AGREEMENT OF SUBLEASE (Leo S. Butler Clinic)

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

This Agreement of Sublease ("Sublease") is entered into as of the 5⁻ day of April,

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 March 27, 2013, a copy of which is attached hereto, with a mailing address of 3810 West Lakeshore Drive, Louisiana State University, Baton Rouge, Louisiana 70808 (Federal I.D. No. XX-XXX0848) (hereinafter referred to as "LSU" or "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 (Federal I.D. No. XX-XXX3651) (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, (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 on a month-to-month basis (the "Interim Lease"), which Interim Lease is intended to be replaced by 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") substantially in the form attached hereto (the "Replacement Lease"). The term "Lease" as used in this Sublease shall mean the Interim Lease until such time as the Interim Lease is replaced by the Replacement Lease, whereupon the term "Lease" shall refer to the Replacement 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. <u>Sublease of Leased Premises</u>. SUBLESSOR hereby subleases to SUBLESSEE that certain property leased to LSU to house LSU Health medical clinics under the Lease at 950 E. Washington Street, Baton Rouge, Louisiana 70802 and located within the Leo S. Butler Community Center (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. <u>Term</u>. The term of this Sublease (the "Term") shall commence on April 15, 2013 (the "Effective Date") and shall be month-to-month while the Interim Lease is in effect. As of the effective date of the Replacement Lease, the term of this Sublease automatically shall be extended to be co-terminous with the term set forth in the Replacement Lease.

3. <u>Capitalized Terms</u>. All capitalized terms used herein and not otherwise defined herein shall have the same meaning as each such term has in the Lease.

4. <u>Rent</u>. The sublease rent shall initially be the sum of \$40,687.50 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 13 of this Sublease.

5. <u>Rights and Obligations of SUBLESSEE</u>. 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. <u>Right to Terminate</u>. 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. <u>Default by SUBLESSEE</u>.

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. <u>Governing Law.</u> This Sublease shall be construed and enforced in accordance with the laws of the State of Louisiana.

9. <u>Invalidity or Inapplicability of Clause</u>. 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. <u>Notices</u>. 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:

lf to Sublessor:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Attention: Executive Vice President for Health Care 3810 West Lakeshore Drive Baton Rouge, Louisiana 70808 Facsimile: (225) 578-5524 Email: fopelk@lsuhsc.edu
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) 766-5645 Email: scott.wester@ololrmc.com

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

11. <u>Attorney Fees</u>. 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. <u>Option to Extend.</u> 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 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. <u>Maintenance and Utilities</u>. Unless otherwise provided in the Lease, the Lessee pays for utilities and Lessee will perform maintenance for the Leased Premises.

15. <u>Insurance.</u> OLOL will furnish and provide any and all insurance required to be provided by LSU under the Lease and will name Lessor and LSU as additional insureds.

16. <u>Assignment and Sublease</u>. 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. <u>Prepayment</u>. OLOL is this date prepaying LSU the sum of \$40,687.50 as prepaid Sublease Base Rent, which sum will be credited pro rata to the last 12 monthly Sublease Base Rent payments.

18. <u>Entire Agreement</u>. 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. <u>Amendment</u>. 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] [Signature page for Agreement of Sublease (Leo S. Butler Clinic)]

IN WITNESS WHEREOF, the parties hereto have signed their names, as of the $\underline{5}^{\mathcal{H}}$ day of April, 2013, in the presence of the undersigned competent witnesses on the date set forth under their respective signatures:

WITNESSES:

Name Name 11))4 DAVIS

WITNESSES:

Martin Name

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

t By: William⁄L. lenkins, Interim President Date:

SUBLESSEE: OUR LADY OF THE LAKE HOSPITAL, INC.

Bv:

K. Scott Wester, President and Chief Executive Officer Date: 4/5//3