

EQUIPMENT LEASE

This Equipment Lease (the "Equipment Lease") is made and entered into effective the 1st day of October, 2018 by and among:

THE STATE OF LOUISIANA, THROUGH THE DIVISION OF ADMINISTRATION, herein represented and appearing through Jay Dardenne, 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, ("Lessor"); and

OCHSNER LSU HOSPITALS, L.L.C., a Louisiana limited liability company, represented herein by _____, its _____, duly authorized by virtue of a resolution adopted _____, with a mailing address of _____, (Federal I.D. No. XX-XXX _____) ("Lessee");

and provides as follows:

WITNESSETH

WHEREAS, Lessor is a division within the Office of the Governor, State of Louisiana, acting under the authority granted pursuant to La. R.S. 39:11 and other applicable laws; and,

WHEREAS, Lessor has legal custody of certain furniture, fixtures, equipment and other personal property located within the hospital facilities and associated outpatient clinics known as LSU Medical Center Shreveport in Shreveport, Louisiana (the "Shreveport Hospital") and E.A. Conway Medical Center in Monroe, Louisiana ("E.A. Conway Hospital") and together with the Shreveport Hospital, referred to herein as the "Hospitals"; and,

WHEREAS, Lessor has the right to lease and grant a right of use in the aforementioned furniture, fixtures, equipment and other personal property located within the Hospitals pursuant to a Right of Use Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"); and;

WHEREAS, Lessee is a single member limited liability company whose member is Ochsner LSU Health System of North Louisiana (“OLHS-NL”), a non-profit corporation organized and existing under the laws of the State of Louisiana including without limitation La. R.S. 12:201, et seq., who is committed to and whose principal purpose is to provide healthcare and hospital services to patients in the State of Louisiana, including to Louisiana’s indigent and medically underserved, and to serve as a site for graduate medical education for the training and further development of medical and clinical professionals in the State of Louisiana; and,

WHEREAS, Lessor and OLHS-NL are parties to a Cooperative Endeavor Agreement dated October 1, 2018 (as the same may be amended from time to time, the “CEA”), pursuant to which they will collaborate for Lessee to provide hospital services to patients and maintain nationally recognized graduate medical education programs; and,

WHEREAS, pursuant to the CEA, Lessor and Lessee have this same date entered into that certain Master Hospital Lease pursuant to which Lessee will lease the Hospitals (as defined and described more particularly in said Master Hospital Lease); and,

WHEREAS, Lessor desires to lease the aforementioned furniture, fixtures, equipment and other personal property to Lessee pursuant to this Equipment Lease; and

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

NOW, THEREFORE, in consideration of Lessor's obligation to lease the Leased Equipment (as defined below) to Lessee, Lessee's obligation to pay rent to Lessor for the Leased Equipment during the term of this Equipment Lease, and the mutual benefits accruing to the parties under this Equipment Lease, the CEA, and the other contemplated transactions, the parties do hereby enter into this Equipment Lease on the following terms and conditions:

I. LEASED EQUIPMENT; TERM

A. Leased Equipment. For the consideration and upon the terms and conditions hereinafter expressed, Lessor leases unto Lessee, here present and accepting the same, commencing on the Commencement Date (as defined below), for the Term (as defined below), unless otherwise terminated sooner in accordance with the terms and conditions set forth in this Equipment Lease or in the CEA, all of the furniture, fixtures, equipment and personal property of Lessor identified in Exhibit B-1 with respect to the Shreveport Hospital (the "Shreveport Leased Equipment"), as amended from time to time pursuant to this Equipment Lease, and in Exhibit B-2 with respect to E.A. Conway Hospital (the "Monroe Leased Equipment"), as amended from time to time pursuant to this Equipment Lease (collectively, the "Leased Equipment"). Lessee or Lessee's agent has had an opportunity to visually inspect the Leased Equipment and acknowledges that the Leased Equipment appears in good and acceptable condition as of the execution of this Lease.

B. Term. The term of this Equipment Lease shall begin on the Commencement Date, and, unless earlier terminated in accordance with Article VIII below, shall continue for an initial term of ten (10) years (the "Initial Term"), and shall automatically renew for two (2) successive five (5) year terms (each a "Renewal Term"), for a total term ("Term") of twenty (20) years, unless any

Party gives written notice of its intent not to renew the Equipment Lease for a Renewal Term (a “Non-Renewal Notice”) not less than six (6) months prior to the expiration of the Initial Term or the Renewal Term then in effect, as applicable. Notwithstanding anything in this Equipment Lease to the contrary, the parties acknowledge that any early termination or the normal expiration of the CEA or the Master Hospital Lease shall cause this Equipment Lease to simultaneously terminate; provided, however, any such termination of this Equipment Lease shall be subject to any applicable Wind Down Period (as defined and described in the CEA).

C. Commencement Date. For purposes of this Equipment Lease, the term “Commencement Date” shall mean 12:00 a.m. on [_____, __ 2018], unless otherwise mutually agreed upon by the parties in writing.

D. No Warranty. Lessee accepts the Leased Equipment in “as is, where is, with all faults” condition, without any representation or warranty, express or implied, in fact or in Law, oral or written, by Lessor. Lessee acknowledges it has had adequate opportunity to inspect the Leased Equipment prior to the Commencement Date.

II. LEASE PAYMENTS

A. Lease Payment. As of the Commencement Date, and subject to later adjustment as set forth in Paragraph II.B below, the annual lease payment for the Leased Equipment (the “Equipment Rent”) shall be \$6,405,311.97. If the Commencement Date is prior to [_____ 1, 2018], then the Equipment Rent shall accrue starting [_____, 2018]. The Equipment Rent shall be payable by Lessee to Lessor in two (2) equal installments, with the first installment being due and payable on January 1, and the second installment being due and payable on June 30. In the event this Equipment

Lease is terminated prior to its normal expiration, the Equipment Rent payment for that Equipment Lease year shall be prorated based on the actual number of days in that Equipment Lease year that this Equipment Lease is in effect.

B. Adjustments to Equipment Rent. Adjustments to the Equipment Rent shall be based on the Consumer Price Index — U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) published monthly in the “Monthly Labor Review” of the Bureau of Labor Statistics of the United States Department of Labor (the “Index”). Commencing with the first anniversary of the Commencement Date and annually on each anniversary of the Commencement Date thereafter, the Equipment Rent for the new Equipment Lease year shall be adjusted upward or downward by dividing the Index currently in effect as of such respective anniversary by the Index in effect as of the Commencement Date and multiplying the resulting quotient by the annual Equipment Rent payable under Paragraph II.A above; provided, however, that the Equipment Rent shall never be adjusted downward to an amount that is less than the initial Equipment Rent amount. If the Index is no longer available or is no longer published at a frequency needed to calculate said adjustment, then the parties shall use the current equivalent of the Index.

C. Triple Net Lease. This Equipment Lease is intended to be a triple net lease. Lessee agrees that the Rent provided for herein shall be an absolute net return to Lessor free and clear of any expenses, charges, insurance or taxes whatsoever of any kind, character or nature (except as otherwise, if any, provided herein); it being understood and agreed to by Lessee that Lessee shall bear responsibility during the Term for the payment of all costs and expenses associated with the management, operation, and maintenance of the Leased Equipment, including without limitation all costs and expenses described in Article III below. Except as may be expressly

provided otherwise in this Equipment Lease or the CEA, Lessor will not be required to make any payment on Lessee's behalf or for Lessee's benefit under this Equipment Lease, or assume any monetary obligation of Lessee under this Equipment Lease, or with respect to the Leased Equipment.

D. Off-Set of Rent for Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due Lessee as a result of any overpayment while another party was responsible for the Hospitals' Medicare and Medicaid Provider Numbers, Lessor will seek an immediate appropriation to reimburse Lessee, and Lessee will assign to Lessor any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, Lessee shall have an immediate right of set-off against Rent due under this Equipment Lease to compensate Lessee in an amount consistent with the amount withheld under the recoupment action; provided, however, that within thirty (30) days of receipt by Lessee of invoices, Lessee shall pay to Lessor any and all such invoices for amounts that Lessee receives as repayment of any sums which were withheld from reimbursement due Lessee to the extent so set off.

III. USE, MAINTENANCE, AND REPAIR

A. Permitted Use. The Leased Equipment shall be used, maintained, and stored by Lessee in a careful and proper manner and solely in support of the Public Purpose of the CEA and the operation of the Hospitals, medical business offices, medical staff offices, medical education staff offices, medical clinics, outpatient pharmacy operations, research and laboratory facilities, and any uses that are accessory to any of the foregoing (each of such uses, individually or collectively, a

“Permitted Use”), and for no other purposes without the prior written consent of Lessor. Lessee will use the Leased Equipment in compliance with all federal, state, local and parish rules, laws, ordinances, and governmental regulations, orders, codes and decrees (individually or collectively, the “Law”) and in accordance with the provisions of the CEA and all manufacturer or vendor guidelines and specifications. Except as may otherwise be expressly provided for in this Equipment Lease, Lessee has no right and shall not attempt to sell, exchange, transfer, alienate, and/or dispose of the Leased Equipment (including any interest therein) in any way. Lessee shall ensure that the Leased Equipment remains free and clear of encumbrances, other than any encumbrances attributable to Lessor as of the Commencement Date, unless approved in advance and in writing by Lessor.

B. Relocation of Leased Equipment. Lessee shall not move any Leased Equipment to another location without the express written consent of Lessor. In no event shall Lessee move Leased Equipment to any site other than the “Leased Premises” (as that term is defined in the Master Hospital Lease).

C. Maintenance and Repair. Lessee shall, during the Term, at its sole cost and expense, maintain the Leased Equipment in good working order and repair regardless of whether any maintenance and repairs are ordinary or extraordinary, routine or major, foreseeable or unforeseeable. All maintenance and repairs shall be sufficient to maintain the Leased Equipment in at least as good condition as existed at the Commencement Date, ordinary wear and tear excepted, and shall comply with all manufacturer or vendor guidelines and specifications. Any parts, accessories, hardware, or other items that are used to maintain and/or repair the Leased Equipment and that become a component part thereof as a result of such maintenance / repair shall be owned

by Lessor without any cost to Lessor and without any diminution in Equipment Rent to Lessee. If Lessee fails to commence any maintenance or repairs to Leased Equipment within thirty (30) days of receipt of Lessor's notice that such maintenance and/or repairs is necessary, Lessor may, but shall not be obligated to, perform or cause to be performed such maintenance or repairs at Lessee's expense, unless Lessee provides evidence in the form of a qualified technician's report or comparable report that the maintenance / repair is unnecessary. Lessee shall be required to pay any such amounts to Lessor within thirty (30) days of the date of a written demand therefor by the Lessor. The exercise of any rights under this Paragraph III.C by Lessor does and shall not be deemed to waive, reduce or remove any liability Lessee may have to Lessor for failing to perform its obligations under this Equipment Lease.

D. Lost, Stolen, and Destroyed Equipment. If any piece of Leased Equipment is lost, stolen, destroyed, confiscated or damaged beyond repair, Lessee shall promptly notify Lessor in writing of such event and shall, at its sole cost and expense, replace such piece with equipment of at least equivalent capability and of similar make, model, quality and function. The replacement equipment shall be owned by Lessor, shall be deemed to have been added to Exhibit B-1 or B-2 as appropriate, and shall be subject to all of the terms of this Equipment Lease. Lessee shall not be entitled to any diminution of Equipment Rent that is lost, stolen, destroyed, confiscated, or damaged beyond repair unless occurring as a result of Lessor's fault.

E. Return of Unneeded Equipment. Throughout the Term, Lessee may remove specific items of Leased Equipment from this Equipment Lease if Lessee determines in its sole discretion that it no longer needs said item(s) for the purposes set forth in the CEA. If Lessee makes such a determination, it shall so notify Lessor in writing and identify (by, at a minimum, description

sufficient to reasonably identify the item of equipment, inventory number, and location) the specific item(s) of Leased Equipment being removed from the Equipment Lease. Lessee shall take all steps necessary to decommission said item(s) and prepare them for removal from the Hospital, including without limitation removing and disposing of any hazardous substances and protected health information in accordance with law. Lessor shall take and remove such item(s) of Leased Equipment from the Hospital no later than one hundred eighty (180) days after receiving such notice or after Lessee has decommissioned such items, whichever comes last. Lessee shall not be entitled to any diminution of Equipment Rent as a result of returning unneeded Leased Equipment.

F. Insurance Proceeds. Lessee shall be entitled to receive all amounts which are payable by an insurer or other person as a result of an event described in III.D above, provided that Lessee shall apply such amounts against costs incurred in repairing or replacing the affected Leased Equipment.

G. Lessee Personal Property. Lessee may place its own equipment, fixtures, furnishings, movable machinery, inventory, and other property in the Hospitals as Lessee desires (collectively, the “Lessee Personal Property”), and the Lessee Personal Property shall be owned by Lessee and may be removed from the Hospitals by Lessee at any time; provided, however, that Lessee shall repair any damage to the Hospitals caused by such removal. The Lessee Personal Property shall not include the original equipment leased by Lessor to Lessee pursuant to this Equipment Lease or any replacements parts for such original equipment.

H. Compliance. With respect to the Leased Equipment, Lessee shall perform and comply with all of the procedures, processes, policies and protocols established for property control by the Louisiana Commissioner of Administration (the “Commissioner”) and the Louisiana Property

Assistance Agency (the “LPAA”), in the manner provided by the Commissioner and the LPAA, including but not limited to the following:

1. Lessee shall designate one of its officers or employees as property manager for the Leased Equipment and shall notify Lessor and the LPAA in writing of the designation. Lessee shall ensure that the property manager has the necessary time, supplies, support and assistance for performance of his/her duties hereunder.

2. Lessee and Lessee’s property manager shall maintain uniform State of Louisiana identification tags approved by the Commissioner on all items of Leased Equipment.

3. Lessee and Lessee’s property manager shall maintain the property location index for all Leased Equipment and shall submit to the LPAA an up-to-date index each time a permitted change or modification is made.

4. Lessee and Lessee’s property manager shall submit monthly Louisiana Property Control Transmittal Forms to the LPAA listing all Leased Equipment transactions for the month.

5. Lessee and Lessee’s property manager shall make a complete physical inventory of the Leased Equipment once for each fiscal year of the State of Louisiana and not more than twelve (12) calendar months since the last physical inventory, shall notify the LPAA in writing not later than thirty (30) days prior to the date the inventory is to begin and shall follow the inventory procedures prescribed by the Commissioner and the LPAA. Lessee and Lessee’s property manager shall submit an inventory report to the LPAA and the Legislative Auditor for the State of Louisiana (the “Legislative Auditor”) which contains a

list of all Leased Equipment in Lessee's custody, together with descriptive information as set forth in Paragraph III.H.6 below. Upon completion of each annual inventory, Lessee and Lessee's property manager shall submit to the LPAA and the Legislative Auditor a certified report containing all exceptions or discrepancies found in relating physical inventory records with the State master file listing. The annual report also shall include a listing of idle or surplus items of Leased Equipment available for transfer or disposition.

6. Lessee shall maintain a master file of the Leased Equipment. The master file shall contain the following information: (i) a description of the Leased Equipment; (ii) the manufacturer's serial number, if any; (iii) the description and location of the identification mark; (iv) the original cost of the Leased Equipment; and (v) the principal place where the Leased Equipment is housed, garaged, stored, or used.

7. Lessee and Lessee's property manager shall keep the Leased Equipment master file updated by submitting to the LPAA monthly all Leased Equipment transactions.

8. Lessee and Lessee's property manager shall make all Leased Equipment records and reports and the invoices, receipts and other supporting documents therefor in their possession available for examination by the LPAA and the Legislative Auditor, and by their representatives, at reasonable times and upon reasonable advance notice to Lessee.

9. Lessee's property manager shall file with the Commissioner a bond furnished by a bonding company approved by the Commissioner and paid for by Lessee in an amount to be determined by the Legislative Auditor payable to the State of Louisiana, which bond shall serve as a guarantee or indemnity that Lessee's property manager will faithfully perform his duties.

10. Whenever Lessee's property manager ceases for any reason to be the property manager for the Leased Equipment, Lessee shall immediately notify the LPAA and Lessor in writing. The Leased Equipment and the receipts held by the outgoing property manager shall be transferred to the new property manager, who shall execute his written receipt for all Leased Equipment received by him or coming into his custody, and the new property manager shall be the custodian of all of the Leased Equipment.

11. Whenever Lessee's property manager has knowledge or reason to believe that any Leased Equipment is lost, stolen or otherwise unaccounted for or is damaged or destroyed, Lessee's property manager shall report such knowledge or reason to Lessee, and Lessee shall immediately notify the LPAA.

12. Lessee and Lessee's property manager shall maintain for three (3) years all inventories, forms, transmittals, letters of certification / acceptance / rejection, sequentially dated copies of all Leased Equipment transaction listings, sequential BF-11s submitted and responses received, and other records and documents regarding the Leased Equipment created after the Commencement Date.

IV. ASSIGNMENT; SUBLEASE

A. No Assignment. Lessee may not, without the prior written consent of Lessor, assign or otherwise encumber in whole or in part this Equipment Lease or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, assign its interest under this Equipment Lease to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability

company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the assignee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

B. No Subletting. Lessee may not, without the prior written consent of Lessor, sublet in whole or in part the Leased Equipment or any interest therein; provided, however, that Lessee may, with prior written notice to Lessor but without the consent of Lessor, sublease Leased Equipment to an entity that is wholly owned or controlled by or under common control with Lessee and that is either a nonprofit corporation, limited liability company that is tax exempt or treated as a disregarded entity for federal tax purposes, or other legal entity that is a nonprofit, tax exempt, or treated as a disregarded entity for federal tax purposes, provided that the sublessee shall expressly assume in writing and agree to be bound by all of Lessee's obligations hereunder in a form and substance approved by Lessor.

C. Lessee Remains Liable. In no event shall any assignment, sublease, or similar act by Lessee with respect to this Equipment Lease and the Leased Equipment, if permitted, release Lessee from any obligations under this Equipment Lease, unless such release shall be evidenced by Lessor's express written agreement at the time of such assignment or sublease, which agreement may be granted or withheld in Lessor's sole discretion. Lessee shall not permit any act or omission with respect to the Leased Equipment that would adversely affect Lessor's title and rights thereto.

V. INSURANCE

A. Lessee Responsibility for Insurance Coverage. Throughout the Term of this Equipment

Lease, Lessee shall at all times maintain or cause to be maintained, with respect to the Leased Equipment, the following insurance (or, in each case and with Lessor's advance written approval, commercially reasonable programs of self-insurance coupled with commercially reasonable excess insurance):

1. Property insurance against loss and/or damage to the Leased Equipment, including but not limited to 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, from time to time are insured for property of similar character and location, which insurance shall be in an amount not less than the actual cash value (full replacement cost less depreciation) of the Leased Equipment.

2. A policy of commercial general liability insurance against liability for personal injury (including bodily injury and death) and property damage caused by, attributed to, or incurred in connection in any manner with the lease, use, operation, management, maintenance, replacement or repair of the Leased Equipment, and for injuries to persons and/or property occurring in our about the Leased Equipment, of not less than \$5,000,000 combined single limit per occurrence. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and contractual liability covering Lessee's indemnification obligations under this Lease.

B. Additional Requirements.

1. All insurance required by Paragraph V.A above and all renewals of such insurance shall be issued by companies authorized to transact business in the State of Louisiana and rated at least A- Class VII by Best's Insurance Reports or as may otherwise be approved 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.

2. All policies of liability insurance Lessee maintains according to this Equipment Lease will name Lessor and LSU and all of their board members, officers, administrators, employees and agents, and such other persons or firms as Lessor reasonably specifies from time to time as additional insureds (collectively, the "Lessor Insured Parties"), and Lessor shall also be named as a loss payee on any property damage insurance. In the event that Lessor approves Lessee's use of a commercially reasonable program of self-insurance, Lessee shall extend the coverage afforded thereby and all protections and benefits associated therewith to the Lessor Insured Parties as fully as though the Lessor Insured Parties were named as additional insureds and loss payees, as applicable, on a policy of commercial insurance.

3. Lessee shall deliver to Lessor upon the Commencement Date certificates of insurance and declaration pages for each policy required by this Equipment Lease. Upon request by Lessor, Lessee shall promptly provide copies of original policies and all endorsements thereto.

4. 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 Lessor Insured Parties.

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

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

7. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the Lessor Insured Parties.

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

9. Any deductibles or self-insured retentions must be approved in writing by Lessor. Lessee shall be responsible for deductibles and self-insured retentions.

10. Lessee shall not: (a) do anything or fail to do anything which would allow an insurer insuring the Leased Equipment to refuse or reduce a claim; (b) vary any required insurance in a manner that would adversely affect Lessor's interests without Lessor's prior written consent; or (c) enforce, conduct, settle or compromise a claim relating to the Leased Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed.

VI. INDEMNIFICATION

A. Lessee's Indemnification to Lessor.

1. Lessee shall indemnify, defend and hold harmless Lessor and LSU and all of their board members, administrators, officers, agents, employees, and contractors, 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 reasonable attorneys' fees and actual 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, but not limited, to bodily injury, including death, or property damage sustained by such person or persons, which arises out of, is occasioned by or is attributable to the acts, omissions, use, maintenance or storage of the Leased Equipment by Lessee or its officers, agents, employees, invitees, permittees, contractors or subcontractors at any time after the Commencement Date.

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

3. 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 Paragraph VI.A shall not extend to any loss, damages or other claims to the extent proven to have arisen out of the negligence or willful misconduct of any Lessor Indemnitees arising out of Lessor's performance of its obligations under this Equipment Lease.

B. Lessor's Indemnification. To the extent authorized by Law, Lessor will indemnify,

defend and hold harmless Lessee and its directors, officers, agents, employees and contractors, 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 reasonable attorneys' fees and actual legal costs) resulting from any injury, loss or damage to persons or property arising out of the negligent or willful misconduct of Lessor or the Lessor Indemnitees arising out of Lessor's performance of its obligations under this Equipment Lease.

VII. TAXES AND FEES

Lessee shall be responsible for and shall pay, and hereby indemnifies and holds Lessor harmless should Lessee fail to pay for, any and all taxes, fees, levies, imposts, duties, withholdings or other charges, including without limitation value-added taxes, *ad valorem* taxes, and any other fees, taxes or charges, if any (together with any related interest and penalties but excluding any taxes on the net income of Lessor), which may be payable or determined to be payable in connection with this Equipment Lease or the Leased Equipment.

VIII. EVENTS OF DEFAULT; REMEDIES

A. Lessee Events of Default. Each of the following shall be an Event of Default by Lessee (each, a "Lessee Event of Default") under the terms of this Equipment Lease:

1. failure by Lessee to make any Equipment Rent payment to Lessor on any date on which the same is due under this Equipment Lease, and this failure shall not be cured within seven (7) calendar days after the date of written notice to Lessee of such failure; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one

(1) such cure period under this Paragraph VIII.A.1 in any calendar year, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any calendar year;

2. failure by Lessee to obtain and maintain all insurance as required under this Equipment Lease and/or to furnish to Lessor evidence thereof and/or evidence of payment thereof, if the failure is not cured within seven (7) calendar days after the date of written notice to Lessee of such violation; provided, however, that notwithstanding the foregoing, Lessee shall only be entitled to one (1) such cure period under this Paragraph VIII.A.2 in any five-year period, and that a Lessee Event of Default shall have occurred immediately upon Lessee's second such failure and any subsequent such failures in any five-year period;

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

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

5. any failure by Lessee to comply with any of the obligations of this Equipment Lease (other than those failures described in Paragraphs VIII.A.1 - VIII.A.4

above), if such failure is not cured within fifteen (15) calendar days after the date of written notice to Lessee of such Equipment 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.

B. Lessor Events of Default. A default by Lessor (a “Lessor Event of Default”) will occur under this Equipment Lease if Lessor fails to perform any of its material obligations or covenants under this Equipment Lease, and such failure is not cured within fifteen (15) calendar days after Lessor’s receipt of written notice from Lessee of this failure; provided, however, that no Lessor Event of Default will occur if Lessor begins to cure the failure forming the basis of the Lessor Event of Default within fifteen (15) calendar days after its receipt of such notice and continues such cure with reasonable diligence for such period as is reasonably necessary, as agreed to by Lessee, to cure the failure.

C. Remedies.

1. In addition to any other remedies provided by Law and except as otherwise provided herein, following the occurrence of a Lessee Event of Default, Lessor may, but shall not be obligated to, terminate this Equipment Lease upon written notice to Lessee (a “Termination Notice”); provided, however, that any early termination of this Equipment Lease and surrender of the Leased Equipment by Lessee in connection therewith shall be subject to any wind-down provisions in the CEA.

2. At the normal expiration of the Term or on the earlier termination of this Equipment Lease for any reason (subject to any applicable wind-down provisions as set forth in Section VIII.C.1 above, Lessee shall deliver and return the Leased Equipment to Lessor,

including any spare parts and accessories associated with the Leased Equipment, and any and all associated documents, including without limitation manuals, maintenance records, associated software, software licenses, keys and certificates of registration and warranty, all of which shall be in good working order and condition, ordinary wear and tear excepted.

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

D. Termination of the CEA. The normal expiration of early termination of either the CEA for any reason shall result in the concurrent termination of this Equipment Lease subject to any applicable wind-down provisions in the CEA.

IX. NOTICES

Except as otherwise provided in this Equipment Lease, any notice, payment, demand, request, or communication required or permitted to be given by any provision of this Equipment Lease shall be in writing and shall be duly given by the applicable Party if personally or electronically delivered to the applicable Party, or if sent by overnight courier or by certified or registered mail, at its address set forth below:

If to Lessor:

Division of Administration

Attention: Commissioner

With a copy to:

If to Lessee:

With a copy to:

or to such other address as a Party may from time to time specify by written notice to the other Parties. Any such notice shall, for all purposes, be deemed to be given and received (a) if by hand or electronic delivery, when delivered, (b) if given by nationally recognized and reputable overnight delivery service, the business day on which the notice is actually received by the Party, or (c) if given by certified mail, return receipt requested, postage prepaid, three (3) business days after posted with the United States Postal Service.

X. MISCELLANEOUS

A. Lessor's Right to Inspect. Lessor reserves the right, but shall be under no obligation, to inspect the Leased Equipment at any time, as long as Lessor's inspection does not unreasonably interfere with Lessee's business operations or the provision of patient care at the Hospitals. Lessor shall attempt to provide Lessee with reasonable advance notice of its intent to inspect the Leased Equipment unless notice is impossible or impractical. Lessee shall have the right to have a representative accompany Lessor during such entry and inspection. In furtherance of any exercise by Lessor of its inspection rights under this Paragraph X.A, Lessee shall not deny Lessor access to any portion of the Leased Premises in which the Leased Equipment may be located.

B. 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.

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

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

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

F. Counterparts. This Equipment 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.

G. Entire Agreement. This Equipment 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 Equipment Lease or the CEA, have any binding effect. Any amendments to this Equipment Lease must be reduced to writing and signed by all of the parties hereto.

H. Choice of Law; Venue. This Equipment Lease shall be construed under and in accordance with the Laws of the State of Louisiana without regard to any choice or conflicts of law principles (including those of the State of Louisiana) that would cause the application of the laws of any other jurisdiction. The parties agree that the exclusive venues for any court proceeding arising under this Equipment Lease is the Nineteenth Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

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

J. Appropriation of Funds. All Lessor obligations under this Equipment Lease to make payments of any kind in any fiscal year shall be subject to appropriation by the Louisiana Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, all as determined by Lessor in its sole discretion.

[Separate Signature Page to Immediately Follow.]

IN WITNESS WHEREOF, the Parties have caused this Equipment Lease to be duly executed, as of the date first above written.

LESSOR:

**THE STATE OF LOUISIANA, THROUGH
THE DIVISION OF ADMINISTRATION**

By: _____
Name: Jay Dardenne

25

Title: Commissioner of Administration

LESSEE:

OCHSNER LSU HOSPITALS, L.L.C.

By: _____

Name: _____

Title: _____

Exhibit B-1

Shreveport Leased Equipment

Exhibit B-2

Monroe Leased Equipment