's sole cost) and hold Lessor, 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; however, Lessee shall not indemnify for consequential damages on claims brought by Lessor, or Lessor's employees), disbursements or expenses of any kind (including attorneys' and experts' fees and fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by or asserted or awarded against Lessor or any of them in connection with or arising from or out of Lessee's violation of any of its obligations set forth inSection 9.1(a) above.

(e) Lessee agrees to indemnify, defend (with counsel reasonably acceptable to Division at Lessee'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; however, Lessee 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 Lessee's violation of any of its obligations set forth inSection 9.1(a) above.

(f) Nothing herein shall require Lessee to indemnify, defend and hold harmless the Lessor, its employees, contractors or agents for any environmental liability arising from any Hazardous Materials which were present on the Leased Premises prior to the execution of this Lease.

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

ARTICLE X.
INDEMNIFICATION

Section 10.1 **Lessee's Indemnification to Lessor**. Lessee shall indemnify, defend and hold harmless Lessor and its board members, officers and employees, together with any of their respective successors and assigns (collectively, the "**Lessor Indemnitees**"), against any and all loss, cost, damage, liability or expense as incurred (including but not limited to actual attorneys' fees and legal costs) arising out of or related to any claim, suit or judgment 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 Lessee's use of, and/or activities on, the Leased Premises by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Lessee shall further indemnify, defend and hold harmless the Lessor Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts of Lessee, its officers, agents, employees, invitees, permitees, 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 Lease.

Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that the Lessee's obligation to indemnify and hold any Lessor 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 Lessor Indemnitees.

Section 10.2 **Lessee's Indemnification to Division**. Lessee shall indemnify, defend and hold harmless Division and its officers and employees, together with any of their respective

successors and assigns (collectively, the "**Division Indemnitees**"), against any and all loss, cost, 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 Lessee's use of, and/or activities on, the Leased Premises by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. Lessee shall further indemnify, defend and hold harmless the Division Indemnitees from any and all claims, demands, litigation or governmental action involving the presence or suspected presence of Hazardous Materials on or in the Leased Premises and any violation of any Law, but solely to the extent any of the foregoing is due to the acts of Lessee, its officers, agents, employees, invitees, permitees, 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 Lease.

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

Section 10.3 Lessor's Indemnification. To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) resulting from any injury, loss or damage to persons or property

arising out of the negligence or willful misconduct of Lessor, its board members, officers or employees.

Section 10.4 Division's Indemnification. To the extent authorized by Law, Division will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Division, its board members, officers or employees.

ARTICLE XI.
TAXES, FEES AND LICENSES

Section 11.1 Payment of Taxes. Lessee shall collect (as applicable) and pay to the appropriate collecting authorities all federal, state and local taxes and fees, which accrue during the Term on or against or with respect to the Leased Premises, Lessee's Improvements, or the business conducted by Lessee on the Leased Premises.

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

ARTICLE XII.
DEFAULT BY LESSEE

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

(a) Failure by Lessee to pay Rent to Lessor on the date on which this payment is due under this Lease, and this failure shall not be cured within five (5) business days after said

Rent is due; provided, however, that Lessor shall provide written notice and a five (5) business day right to cure for failure to pay rent, but Lessee shall only be entitled to one (1) late payment notice per year under this Section 12.1(a), and provided further that a Lessee Event of Default shall automatically occur if Lessee fails to pay Quarterly Rent to Lessor on the date on which payment is due under this Lease for a second time in any calendar year in which a written notice of late payment has been delivered, or deemed delivered, to Lessee under this Lease.

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

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

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

(e) Failure to comply with any of the obligations of this Lease (other than payment of Rent or obtaining and maintaining insurance) if the failure is not cured within sixty (60) days after delivery of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee

pursues the cure of the violation with reasonable diligence..

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

ARTICLE XIII.
DEFAULT BY LESSOR

Section 13.1 Default. A default by Lessor (herein "Lessor Event of Default") will occur under this Lease if Lessor fails to perform any of its obligations or covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor's receipt of written notice from Lessee of this failure; however, no Lessor Event of Default will occur if Lessor begins to cure this failure within thirty (30) business days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure.

ARTICLE XIV.
NOTICES

Any and all notice required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) certified United States mail, postage prepared, receipt requested, to the following addresses:

Lessee: Our Lady of the Lake Hospital, Inc.
777 Hennessy Blvd., Suite 6002
Baton Rouge, Louisiana 70808

	Attn: Chief Executive Officer
With a copy to:	Franciscan Missionaries of Our Lady Attn: General Counsel 4200 Essen Lane Baton Rouge, Louisiana 70810
Lessor:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College 3810 West Lakeshore Drive Baton Rouge, Louisiana 70808 Attn: Vice President of Health Affairs
With a copy to:	LSU System Office 3810 West Lakeshore Drive Baton Rouge, Louisiana 70808 Attn: Vice President of Health Affairs
With a copy to:	Taylor, Porter, Brooks & Phillips, L.L.P. Attn: Nancy C. Dougherty 451 Florida St., 8th Floor Baton Rouge, Louisiana 70801
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
State of Louisiana:	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 XV.
MISCELLANEOUS

Section 15.1 Lessor's Right to Enter Property. Lessor reserves the right to enter the Leased Premises at any time to inspect the property, as long as Lessor's inspection does not unreasonably interfere with the operation of the proper function of the Lessee's business. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Premises, unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. Lessee shall not deny Lessor access to the Leased Premises.

Section 15.2 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 Lessor and Lessee as lessor and lessee or as described in the CEA. In no event shall Lessee's officers, directors, employees or agents be liable for any of the obligations of Lessee hereunder.

Section 15.3 Waiver. The Lessor and Lessee agree that either party's failure to insist on strict performance of any term or condition of this Lease shall not constitute a waiver of that term or condition, even if the party accepting or acquiescing in the non-conforming performance knows of the nature of the performance and fails to object to it. No waiver or breach shall affect or alter this Lease but each of the terms of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No waiver of any default hereunder by either party shall be implied from any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express

waiver shall affect any default other than the default specified in the express waiver for the time and to the extent therein stated. One or more waivers shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

Section 15.4 Lessor's Consent. In any instance in which a party's consent or approval is required under this Lease, then, unless specifically stated otherwise in such provision, such party agrees not to unreasonably withhold, delay or condition such consent or approval.

Section 15.5 Severability. The provisions of this Lease are severable. Any terms and/or conditions that are deemed illegal, invalid or unenforceable shall not affect any other term or condition of the Lease or the CEA.

Section 15.6 Recordation of Lease. It shall be the responsibility of Lessee to prepare an extract of the Lease, which each party agrees to execute to record in the Office of the Parish Recorder of the Parish of East Baton Rouge. The form of the Extract of Lease agreement shall require the approval of Lessor. Lessee shall provide Lessor with a certified copy of the recorded Extract of Lease. Recordation of the Extract of Lease shall be at Lessee's expense.

Section 15.7 Successors and Assigns. This Lease shall be binding on and will inure to the benefit of the parties to this Lease and their respective successors and assigns, provided any such assignment was made in a manner consistent with terms of this Lease.

Section 15.8 Counterparts. This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together will constitute only one agreement.

Section 15.9 Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no

verbal commitments, except those reduced to writing in this Lease, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by both parties.

Section 15.10 Choice of Law. This Lease 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 15.11 Authorized Representatives of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the President of the LSU System or his successor or designee, and on behalf of Lessee by any duly authorized representative of Lessee.

Section 15.12 Appropriation of Funds. All State, Division and Lessor obligations under this Lease to make payments of any kind in future year, shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation; provided, however, and notwithstanding anything to the contrary contained herein or in the CEA, any and all obligations of the Division and/or Lessor pursuant to Section 2.2 of this Lease to refund prepaid Rent 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 OLOL (the "OLOL Appropriation"), and any such obligation by any obligor is limited only to the portion of said OLOL Appropriation which said obligor receives. In the event that OLOL is due a refund of prepaid Rent pursuant to the provisions of Section 2.2 and this Section 15.12, the State, the Division and Lessor agree to make good faith best efforts to seek specific appropriation for such refund by the Louisiana Legislature, and the Division and/or Lessor 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 of prepaid Rent to OLOL pursuant to this Lease.

[The Remainder of this Page is Intentionally Left Blank;
Signatures are on the Following Page.]

[Signature Page for Lease]

This Lease, by and between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Division of Administration, the State of Louisiana and Our Lady of the Lake Hospital, Inc., is executed in duplicate original.

IN WITNESS WHEREOF, the parties hereto have signed their names on this ___ day of _____, 2013, in the presence of the undersigned competent witnesses:

WITNESSES:

_____
Printed Name: _____

_____
Printed Name: _____

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

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

WITNESSES:

_____
Printed Name: _____

_____
Printed Name: _____

DIVISION OF ADMINISTRATION STATE OF LOUISIANA

By: _____
Kristy Nichols
Commissioner of Administration

WITNESSES:

_____
Printed Name: _____

_____
Printed Name: _____

STATE OF LOUISIANA, through DIVISION OF ADMINISTRATION

By: _____
Kristy Nichols
Commissioner of Administration

WITNESSES:

_____
Printed Name: _____

_____
Printed Name: _____

OUR LADY OF THE LAKE HOSPITAL, INC.

By: _____
K. Scott Wester,
President and Chief Executive Officer

Exhibit A
LEASED PREMISES

Perkins Road Location

PARCEL I: (Lots 1 & 11)

Two certain tracts or parcels of land, located in East Baton Rouge Parish, Louisiana, in Section 59, Township 8 South, Range 1 East, Greensburg Land District and being more particularly shown as Lots I & II on that survey made by Daryl B. Patin, dated November 5, 1982, entitled "Map Showing Resubdivision of a 2.49 Acre Tract (Lot 1) and a 0.957 Acre (Lot II) (called Luke Ponce) Tract Both Fronting on the South Right-of Way of Perkins Road, Thereby Creating Lots I and II, Said Tracts Owned in Their Entirety by Clarence Anselmo, 9008 Perkins Road, Baton Rouge, Louisiana, Located in Section 59, Township 8-S, Range 1-E, G.L.D. East Baton Rouge Parish, Louisiana" recorded with the Clerk and Recorder of Mortgages for East Baton Rouge Parish, Louisiana at Original 681, Bundle 9532, as follows:

Lot I — Commence at the intersection of northwest property line of the Clarence Anselmo Property with the center line of Perkins Road (La. Hwy 427), thence S28°49'57"W a distance of 101.95 feet to the west right of way of Perkins Road and the point of beginning; thence S27°31'54"E along the west right of way line of Perkins Road a distance of 244.8 feet to a point; thence proceed S38°31'55"E a distance of 14.24 feet to a point and corner, being the line common between Lot 1 and Lot II; thence S28°45'00"W a distance of 414.00 feet to a point and corner; thence N61°10'20"W a distance of 217.56 feet to a point and corner; thence N28°49'57"E a distance of 555.10 feet to a point and corner; said point also being the point of beginning.

Lot [I — Commence at the intersection of northwest property line of the Clarence Anselmo property with the center line of Perkins Road (La. Hwy 427), thence S28°49'57"W a distance of 101.95 feet to the west right of way of Perkins Road, thence along the west right of way of Perkins Road S27°3 1 '54"E a distance of 244.8 feet to a point, thence S38°31'55"E a distance of 14.24 feet to a point, said point also being the point of beginning; thence continuing S38°31'55" E" a distance Of 91.10 feet to a point; thence proceed S25°44'01"E a distance of 11.30 feet to a point and corner; thence leaving the west right of way line of Perkins Road, proceed S 28° 19'46"W a distance of 428.08 feet to a point and corner, thence proceed N27°27'25"E a distance of 17.64 feet to a point; thence continuing N27°27'25"E a distance of 82.68 feet to a point and corner; thence proceed N61°10'20"W a distance of 13.00 feel to a point, being the line common between Lot 1 and Lot II; thence proceed S28°45'00"E a distance of 414 feet to a point and corner, said point being the point of beginning.

PARCEL 2: *(Tract "A")*

A certain piece or portion of ground situated in Section 59, T8S, R1E, and being more particularly described on map by Henry E. Kleinpeter, dated March 24, 1966, as revised July 26, 1966, attached to Original 40, Bundle 6253, as Tract "A", said tract measuring 300 feet front on Hyacinth Avenue (formerly Middle Highland Road) by a depth of 697.21 feet on its Western Boundary, a depth of 654.95 feet on its Eastern Boundary and measuring a total distance of 313.10 feet (230.64 feet plus 82,46 feet) across the rear.

PARCEL 3: (Lot A)

A certain piece or portion of ground situated in the Parish of East Baton Rouge, State of Louisiana, containing 1.731 acres and being described more particularly as LOT A removed from the Joe Anselmo property and being a part of the Frank Anselmo Estate Partition located in Section 59, T8S, R1E, Greensburg Land District of Louisiana, and said Lot A is shown on a map dated March 25, 1962 made by Henry E. Kleinpeter, C.E. registered at Original 57, Bundle 5093, said lot fronting 180.58 feet on the south side of Perkins Road having a depth of 502.6 feet between parallel lines and a rear measurement of 180.58 feet all as shown on said map referenced above.

PARCEL 4: (Tract "D")

A certain piece or portion of ground being more particularly described on map of Henry E. Kleinpeter, dated March 24, 1966, as revised July 26, 1966, as Tract "D", said tract measuring 337.64 feet (296.3' plus 41.34') on the Northerly side of Hyacinth Avenue (formerly Middle of Highland Road) by a depth on its westerly boundary of 654.95 feet; a depth on its easterly boundary of 410,4 feet (387.9' plus 22.5') and measuring 406.83 feet across the rear.

PARCEL 5: (4.85 acres)
A certain tract or parcel of ground, together with all the rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining situated in Section 59, T8S, R1E, Greensburg Land District, in the Parish- of **East Baton Rouge,** State of Louisiana, containing 4.85 acres, and being more particularly shown on that map entitled "Map Showing Survey of Lot X and the Remainder of the Jack Messina Tract for Fred 1-1. Belcher, Jr.", by P. Daniel Wiggins, C. E., and R. L, S., dated December 3, 1984, a copy of which is annexed to act before Sidney G. Fazio, Notary Public, dated December 11, 1984, and reg. In Original 362, Bundle 9715;

LESS AND EXCEPT: The sell off of .085 acres recorded as Original 96, Bundle 3398, official records of the Clerk and Recorder for the Parish of East Baton Rouge, State of Louisiana.

PARCEL 6: (Lot X)
A certain lot or parcel of land, together with all of the improvements thereon, and all of the rights, ways, privileges, servitudes and appurtenances thereunto belonging or in anywise appertaining, containing two (2) acres, and being designated as **LOT X** of a Resubdivision of the Jack Messina Property, Located in Section 59, T8S, RI E, East Baton Rouge Parish, said lot being more particularly described according to a map entitled "Map Showing the Resubdivision of the Jack Messina Property, Located in Section 59, T8S, R1E, East Baton Rouge Parish, La., for Jack Messina", dated Baton Rouge, Louisiana, October 4, 1973, a copy of which is on file and of record and paraphed "Ne Varietur" by William R. Mullins, Ill, Notary, and being more particularly described as follows: Beginning at a point marked by an iron pipe on the northerly side of Hyacinth Drive on the section line between Sections 59 and 60, T8S, RIE, thence run along the section line North 28° 36' 45" East 342.49 feet to a point marked by an iron pipe; thence run South 62° 4' 15" East 238.54 feet to a point marked by an iron pipe; thence run South 27° 55' 45" West 381.98 feet to a point marked by an iron pipe on the northerly side of Hyacinth Drive; thence run along the northerly side of Hyacinth Drive North 52° 49' 15" West 245.65 feet to the point of beginning, all as shown on said map.

Parcels 1,2, 3 and 4 above being further shown on that certain survey prepared by Daryl B. Patin, dated September 9, 1983 entitled "Boundary Survey for Community Psychiatric Properties, Inc. 2204 East 4th Street, Santa Ana, California 92705", a copy of which is on file and of record in Original 723 Bundle 9610 of the official records of East Baton Rouge Parish, Louisiana.

Airline Location

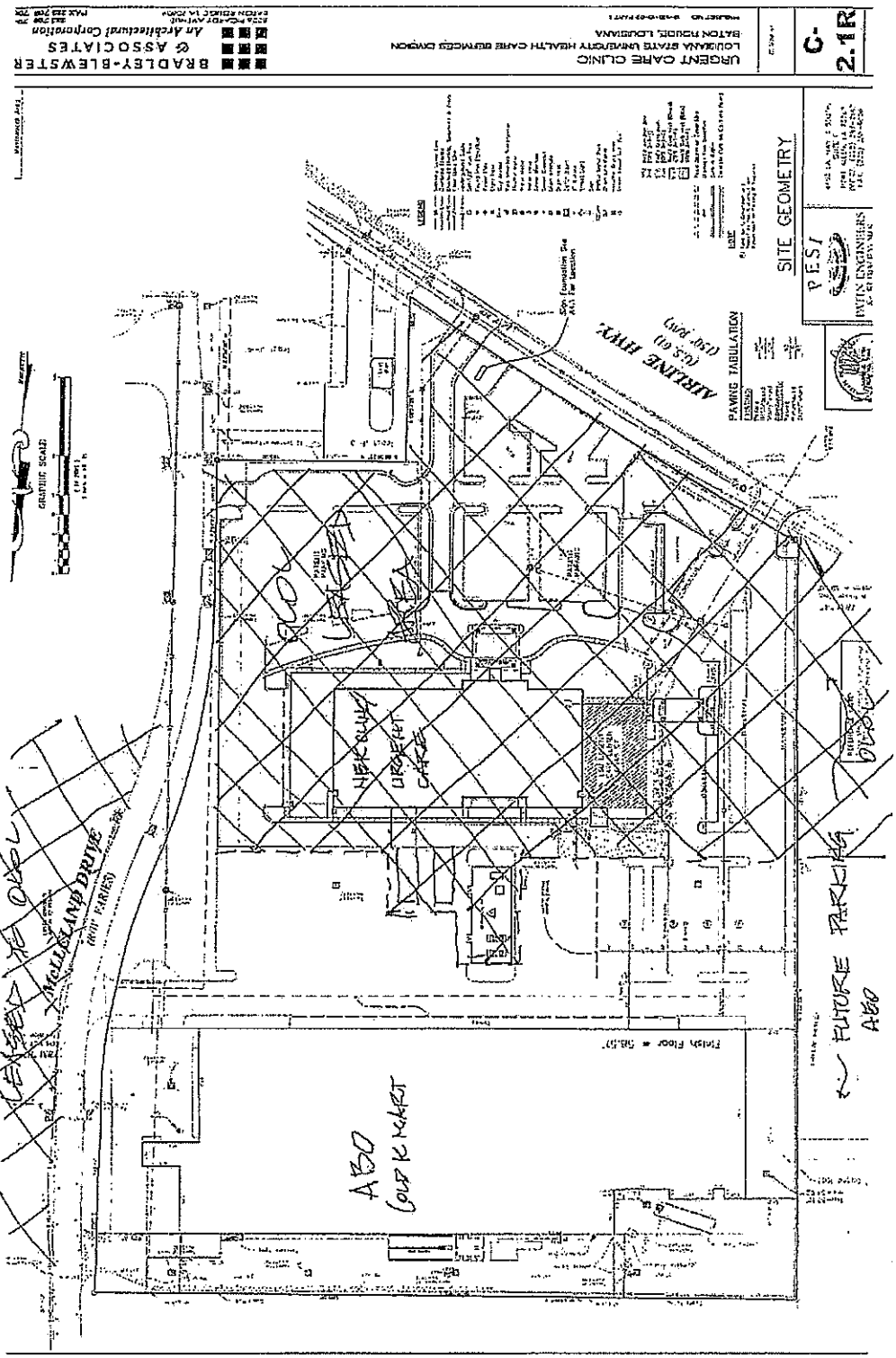


Exhibit B
SERVICE STANDARDS, BUILDING

Element	Standard
General	• 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 • External walls • Roof • Fire escapes • Walkways • Safety barriers • Balconies • Eaves • Rendering • Chimneys/flues • Vents	• 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: • Internal walls • Partitions • Ceilings • Elevators, escalators, dumbwaiters • Pneumatic tubes	• 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: • Doors (external, internal and fire) • Windows and stools and sills • Hatches • Vents • Shelving • Cupboards • Railings • Racking	• 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.

Element	Standard
• Notice boards • Mirrors • Balustrades • Magnetic door holders • Floor covering's	• Allow adequate drainage where necessary. • Free from pests.
Decorative Finishes Including but not limited to: • Paintwork • Fabric • Special finishes applied to walls, ceilings, woodwork, metalwork, pipework and other visible elements)	• 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.
Furniture & Equipment	• 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	• In general, all elements of building systems and Services systems including the elements outlined below shall at all times be functional, operational and satisfy the same performance requirements as existed at the time of commencement of the lease.
Emergency Power Supply	• Standby power supply shall be operational, secure and tested in compliance with 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: • Distribution equipment and protective devices fuse switches • Isolators • Distribution boards • Fuses	• 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

Element	Standard
• MCB's, ACB, Elcb's and RCE's • Exposed distribution cables	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: • Distribution equipment • Isolators • Distribution units • OCB's ACB's and ELCB's	• Ratings shall be clearly marked. • Fuse elements or circuit breaker mechanisms in working order. • Contacts and connections clean and mechanically tight • No overheating during normal operating loads • Secure to authorized access only. • Recording instruments operational where provided and necessary • Transformers are maintained as per manufacturer's recommendations at least every two years • Protective coatings are intact. • No signs of excessive heating • Provide lock out procedure. • Balance loads • Test all protective relaying including injection testing at least every two years. • Provide coordination study after every significant change or at a minimum every ten years. • Indicate fault levels. • Check electronic operation of all breakers and that power source is battery operated • Torque all bolted connections • Identify all current transformer and potential transformer ratios. • Provide ground fault relaying as needed. • Marker and covering notices where necessary.
Hot and Cold Water Systems	• 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.
Heating Ventilating and Air Conditioning Systems Including but not limited to: • Fume hoods • Humidifiers • Dehumidifiers • Heaters • Ductwork • Mixing boxes and dampers • Coolers • Inlet/outlet grills • Cooling towers (and other local ventilation systems	• 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

Element	Standard
• Pneumatic tube system • Fire and smoke dampers	Health Authorities requirements.
Sanitary and Other Drainage Systems (Including all sanitary ware and associated fittings)	• 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.
Fire Fighting Equipment	• Fire Extinguishers, fire suppression and other firefighting equipment shall be maintained in accordance with relevant codes and standards
Medical Gases	• Medical gas systems shall be maintained in accordance with relevant codes and standards and shall be tested and inspected in accordance with those standards, Health Department regulations, State Fire Marshal regulations as well as JCAH requirements.
Communications Systems Including but not limited to: • 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	• 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
Electrical Systems Including but not limited to: • Lighting • Safety • Alarm systems	• 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	• Trimmed, pruned and/or cut to maintain healthy plant growth and so as to minimize
	  o The risk of crime or vandalism
	  o The opportunity for storm wind damage
	  o Risk of fire
	  o 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	• 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	• 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: • Paving • Paths • Driveways • Roads • Parking Areas • Hard standings • Facility entrances • External staircases • External fire escapes if any or exterior stairs	• 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: • Street lights • Guard rails • Copings • Statutes or ornamental objects • Bollards • Bus stops • Street lights	• Sound secure safe and free from damage • Operating at their design performance where applicable • Free from moss, algae and or interstitial weeds • Free from graffiti and/or vandalism • Replacement of light elements

Element	Standard
Boundaries Including but not limited to: • Fences/walls • Gates	• 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: • Courtyards • Patios	• Safe and secure. • Free from graffiti and/or vandalism
Gutters and Drains	• Swept. • Free from litter, leaves, weeds and extraneous material.
Facility	• Free from litter, including cigarette ends and chewing gum residue. • Garbage Bins shall be less than 75% capacity and free from malodor.
Signage	• All hazard notices and safety signs are maintained, recorded, located and displayed correctly, and fully serviceable.

EXHIBIT A-1(B)
FORM OF SUBLEASE

See attachment.

Exhibit A-1(b)

AGREEMENT OF SUBLEASE
(North Foster Clinic)

STATE OF LOUISIANA

PARISH OF _____

This Agreement of Sublease ("Sublease") is entered into as of the ____ day of _____, 2013, 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 _____, 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 "SUBLESSOR"); and

OUR LADY OF THE LAKE HOSPITAL, INC., a Louisiana nonprofit corporation, represented herein by K. Scott Wester, its President and Chief Executive Officer, duly authorized by virtue of a Resolution of its Board of Directors, with a mailing address of 7777 Hennessy Boulevard, Plaza 2, Suite 6002, Baton Rouge, Louisiana 70808 (hereinafter referred to as "OLOL" or "SUBLESSEE");

WITNESSETH:

WHEREAS, LSU, OLOL, State of Louisiana, by and through the Division of Administration (the "Division"), and the Louisiana Department of Health and Hospitals (the "DHH") have entered into an Amendment to the Cooperative Endeavor Agreement, dated effective _____, 2013, (the "Amended CEA"), amending the Cooperative Endeavor Agreement, between the parties, dated February 5, 2010.

WHEREAS, pursuant to the Amended CEA, OLOL has agreed to provide the financial resources and support, operational expertise, and other necessary resources to insure that existing

LSU Clinics (as defined in the Amended CEA) continue to operate and provide health care services to the uninsured and high risk Medicaid populations.

WHEREAS, one of the LSU Clinics currently operated by LSU is located at 1401 N. Foster Drive, Baton Rouge, Louisiana 70806, and is currently leased by LSU, pursuant to the Agreement of Lease Between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Health Care Services Foundation ("Lessor" or "Foundation") dated effective December 19, 2003 (the "Lease").

NOW THEREFORE, pursuant to the Amended CEA, it is hereby agreed for and in consideration of the foregoing, and of the terms, conditions and provisions of the Amended CEA, and for other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SUBLESSOR hereby subleases to SUBLESSEE all of that immovable property located at 1401 Foster Drive, Baton Rouge, Louisiana, 70806, including the land and all buildings and improvements covered by the Lease (the "Leased Premises"), which Lease affects the land described on Exhibit A, a copy of which is attached hereto. SUBLESSEE acknowledges receipt of a full, true copy of said Lease.

This Sublease shall at all times be subordinate and subject to the said Lease, and SUBLESSEE agrees to fully abide by and timely perform each and all of the obligations and covenants imposed upon SUBLESSOR in said Lease, and to assume all of SUBLESSOR'S obligations under the Lease arising on or after, and/or to be performed on or after, the Effective Date of this Sublease, and to defend, indemnity and hold SUBLESSOR free and harmless of and from any and all claims, demands and causes arising from SUBLESSEE'S violation of said Lease arising on or after, and/or to be performed on or after, the Effective Date of this Sublease.

2. The term of this Sublease shall be for a period of **11** years, **2** months and **16** days beginning on April 15, 2013 (the "Effective Date") and ending on June 30, 2024 (the "Term").

3. All capitalized terms used herein and not otherwise defined herein shall have the same meaning as each such term has in the Lease.

4. The sublease annual rent shall initially be the sum of $328,822.50 as a base rent, plus Operating Costs (collectively the "Sublease Base Rent") payable to LSU in equal monthly installments; however, notwithstanding the terms of the Lease, SUBLESSEE shall also obtain and pay for fire and extended property damage insurance for the Leased Premises naming LSU and Foundation as additional insureds, in such amounts and for such coverage as is subject to the reasonable approval of LSU and Foundation. The current Operating Costs are $202,935.00 per year and therefore the initial Sublease Base Rent will be $530,757.50 per year. The Sublease Base Rent shall be paid 5 days before the end of each calendar month for the ensuing month. For example, the May 2013 Sublease Base Rent is due to be paid to LSU on April 26, 2013. Upon execution of this Sublease, SUBLESSEE shall pay LSU a pro rata share of the Sublease Base Rent for April 2013. It is further agreed that the Sublease Base Rent will be adjusted as set forth in paragraph 13 of this Sublease, and shall also be adjusted for changes in the Operating Costs as provided and set forth in Article III of the Lease.

5. Beginning as of the Effective Date, SUBLESSEE shall fully and timely pay and perform all of the obligations of LSU as provided for in the Lease, as fully as if SUBLESSEE is/was the original lessee under the Lease, and except as provided herein, as to the requirement for payment of Sublease Base Rent by OLOL, SUBLESSEE shall be entitled to all of the rights of SUBLESSOR in the Lease as fully as if SUBLESSEE is/was the original lessee under the Lease.

6. SUBLESSEE shall obtain prior written approval from Lessor and from LSU before constructing any improvements on the Leased Premises, and any such improvements shall only be constructed under the "design and construction oversight" of the Division's Office of Facility Planning and Control, as provided in and required by R.S. 17:3361.

7. Default by SUBLESSEE.

a. SUBLESSEE shall be in default under this Agreement if: (i) SUBLESSEE fails to timely make any payment, as required by this Sublease and/or to make any other payment required by LSU as Lessee under the Lease arising on or after the Effective Date, and/or (ii) SUBLESSEE fails to timely and fully perform any of its other obligations as required by this Sublease or as required to be performed by LSU under the Lease on or after the Effective Date, which failure causes Lessor to declare a default under the Lease; and/or (iii) SUBLESSEE otherwise breaches any of its other obligations, covenants, representations or warranties and fails to cure such breach within thirty (30) days of written notice.

b. In the event of a default by SUBLESSEE, SUBLESSOR will be entitled to exercise any one or more of the following rights or remedies at its discretion: (1) demand immediate payment of all rents and other sums that are past due and continue to collect all rents and other sums as they becomes due under this Sublease until the Lease terminates or expires, (2) immediately terminate this Sublease, (3) immediately evict SUBLESSEE, (4) recover all damages sustained by SUBLESSOR, and/or (5) exercise all other rights and remedies, and recover all damages available under Louisiana and other applicable laws.

c. For the enforcement of these remedies SUBLESSOR may have recourse to any applicable legal or equitable process for the recovery of possession of the Leased Premises and the right to seek an injunction or a declaratory judgment. No act of SUBLESSOR shall be

deemed an act terminating this Sublease or declaring the Term or applicable Renewal Term ended unless notice is served upon SUBLESSEE by SUBLESSOR expressly setting forth therein that SUBLESSOR elects to terminate this Sublease.

8. Governing Law. This Sublease shall be construed and enforced in accordance with the laws of the State of Louisiana.

9. Invalidity or Inapplicability of Clause. If any term or provision of this Sublease or the application thereof is invalid or unenforceable, the remainder of this Sublease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term or provision shall be valid and enforceable to the fullest extent permitted by law.

10. Notices. All notices required, necessary or desired to be given pursuant to this Sublease shall be in writing and shall be effective upon the date when such notice is hand-delivered to the party who is the intended recipient thereof, or otherwise actually received (whether by U.S. Mail, overnight courier service or other means of delivery) by the party intended recipient, who acknowledges receipt in writing of said notice and addressed as follows:

If to Sublessor:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Attention: Vice President of Health Affairs 3810 West Lakeshore Drive Baton Rouge, Louisiana 70808 Facsimile: (225) 578-5524 Email: _____
With a copy to:	Taylor Porter, Brooks & Phillips, L.L.P. Attention: Nancy C. Dougherty 451 Florida Blvd., Suite 800 Baton Rouge, Louisiana 70801 Facsimile: (225) 346-8049 Email: nancy.dougherty@taylorporter.com
If to Sublessee:	Our Lady of the Lake Hospital, Inc. Attn: Chief Executive Officer

777 Hennessy Blvd., Suite 6002
Baton Rouge, Louisiana 70808
Facsimile: (225)
Email:_____

Each party may redesignate its address for notice at any time and from time to time by like written notice.

11. Attorney Fees. In the event SUBLESSEE defaults in any of its obligations under this Sublease, it shall also be liable to pay any and all of the reasonable attorney fees incurred by SUBLESSOR related to any negotiations, compromises and/or enforcement of SUBLESSOR'S rights hereunder.

12. Option to Extend. LSU has an option to extend the Lease, and LSU will exercise this option and extend the term of the Lease for the "extended term" of 10 additional years as provided in Article II, Paragraph 2.3 of the Lease, such that the Lease will be extended until June 30, 2024, provided that the base rent payable to Lessor under the Lease shall not exceed the Sublease Base Rent set forth herein.

13. Adjustments in Sublease Base Rent.

a. The Sublease Base Rent shall be increased annually, beginning effective January 1, 2015, and each January 1 thereafter (each, an "Adjustment Date") during the Term by an amount equal to the product obtained by multiplying the then current Monthly Sublease Base Rent times the CPI Fraction. (For purposes of determining the "CPI Fraction," the numerator shall be the CPI in effect as of the Adjustment Date, and the denominator shall be the CPI in effect as of the date which was one (1) year prior to the Adjustment Date.)

b. In no event shall the Sublease Base Rent increase on any Adjustment Date as a result of a CPI adjustment by an amount greater than five (5%) percent of the Sublease Base Rent for any one calendar year.

14. Insurance and Utilities. As provided in the Lease, the Lessor pays for certain insurance and utilities, subject to being reimbursed those sums as part of the Operating Costs.

15. Maintenance. As provided in Article V of the Lease, Lessor will perform maintenance, subject to having all costs thereof reimbursed as part of the Operating Costs.

16. Operating Budget. As provided in the Lease, Lessor will annually submit a proposed annual budget to LSU, and LSU will, upon receiving the proposed annual budget, promptly give notice thereof along with a copy of the proposed budget to OLOL, and OLOL will provide LSU written notice within 10 days thereof as to its approval or of any suggested changes. If there is a disagreement between LSU and OLOL as to the proposed budget, LSU will, in good faith, consider all of OLOL's proposed suggested changes, but LSU retains the ultimate right to approve the budget. LSU hereby agrees OLOL is authorized to have direct interface with Lessor related to the annual budget.

17. If Lessor agrees to make alterations or improvements to the Leased Premises pursuant to OLOL's request, and if such alterations and/or improvements are approved by LSU, LSU's Base Rent under the Lease may be increased, as provided in the Lease, and in such event, OLOL's Sublease Base Rent shall also be increased.

18. Assignment and Sublease. OLOL may not assign or encumber its rights under this Sublease or sublease all or any part of the Leased Premises without the express written consent of LSU, which may be granted or withheld in its sole discretion.

19. Prepayment. OLOL is this date prepaying LSU the sum of $_____ as prepaid Sublease Base Rent, which sum will be credited pro rata to the last 12 monthly Sublease Base Rent payments.

20. Entire Agreement. All of the agreements and stipulations contained and all the obligations herein assumed shall inure to the benefit of binding upon the successors and assigns of the respective parties hereto.

21. Except as specifically allowed elsewhere in this Sublease, SUBLESSOR agrees not to amend the Lease without obtaining the prior, written consent of SUBLESSEE.

The remainder of this page is intentionally left blank.
[Signatures on Next Page]

[NOTE: NEED CONSENT OF LESSOR AND LPFA/LENDER.]

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:

_____
Name:_____
Date: _____

_____
Name:_____
Date: _____

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

By: _____
William L. Jenkins, Interim President
Date: _____

WITNESSES:

_____
Name:_____
Date: _____

_____
Name:_____
Date: _____

SUBLESSEE:
OUR LADY OF THE LAKE HOSPITAL, INC.

By:_____
K. Scott Wester, President and
Chief Executive Officer
Date: _____

This Sublease is approved and consented to by Lessor

HEALTH CARE SERVICES FOUNDATION

By: _____
_____, Duly Authorized

[NOTE: NEED CONSENT OF LENDER CAPITAL ONE BANK, NA AND POSSIBLY LPFA.]

EXHIBIT A
Description of Land
Tract I

A CERTAIN TRACT OR PARCEL OF GROUND situated in the City of Baton Rouge (formerly the 3rd Ward of the Parish of East Baton Rouge), State of Louisiana, lying and being in Section 78, Township 7, South, Range 1 East, Greensburg Land District of Louisiana, lying and being a part of Tract "B" of the property acquired by King H. Knox by act of partition of the Blouin-Phillips & Keener Tract from Mrs. Eola B. McCall as per act of record in Book 338, Page 480, of the Conveyance Records of the Parish of East Baton Rouge, Louisiana, said tract herein described being bounded on the East by the North Foster Drive (formerly called Greenwell Spring Road), on the North by Gus Young Avenue

(formerly called Capitol Avenue), on the South by Tract "B-S" sold by Dr. Arthur T. Prescott, Jr., to Sam Joseph Campisi in Book 711, Page 311, of the Conveyance Records of the Parish of East Baton Rouge, Louisiana, and on the West by Lands sold by King H. Knox to William T. Baynard (now N. 49th Street), said tract herein described being more specifically described as follows:

Commence at a concrete monument located on the South side of Gus Young Avenue which is the Northwest corner of the tract herein described; from said concrete monument run North 88° East a distance of two hundred ninety-seven (297) feet along the South line of Gus Young Avenue to a grate bar; thence run a distance of three hundred eighteen and 9/10 (318.9) feet in an easterly, southeasterly, and southerly direction in a curve on a radius of 203 feet at the intersection of Gus Young Avenue and North Foster Drive to a concrete monument; thence run South 2°06' East a distance of three hundred six and 7/10 (306.7) feet along the western side of the North Foster Drive to a corner marked by a gun barrel stake, which is the Southeast corner of the tract herein conveyed, being the Northeast corner of tract sold by Dr. Arthur T. Prescott, Jr., to Sam Joseph Campisi, to which is above referred; thence run South 8754' West a distance of five hundred (500) feet along the north line of-Tract "B-S" (sold to Sam Joseph Campisi) to a one and 'A (1-1/4) inch iron pipe on the east line of the tract sold by King E. Knox to William T. Baynard (now N. 49th Street), which is the southwest corner of the tract herein described; thence run North 2 06' West a distance of five hundred ten and 9/10 (510.9) feet to the point of beginning, marked by a concrete monument on the south side of Gus 'Young Avenue; said tract of land herein described being designated as TRACT B-Y, TRACT

B-W, TRACT B-V, TRACT B-U, and TRACT B-T, according to a map made by R. Swart, C.E., dated April 30, 1947.

Bearing Municipal No. 1401 Foster Drive, Baton Rouge, Louisiana 70806.

EXHIBIT A-1(C)
FORM OF SUBLEASE

See attachment.

AGREEMENT OF SUBLEASE
(Leo S. Butler Clinic)

STATE OF LOUISIANA

PARISH OF _____

This Agreement of Sublease ("Sublease") is entered into as of the ____ day of _____, 2013, 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 _____, 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 "SUBLESSOR"); and

OUR LADY OF THE LAKE HOSPITAL, INC., a Louisiana nonprofit corporation, represented herein by K. Scott Wester, its President and Chief Executive Officer, duly authorized by virtue of a Resolution of its Board of Directors, with a mailing address of 7777 Hennessy Boulevard, Plaza 2, Suite 6002, Baton Rouge, Louisiana 70808 (hereinafter referred to as "OLOL" or "SUBLESSEE");

WITNESSETH:

WHEREAS, LSU, OLOL, State of Louisiana, by and through the Division of Administration (the "Division"), and the Louisiana Department of Health and Hospitals (the "DHH") have entered into an Amendment to the Cooperative Endeavor Agreement, dated effective _____, 2013, (the "Amended CEA"), amending the Cooperative Endeavor Agreement, between the parties, dated February 5, 2010.

WHEREAS, pursuant to the Amended CEA, OLOL has agreed to provide the financial resources and support, operational expertise, and other necessary resources to insure that existing LSU Clinics (as defined in the Amended CEA) continue to operate and provide health care services to the uninsured and high risk Medicaid populations.

WHEREAS, one of the LSU Clinics currently operated by LSU is located at 950 E. Washington Street, Baton Rouge, Louisiana, and located within the Leo S. Butler Community Center which is currently leased by LSU, pursuant an Interagency Lease pursuant to R.S. 41:1291 between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and the City of Baton Rouge and Parish of East Baton Rouge ("Lessor" or "City") dated effective _____, 2013 (the "Lease"), a copy of which is attached hereto.

NOW THEREFORE, pursuant to the Amended CEA, it is hereby agreed for and in consideration of the foregoing, and of the terms, conditions and provisions of the Amended CEA, and for other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SUBLESSOR hereby subleases to SUBLESSEE all of the property leased to LSU under the Lease (the "Leased Premises").

This Sublease shall at all times be subordinate and subject to the said Lease, and SUBLESSEE agrees to fully abide by and timely perform each and all of the obligations and covenants imposed upon SUBLESSOR in said Lease, and to assume all of SUBLESSOR'S obligations under the Lease arising on or after, and/or to be performed on or after, the Effective Date of this Sublease, and to defend, indemnity and hold SUBLESSOR free and harmless of and from any and all claims, demands and causes arising from SUBLESSEE'S violation of said Lease arising on or after, and/or to be performed on or after, the Effective Date of this Sublease.

2. The term of this Sublease shall be for a period of ___ years, ___ months and ___ days beginning on April 15, 2013 (the "Effective Date") and ending on _____ (the "Term").

3. All capitalized terms used herein and not otherwise defined herein shall have the same meaning as each such term has in the Lease.

4. The sublease rent shall initially be the sum of $_____ per year (the "Sublease Base Rent") payable to LSU in equal monthly installments, to be paid 5 days before the end of each calendar month for the ensuing month. For example, the May 2013 Sublease Base Rent is due to be paid to LSU on April 26, 2013. Upon execution of this Sublease, SUBLESSEE shall pay LSU a pro rata share of the Sublease Base Rent for April 2013. It is further agreed that the Sublease Base Rent will be adjusted as set forth in paragraph ___ of this Sublease.

5. Beginning as of the Effective Date, SUBLESSEE shall fully and timely pay and perform all of the obligations of LSU as provided for in the Lease, as fully as if SUBLESSEE is/was the original lessee under the Lease, and except as provided herein, as to the requirement for payment of Sublease Base Rent by OLOL, SUBLESSEE shall be entitled to all of the rights of SUBLESSOR in the Lease as fully as if SUBLESSEE is/was the original lessee under the Lease.

6. SUBLESSEE and SUBLESSOR acknowledge that Lessor may terminate the Lease upon giving 60 days written notice, and in this event, the Sublease shall also terminate at that time.

7. Default by SUBLESSEE.

a. SUBLESSEE shall be in default under this Agreement if: (i) SUBLESSEE fails to timely make any payment, as required by this Sublease and/or to make any other payment required by LSU as Lessee under the Lease arising on or after the Effective Date, and/or (ii) SUBLESSEE fails to timely and fully perform any of its other obligations as required by this

Sublease or as required to be performed by LSU under the Lease on or after the Effective Date, which failure causes Lessor to declare a default under the Lease; and/or (iii) SUBLESSEE otherwise breaches any of its other obligations, covenants, representations or warranties and fails to cure such breach within thirty (30) days of written notice.

b. In the event of a default by SUBLESSEE, SUBLESSOR will be entitled to exercise any one or more of the following rights or remedies at its discretion: (1) demand immediate payment of all rents and other sums that are past due and continue to collect all rents and other sums as they becomes due under this Sublease until the Lease terminates or expires, (2) immediately terminate this Sublease, (3) immediately evict SUBLESSEE, (4) recover all damages sustained by SUBLESSOR, and/or (5) exercise all other rights and remedies, and recover all damages available under Louisiana and other applicable laws.

c. For the enforcement of these remedies SUBLESSOR may have recourse to any applicable legal or equitable process for the recovery of possession of the Leased Premises and the right to seek an injunction or a declaratory judgment. No act of SUBLESSOR shall be deemed an act terminating this Sublease or declaring the Term or applicable Renewal Term ended unless notice is served upon SUBLESSEE by SUBLESSOR expressly setting forth therein that SUBLESSOR elects to terminate this Sublease.

8. Governing Law. This Sublease shall be construed and enforced in accordance with the laws of the State of Louisiana.

9. Invalidity or Inapplicability of Clause. If any term or provision of this Sublease or the application thereof is invalid or unenforceable, the remainder of this Sublease, or the application of such term or provision to persons or circumstances other than those as to which it is held

invalid or unenforceable, shall not be affected thereby, and each term or provision shall be valid and enforceable to the fullest extent permitted by law.

10. Notices. All notices required, necessary or desired to be given pursuant to this Sublease shall be in writing and shall be effective upon the date when such notice is hand-delivered to the party who is the intended recipient thereof, or otherwise actually received (whether by U.S. Mail, overnight, courier service or other means of delivery) by the party intended recipient, who acknowledges receipt in writing of said notice and addressed as follows:

If to Sublessor:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Attention: Vice President of Health Affairs 3810 West Lakeshore Drive Baton Rouge, Louisiana 70808 Facsimile: (225) 578-5524 Email: _____
With a copy to:	Taylor Porter, Brooks & Phillips, L.L.P. Attention: Nancy C. Dougherty 451 Florida Blvd., Suite 800 Baton Rouge, Louisiana 70801 Facsimile: (225) 346-8049 Email: nancy.dougherty@taylorporter.com
If to Sublessee:	Our Lady of the Lake Hospital, Inc. Attn: Chief Executive Officer 777 Hennessy Blvd., Suite 6002 Baton Rouge, Louisiana 70808 Facsimile: (225) Email:_____

Each party may redesignate its address for notice at any time and from time to time by like written notice.

11. Attorney Fees. In the event SUBLESSEE defaults in any of its obligations under this Sublease, it shall also be liable to pay any and all of the reasonable attorney fees incurred by

SUBLESSOR related to any negotiations, compromises and/or enforcement of SUBLESSOR'S rights hereunder.

12. Option to Extend. LSU has an option to extend the Lease. LSU will not exercise this option to extend the term of the Lease unless OLOL specifically sends a notice to LSU at least 100 days prior to the expiration of the above term, requesting LSU exercise its option to extend the Lease. If LSU exercises said option, the term of this Sublease shall be automatically extended to coincide with the expiration of the Lease as extended.

13. Adjustments in Sublease Base Rent.

a. The Sublease Base Rent shall be increased annually, beginning effective January 1, 2015, and each January 1 thereafter (each, an "Adjustment Date") during the Term by an amount equal to the product obtained by multiplying the then current Monthly Sublease Base Rent times the CPI Fraction. (For purposes of determining the "CPI Fraction," the numerator shall be the CPI in effect as of the Adjustment Date, and the denominator shall be the CPI in effect as of the date which was one (1) year prior to the Adjustment Date.)

b. In no event shall the Sublease Base Rent increase on any Adjustment Date as a result of a CPI adjustment by an amount greater than five (5%) percent of the Sublease Base Rent for any one calendar year.

14. Maintenance and Utilities. As provided in the Lease, the Lessor pays for utilities and Lessor will perform maintenance for the Leased Premises.

15. Insurance. OLOL will furnish and provide insurance required to be provided by LSU under paragraph ____ of the Lease and will name Lessor and LSU as additional insureds.

16. Assignment and Sublease. OLOL may not assign or encumber its rights under this Sublease or sublease all or any part of the Leased Premises without the express written consent of LSU, which may be granted or withheld in its sole discretion.

17. Prepayment. OLOL is this date prepaying LSU the sum of $_____ as prepaid Sublease Base Rent, which sum will be credited pro rata to the last 12 monthly Sublease Base Rent payments.

18. Entire Agreement. All of the agreements and stipulations contained and all the obligations herein assumed shall inure to the benefit of binding upon the successors and assigns of the respective parties hereto.

19. Except as specifically allowed elsewhere in this Sublease, SUBLESSOR agrees not to amend the Lease without obtaining the prior, written consent of SUBLESSEE.

The remainder of this page is intentionally left blank.
[Signatures on Next Page]

[NOTE: NEED CONSENT OF LESSOR.]

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:

_____
Name:_____
Date: _____

_____
Name:_____
Date: _____

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

By: _____
William L. Jenkins, Interim President
Date: _____

WITNESSES:

_____
Name:_____
Date: _____

_____
Name:_____
Date: _____

SUBLESSEE:
OUR LADY OF THE LAKE HOSPITAL, INC.

By:_____
K. Scott Wester, President and
Chief Executive Officer
Date: _____

This Sublease is approved and consented to by Lessor

[Note: Add signature block for Lessor]

EXHIBIT A

EXHIBIT A-2
FORM OF EQUIPMENT LEASE

See attachment.

EQUIPMENT LEASE

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

THIS EQUIPMENT LEASE (the "Lease") is made and entered into effective the _____ day of _____, 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 _____, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as "LSU" or "Lessor"),

and

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

and provides as follows:

WITNESSETH

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

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

WHEREAS, OLOL and LSU support building a new model for the relationship between a major teaching hospital and a school of medicine and its teaching programs, and that this new model will provide physicians and patients with a new environment of care that optimizes the use of all resources; and,

WHEREAS, LSU, OLOL, the Louisiana Department of Health and Hospitals, and Division of Administration are parties to a Cooperative Endeavor Agreement dated February 5, 2010, as amended (the "CEA") through which LSU, OLOL, the Louisiana Department of Health and Hospitals, and Division of Administration will collaborate to develop and maintain nationally recognized graduate medical education programs; and

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

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

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

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

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

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

NOW, THEREFORE, in consideration of Lessor's obligation to lease the aforementioned equipment, the rent to be paid by Lessee during the term of this Lease, and the mutual benefits accruing to the parties under this Lease, the parties do enter into this Lease, on the following terms and conditions:

ARTICLE I
LEASE OF EQUIPMENT

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

ARTICLE II
TERM

Unless sooner terminated in accordance with the terms and conditions set forth herein and in the CEA, this Lease shall be and continue in full force and effect for a term of five (5) years (the "Initial Term", and together with any Renewal Terms, the "Term"), unless otherwise terminated sooner in accordance with the terms and conditions set forth herein and in the CEA. Unless Lessee provides a written notice of non-renewal to Lessor at least sixty (60) days prior to the end of the then-current Term of the Lease, the Term of the Lease automatically shall extend for up to five (5) successive periods of one (1) year each (each, a "Renewal Term"), so that the maximum possible Term of the Lease shall be ten (10) years. For purposes of this Lease, the

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

ARTICLE III
CONSIDERATION

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

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

ARTICLE IV
USE, MAINTENANCE, AND REPAIRS

4.1 Permitted Use. Subject to the terms and provisions hereof, Lessee may use the Equipment solely for medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, and/or any other medical, educational or hospital use or uses (including, without limitation, surgical, research and laboratory facilities), together with any uses that are accessory to any of the foregoing (the "Permitted Use"), and for no other purposes without the prior written consent of Lessor. Lessee's use of the Equipment shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish, or municipal government now or hereafter in effect, including all environmental laws and regulations and further including all material orders, rules, and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. Lessee shall not make any use of the Equipment which may make void or voidable any policy of insurance required to be maintained by Lessee pursuant to this Lease.

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

4.4 Maintenance. Lessee shall have full and sole responsibility for the condition, repair, maintenance and management of the Equipment; provided, however, that Lessee shall not owe any maintenance obligation under this Lease respecting any item of Equipment that is not in good working order as of the Commencement Date, and provided further that Lessee shall not owe any further maintenance obligation under this Lease respecting any item of Equipment for which Lessee has provided written notice to LSU pursuant to Section 5.1 below that Lessee no longer needs said item of Equipment for the purposes set forth in the CEA. Lessee shall provide written notice to LSU no later than thirty (30) days after the Commencement Date of this Lease of any specific items of Equipment that were not in good working order as of the Commencement Date. Lessee shall maintain the Equipment and each and every portion thereof in good working order and condition and shall be solely responsible for all costs and expenses accrued or incurred in connection therewith. Lessor shall not be responsible for any repairs to or maintenance of the Equipment, whether ordinary or extraordinary, foreseen or unforeseen, structural or non-structural. Lessee shall maintain accurate records of all material work performed in furtherance of its obligations under this Section 4.4.

4.5 Lost and Stolen Equipment. Whenever Lessee has knowledge or reason to believe that any Equipment has been lost or stolen during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such lost/stolen Equipment as required by law. Lessee shall promptly replace all lost and stolen Equipment with comparable items of substantially similar specification and value, which items shall be owned by LSU and shall be considered Equipment subject to this Lease, and Lessee shall be solely responsible for all costs and expenses incurred in connection therewith; alternatively, and in lieu of replacing the lost/stolen Equipment, Lessee may pay to LSU the fair market value of said Equipment.

4.6 Damaged Equipment. Whenever Lessee has knowledge or reason to believe that any Equipment has been damaged during the Term of this Lease, Lessee shall promptly notify LSU in writing and shall report such damaged Equipment as required by law. Lessee shall promptly repair all damaged Equipment to substantially the same condition thereof as existed prior to the event causing such damage, and Lessee shall be solely responsible for making all required repairs to damaged Equipment; alternatively, in lieu of repairing the damaged Equipment and in the event the damage is covered by Lessee's insurance and not subject to any deductible, Lessee may pay the insurance proceeds stemming from the damage to LSU, provided said proceeds are sufficient to fairly compensate LSU for the damage. Lessee may not dispose of any damaged Equipment except as set forth in Section 5.1 below.

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

4.8 Compliance with State Law. Lessee shall assume all of the "Property Control" obligations for the Equipment set forth in Title 39 of the Louisiana Revised Statutes, Chapter 1, Part XI (La. R.S. 39:321 – 39:332), and in Title 34 of the Louisiana Administrative Code, Part VII (sections 101 – 901), including but not limited to:

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

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

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

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

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

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

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

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

4.9 Coordination Between Lessee and LSU.

a. At the commencement of this Lease, and to assist Lessee in assuming and continuing the Property Control obligations for the Equipment, LSU shall make available

to Lessee all of LSU's existing inventory schedules, property location indices, reports, records, and other documentation regarding the Equipment. LSU shall also assist Lessee in obtaining access to any online tracking and reporting systems and other secure sites necessary for Lessee to perform its Property Control obligations.

b. LSU shall monitor Lessee's performance of its Property Control obligations to ensure compliance with law and shall cooperate with Lessee and provide reasonable advice and assistance to Lessee, at no additional cost to Lessee, when requested and when available.

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

d. LSU, LSU Health Care Services Division, and their agents shall have the right to inspect the Equipment at any reasonable time following reasonable prior notice in a manner which does not unreasonably interfere with Lessee's use thereof.

4.10 Alienation of Equipment. Lessee shall not sell, alienate, convey, or otherwise transfer any Equipment to any person or entity other than LSU without the advance written approval of LSU. In the event that Equipment is sold / alienated / conveyed / transferred without LSU's advance written approval, such shall be null and void and without legal effect.

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

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

ARTICLE V
SURPLUS AND REPLACEMENT EQUIPMENT

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

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

or at such other location as designated from time to time by LSU. Said notice shall identify the Equipment by its description, tag number, and inventory number, shall state where the Equipment is physically located at the time notice is given, and shall state where the Equipment may be retrieved by LSU as provided for below. Lessee may store the Equipment off-site pending its retrieval by LSU as set forth below, provided that Lessee shall be responsible for all costs and expenses incurred storing the Equipment, and provided further that Lessee shall report the relocation if and as required by law. Lessee shall take all reasonable steps to decommission the Equipment and prepare it for retrieval by LSU as set forth below, specifically including but limited to Lessee removing any and all hazardous substances from the Equipment and disposing of same in accordance with law, and Lessee shall be responsible for all costs incurred in connection therewith.

b. LSU shall have one hundred eighty (180) days after receipt of the aforementioned notice to take physical possession of the Equipment and to remove the Equipment from Lessee's facility, at which time all of Lessee's remaining obligations with respect to the Equipment (including but not limited to Lessee's obligations under Sections 4.4, 4.5, and 4.6) shall cease, except that Lessee shall remain liable as set forth in this Lease for any claims, costs, causes of action, expenses, repairs, damages, and liabilities arising out of or incurred with respect to the Equipment during the Term prior to the time that LSU takes physical possession of the Equipment. LSU shall give reasonable prior notice to Lessee when it intends to take physical possession of the Equipment.

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

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

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

ARTICLE VI
INSURANCE

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

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

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

b. Commercial general liability insurance for injuries to persons (including bodily injury and death) and/or property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement, or repair of the Equipment, and for injuries to persons and/or property occurring in or about the Equipment, in the minimum amount of $5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability and water damage legal liability.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII
INDEMNIFICATION

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

attributable to the lease, use, operation, management, maintenance, repair, and/or replacement of the Equipment by Lessee, its officers, agents, employees, invitees, permittees, contractors, or subcontractors. The foregoing indemnification provisions shall apply to Permitted Uses, as well as uses that are not permitted under this Lease. Notwithstanding any provision to the contrary contained in this Lease, Lessor acknowledges that Lessee's obligation to indemnify and hold any Lessor Indemnitees harmless under this Section shall not extend to any loss, damages, or other claims to the extent arising out of the negligence or willful misconduct of any Lessor Indemnitees.

7.2 Lessor's Indemnification. To the extent authorized by Law, Lessor will indemnify, defend and hold harmless Lessee and its officers, agents and employees, together with any of their respective successors and assigns, from and against any claims, liabilities, damages, costs, penalties, forfeitures, losses or expenses (including but not limited to actual attorneys' fees and legal costs) related to the Equipment and resulting from any injury, loss or damage to persons or property arising out of the negligence or willful misconduct of Lessor, its officers, agents or employees.

ARTICLE VIII
NOTICES

Any and all notice required or appropriate under this Lease shall be in writing and shall be sent by (a) personal delivery; (b) recognized overnight delivery service with proof of delivery; or (c) certified United States mail, postage prepared, receipt requested, to the following addresses:

Lessor:	**Lessee:**
Board of Supervisors of Louisiana State	Our Lady of the Lake Hospital, Inc.

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

777 Hennessy Blvd., Suite 6002
Baton Rouge, Louisiana 70808
Attn: Chief Executive Officer

With a copy to:

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

With a copy to:

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

With a copy to:

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

ARTICLE IX
LESSEE DEFAULT

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

a. Failure by Lessee to pay Rent to Lessor on the date on which this payment is due under this Lease, and this failure shall not be cured within five (5) business days after said Rent is past due; provided, however, that Lessee shall only be entitled to one (1) late payment notice per year under this Section 9.1(a), and provided further that a Lessee Event of Default shall automatically occur if Lessee fails to pay Rent to Lessor on the date on which payment is due under this Lease for a second time in any calendar year in which a written notice of late payment has been delivered, or deemed delivered, to Lessee under this Lease.

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

c. Failure by Lessee to comply with any other covenant, condition, term, or agreement of this Lease (other than payment of Rent and obtaining and maintaining insurance) if the failure is not cured within thirty (30) days after delivery of written notice to Lessee of such Lease violation or such longer period of time as may reasonably be required for Lessee to cure the violation, provided that Lessee pursues the cure of the violation with reasonable diligence.

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

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

9.2 Whenever any Lessee Event of Default shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law provided, LSU shall have the right, without any further demand or notice, to declare this Lease terminated. No remedy conferred upon or reserved to LSU by this Lease is intended to be

exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease and as now or hereafter existing at law or in equity.

ARTICLE X
BOARD DEFAULT

A default by Lessor (herein "Lessor Event of Default") will occur under this Lease if Lessor fails to perform any of its obligations or covenants under this Lease, and such failure is not cured within thirty (30) business days after Lessor's receipt of written notice from Lessee of this failure; however, no Lessor Event of Default will occur if Lessor begins to cure this failure within thirty (30) business days after its receipt of this notice and continues this cure with reasonable diligence for such period as is reasonably necessary to cure the failure. Whenever any Lessor Event of Default referred to in this section shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law provided, Lessee shall have the right, without any further demand or notice, to declare this Lease terminated. No remedy conferred upon or reserved to Lessee by this Lease is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease and as now or hereafter existing at law or in equity.

ARTICLE XI
MISCELLANEOUS

11.1 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and

agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein nor any employees, agents, members or shareholders of the parties hereto creates a relationship other than the relationship between Lessor and Lessee as lessor and lessee or as described in the CEA. In no event shall Lessee's officers, directors, employees or agents be liable for any of the obligations of Lessee hereunder.

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

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

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

11.5 No Assignment. Lessee may not, without the prior written consent of Lessor, assign, mortgage or otherwise encumber in whole or in part this Lease or any interest therein; provided, Lessee may, with prior notice to Lessor, but without the consent of Lessor, assign its interest as Lessee under this Lease to a non-profit corporation, limited liability company, limited liability partnership, or other non-profit legal entity wholly owned or controlled by Lessee, or to any non-profit entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that such assignee assumes Lessee's obligations hereunder by operation of law or agrees to assume in writing Lessee's obligations hereunder, all in form and substance approved by Lessor. In no event shall any assignment of all or any portion of the Equipment release Lessee from any obligations under the Lease, unless such release shall be evidenced by Lessor's express written agreement at the time of the assignment, which agreement may be withheld in Lessor's sole discretion.

11.6 No Subletting. Lessee may not, without the prior written consent of Lessor, sublease all or any portion of the Equipment; provided, Lessee may, with prior notice to Lessor, but without the consent of Lessor, sublease all or a portion of the Equipment to a corporation, limited liability company, limited liability partnership, or other legal entity wholly owned or controlled by Lessee, or to any entity that is a successor by merger to the Lessee or that acquires Lessee or all or substantially all of the assets of Lessee, provided that all such subleases shall be subject and subordinate to all of the terms and conditions of this Lease and the use of the Equipment permitted under any such sublease shall be in accordance with the applicable terms

and conditions of this Lease, and further provided that such sublessee assumes Lessee's obligations hereunder by operation of law or agrees to assume in writing Lessee's obligations hereunder, all in form and substance approved by Lessor. In no event shall any subletting of all or any portion of the Equipment release Lessee from any obligations under the Lease, unless such release shall be evidenced by Lessor's express written agreement at the time of the subletting, which agreement may be withheld in Lessor's sole discretion.

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

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

11.9 Authorized Representative of the Parties. In any instance in which the approval or consent of a party is required, it shall be given on behalf of Lessor by the President of the LSU

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

11.10 Entire Agreement. This Lease, together with all exhibits attached hereto, sets forth the entire agreement of the parties with respect to the matters set forth herein, and no verbal commitments, except those reduced to writing in this Lease, have any binding effect. Any amendments to this Lease must be reduced to writing and signed by both parties.

The rest of this page intentionally left blank.

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

IN WITNESS HEREOF, the parties hereto have executed signed their names on this _____ day of _____, 2013, in the presence of the undersigned competent witnesses.

WITNESSES:

_____
Name:_____

_____
Name:_____

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

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

WITNESSES:

_____
Name:_____

_____
Name:_____

OUR LADY OF THE LAKE HOSPITAL, INC.

By:_____
K. Scott Wester,
President and Chief Executive Officer

EXHIBIT B
FORM OF PROFESSIONAL SERVICES AGREEMENT

See attachment.

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement, effective as of **April 15, 2013** by and between the

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

on behalf of its Louisiana State University Health Sciences Center – New Orleans, Department of LSU Health - Baton Rouge , School of Medicine in New Orleans (hereinafter referred to as "Contractor"), appearing through its authorized representatives, as set forth on Page 10 of this Agreement, whose mailing address is declared as set forth in Section 1, Notice, below, and

OUR LADY OF THE LAKE HOSPITAL, INC. d/b/a OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER

(hereinafter referred to as "Contracting Entity"), appearing through its authorized representatives as set forth on Page 10 of this Agreement, whose mailing address is declared as set forth in Section 1, Notice, below.

WHEREAS, this Professional Services Agreement (hereinafter "Agreement") is desired in order to provide the Contracting Entity and its medical staff with the intellectual stimulation that comes from the participation in a vigorous program of community service, and the affiliation contemplated by this Agreement should improve and enhance the care of the sick; and

WHEREAS, in a like manner, the Contractor recognizes the unique opportunities for community service, in Contracting Entity's facilities, which will permit opportunities for enhancement of the quality of the educational experience enjoyed by the Contractor, and/or in fulfillment of one of Contractor's missions, to wit; to provide community service;

NOW THEREFORE, in consideration of the terms and conditions set forth herein, the parties agree as follows:

Unless otherwise changed or modified pursuant to an Exceptions Addendum as defined in Section 25 hereof, the parties agree as follows:

1. NOTICE

Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the following addresses:

To Contractor:

Chancellor
LSU Health Sciences Center
433 Bolivar Street
New Orleans, LA 70112

AND TO:

Dean
LSU School of Medicine in New Orleans
533 Bolivar Street
New Orleans, LA 70112

To Contracting Entity:

General Counsel
Our Lady of the Lake Hospital, Inc.
4200 Essen Lane
Baton Rouge, LA 70809

AND TO:

2. PROVISION OF PROFESSIONAL SERVICES

The parties hereto enter into this Agreement to establish a mechanism by which Contractor Professionals, as employees of, and under the direction, control, and supervision of the Contractor shall perform Professional Services at Contracting Entity for purposes of community service.

Community services at the Contracting Entity will be directed by the Contractor under regulations and guidelines established by the Contractor, and Contractor shall be responsible for the general overall supervision of any faculty, fellow, or resident activities at the Contracting Entity.

Contractor Professionals shall be assigned to the Contracting Entity by the heads of the specific Contractor programs, departments, or schools. Coordination of Contractor Professional responsibilities at the Contracting Entity will be provided by the Program Director. With respect to his or her particular Program, a Program Director shall (1) be accountable to the Head of the appropriate Department, and jointly to the Contracting Entity President and the Contracting Entity Director of Medical Affairs or such other person or persons as may be designated by the Contracting Entity's Authorized Representative as required; (2) meet as required with the Contracting Entity President and the Contracting Entity Director of Medical Affairs or such other person or persons as may be designated by the Contracting Entity's Authorized Representative; (3) answer questions and address problems that arise regarding the Program; and (4) coordinate the professional services of Contractor Professionals with the assistance of or in conjunction with members of the Medical Staff.

All participants in the community service programs shall have a moral, ethical, and legal responsibility to the Contracting Entity and the Contractor for the responsible management of the care of patients. The power of appointment to the Contracting Entity Medical Staff remains with the Contracting Entity and the power of appointment to the Faculty of the LSU School of Medicine in New Orleans remains with the Contractor.

3. SPECIFIC OBLIGATIONS OF CONTRACTOR AND CONTRACTING ENTITY

A. SERVICES TO BE PROVIDED BY CONTRACTOR

In addition to its responsibilities set forth in the Agreement and for the consideration set forth herein, Contractor agrees to provide the services and to assign the following Contractor Professionals, Residents, and/or Fellows in the Department of LSU Health - Baton Rouge to Contracting Entity during the term of this Agreement in accordance with the terms set forth herein, and as set forth in Attachment A hereto, "Scope of Service."

1. Scheduling

All scheduling and staffing decisions will be made by the Dean of LSU School of Medicine in New Orleans and /or the Head of the Department of the LSU School of Medicine in New Orleans providing services hereof, or his or her designee.

2. Billing

Contracting Entity shall not bill any third party in the name of, or under the provider number of, Contractor or the Contractor Faculty Physician providing services under this Agreement. In addition, Contractor agrees not to bill nor cause to be billed, Medicare patients or Medicare (Part B) carriers for administrative, supervisory, or other provider services. Contracting Entity will bill for services under its own provider number and receive all resulting revenue.

3. Nonexclusivity

The above services are provided to Contracting Entity on a nonexclusive basis and this Agreement in no way shall be construed to limit or impede Contractor's right to provide similar or related services to any person or entity. Neither Contractor nor any of its Professionals shall have any obligation to refer patients to Contracting Entity, nor shall Contracting Entity have any obligation to refer any patient to Contractor Professionals. **Under no circumstances is any Contractor Professional required to refer any patient to Contracting Entity.**

In the event a Contractor Physician hospitalizes a patient or if a Contractor Professional deems any ancillary service necessary, Contractor Professional shall be free to use any hospital or ancillary services he or she selects.

B. CONTRACTING ENTITY OBLIGATIONS AND RESPONSIBILITIES

1. Supplies

Supplies, if any, to be furnished by Contracting Entity shall be as set forth in Attachment B, "Contracting Entity Obligations and Responsibilities" attached hereto and incorporated herein by reference.

2. Compensation

Contracting Entity agrees to compensate the Contractor as set forth in Attachment B, "Contracting Entity Obligations and Responsibilities," attached hereto and incorporated herein by reference. On a monthly basis, Contractor Professional shall submit to Contractor and Contracting Entity a timesheet and/or a schedule as appropriate for the type of services provided under this Agreement and in a format acceptable to Contractor and Contracting Entity.

A timesheet shall be submitted for clinical services setting forth with particularity the date, time, and duration of the services provided under this Agreement. A schedule shall be provided for medical directorship, resident supervision, or for any combination of clinical services and medical directorship and/or resident supervision. Schedules shall include dates on which the services were provided, and list the Contractor Professional(s) who performed the services under this Agreement. Invoices shall match the timesheets and/or the schedules.

4. REVIEWS AND APPEALS

When differences or disagreements occur, a Review Committee will be convened consisting of the Head and/or his designee(s), of the LSU School of Medicine Department providing services hereunder and the Authorized Representative(s) of Contracting Entity, and there shall be an equal number of representatives from the Contractor and Contracting Entity on such Review Committee. The purpose of the Review Committee is to discuss program issues and interests and to recommend solutions to differences which reaffirm mutual expectations in program directions. In addition, the Review Committee may also be convened for the responsibility of developing a review and monitoring process to evaluate program results and expectations.

5. INSURANCE

The Contractor agrees to furnish the Contracting Entity, upon request, a Certificate of Insurance providing evidence that Contractor is covered for worker's compensation and general liability under the plan administered by the Louisiana State Office of Risk Management.

The Contracting Entity agrees to furnish the Contractor, upon request, a Certificate of Insurance providing evidence that the Contracting Entity is covered by policies of insurance providing statutory worker's compensation coverage, employer's liability coverage, and commercial general liability coverage with limits of liability of not less than $2,000,000 per occurrence.

Contracting Entity warrants to the Contractor that it and each of its employees, professional and nonprofessional, and each member of its Medical Staff who is not, and is not acting as, a Contractor Professional is, and shall remain during the term of this Agreement, either: (1) insured against all claims of professional liability under one or more policies of insurance with indemnity limits of not less than $500,000 per occurrence or claim; or (2) duly qualified and enrolled as a health care provider with the Louisiana Patient's Compensation Fund pursuant to the Louisiana Medical Malpractice Act, Louisiana Revised Statutes 40:1299.41, et seq. Contractor warrants that it, and its Contractor Professionals providing services pursuant to this Agreement are provided professional liability coverage in accordance with the provisions of Louisiana Revised Statutes 40:1299.39, et seq. for the services to be provided pursuant to this Agreement. With respect to liability arising out of medical malpractice, the obligation of the Contractor shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statutes 40:1299.39, et seq.

Contractor Professionals shall not be entitled to any employment benefits whatsoever from Contracting Entity including, but not limited to, sick leave or the fringe benefits available to employees of the Contracting Entity, and shall not be entitled to participate in any pension plan, life insurance, or any other compensation, welfare, or benefit plan maintained by Contracting Entity.

6. STATUS OF CONTRACTOR AND CONTRACTOR PROFESSIONALS

Contractor's servivces pursuant to this Agreement shall be as an independent contractor. The Contractor Professionals and other employees of the Contractor will be acting in the course and scope of their employment, appointment, or assignment for, or on behalf of, the Contractor and shall not be entitled to receive or accept from Contracting Entity any remuneration or other compensation whatsoever for services provided at the Contracting Entity. It is expressly acknowledged and stipulated by the Contractor and Contracting Entity that each Contractor Professional and employee assigned in any capacity to the Contracting Entity pursuant to this Agreement is and shall be an employee solely of the Contractor and shall not, for any purpose whatsoever, be or be considered an employee, representative, or agent of Contracting Entity.

Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship, a joint venture relationship, a lease or landlord/tenant relationship, or to allow Contracting Entity to exercise control or direction over the manner or method in which Contractor or Contractor Professionals perform the Professional Services which are the subject matter of this Agreement.

Contractor understands and agrees that:

(1) Contractor and Contractor Professionals will not be treated as employees for federal tax purposes;

(2) Contracting Entity will not withhold on behalf of Contractor or Contractor Professionals or employees pursuant to this Agreement any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law, or make available to Contractor or Contractor Professional any of the benefits afforded to employees of Contracting Entity; and

(3) All such payments, withholdings, and benefits, if any, are the sole responsibility of Contractor. In the event the Internal Revenue Service or any other governmental agency should question or challenge the status of Contractor or Contractor Professionals, the parties hereto mutually agree that both Contractor and Contracting Entity shall have the right to participate in any discussion or negotiation occurring with such agency or agencies, irrespective of whom or by whom such discussions or negotiations are initiated.

The parties hereto agree that the benefits to Contracting Entity or its employees hereunder do not require and are not payment directly or indirectly in return for the recommendation, referral or any other arrangement for the provision of any item or service offered by Contractor or its employees to any patient of Contracting Entity Physician members, employees, or agents. Likewise, the parties agree that the benefits to Contractor or its employees hereunder do not require and are not payment directly or indirectly in return for the recommendation, referral, or any other arrangement for the provision of any item or service offered by Contracting Entity or its employees to any patient of Contractor Professionals, employees, or agents, and the amount of fees retained by Contractor represents the fair market value of professional services provided.

7. INDEMNIFICATION

Contractor hereby agrees to hold harmless and indemnify Contracting Entity from any claim, suit, or loss, other than expenses of litigation, sustained by Contracting Entity, its officers, directors, or employees, or by any physician employed by the Contracting Entity for any asserted injury to or death of any person to the extent that it results from or is caused by the asserted negligence, error, or omission of any Contractor Professional, employee, or agent. However, "agent" as used in this paragraph shall exclude any Contracting Entity physician, employee, or agent.

Likewise, Contracting Entity hereby agrees to hold harmless and indemnify Contractor from any claim, suit, or loss, other than expenses of litigation, sustained by Contractor for any asserted injury to or death of any person to the extent that it results from or is caused by the asserted negligence, error, or omission of Contracting Entity, or its officers, directors, employees, or agents. However "agent" as used in this paragraph shall exclude any Contractor Professional, employee, or agent.

8. AUTHORIZED REPRESENTATIVE

Except as may be herein more specifically provided, Contracting Entity and Contractor shall act with respect to all matters hereunder through their Authorized Representative(s) and Dean, respectively.

9. USE OF NAMES

Contracting Entity shall make no use of Contractor's name(s) or logo(s) in print without prior written approval of Contractor's representatives. Similarly, Contractor shall make no use of Contracting Entity's name(s) or logo(s) in print without prior written approval of Contracting Entity, other than a joint public announcement of their affiliation. Notwithstanding the above, any Contracting Entity physician may disclose to a patient that the patient will be seen by or

treated by Contractor who is providing Contracting Entity services as an independent contractor, and Contracting Entity or Contractor may at any time disclose affiliation with the other for informational purposes.

When authority from Contractor is necessary, it may be received from the Director of Informational Services for LSU Health Sciences Center – New Orleans. When authority from Contracting Entity is necessary, it may be received from Contracting Entity's Authorized Representative(s), or his or her designee.

10. ACCESS TO RECORDS AND RECORD RETENTION

Contractor and Contracting Entity agree to retain this Agreement (including all amendments and supplements hereto) and any of their books, documents, and records, which may serve to verify the costs of this Agreement for a period of six (6) years after the services contemplated herein, have been performed or as otherwise required by law. All parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General access to the Agreement, books, documents, and records in the event that such access is requested in writing and is made in accordance with applicable federal regulations. Furthermore, Contractor's auditors, the Louisiana Legislative Auditor's office and the Office of the Governor, Division of Administration auditors shall have the right upon reasonable written notice to inspect and audit, during Contracting Entity's regular business hours and at no expense to Contracting Entity, the books and records of Contracting Entity, but only to the extent necessary to verify compliance with this Agreement.

11. CONFIDENTIALITY

All parties hereby agree that they shall comply with all applicable Federal and State laws, rules, and regulations which pertain to patient/client confidentiality, including the regulations implementing the Health Insurance Portability and Accountability Act of 1996, ("HIPAA"), 45 C.F.R. Parts 160 and 164 ("the Privacy Rule").

12. FUND USE

Contractor agrees not to use funds paid to Contractor for services rendered under this Agreement to urge any elector to vote for or against any candidate or proposition on an election ballot, or to use such funds to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on an election ballot or a proposition or matter having the effect of law being considered by the legislature or any local governing authority.

13. CIVIL RIGHTS

Contractor and Contracting Entity shall abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and the requirements of the Americans with Disabilities Act of 1990.

Contractor and Contracting Entity agree not to discriminate in their employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affilation, or disabilities.

Any act of discrimination committed by Contractor or Contracting Entity, or failure to comply with these statutory obligations when applicable, shall be grounds for termination of this contract.

14. USE OF PREMISES

Contractor covenants not to use or permit any Contractor Professional or other personnel of Contractor acting within the Contracting Entity, to use any part of the premises of Contracting Entity for any purpose other than those purposes related to the performance of professional services hereunder, unless otherwise mutually agreed to by the parties in writing.

15. ASSIGNMENT

Contractor shall not assign any interest in this Agreement and shall not transfer any interest in same without the prior written consent of Contracting Entity, provided however, that claims for money due or to become due to the Contractor from Contracting Entity under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to Contracting Entity.

16. AMENDMENT

This Agreement and amendments hereto shall be in writing and may be executed in multiple copies on behalf of Contracting Entity by its authorized representative and on behalf of Contractor by the Chancellor and the Dean. Each multiple executed copy shall be deemed an original, but all multiple copies together shall constitute one and the same instrument. Any understanding between the parties, whether oral or written, not formally denominated and executed as an amendment to this Agreement, which authorizes or approves any course of performance deviating from the terms hereof, shall be presumed to be a temporary waiver revocable at the will of any party and not an amendment of the provisions of this Agreement.

17. ENFORCEMENT

In the event either party resorts to legal action to enforce the terms and provisions of this Agreement, the party prevailing in such action shall be entitled to recover the cost of such action so incurred, including, without limitation, reasonable attorney's fees.

18. GENDER AND NUMBER

Whenever the context here requires, the gender of all words shall include the masculine, feminine, and neuter and the number of all words the singular and plural.

19. ADDITIONAL ASSURANCES

The provisions of this Agreement shall be self-operative and shall not require further Agreement by the parties except as may be herein specifically provided to the contrary.

20. FORCE MAJEURE

Neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service or employment deemed resulting, directly or indirectly, from Acts of God, civil or military authority, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, nonappropriation, strikes or other work interruptions by either party's employees, or any similar or dissimilar cause beyond the reasonable control of either party.

21. SEVERABILITY

The invalidity or unenforceability of any terms or provisions hereof shall in no way affect the validity or enforcement of any other term or provision.

22. ARTICLES AND OTHER HEADINGS

The paragraph and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

23. TIME OF ESSENCE

Time shall be of the essence with respect to this Agreement.

24. WAIVER OF BREACH

Neither payment nor lapse of time, nor any other act on the part of either party or its agents, shall constitute a waiver of any breach by said party of the conditions and covenants of this Agreement.

25. ENTIRE AGREEMENT

This Agreement supersedes all previous contracts and constitutes the entire Agreement between the parties. Neither party shall be entitled to any benefits other than those specified herein. No oral statements or written material not specifically incorporated herein shall be of any force and effect and no changes in or additions to this Agreement shall be recognized unless incorporated herein by amendment as provided herein, such amendment(s) to become effective on the date stipulated in such amendments. Provided however, that any other language in this Agreement to the contrary notwithstanding, if there is an Exceptions Addendum, duly executed by all required authorities of the Contractor and of the Contracting Entity, appended to this Agreement, to the extent that the terms and conditions of said Exceptions Addendum vary from the terms or conditions of this Agreement, then the terms and/or conditions of the Exceptions Addendum shall prevail. It is understood by both parties that this Agreement may be modified or amended only by written agreements signed and duly approved by those representatives of both parties so authorized to enter into agreements, and that no amendment or modification shall take effect until so approved by all parties to the Agreement. Both parties agree that this Agreement may be amended as needed to comply with state and federal regulations.

26. APPROVAL

No liability or obligation for payment or provision of services will develop between the parties until this Agreement has been approved by the required authorities of the Contracting Entity and by the required authorities of the Contractor.

27. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meaning ascribed thereto unless otherwise clearly required by the context in which such term is used.

Contracting Entity Policies - The term "Contracting Entity Policies" shall mean and include the bylaws, policies, procedures, and practices of Contracting Entity, all as are from time to time adopted, authorized, and approved by the governing authority of Contracting Entity.

Contractor Professionals - The term "Contractor Professionals" shall mean faculty (both physician and non-physician) members, Fellows, and/or Residents of the LSU School of Medicine in New Orleans, who are under the direction, control, and supervision of the Contractor.

Department - The term "Department" shall mean the organized divisions at LSU School of Medicine in New Orleans established by medical specialties.

Fellow - The term "Fellow" shall mean a physician enrolled in a Contractor post-residency training Fellowship Program to furnish Physician Services to patients. Each Fellow, as a continuing condition precedent of Contracting Entity's obligations hereunder, shall:

(1) hold a currently valid and unlimited license to practice medicine in Louisiana;
(2) hold a currently valid and unlimited Drug Enforcement Administration license;
(3) apply for, be awarded, and maintain in good standing, membership in the Medical Staff with appropriate clinical privileges, or receive and maintain temporary privileges, all in accordance with Contracting Entity Policies;
(4) obtain the initial and continuing written approval of Contracting Entity to provide Physician Services;
(5) comply with all Contracting Entity Policies and Medical Staff bylaws, policies, procedures, rules, and regulations;
(6) attend Resident orientation meeting sponsored by Contracting Entity;
(7) be covered by insurance as set forth herein for Contractor; and
(8) obtain the recommendation of the Program Director.

Head -The term "Head" in connection with Contractor shall mean the Head of a Department at LSU School of Medicine in New Orleans.

Medical Staff - The term "Medical Staff" shall mean the organized Medical Staff of Contracting Entity or any duly constituted subdivision thereof.

Physician Services - The term "Physician Services" shall mean services performed by Contractor Physicians at Contracting Entity.

President - The term "President" shall mean the person holding the position currently titled "President" of the Contracting Entity or such other title as may be hereafter adopted to describe the executive exercising overall authority with respect to the day-to-day operation and management of the Contracting Entity; provided, however, that with respect to Contractor, the term "President" shall mean the Chief Executive Officer of the Louisiana State University System.

Program - The term "Program" shall mean the specific services to be provided by Contractor Professionals under this Agreement as described in this Agreement.

Program Director - The term "Program Director" shall mean the LSU School of Medicine in New Orleans faculty member, who shall be appointed by Contractor or its designee to assume and discharge responsibility for the administrative and supervisory services related to a Program for a Department at the LSU School of Medicine in New Orleans., as set forth in this Agreement and any Supplement hereto. One or more Program Directors may be appointed with respect to each Contracting Entity.

Resident - The term "Resident" shall mean a Contractor Physician enrolled in one of the Residency Training Programs of Contractor who shall furnish Physician Services to patients. Each Resident, as a continuing condition precedent to Contracting Entity's obligations under this Agreement shall:

(1) hold a currently valid and unlimited license to practice medicine in Louisiana;
(2) hold a currently valid and unlimited Drug Enforcement Administration license or be listed under institutional and/or preceptor license;
(3) apply for and be awarded temporary clinical privileges, all in accordance with Contracting Entity policies;
(4) obtain the initial and continuing approval of Contracting Entity;
(5) comply with Contracting Entity Policies and Medical Staff bylaws, policies, procedures, rules and regulations;
(6) attend a Resident orientation meeting sponsored by Contracting Entity;
(7) be covered by insurance as set forth herein for Contractor; and
(8) obtain the recommendation of the Program Director.

Contractor Physicians - The term "Contractor Physicians" shall mean faculty members, Fellows, and/or Residents of the LSU School of Medicine in New Orleans who are under the direction and supervision of the Contractor.

28. TERMINATION

A. Termination Without Cause.

After the expiration of the first twelve (12) calendar months of the Initial Term, either party may, in its sole discretion, terminate this Agreement without cause by giving the other party at least thirty (30) days prior written notice. If such notice is given by Contracting Entity, Contracting Entity may, in its sole discretion, at any time prior to the effective date of such termination, relieve Contractor Physician of Contractor Physician's duties hereunder as long as Contracting Entity continues to perform its obligations under this Agreement until the effective date of such termination.

B. Termination for Breach.

Either party may terminate this Agreement upon breach by the other party of any material provision of this Agreement, provided such breach continues for fifteen (15) days after receipt by the breaching party of written notice of such breach from the non-breaching party.

C. Immediate Termination by Contracting Entity.

Contracting Entity may terminate this Agreement immediately by written notice to Contractor upon the occurrence of any of the following events:

(1) the denial, suspension, revocation, termination, restriction, lapse, or voluntary relinquishment (under threat of disciplinary action) of Physician's Medical Staff membership and/or privileges at Contracting Entity's facility, or of Physician's license to practice medicine in the State of any Contractor Physician providing services under this Agreement;
(2) the denial, suspension, revocation, termination, relinquishment (under threat of disciplinary action), or restriction of Physician's Medical Staff membership or Physician's privileges at any health care facility other than Contracting Entity's facility, or of Physician's license to practice medicine in any jurisdiction other than the State of any Contractor Physician providing services under this Agreement;
(3) the death of Contractor Physician;
(4) the termination, revocation, restriction, or relinquishment of Contractor Physician's Drug Enforcement Agency number by any Contractor Physician providing services under this Agreement;
(5) failure by Contractor to maintain the insurance required under this Agreement;
(6) closure of any of the Contracting Entity's facilities, cessation of the patient care operations, or sale of any of the Contracting Entity's Facilities, or of all, or substantially all, of any of the Contracting Entity's assets; or
(7) Contractor's or any Contractor Physician providing services hereunder, conviction of a criminal offense related to health care, or Contractor's or any Contractor Physician providing services hereunder, listing by a federal agency as being debarred, excluded, or otherwise ineligible for federal program participation.

Notwithstanding any other provision contained in this Agreement, Contractor shall be permitted thirty (30) days after receipt of the notice of breach by the breaching party to cure any breach of its Contractor Physician designated in subsections C (1), (2), (3), (4) or (7) and prevent termination if such breach can be cured by hiring or assigning another physician meeting the same professional qualifications as required of Contractor Physician. If Contractor cures the breach within thirty (30) days by hiring or assigning another physician of those qualifications, then no breach will have occurred and the Agreement shall continue under its existing terms and conditions.

D. Immediate Termination

Contractor may terminate this Agreement immediately by written notice to Contracting Entity upon the occurrence of either of the following events:

(1) failure by Contracting Entity to maintain the insurance required under this Agreement; or
(2) Contracting Entity's conviction of a criminal offense related to health care, or Contracting Entity's listing by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation. The parties agree that by signing this document, Contractor and Contracting Entity certify that neither business entity nor any of its employees are currently listed as excluded or sanctioned by the Department of Health and Human Services, Office of Inspector General (OIG) or the General Services Administration (GSA). The parties agree that if either business entity or any of its employees are listed as excluded or sanctioned or if at any time during the term of this Agreement, either party or any of its employees appears on either listing, this Agreement shall be immediately terminated in accordance with this Section.

E. Effect of Termination.

As of the effective date of termination of this Agreement, neither party shall have any further rights nor obligations hereunder except:

(1) as otherwise provided herein;
(2) for rights and obligations accruing prior to such effective date of termination; or
(3) arising as a result of any breach of this Agreement.

29. TERM

This Agreement shall be effective April 15, 2013 for an initial term ending June 30, 2013 and may be renewed under like terms for one-year periods thereafter with the prior written consent of both parties hereto.

30. APPLICABLE LAW AND VENUE

This Agreement has been executed and delivered in and shall be interpreted, construed and enforced pursuant to and in accordance with the laws of the State of Louisiana. All duties and obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana and East Baton Rouge Parish, Louisiana, shall be the sole and

exclusive venue for any litigation, special proceeding, or other proceeding between the parties that may be brought or arise out of or in connection with or by reason of this Agreement.

31. PAYMENT OF TAXES

Contractor accepts the responsibility for payment of all state, federal or local taxes due from the funds received by it under this Agreement under TAX ID Number 72-6087770.

32. EXCEPTIONS ADDENDUM

There **X** IS/ IS NOT an Exception Addendum to this Agreement, and if there is, it consists of **two----------** (**2-----**) page(s) in length.

IN WITNESS WHEREOF, the parties execute this Agreement as of the date first above written.

CONTRACTOR:

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

BY:_____ Date:_____
Larry H. Hollier, M.D.
Chancellor
Louisiana State University
Health Sciences Center – New Orleans

BY:_____ Date:_____
Steve Nelson, M.D.
Dean
LSU School of Medicine in New Orleans

BY:_____ Date:_____

Head, Department of LSU Health - Baton Rouge
LSU School of Medicine in New Orleans

CONTRACTING ENTITY:

OUR LADY OF THE LAKE HOSPITAL, INC. d/b/a OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER

BY: _____ Date:_____
K. Scott Wester
Chief Executive Officer

BY: _____ Date:_____

ATTACHMENT A: "SCOPE OF SERVICES"

Contractor agrees to provide to Contracting Entity professional services of Contractor Professionals in the following specialties and/or areas at the estimated full-time equivalent (FTE) level for each such specialty as necessary and mutually agreed upon by the parties and set forth in Exhibit A "Budget" attached hereto and incorporated herein by reference. The parties understand and agree that one full-time equivalent (1.00 FTE) Contractor Professional shall provide 2,000 hours of services per annum. The covered specialties and areas include: Allergy; Anesthesiology; Cardiology; Dental; Dermatology; Emergency Medicine; Endocrinology; Family Medicine; Gastroenterology; Hepatology; Infectious Diseases; Internal Medicine; Medical Directorship; Neonatology; Nephrology; Neurology; Nurse Practitioner(s); Oncology; Ophthalmology; Oral Surgery; Orthopedics; Otolaryngology; Pathology; Pediatric; Physician Assistant(s); PM&R; Podiatry; Psychiatry; Public Health; Pulmonary; Radiology; Rheumatology; and Surgery.

A. Duties and obligations of Contractor Professionals shall include, but not be limited to the following:

1. Assume responsibility for the medical education related to the affiliated programs involved in this Agreement. Contractor and Contractor Professionals shall be responsible for developing medical programs to provide for and improve the health care of the patient population served by these affiliated programs and recommend such to the appropriate hospital administrator and Contracting Entity.

2. Assign mutually agreed upon Contractor Physicians to serve as Program Directors and assume and discharge responsibilities including, but not limited to the following:
• Provide Contracting Entity on a monthly basis, or as mutually agreed upon by both parties, a list of Resident(s) and/or Fellow (s) participating in an Educational Program at Contracting Entity ("Participant List") to serve as proof of participation of such Resident(s) and/or Fellow(s) in the Program;
• Maintain involvement in recruitment, orientation, retention, educational development, training, counseling, disciplinary actions and objective evaluations of residents;
• Coordinate all medical functions to provide a smooth operation of patient care and services performed by residents;
• Perform administrative responsibilities with regard to each individual residency program and Contracting Entity;
• Be responsible for overall supervision including scheduling and assignments of residents;
• Manage time and resources through planning, prioritizing, directing and delegating effectively;
• Review, approve and coordinate with physicians at Contracting Entity for participation in House Officer training and supervision in accordance with Affiliation Agreement entered into between Contractor and Contracting Entity;
• Obtain and maintain credentialing, certification and continuing education as required;
• Develop and maintain an understanding of current Joint Commission requirements, safety policies, human resource policies, departmental policies, etc.

3. Provide 0.80 full-time equivalent (0.80 FTE) services of a mutually agreed upon Contractor Physician to serve as an Associate Dean for Baton Rouge Affairs, a liaison between Contractor's School of Medicine ("SOM") and Contracting Entity and fulfill duties including, but not limited to the following:
• Develop, facilitate, and nurture the development of undergraduate and graduate training programs at Contracting Entity;
• Serve as liaison between EKL and other Baton Rouge sites administrations and the Dean of the School of Medicine and other members of the Dean's Staff and others in SOM leadership positions;
• Advise on all matters relating to SOM educational, research, and clinical programs at Contracting Entity;
• Advise on matters relating to undergraduate and graduate medical education at Contracting Entity;
• Advise on matters relating to the clinical practice;
• Advise on matters relating to contractual relationships and to other revenue streams supporting residents, residency education, residency supervision, and faculty and staff;
• Advise on matters relating to clinical trials and other types of clinical investigations;
• Advise on matters relating to faculty appointment, advancement, performance, grievance, and separation from the institution.

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4. Provide clinical services to patients including evaluation, treatment and follow up at appropriate times and intervals as ordered and according to the limitations set forth in the Plan of Care by the patients' physicians.

5. Monitor care and services rendered to patients in Contractor's affiliated programs. Contractor agrees to participate in and support the quality assurance activities of Contracting Entity or patient care program. This includes patient care audits required by the Joint Commission (JC).

6. Mutually agreed upon Contractor Physicians shall serve as Resident/Fellow Supervisors and be required to ensure that the appropriate level of guidance and teaching is provided to house officers in training. Resident Supervisors shall be responsible for the direct supervision, education and direction of Residents and/or Fellows assigned to Contracting Entity.

7. In addition to other duties set forth herein, Resident/Fellow Supervisors shall:
• Be accountable jointly to the Contracting Entity's Chief Executive Officer and the Contracting Entity's Medical Director, and to the Head of the Clinical Department;
• Meet monthly, as requested, with the Contracting Entity's Chief Executive Officer Medical Director;
• Conduct monthly review and monitor quality and utilization practices of the Residents/Fellows in the Program;
• Answer questions and address problems that arise regarding the Program;
• Coordinate utilization of Residents/Fellows by non-Contractor members of the Contracting Entity's Medical Staff;
• Conduct a complete administrative and medical review of patient or physician complaints involving supervised Residents/Fellows;
• Review and make suggestions on Contracting Entity's needs and future projections of Residents/Fellows;
• Make daily working and teaching rounds as set forth in the Contracting Entity's Medical Staff Bylaws;
• Attend Resident Committee meetings at Contracting Entity;
• Provide documentation of supervisory activities in the medical records of patients treated by Residents and/or Fellows.

8. All Contractor Professionals shall render services to patients in a competent, professional and ethical manner in accordance with prevailing standards of medical practice and in material compliance with all applicable statutes, regulations, rules, orders, and directives of any and all applicable governmental, accrediting, and regulating bodies having competent jurisdiction.

9. Contractor Professionals shall fully comply with all rules and regulations of Contracting Entity as set forth in their bylaws, policies and procedures, and rules and regulations, the standards of The Joint Commission and the Ethical and Religious Directives for Catholic Health Care Services and Catholic Social Teachings, as amended.

10. Upon Contracting Entity's request, Contractor Professionals shall, as applicable, participate in Medicare, Medicaid, and other federal and state reimbursement programs, Blue Cross/Blue Shield, and the payment plans of any commercial insurer, health maintenance organization, preferred provider organization, accountable health plan, health network, physician hospital organization or other health benefit program or provider network which Contracting Entity may contract with or desire to contract with or affiliate. Contractor Professionals agree to use their best efforts to maintain and preserve any participation agreements.

11. Contractor Professionals, as applicable, shall participate in Emergency Department call schedule and accept patient referrals from the Contracting Entity's emergency department, as well as community physicians. Contractor Professionals shall not discriminate against any patient on the basis of payer classification, including but not limited to Medicare or Medicaid insurance or self-pay or medically indigent payers.

B. Master List:
The parties acknowledge that this Agreement and any other agreement between Contracting Entity and Contractor shall be listed on a master list maintained by Contracting Entity in accordance with the terms of 42 C.F.R. §411.357(d), which master list shall be made available to the Secretary of the Department of Human Services upon request.

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ATTACHMENT A: "SCOPE OF SERVICES"

C. Miscellaneous:

1. This Agreement shall be subject to the Cooperative Endeavor Agreement ("CEA") dated February 5, 2010 and the Master Affiliation Agreement ("MAA") dated February 2, 2010, both entered into between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Contracting Entity, as amended from time to time. If there is a conflict between any provisions of this Agreement and provisions of the CEA or MAA, the provisions of the CEA or MAA, as applicable, shall govern.

2. Contractor shall actively monitor the activities of all its Contractor Professionals in terms of the responsibilities to be fulfilled under this Agreement.

3. Contracting Entity's Chief Executive Officer and/or other authorized representative shall have the right to make a reasonable request for termination of the services of any individual Contractor Professional under the provisions set out in the MAA. Contractor shall have the right to investigate the issue and request additional relevant information from Contracting Entity and both parties agree to cooperate in good faith to reasonably address any such situation in a timely manner.

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ATTACHMENT B: "CONTRACTING ENTITY OBLIGATIONS AND RESPONSIBILITIES"

1. Contracting Entity shall furnish and maintain suitable work space, equipment, supplies, and support staff as may be required for the performance of Contractor Physician's duties. The work space is to be used by Contractor Physician only in connection with the Contractor Physician's performance of this Agreement. All non-physician personnel shall be mutually agreed upon for the proper performance of Contractor Physician duties and shall be employed by the Contracting Entity. Salaries, benefits, and personnel policies applicable to such persons employed by Contracting Entity shall be uniform with those of other Contracting Entity support staff in similar personnel classifications.

2. If at anytime during the term of this Agreement the Contractor through its Contractor Physician ceases to perform Contractor Physician's duties in accordance with this Agreement, then this Agreement shall immediately terminate and Contractor shall be entitled only to the compensation accrued, but unpaid as of the date of termination, and shall not be entitled to any additional compensation unless expressly agreed in writing.

3. In accordance with section 3.A.2. Billing, Contractor shall be responsible for contracting with, and billing and collecting amounts due from third party payment programs and patients fees related to professional services rendered by Contractor Providers under this Agreement. Contracting Entity shall take all actions necessary, appropriate and reasonably requested by Contractor to assist in collection of such fees for professional services rendered by Contractor pursuant to this Agreement, including providing access to and/or signing any documents necessary and providing access to all surgery logs on a timely basis. The parties understand and agree that Contractor's collections may be billed and collected by one of Contractor's Business Associates, including but not limited to Acadiana Computer Services, L.L.C. ("ACS") and the Louisiana State University School of Medicine in New Orleans Faculty Group Practice, a Louisiana Non-Profit Corporation d/b/a The LSU Healthcare Network ("LSUHN"), hereinafter referred to as Business Associate(s). Contracting Entity agrees that the above access to documents and information shall also include any such Business Associate(s) of Contractor as necessary for the performance of and within the scope of duties provided to Contractor by the Business Associate.

The amount of Contractor's collections shall be determined based on the date such revenue is received by Contractor for purposes of this Agreement. Contractor agrees to make its best efforts to bill patients and/or third party payers within fourteen (14) days of rendering services to a patient. If Contractor fails to bill patients or third party payers within such fourteen (14) day period, the amount to which Contractor would be entitled to be reimbursed by the patient or such third party payer will be included in calculating Gross Collections for the month in which such services were rendered. Neither Contractor, Provider nor any Business Associate of Contractor as defined above shall do or omit anything with respect to billing or collections which may adversely affect Contracting Entity's provider status under any applicable Medicare or Medicaid law, rule or regulation.

For purposes of this Agreement, Net Collections shall mean Contractor's gross collections from patient and third party payments ("Gross Collections") minus XX percent (XX%) attributable to the cost of billing and collecting such Gross Collections ("Billing Fee"). Such Gross Collections shall also include the Medicaid Upper Payment Limit (hereinafter referred to as "UPL"). However, the amount of Gross Collections shall not include any incentive payments to Contractor Physicians paid as a part of the Medicare Electronic Health Record (EHR) Incentive Program (http://www.cms.gov/ehrincentiveprograms/). The amount of Net Collections shall be deducted from the compensation due to Contractor each month pursuant to Section 4. and 5. below.

The Parties acknowledge that full disclosure and report of all collections received during the effective term of the Agreement is necessary. In addition to monthly invoices prepared by Contractor in accordance with Section 6. below, Contractor also agrees to prepare a monthly written report ("Collection Report") not later than on the tenth (10th) day of each month following the month reported for the period for one hundred and twenty (120) days after the end of the term of this Agreement on June 30, 2013, or until the total monthly amount of Net Collections does not exceed five hundred dollars ($500.00), whichever occurs earlier. At such time, the Contractor shall notify Contracting Entity in accordance with Section 1 of this Agreement that the Contractor's obligation to report collections has been fulfilled and shall attach a final Collection Report showing uncollected charges and the amount of Net Collections received by the Contractor after the issuance of the last invoice for the services provided pursuant to this Agreement. Contractor shall remit such Net Collections amount to Contracting Entity no later than ten (10) days after the date of the final Collection Report. The provisions set forth herein shall survive expiration or other termination of this Agreement regardless of the cause of such termination.

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ATTACHMENT B: "CONTRACTING ENTITY OBLIGATIONS AND RESPONSIBILITIES"

4. For the services provided pursuant to this Agreement Contracting Entity shall compensate Contractor up to a maximum of XXX AND 00/100 DOLLARS ($XXX,XXX.00) over the two and half (2.5) month effective term of this Agreement to be paid in three (3) monthly installments of $XXX.00 for the fifteen (15) days in April, 2013 and two (2) equal installments of $XXX.00 for the months of May and June, 2013 in accordance with Exhibit A "Budget" attached hereto and incorporated herein by reference. The amount of Net Collections shall be deducted from such compensation due to Contractor each month as outlined in Section 3. above.

The Parties agree that if over the term of this Agreement Contractor and Contractor Professionals provide fewer than the estimated services, the maximum compensation amount shall be proportionately reduced in accordance with Section 5. below and Exhibit A. If at any time during the term of this Agreement the documentation of services provided pursuant to Section 3.B.2. of the Agreement shows the level of coverage below the average level required by this Agreement, the parties agree to investigate the reason for such lower than required coverage and notify each other of the outcome of the investigation.

If at any time during the term of this Agreement there is an increase in the level of coverage required, the parties shall negotiate in good faith and execute an amendment to this Agreement to allow payment to Contractor for the services provided as mutually agreed upon by the parties with an effective date of the start of such additional coverage.

The parties also understand and agree that should any Contractor Professional render services under this Agreement and also additional duties under a separate agreement with Contracting Entity, the combined compensation for said Contractor Professional's services (excluding any premium pay, additional compensation and/or on-call pay as applicable) shall not exceed the amount consistent with an average fair market value salary and fringe benefits for one full-time equivalent (1.00 FTE) as agreed upon by the parties. Should any additional duties and/or on-call services be provided, or any performance criteria or billing and collection thresholds met pursuant to any current executed agreement between Contractor and Contracting Entity, such additional compensation shall be in accordance with the terms of such said agreement.

5. For the total services to be provided pursuant to this Agreement, Contractor's and Contracting Entity's best estimate of the effort required to perform the duties set forth herein is a total of XXX.00 full-time equivalents (XXX.00 FTEs) over the two and half (2.5) month effective term of this Agreement. The parties' best estimate of fair market value of such services, negotiated at arm's length, is XXX AND 00/100 DOLLARS ($XXX,XXX.00). No later than fourteen (14) calendar days after the end of the term of the Agreement, notwithstanding any other provision of this Agreement, if over the term of this Agreement, Contractor provides fewer than the estimated FTEs, the parties agree that the maximum compensation amount shall be proportionately reduced in accordance with Exhibit A as stipulated above.

6. Payment shall be made not less than monthly upon execution of this Agreement, and all payments shall be sent within ten (10) days of receipt of an itemized invoice for services rendered. The check shall be made payable to LSU Health Sciences Center and said check, or an enclosure therewith, shall include the name(s) of Contractor Professional(s) for whose services are being compensated.

7. Invoices shall be sent to:
Our Lady of the Lake Hospital, Inc.
Attn.: Heather Landry
5228 Dijon Drive
Baton Rouge, LA 70808

8. Remit payment to:
LSUHSC Accounting Services
433 Bolivar Street
New Orleans, LA 70112

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ATTACHMENT B: "CONTRACTING ENTITY OBLIGATIONS AND RESPONSIBILITIES"

If necessary, insert additional text.

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EXCEPTIONS ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT

Pursuant to Sections 25 and 32 of that certain Professional Services Agreement by and between the **Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College**, on behalf of its LSU Health Sciences Center, LSU School of Medicine in New Orleans, and **OUR LADY OF THE LAKE HOSPITAL, INC. D/B/A OUR LADY OF THE LAKE REGIONAL MED. CTR.** , for the period of **April 15, 2013** through **June 30, 2013** , the following terms and conditions are revised to read as follows:

1. Delete Section 2. PROVISION OF PROFESSIONAL SERVICES, paragraph 2 as originally written.

2. Delete Section 3.A.1. Scheduling in its entirety.

3. Delete Section 4. REVIEWS AND APPEALS in its entirety.

4. Insert Item (8) in Section 28.C. Immediate Termination by Contracting Entity, which shall read as follows:

(8) the listing of Contractor or any Contractor Physician providing services hereunder on the Specially Designated National and Blocked Persons list by the Office of Foreign Assets Control.

5. Insert Item (3) in Section 28.D. Immediate Termination, which shall read as follows:

(3) the listing of Contracting Entity on the Specially Designated National and Blocked Persons list by the Office of Foreign Assets Control.

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EXCEPTIONS ADDENDUM TO THE PROFESSIONAL SERVICES AGREEMENT

If necessary, insert additional EA text.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

CONTRACTOR:

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

BY:_____ Date:_____
Larry H. Hollier, M.D.
Chancellor
Louisiana State University
Health Sciences Center – New Orleans

BY:_____ Date:_____
Steve Nelson, M.D.
Dean
LSU School of Medicine in New Orleans

BY:_____ Date:_____

Head, Department of LSU Health - Baton Rouge
LSU School of Medicine in New Orleans

CONTRACTING ENTITY:

OUR LADY OF THE LAKE HOSPITAL, INC. d/b/a OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER

BY: _____ Date:_____
K. Scott Wester
Chief Executive Officer

BY: _____ Date:_____

EXHIBIT 11.1-1
COST WORKSHEET

See attachment.

Our Lady of the Lake/Louisiana State University Collaborative
Exhibit 11.1 Cost Analysis Worksheet
CEA Payment Methodology-Amended March 2013 Lead Worksheet

		Period:	Medicaid Trad/Shared	Medicaid Mgd Care (Prepaid)	Uninsured	Total
	Program Costs: *					
1	Inpatient Acute	Wkst. D-1, Line 49 (hospital column)				$ -
2	Inpatient Psychiatric	Wkst. D-1, Line 49 (subprovider column)				$ -
3	Outpatient Cost Based	Worksheet D,Pt V, Line 202, Columns 5-7				$ -
	Outpatient Fee Schedule:					
4	Outpatient Surgery	covered program charges X CCR				$ -
5	Outpatient Lab	covered program charges X CCR				$ -
6	Outpatient Physical Therapy	covered program charges X CCR				$ -
7	Outpatient Clinic	covered program charges X CCR				$ -
8	**Program Costs (sum of 1-7)**		$ -	$ -	$ -	$ -
9	Less: self pay payments		XXXXXXXXXXX	XXXXXXXXXXX		$ -
10	Net Program Costs (8 less 9)		$ -	$ -	$ -	$ -
11	5% reduction in Medicaid costs per CEA		$ -	$ -	XXXXXXXXXXX	$ -
12	**Reimbursable Program Costs (10 less 11)**		$ -	$ -	$ -	$ -
	Net Costs to be reimbursed at 100% per CEA:					
13	Physician Shortfall	Tab A				$ -
14	Trauma Cost	Tab B				$ -
15	Interns & Residents Shortfall	Tab C				$ -
16	LSU Outpatient Professional and NRCC Shortfall &&, ACS Cost	Tab D				$ -
17	LSU Outpatient Cap Reduction or Shared Savings Addition &&	Tab E				$ -
18	**Additional Net Costs per Agreement (sum of 13-17)**					$ -
19	**Total Costs to Reimburse per CEA (12 + 18)**		$ -	$ -	$ -	$ -
	Less Payments:					
20	Claims					$ -
21	Outliers					$ -
22	supplemental/lump sum					$ -
23	**Total payments (Sum of 20-22)**		$ -	$ -	$ -	$ -
24	**Difference = Amount due OLOL/(State) (19 less 23)**		$ -	$ -	$ -	$ -

* Costs associated with the Trauma cost shortfall (line 14), and intern/resident cost shortfall (line 15) costs to be excluded from cost report. I&R cost offset computed on Tab C.

* Interest expense will be treated as an allowable cost in the filing of the Medicaid cost report and not offset with an A-8 adjustment related to interest income. The interest expense shall be limited to the amount attributable to a cap of $300 million of debt. The interest expense will be based on the average interest rate for all debt.

* All references to the annual cost report worksheets, schedules, and line items shall include their successor equivalent provisions.

&& LSU Outpatient Services refers to Medicaid and Uninsured cost and shortfalls for the following services:
North Baton Rouge Clinic, Mid-City Clinic, Leo Butler Clinic, Urgent Care Clinic, Medicine Clinic at MOB4, Surgical Clinic at Vista, Retail Pharmacy

CCR = Cost to Charges Ratio, NRCC = Non-reimbursable Cost Center

Our Lady of the Lake/Louisiana State University Collaborative
CEA Payment Methodology

Tab A

Physician Shortfall

1	**Physician costs (limited to Medicare Part B fee schedule in the aggregate) related to providing coverage for all Uninsured patients net of payments received from patient**	

OLOL to maintain a file of the following for audit purposes:

a) Listing of all payments made by OLOL to physicians for uninsured patients. Patient names and dates of services are to be identified.

b) Listing of procedures and Medicare Part B fee schedules related to above
c) Documentation of payments received from patients related to above

Includes Part B Services performed for all Hospital Departments with the exception of LSU Outpatient Services

Our Lady of the Lake/Louisiana State University Collaborative
CEA Payment Methodology Tab B

Trauma Shortfall [redacted]

Separately identified Trauma costs required to retain a Level 1 program will be reimbursed at 100% as referenced in the KaufmanHall collaborative report. It is anticipated we will need the following services to meet the Level 1 Trauma program require

24 hour / day Anesthesia Services

Supplemental Physician Specialty Coverage

Trauma Surgeons

Expand Outreach / COPE Activities

Related Research Program Costs

Other related Direct Costs

Net of Professional service payments for patient claims received for above listed staff

Our Lady of the Lake/Louisiana State University Collaborative
CEA Payment Methodology Tab C

I & R Shortfall Calculation:

1	**Total I & R Cost (LSU sponsored programs only):**		Wkst B pt I, Col 21&22		
2	**Ratio of FTEs in Excess of Cap**	Greater of (E pt A Line 10-Line 9) or (E-4 Line 6-5) If negative, enter 0 / Wkst. E-4 Line 6+Unwghted Dental		0.00%	
3	**Cost related to FTEs in Excess of Cap**	Line 1 x Line 2			$ -
4	**Total I&R Cost net of Cost in Excess of Cap**	Line 1 - Line 3			$ -
5	**Total Payments Received:**				
	Medicare IME Payment	WKst. E pt A Ln 29+ Wkst E-3ptII Ln 11+ Wkst E-3 pt III Ln 12 + Wkst L Ln 6			
	Medicare GME Payment	Wkst. E-4 Line 48			
				$ -	
6	**Net I & R Cost - $**	Line 4 - Line 5			$ -
7	**FTE Resident Ratio**				
	Base FTEs	* Base FTEs - adjusted annually - Complete Ln 10 below	-		
	/Total FTEs	Wkst. E-4 Line 6+Unwghted Dental			
				0.00%	
8	**Net I & R Cost related to Base**	Line 6 x Line 7			$ -

Option 12 included in filed cost report so that Base I&R cost flows through as an allowable cost

9	**Calculated Shortfall - $ (Paid at 100%)**	Line 6 - Line 8	$ -	Lead Form, line 15

* Base FTEs, which were transferred by MCLNO after Katrina as of FY 2013, are related to the following programs.

		FTE 2013 caps prior to 04/15/2013	Current FTE (Unweighted count)	Lower of 2013 or CY	
10	General Surgery				
	ENT				
	Vascular Surgery				
	Plastic Surgery				
	Emergency Medicine				
	Total	**0.00**	**0.00**	**0.00**	To Line 7

Base FTE's should be the lower of the current year FTEs or Base MCLANO Affiliated Cap FTE by specialty.

Our Lady of the Lake/Louisiana State University Collaborative
CEA Payment Methodology

I & R Shortfall Calculation:

Computation of Cost Report Offset for Excess I&R:

Total I &R (Ln 4 above)	$ -	
Ratio of Base FTEs/Total FTEs (Ln 7 above)	0.00%	100.00%
Cost related to Base FTEs	-	
Excess Cost to Exclude through Post Step Down Adjustment		-

CC		Audited Cost Report			Calculated Post
LN	Cost Center	WKst. B part 1, Ln 21	WKst. B part 1, Ln 22	Total Ln 21+22	Step Down Adjustment
22	I&R Services-Salary & Fringes	-			
23	I&R Services-Other Prgm Costs		-	-	-
30	Adults & Peds			-	
50	Operating Rm			-	
91	ER			-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	

Check -

Our Lady of the Lake
LSU Outpatient Services Retail Pharmacy and Physician Shortfall, ACS Cost Tab D
Exhibit XXXXX

Retail Pharmacy:

1	Outpatient Retail Pharmacy	W/S B Part I Col 26, NRCC	
2	Less Collection	Provider G/L AR Reports	
3	Total Retail Short Fall		-

LSU Outpatient Services Physician Professional Cost && :

			Clinic	Urgent Care	Total	
4	Total Physician Professional Cost **	WS A-8-2, Clinics, Col 4			-	
5	Total Medicaid Professional Charges	Provider G/L AR Reports	-	-	-	
6	Total Uninsured Professional Charges	Provider G/L AR Reports	-	-	-	
7	Subtotal Medicaid and Uninsured Prof. Charges		-	-	-	
8	Total Professional Charges All Patients	Provider G/L AR Reports	-	-	-	
9	Medicaid and Uninsured Professional Fee Ratio	Line 7/Line 8	0.00%	0.00%		
10	Medicaid and Uninsured Professional Fee Cost	Line 4 x Line 9	-	-	-	
11	Less: Medicaid and Uninsured Collections	Provider G/L Collection Reports			-	
12	Medicaid and Uninsured Professional Fee Shortfall	Line 10 - Line 11	-	-	-	
13	Total Retail Pharmacy and Professional Fee Shortfall	Line 3 + Line 12			-	To Tab G
14	Accountable Care Services Agreement Cost	Provider G/L				Note 1
15	Undepreciated Leasehold Improvement Expense					Note 2
16	Total of Retail Pharmacy and Professional Fee Shortfall and ACS Agreement/Leasehold Expense	Line 13 + Line 14 + Line 15			-	To Lead Line 16

&& LSU Outpatient Services refers to Medcaid and Uninsured cost and shortfalls for the following services
North Baton Rouge Clinic, Mid-City Clinic, Leo Butler Clinic, Urgent Care Clinic, Medicine Clinic at MOB4, Surgical Clinic at Vista, Retail Pharmac

** Clinic cost to exclude cost of professional services for non-clinic patients (ex. Inpatients consults etc).

Note 1: ACS Agreement as reference in Schedule 11.1(a). ACS cost to be excluded from the Medicaid cost report as a Wkst A-8 adjustment

Note 2: Undepreciated Leasehold Improvements Expense as referenced in Schedule 11.1(a). In the period any LSU Lease Agreement terminates, any undepreciated expense for Leasehold Improvements with a Historical Asset Cost in excess of $200,000 is due on this line. OLOL is to maintain a depreciation schedule of these leasehold improvements purchased for use in the LSU Outpatient Services departments.

Our Lady of the Lake
LSU Clinic- Cap and Shared Savings Computation
Exhibit XXXXX

Tab E

	Annual Evaluation (Yes or No)	Note 1	No
1	LSU Clinic && Annual Operating Expense Target	Tab F	
2	Actual LSU Clinic Expense for CY	Tab G	$ -
3	(Over)/Under Target	Line 1 - Line 2	$ -
	Amount in Excess of Cap		
4	Amount in Excess of Cap	If Line 2 Exceeds Line 1, then Line 3 and Stop	$ - To Lead Line 17
	Shared Savings Computation		
5	Gross Savings Eligible to Share		$ -
6	Shared Savings at 50%		$ -
7	Shared Savings Payment Limit Percentage	FYE 06/30/2014=2.5%, Subsequent Yrs=5%	
8	Shared Savings Payment Limit	Line 1 x Line 7	$ -
9	Shared Savings Due OLOL	Lesser of Line 6 or Line 8	$ -
10	Shared Savings Due Provider		$ -
11	Enter Number of Visits for the Year		
12	If number of Visits is greater than 50,000 then enter Line 10; if not enter 0		$ - To Lead Line 17

&& LSU Clinic refers to Medcaid and Uninsured cost; and Prof/NCRR shortfalls for the following services:
North Baton Rouge Clinic, Mid-City Clinic, Leo Butler Clinic, Urgent Care Clinic, Medicine Clinic at MOB4, Surgical Clinic at Vista, Retail Pharmacy

Note 1: Cap Excess and Shared Savings effective with 1st full year cost reporting period (FYE 06/30/2014). Analysis to be completed at cost report reconciliation process after submission of the OLOL cost report. Amounts not to be included in quarterly supplemental payments to OLOL.

Our Lady of the Lake
LSU Clinic- Cap and Shared Savings Computation-Annual Target
Exhibit XXXXX

Tab F

					Annual Target
1	Base Annual Operating Expense Target-06/30/2014				$ 60,000,000
		Col. A CMS IPPS Final Rule-Rate of Ceiling Increase for Hospitals Excluded From IPPS	** Col. B Consumer Price Index-Medical Care	Average (Col A+Col B)/2	
2	Inflation Factor 06/30/15	0.0%	0.0%	0.0%	$ 60,000,000
3	Inflation Factor 06/30/16	0.0%	0.0%	0.0%	$ 60,000,000
4	Inflation Factor 06/30/17	0.0%	0.0%	0.0%	$ 60,000,000

** Use inflation factor for cost report period month end. Inflation factor calculation continues in future years not reflected on this schedule.

Our Lady of the Lake/Louisiana State University Collaborative
CEA Outpatient Clinc Payment Methodology
LSU Clinic Program Cost for Target Comparison

Tab G

			Medicaid	Medicaid Mgd Care (Prepaid)	Uninsured	Total	
	LSU Clinic Program Hospital Cost:						
1	Clinic Program Hospital Cost *	W/S D, Pt. V				-	
	LSU Urgent Care Program Hospital Cost:						
2	Urgent Care Program Hospital Cost *	W/S D, Pt. V				-	
3	Program Cost (sum of 1-2)		-	-	-	-	
4	5% reduction in Medicaid costs per CEA		-	-	XXXXXXXXXXX	-	
5	Reimbursable Hospital Costs		-	-	-	-	
	Professional and Non Reimbursable Retail Pharmacy Shortfall						
6	Total Professional and Non Reimbursable Retail Pharmacy	Tab D Line 13				-	
7	Total LSU Clinic and Department Cost					-	To Tab E Line 2

* Includes all hospital ancillary services performed on the same day with the LSU outpatient services, including cost related to services paid on a fee schedule on the interim. Cost will be calculated using the same methodogy currently used to calculate Medicaid NICU, transplant etc carveouts. (Hospital Clinic and Urgent Care charges x cost report cost to charges ratios to calculate cost.)