

LSU BOARD OF SUPERVISORS MEETING

*Brumfield Caffey Annex Ballroom
Louisiana State University of Alexandria
8100 Highway 71 S, Alexandria, LA 71302
Friday, January 10, 2020 | Time: 10:00 a.m. CT*

- I. Call to Order and Roll Call
- II. Invocation and Pledge of Allegiance
- III. Public Comment
- IV. Comments from Guests of the Chair
- V. Committee Meetings
 - A. Academic & Research Committee
 1. Request from LSU A&M for Continued Approval of the National Center for Advanced Manufacturing
 2. Request from LSU A&M to Establish a Graduate Certificate in Educational Technology
 3. Request from LSU A&M to Establish Three Stackable Graduate Certificates in Environmental Sciences
 4. Consent Agenda
 - a. Request from LSU Health Sciences Center – New Orleans to Establish the Isfana Ali, MD & Juzar Ali, MD Endowed Professorship
 - b. Request from LSU Health Sciences Center – New Orleans to Establish the Henry A. Gremillion, DDS Endowed Chair in Oral and Maxillofacial Pain
 - c. Request from LSU A&M to Establish the Ava & Cordell Haymon Chair in Music Therapy
 - d. Request from LSU A&M to Approve the Patsy H. Perritt Chair in Youth Services
 - e. Request from LSU Agricultural Center to Approve the Establishment of the American Sugar Cane League Chair in Sugarcane Production
 - f. Request from LSU A&M to Establish 11 Endowed Superior Graduate Student Scholarships and Augment One Endowed Superior Graduate Student Scholarship
 - g. Request from LSU A&M to Establish Two, Annual City Year Scholarships and to Provide a One-Time Tuition Waiver
 - B. Property & Facilities
 1. Request from LSU A&M to Authorize the President to Execute a Cooperative Endeavor Agreement with LSU Research Foundation regarding the Louisiana Emerging Technology Center, the Louisiana Digital Media Center and the Innovation Park
 2. Request from LSU AgCenter to Approve a Property Exchange with State Department of Corrections, Hunt Correction Facility at the Reproductive Biology Center Research Station, Iberville Parish, St. Gabriel, LA
 3. Request from LSU A&M to Enter into a Lease with Tiger Athletic Foundation for Construction of Improvements to Rooms 103 and 203 of the Gym Armory Building
 4. Request from LSU Health Sciences Center- New Orleans for Authorization to Enter into a Multi-Year Cooperative Endeavor and Lease Agreement with the LSU Health Foundation to Develop New Student Housing

5. Request from the LSU Health Foundation New Orleans to Authorize the President to Determine an Acceptable University Purpose for the Donation to the LSU Health Foundation New Orleans of Property within One-Half Mile of the Campus Boundaries
 6. Request from LSU Health Sciences Center- New Orleans to Authorize the President to Accept a Donation of Property by the LSU Health Foundation- New Orleans in Square 517, First District, New Orleans
 7. Request to Authorize the Executive Committee to Provisionally Approve Documents Related to Development of a Center of Excellence for Bariatric/Metabolic Surgery
 8. Request from the LSU Museum of Art to Sell Deaccessioned Museum Property Which is no Longer Consistent with the Museum Mission
- C. Athletics Committee
1. Request from LSU Shreveport to Approve Employment Contract with Bradley Neffendorf, Head Baseball Coach
- VI. Reconvene Board Meeting
- VII. Approval of Meeting Minutes
- A. Approval of the Minutes for the December 5, 2019 Meeting of the Board
- VIII. Personnel Actions Requiring Board Approval
- The Board may enter into Executive Session in accordance with the provisions of LA R.S. 42:17*
- IX. Reports from Council of Staff Advisors and Council of Faculty Advisors
- X. President's Report
 - XI. Reports to the Board
 - XII. Committee Reports
 - XIII. Chair's Report
 - XIV. Adjournment



Request from LSU A&M for Continued Approval of the National Center for Advanced Manufacturing

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph A of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- A. Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

2. Summary of Matter

LSU A&M requests continued approval of the National Center for Advanced Manufacturing (NCAM). The Board of Regents granted initial approval to the Center in 2001 when it was administered by the University of New Orleans. Since 2012, NCAM has been administered by LSU. LSU now seeks another five year approval from the Board of Regents.

NCAM is a state of the art research and production center focused on applying advanced manufacturing technologies to lightweight composite and metallic materials in support of the NASA space program and adjacent industries. The Center is located at the NASA Michoud Assembly Facility (MAF) in New Orleans and is currently home to the partnership between NASA, the State of Louisiana, Louisiana State University (LSU), and the University of New Orleans (UNO). NCAM education outreach programs and STEM initiatives are established resources in the region for helping to meet industry's current demand for skilled labor and energizing the workforce of tomorrow. The Center's capabilities in friction stir welding and automated composite fiber placement play an integral role in the development and verification of manufacturing processes and in the full scale production of the NASA Space Launch System core stage and the Orion crew and service module.

In August, 2012, with the conclusion of NASA's Space Shuttle External Tank Project at the Michoud Assembly Facility (MAF) in New Orleans, MAF needed to be transformed from a single project facility to a multi-tenant facility with a goal of increasing use of MAF by NASA, other government agencies, and commercial entities. As a result of this transformation, LSU was made managing partner of NCAM, charged with leading and managing NCAM activities and acting as administrator for the NASA funds to be shared and utilized by State-affiliated parties. The physical assets of NCAM were transferred to LSU, as were the employees of the Center. UNO remains a participating partner in NCAM with responsibility for education and outreach activities.

Activities and Accomplishments

The NCAM mission has three components: 1) Position NCAM as a service unit to NASA with the NASA mission being the first and primary priority; 2) Identify and nurture new research opportunities not previously available to the faculty at all institutions within Louisiana; and 3) Establish NCAM as a premier resource for regional STEM and education outreach initiatives.

Ongoing and proposed activities for the next five years include: production support for the Boeing Core Stage and Lockheed Martin Orion Crew Module; production support for the Sierra Nevada/Lockheed Martin Dream Chaser space vehicle; sponsor STEM outreach initiatives to local high school students concentrating on robotics and additive manufacturing technologies; the continuation of course offerings in additive manufacturing to LSU and UNO students; and the submission of two NSF grant proposals: Louisiana Materials Design Alliance and the Center for Innovations in Structural Integrity Assurance.

3. Review of Business Plan

The NCAM Administration includes the following members:

- NASA MAF Director, Robert Champion
- NASA MSFC Materials Lab Manager, John Vickers
- Dean of Engineering, LSU, Dr. Judy Wornat
- Vice President for Research & Economic Development, LSU, Dr. Sam Bentley
- President, University of New Orleans, Dr. John Nicklow
- Vice President for Research & Development, University of New Orleans, Dr. Matthew Tarr
- Secretary, Louisiana Economic Development, Don Pierson

The NCAM operating budget is funded by a federal grant. NASA, per the CEA, makes the NCAM equipment available to NASA projects, NASA contractors, and other tenants for a fee to recover costs for equipment maintenance and payments to LSU of no more than \$600K/year. The NCAM budget is primarily used to leverage additional external funding for research and education outreach activities. The goal is to bring to NCAM researchers from across the state and the nation to engage in advanced manufacturing research.

The NCAM budget does not account for any pending revenues. Should the NCAM seed funding result in a grant award, the entire grant funding remains with the Louisiana institution or collaborative team which submitted the winning proposal. However, all expenditures are covered by NASA annual payments and a carryover budget of \$1,800,000.

4. Review of Documents Related to Referenced Matter

A complete Board of Regents “Request for Continued Approval of Existing Center or Institute” and budget are on file with the LSU Office of Academic Affairs.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU A&M for continued, five year approval of the National Center for Advanced Manufacturing, subject to approval by the Louisiana Board of Regents.



Request from LSU A&M to Establish a Graduate Certificate in Educational Technology

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph I of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- I. Any new academic degree program

2. Summary of Matter

Description and Need

LSU A&M is requesting approval to establish a Graduate Certificate in Educational Technology. The proposed graduate certificate will prepare students to effectively design, develop, integrate, implement, and assess technology-based or technology-enabled learning and programs in educational settings. Students completing the program will understand the rationale for integrating technology in various educational settings; acquire knowledge, skills, and techniques for developing multimedia instructional units; and be able to use educational technology to deliver efficient, effective, and appealing instruction in the classroom or private sector. The certificate would be available to traditional and non-traditional students that desire further training in educational technologies to inform and augment their work in education settings, community agencies, and corporate venues.

There is currently no graduate certificate program in educational technology available in Louisiana, and there are limited certificate programs available online in the nation. While some online master's degree programs in educational technology exist in the state (such as Northwestern State University's M.Ed. program in Educational Technology Leadership), the proposed certificate program is not a direct competitor. A certificate program would be attractive to those looking for additional training, but who are not ready to commit to a master's program. However, courses completed for the graduate certificate will be applicable and transferable for use towards the School of Education's already established Master of Arts in Education.

According to the Bureau of Labor Statistics, information technology occupations are projected to grow 13% by 2026, and instructional coordinators are projected to experience a growth rate of 11% in the same period of time. This graduate certificate in Educational Technology will provide recipients with versatility in seeking employment and also help meet workforce demands in both education and corporate sectors. Furthermore, Educational Technology degrees conferred nationwide have increased by 9% from 2013-2017, indicating an increasing trend for employers demanding staff trained in educational technology.

Students

The School of Education already offers an online track in educational technology under the Master's program in Education, which is offered 100% online. The four courses that comprise the graduate certificate are part of this existing program, providing instruction in technology leadership in education, instructional design, design and development, and advanced strategies for online learning. The student population for this proposed graduate certificate program will be drawn from local education agencies, education agencies around the United States, various departments and professional programs from universities and colleges, and corporations or employers seeking professional development and certification for personnel responsible for conducting corporate training sessions. Students interested in the Graduate Certificate in Educational Technology would be those who desire further education and training in educational technology, but do not necessarily have the time or funding to commit to pursuing a Master's degree.

The Master of Arts in Education with a specialization in Educational Technology launched in fall 2019 with 20 students enrolled in the first online module. There is an expectation that this Graduate Certificate in Educational Technology would garner the interest of at least half that number. The School of Education has received inquiries about a certificate program from local employers who seek professional development for their corporate trainers and Human Resources personnel. Therefore, initial enrollment is projected at 10 increasing to 46 students within five years due to the emergent need of this discipline and to the online nature of the program.

3. Review of Business Plan

The program will be administered by the School of Education within the College of Human Sciences and Education. No additional faculty, facilities, equipment, or library resources are required. Certificate program needs can be met with existing faculty and resources. An online coordinator will oversee administration of the program and provide academic advising for students. Faculty from the School of Education will comprise an admissions committee and deliver curriculum and assessment. Courses offered for the M.A. in Education with a Specialization in Educational Technology have the capacity to expand to allow for the admission of students in the new certificate program.

4. Review of Documents Related to Referenced Matter

The following documents are on file with the LSU Office of Academic Affairs:

1. Board of Regents Certificate Proposal and budget forms

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish a Graduate Certificate in Educational Technology at LSU A&M, subject to approval by the Louisiana Board of Regents.



Request from LSU A&M to Establish Three Stackable Graduate Certificates in Environmental Sciences

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph I of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- I. Any new academic degree program

2. Summary of Matter

Description and Need

LSU A&M is requesting approval to establish three stackable graduate certificates offered by the College of the Coast & Environment. The proposed certificates will be stackable and fully transferable to the online Master's in Environmental Sciences, which has been offered since August 2019. Each of the certificates are comprised of 12 credit hours, which together tally 36 credit hours needed for the online, professional master's program. The three certificates are: Environmental Health Sciences, Environmental Modeling and Analysis, and Environmental and Energy Policy. Along with the stackable nature of the certificates, the concentrated coursework in core areas is beneficial to professionals and students who want to specialize in each area without having to fully devote time towards a master's program. The development of this 100% online and 100% transferable program is a direct result of communications with employers in the surrounding areas who are interested in professional development of their workforce. All courses required for these three certificates will be offered yearly both in the traditional classroom and online during each complete sequence of consecutive, eight-week online sessions.

There are currently no graduate certificate programs in environmental health sciences, environmental modeling and analysis, and environmental and energy policy available in Louisiana. The Certificate in Environmental Health Sciences will target professionals and students interested in understanding the relationship between the environment and human health. It will be directed to those planning careers in industrial environmental analyses, state and federal regulatory agencies, and/or public health. The Certificate in Environmental and Energy Policy is designed for students interested in local, state, national and international management of major environmental issues including air and water pollution, energy, and climate. It is targeted towards professionals and students planning in careers in government, regulatory affairs, consulting, and/or environmental law. The Certificate in Environmental Modeling and Analysis is designed to target professionals and students interested in advancing their knowledge and developing their skills in environmental modelling, with special emphasis on geographic information systems (GIS), water and soil contamination and related issues. LSU is surrounded by chemical industry, oil and gas industry, state and federal agencies, and

numerous environmental and engineering firms requiring such specialized knowledge and skills.

Students

Over the last few years, the Department of Environmental Sciences has had inquiries regarding selective courses and availability of graduate certificates in Environmental Policy, Toxicology, Energy, and Analyses. Through the development of the online availability of the necessary courses, these Graduate Certificates are anticipated to draw students from relevant and important professional communities in Louisiana as well as from diverse contexts elsewhere. Enrollment is expected to be 12 students for the first year and grow to 50 students within five years. This projection is based on Eduventures research indicating a high level of competitiveness for online programs in the field of Environmental Science. Eduventures uses proprietary market data and advisory services to support higher education clients strategic decision-making.

3. Review of Business Plan

The program will be administered by the Department of Environmental Sciences within the College of the Coast & Environment. No additional faculty, facilities, equipment, or library resources are required. Certificate program needs can be met with existing faculty and resources. Courses offered for the MS in Environmental Sciences have the capacity to expand to allow for the admission of students in these new certificate programs.

4. Review of Documents Related to Referenced Matter

The following documents are on file with the LSU Office of Academic Affairs:

1. Three Board of Regents Certificate Proposals and budget forms

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish the Graduate Certificate in Environmental Health Sciences, the Graduate Certificate in Environmental and Energy Policy, and the Graduate Certificate in Environmental Modeling and Analysis at LSU A&M, subject to approval by the Louisiana Board of Regents.



**Request from LSU Health Sciences Center – New Orleans to Establish
the Isfana Ali, MD & Juzar Ali, MD Endowed Professorship**

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of Matter

The Board of Regents Support Fund (BoRSF) for Endowed Professorships Program provides matching dollars to campuses to create endowed professorships that provide academic and mission enhancement of the respective campus, as well as contribute to the economic development of Louisiana. Non-State contributions combined with a BoRSF match produce permanent endowments. Significant donations have been made to the LSU Health Foundation, New Orleans to establish an Endowed Professorship that qualifies for BoRSF matching funds.

- a) Isfana Ali, MD & Juzar Ali, MD Endowed Professorship - \$80,000. This professorship will benefit the work of an LSU Health Sciences Center New Orleans faculty member with a commitment to support education, patient care, and research for respiratory disease.

3. Review of Documents Related to Referenced Matter

A memo from the campus head requesting the establishment of the endowed professorship is on file at the LSU Office of Academic Affairs, and the gift agreements are on file at the appropriate foundation.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU Health Sciences Center – New Orleans to establish the Isfana Ali, MD & Juzar Ali, MD Endowed Professorship.

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gifts and otherwise complete the establishment of the Isfana Ali, MD & Juzar Ali, MD Endowed Professorship.



**Request from LSU Health Sciences Center – New Orleans to Establish
the Henry A. Gremillion, DDS Endowed Chair in Oral and
Maxillofacial Pain**

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of Matter

The Board of Regents Support Fund (BoRSF) Endowed Chair Program matches non-State contributions of at least \$600,000 with \$400,000 from the BoRSF to create endowed chairs to support faculty.

Significant donations have been made to the LSU Health Foundation, New Orleans to establish an Endowed Chair that qualifies for BoRSF matching funds. LSU Health Sciences Center New Orleans requests approval to establish the following Endowed Chair, based on the donations listed:

- a) Henry A. Gremillion, DDS Chair in Oral and Maxillofacial Pain - \$600,000. This chair will benefit the work of an LSU Health, New Orleans School of Dentistry faculty member with a commitment to support education, patient care, and research for orofacial pain.

3. Review of Documents Related to Referenced Matter

A memo from the campus head requesting the establishment of the endowed chair is on file at the LSU Office of Academic Affairs, and the gift agreements are on file at the appropriate foundation

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU Health Sciences Center – New Orleans to establish the Henry A. Gremillion, DDS Chair in Oral and Maxillofacial Pain; and

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the Henry A. Gremillion, DDS Chair in Oral and Maxillofacial Pain.



Request from LSU A&M to Approve the Establishment of the Ava & Cordell Haymon Chair in Music Therapy

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of the Matter

The Louisiana Board of Regents approved Endowed Chairs Program matches non-State contributions of at least \$600,000 with \$400,000 increments from the Board of Regents Support Fund (BoRSF) to create endowed chairs to recruit outstanding faculty.

Significant donations have been made to the LSU Foundation to establish an endowed chair, which qualifies for BoRSF matching funds.

a) Ava and Cordell Haymon Chair in Music Therapy - \$1,200,000

The Ava and Cordell Haymon Chair in Music Therapy, to be established in the College of Music and Dramatic Arts, may be used for salary supplements and other support of the academic, scholarly and professional activities related to the Chair, including but not limited to instruction, research, travel, equipment, materials, faculty improvement, and graduate student support. The recipient of the Chair must have demonstrated excellence in the research areas of music education and therapy.

3. Review of Documents Related to Referenced Matter

A memo from the campus head requesting establishment of the Ava and Cordell Haymon Chair in Music Therapy is on file at the LSU Office of Academic Affairs, and the gift agreement is on file at the appropriate foundation.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU to establish the Ava and Cordell Haymon Chair in Music Therapy; and

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the Ava and Cordell Haymon Chair in Music Therapy.



Request from LSU A&M to Approve the Establishment of the Patsy H. Perritt Chair in Youth Services

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of the Matter

The Louisiana Board of Regents approved Endowed Chairs Program matches non-State contributions of at least \$600,000 with \$400,000 increments from the Board of Regents Support Fund (BoRSF) to create endowed chairs to recruit outstanding faculty.

Significant donations have been made to the LSU Foundation to establish an endowed chair, which qualifies for BoRSF matching funds.

a) Patsy H. Perritt Chair in Youth Services - \$600,000

The Patsy H. Perritt Chair in Youth Services will be established in the College of Human Sciences and Education, School of Library and Information Science and may be used for salary supplements and other support of the academic, scholarly and professional activities related to the Chair, including but not limited to instruction, research, travel, equipment, materials, faculty improvement, and graduate student support.

3. Review of Documents Related to Referenced Matter

A memo from the campus head requesting establishment of the Patsy H. Perritt Chair in Youth Services is on file at the LSU Office of Academic Affairs, and the gift agreement is on file at the appropriate foundation.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU to establish the Patsy H. Perritt Chair in Youth Services; and

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the Patsy H. Perritt Chair in Youth Services.



**Request from LSU Agricultural Center to Approve the
Establishment of the American Sugar Cane League Chair in
Sugarcane Production**

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of the Matter

The Louisiana Board of Regents approved Endowed Chairs Program matches non-State contributions of at least \$600,000 with \$400,000 increments from the Board of Regents Support Fund (BoRSF) to create endowed chairs to recruit outstanding faculty.

Significant donations have been made to the LSU Agricultural Center to establish an endowed chair, which qualifies for BoRSF matching funds.

- a) The American Sugar Cane League Chair in Sugarcane Production - \$600,000**
This chair, supporting agricultural research programs to develop new and/or improved technologies associated with sugarcane production, may be used for salary supplements and other support of the sugarcane research activities of the Chair position, including instruction and research, equipment, materials, faculty improvement, graduate student support and travel.

3. Review of Documents Related to Referenced Matter

A memo from the campus head requesting establishment of the American Sugar Cane League Chair in Sugarcane Production is on file at the LSU Office of Academic Affairs, and the gift agreement is on file at the appropriate foundation.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from the LSU Agricultural Center to establish the American Sugar Cane League Chair in Sugarcane Production; and

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the American Sugar Cane League Chair in Sugarcane Production.



Request from LSU A&M to Establish 11 Endowed Superior Graduate Student Scholarships and Augment One Endowed Superior Graduate Student Scholarship

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of Matter

The Board of Regents Support Fund (BoRSF) Endowed Superior Graduate Student Scholarships Subprogram matches non-State contributions of at least \$60,000 with \$40,000 from the BoRSF to create endowed scholarships to support graduate and first professional degree students as well as post-doctoral fellows. Income above corpus may be used to benefit the student recipient in the form of scholarships, fellowships, and experiential opportunities, including internships, externships, conference travel, and field work.

Significant donations have been made to the LSU Foundation to establish Endowed Superior Graduate Student Scholarships that qualify for BoRSF matching funds. LSU A&M is requesting approval to establish 11 and augment one Endowed Superior Graduate Student Scholarship based on the donations listed:

- a) Robert R. and Melissa B. Rabalais Energy Law Endowment Fund - \$360,000
The Board of Supervisors previously approved the establishment of the Robert R. and Melissa B. Rabalais Energy Law Endowment Fund based on donations totaling \$300,000. Formal establishment is now being sought for the augmented Robert R. and Melissa B. Rabalais Energy Law Endowment Fund based on additional donations of \$60,000, for combined total donations of \$360,000.
- b) Class of 1978 Scholarship - \$180,000
The Class of 1978 Scholarship shall benefit full-time students enrolled in the Law Center. Financial need may be a consideration.
- c) Jeff and Ashley Raborn Scholarship - \$60,000
The Jeff and Ashley Raborn Scholarship shall benefit full-time students enrolled in the Law Center, pursuing a Juris Doctor degree and in good academic standing as defined by the Law Center Dean, with preference given to residents of the parishes of Iberia, St. Helena, St.

Tammany or Tangipahoa. The recipient may be a current or entering full-time law student who demonstrates strong academic performance as determined by the Dean or Dean's designee. If the recipient is an entering student, the recipient must be among the top 50% of his/her admissions class.

- d) William and Karen Guenther Brack Superior Graduate Scholarship - \$60,000
The William and Karen Guenther Brack Superior Graduate Scholarship shall benefit full-time graduate students, not on disciplinary probation, enrolled in the College of Engineering and pursuing a degree in a field of study in the Division of Electrical and Computer Engineering ("DECE"). Financial need is not a consideration in selecting recipients.
- e) Carrigan Graduate Student Scholarship in History - \$900,000
The Carrigan Graduate Student Scholarship in History shall benefit full-time graduate students at LSU enrolled in the College of Humanities and Social Sciences and majoring in History, with a grade point average of 3.0 or higher. Preference shall be given to students studying American History. Financial need may be a consideration.
- f) Jake L. Netterville Superior Graduate Scholarship in Accounting - \$60,000
The Jake L. Netterville Superior Graduate Scholarship in Accounting shall benefit full-time graduate students enrolled in the E. J. Ourso College of Business, majoring in Accounting, who have and maintain a minimum cumulative grade point average of 3.0. Financial need may be a consideration in selecting recipients. It is the donor's preference that recipients intend to pursue a career in public accounting.
- g) Bev and Ray Mentzer Endowed Superior Graduate Student Scholarship - \$60,000
The Bev and Ray Mentzer Endowed Superior Graduate Student Scholarship in the College of Engineering, Cain Department of Chemical Engineering, shall benefit student recipients enrolled on a full-time basis, and post-doctoral recipients who are fully-employed and affiliated with LSU.
- h) Janice Silver Endowed Opera Scholarship - \$60,000
The Janice Silver Endowed Opera Scholarship shall benefit full-time students enrolled in the College of Music and Dramatic Arts, School of Music, majoring in voice, and participating in the opera productions.
- i) Edwards Superior Graduate Scholarship in French Studies #2 - \$60,000
The Edwards Superior Graduate Scholarship in French Studies #2 shall benefit full-time graduate students in the College of Humanities and Social Sciences, pursuing a degree in French Studies, with a minimum cumulative grade point average of 3.5. Financial need may be a consideration.
- j) Richard P. Sivicek Graduate Scholarship - \$60,000
The Richard P. Sivicek Graduate Scholarship shall benefit full-time graduate students enrolled in the College of Agriculture, majoring in a fisheries and aquaculture curriculum in the School of Renewable Resources ("School"), who exhibit academic excellence and financial need as determined by the School's Director, with preferential consideration to students pursuing a master's degree.
- k) Pendley-Baudin Family Scholarship - \$60,000
The Pendley-Baudin Family Scholarship shall benefit full-time students enrolled in the Law Center, with preferential consideration for students from the parishes of Pointe Coupee, West Baton Rouge and Iberville. Financial need may be a consideration in selecting recipients.

- l) Debra and James Anderson Superior Graduate Scholarship in Geology and Geophysics - \$60,000
The Debra and James Anderson Superior Graduate Scholarship in Geology and Geophysics shall benefit full-time graduate students enrolled in the College of Science and pursuing a degree in the Department of Geology and Geophysics.

3. Review of Documents Related to Referenced Matter

The donor agreements are on file at the LSU foundation.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to establish each of the following 11 endowed superior graduate student scholarships and augment the following one endowed superior graduate student scholarship at LSU; and

- a) Robert R. and Melissa B. Rabalais Energy Law Endowment Fund (augmented)
- b) Class of 1978 Scholarship
- c) Jeff and Ashley Raborn Scholarship
- d) William and Karen Guenther Brack Superior Graduate Scholarship
- e) Carrigan Graduate Student Scholarship in History
- f) Jake L. Netterville Superior Graduate Scholarship in Accounting
- g) Bev and Ray Mentzer Endowed Superior Graduate Student Scholarship
- h) Janice Silver Endowed Opera Scholarship
- i) Edwards Superior Graduate Scholarship in French Studies #2
- j) Richard P. Sivicek Graduate Scholarship
- k) Pendley-Baudin Family Scholarship
- l) Debra and James Anderson Superior Graduate Scholarship in Geology and Geophysics

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of each of the following 11 endowed superior graduate student scholarships and augment the following one endowed superior graduate student scholarship at LSU:

- a) Robert R. and Melissa B. Rabalais Energy Law Endowment Fund (augmented)
- b) Class of 1978 Scholarship
- c) Jeff and Ashley Raborn Scholarship
- d) William and Karen Guenther Brack Superior Graduate Scholarship
- e) Carrigan Graduate Student Scholarship in History
- f) Jake L. Netterville Superior Graduate Scholarship in Accounting
- g) Bev and Ray Mentzer Endowed Superior Graduate Student Scholarship
- h) Janice Silver Endowed Opera Scholarship
- i) Edwards Superior Graduate Scholarship in French Studies #2
- j) Richard P. Sivicek Graduate Scholarship
- k) Pendley-Baudin Family Scholarship
- l) Debra and James Anderson Superior Graduate Scholarship in Geology and Geophysics



Request from LSU to Establish Two, Annual City Year Scholarships and to Provide a One-Time Tuition Waiver

To: Members of the Board of Supervisors

Date: January 10, 2020

1. Significant Board Matter

Pursuant to Article VII, Section 1, Paragraph L of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

- L. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a Chancellor and which reasonably should be considered to require Board approval as generally defined above, or which the Board hereafter determines to require Board approval.

2. Summary of the Matter

LSU requests both the establishment of two City Year tuition waivers and a one-time tuition waiver for a graduate student in her final year of graduate school.

City Year is an education-focused nonprofit organization operating in more than 25 U.S. cities and is affiliated with AmeriCorps. City Year partners with public schools in high-need communities across the U.S., connecting AmeriCorps peer mentors with high school students to address and alleviate high drop-out rates.

The establishment of annual scholarships for City Year will show LSU's commitment to the Baton Rouge and surrounding area for students who wish to make an impact in high-need areas. However, these scholarships are only given to entering graduate students. Because of this caveat, LSU is also requesting a one-time tuition waiver for a graduate student in her final year of graduate study. She received a City Year scholarship when she entered graduate school; however, she utilized a graduate assistantship made available to her in first year of study. Upon improper advisement to forego the scholarship in pursuit of the assistantship and the student's wish to utilize the scholarship in her final year, this one-time waiver is needed to grant the student's request. This request is also backed by the Dean of the Graduate School and the leadership in the Office of Academic Affairs.

3. Review of Documents Related to Referenced Matter

A memo from the Dean of the Graduate School is on file at the LSU Office of Academic Affairs.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve both requests to establish two, annual City Year scholarships and a one-time tuition waiver.



Request from LSU A&M to Authorize the President to Execute a Cooperative Endeavor Agreement with LSU Research Foundation regarding the Louisiana Emerging Technology Center, the Louisiana Digital Media Center and the Innovation Park

To: Members of the Board of Supervisors

Date: January 10, 2020

This is a significant board matter pursuant to Article VII, Section 1 of the Board's Bylaws:

- C.3. The lease of any immovable property.
- E.1. Any contract or series of related contracts for the construction, renovation or other capital improvement of buildings or other immovable property of the Board where the construction cost is projected to be greater than \$1 million.
- H.2. Any contract or series of related contracts that is a Cooperative Endeavor Agreement for which approval by the Joint Legislative Committee on the Budget is required pursuant to applicable state law, including, but not limited to La. R.S. 39:366.11, and any joint ventures, partnerships, and similar agreements.

1. Summary of the Matter

Benefits to LSU

The proposed Cooperative Endeavor Agreement ("Agreement") will result in a number of tangible benefits to LSU including:

1. Net annual savings/cost avoidance to LSU of approximately \$300,000 compared with the direct and related costs LSU would incur if the University had full responsibility for the Louisiana Emerging Technology Center (LETC) and the Louisiana Digital Media Center (LDMF), not counting avoided deferred maintenance accrual of \$1.6 million annually for both facilities.
2. Facilitating more modern and attractive space for the planned LSU Online programmatic expansion, with the secondary benefit of freeing up needed swing space in Pleasant Hall for the College of Human Sciences and Education once the Huey P. Long Fieldhouse renovations commence.
3. Maintaining two key assets (i.e., LETC and LDMF) for LSU use thereby protecting LSU's long-term interests in those assets.
4. Providing a viable path forward to financial and operational sustainability for the LSU Research Foundation, which mitigates LSU's potential responsibility for outstanding Foundation liabilities.

History and Process

In August 2003, the Board and the LSU Research Foundation (successor to LSU Research and Technology Foundation) (the "LSURF") entered into a lease and agreement for the construction of the Louisiana Emerging Technologies Center (the "LETC") on the campus of Louisiana State University and Agricultural and Mechanical College ("LSU") at the northwest intersection of South Stadium and Parker Drives (the "Original Lease"), pursuant to which the LSURF constructed the LETC, which is a 60,000 square foot wet-lab incubator, with funds provided by the State of Louisiana to house new and emerging

companies dependent on university research and/or university technologies. Construction of the LETC, which is owned by the LSURF, was performed in phases, with Phase I completed in November 2005 and Phase IV completed in November 2009.

The foregoing agreement was amended and restated in May 2011 to provide for the lease and agreement for the construction of the Louisiana Digital Media Center (the "LDMF" and, together with the LETC, the "Facilities") adjacent to the LETC (the "Amended Lease") in order to further the goals of a July 2008 cooperative endeavor agreement between LSU, the State of Louisiana, the Louisiana Department of Economic Development and the City of Baton Rouge/Parish of East Baton Rouge (the "2008 CEA") for the stated purpose of promoting the development of the digital interactive media industry in the State and encouraging technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, including assistance from the State to the LDMF in the form of support payments (for the tenancy of Electronic Arts, Inc. ("EA")) averaging approximately \$465,000 annually, which 2008 CEA terminated in June 2018. Construction of the LDMF, which was initially owned by the LSURF and subsequently donated to LSU in September 2013, was completed in January 2013. EA moved into space in the LDMF in February 2013, which space it still currently occupies. Simultaneously with the donation of the LDMF to LSU, the LSURF assigned its lease to EA of space therein to LSU, and LSU and the LSURF entered into a cooperative endeavor agreement pursuant to which the LSURF operates and manages the Facilities (the "2013 CEA").

In July 2016, LSURF engaged TUFF LSU Management LLC, a subsidiary of The University Financing Foundation, Inc., to operate and manage the Facilities on its behalf, as well as to provide business and master planning services with respect to the Facilities and the LSU Innovation Park.

LSU and the Research Park Corporation ("RPC") jointly funded a study by Emergent Method, which culminated in the Baton Rouge Entrepreneurship Ecosystem Assessment dated March 2019 (the "Ecosystem Assessment"), reflecting a comprehensive assessment of possible synergies within the Baton Rouge area entrepreneurship ecosystem, with a specific focus on the highest and best use of resources and efforts involving the RPC, the LETC and LSU's Innovation Park.

On December 5, 2019, the LSU Board of Supervisors approved a five-year lease (with a five-year renewal option) of approximately 21,500 sf in the LETC to accommodate the expansion of LSU Online. LSU Online has outgrown its current location in Pleasant Hall and needs to relocate to accommodate its continued growth. Because of its close integration with other LSU academic resources, it is essential that LSU Online be housed on the LSU campus, preferably on the periphery of campus for ease of access by students. Moving LSU Online from its current location will also make more space available closer to the campus core for other academic uses, including providing "swing space" for academic units that will need to vacate the Huey P. Long Fieldhouse during its renovation.

In light of the foregoing, including the termination of the support payments from the State under the 2008 CEA and the Ecosystem Assessment, LSU believes that it is in its own best interest and in the best interests of the tenants of the Facilities to combine, modernize, streamline and amend and restate the obligations of LSU and the LSURF under the Amended Lease and the 2013 CEA, as well as include additional obligations relating to the Innovation Park in an effort to implement recommendations of the Ecosystem Assessment regarding the LETC and the Innovation Park, into one comprehensive Agreement, which provides for, among other things (i) the continuation of the existing ground lease to the LSURF of the portion of the LSU campus on which the LETC is located, (ii) the management and operation (including comprehensive leasing and tenant services) and maintenance and repair by the LSURF of the LETC and the LDMF, (iii) the lease by the LSU Board to LSURF of space in the LDMF occupied by EA and certain space not otherwise occupied by CCT or other LSU programs, with a simultaneous assignment to the LSURF of the lease with EA, (iv) the continuation of collaborative efforts to use and occupy the LETC and

LDMF to encourage new and emerging companies dependent upon university research and/or university technologies, to encourage technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, to attract faculty capable of obtaining research grant funding and to attract students in the disciplines of science, technology, engineering and math, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State, (v) development of an Operational Plan by the LSURF that ultimately enables the LSURF and its programs to become financially self-sustainable, (vi) development of an Operating Agreement which details the rights, responsibilities, allocation and other necessary provisions underlying the ongoing financial and operational relationship between LSU and the LSURF, including disposition of the LSURF's net revenues, and (vii) new collaboration as to LSU's Innovation Park regarding scientific investigation and startup business assistance through technology and business innovation to bring new technologies and products to market, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State. The proposed Agreement shall terminate on June 30, 2025, unless terminated earlier in accordance with the terms of the Agreement. The termination date may also be extended for successive five (5) year terms by written amendment, which must be signed by the LSU Board of Supervisors and the LSURF after obtaining any necessary approvals; however, in no event shall the term of the Agreement extend beyond August 21, 2053, inclusive of all extensions.

Pursuant to the Agreement, the LSURF will collect all rental and other revenues generated by the Facilities and will use those revenues, together with a monthly use support payment from LSU not to exceed \$50,000, to operate, manage, maintain and repair the Facilities, including the establishment of a maintenance reserve fund. LSU will be required to maintain property insurance on the Facilities under its master property insurance program and the Foundation will be required to procure all other required general commercial liability insurance coverages. LSU will, at its expense, provide all utilities necessary for the operation of the Facilities, which utilities will be metered and the costs of which will be accounted for by LSU as "in-kind" services provided by LSU to the Foundation in the annual accounting reconciliation prepared in accordance with the provisions of LSU's Uniform Affiliation Agreement with the LSURF and the requirements of La. R.S. 17:3390. Furthermore, at the request of the LSURF, LSU may, in the LSU Representative's sole discretion, provide other "in-kind" services in connection with the repair and maintenance of the Facilities, the costs of which will also be accounted for by LSU in the same manner as the utilities.

LSU has determined that it meets the legal requirements for a cooperative endeavor agreement in that (i) the obligations of LSU under the Agreement comport with its governmental purpose, (ii) the expenditures and transfers by LSU under the Agreement are not gratuitous in light of the reciprocal obligations of the Foundation thereunder and (iii) LSU will receive value under this Agreement at least equivalent in value to the expenditure or transfer of public assets by LSU under the Agreement. In addition to the quantifiable benefits LSU expects to enjoy, LSU and the Baton Rouge community and the State of Louisiana as a whole will also receive immeasurable value from building our technology and digital media resumes, providing educational and employment opportunities to Louisiana citizens, encouraging new and emerging companies dependent upon university research and/or university technologies, encouraging technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, attracting faculty capable of obtaining research grant funding and to attract students in the STEM disciplines, and promoting the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement, all of which facilitates economic development in the State. In connection with all of the foregoing, LSU will need to name and appoint the directors of the governing board of LSURF in accordance with LSURF's Articles of Incorporation.

2. Review of Business Plan

In light of various factors, including the Ecosystem Assessment, the termination of the support payments from the State under the 2008 CEA and ease of administration, the Cooperative Endeavor Agreement is being structured as an amendment and restatement of the existing Amended Lease and 2013 CEA to provide for better efficiencies in the management, operation, maintenance and repair of the Facilities, provide for additional capital improvements to the LETC, and more specifically detail the collaborative efforts for the use and occupancy of the Facilities, as well as add collaborative efforts for further development, use and occupancy of the Innovation Park.

The intent of the parties is that the LSURF and the Facilities will ultimately be self-sustaining, although it is expected to take a minimum of five years to achieve that goal. To facilitate that goal, the Agreement includes a provision requiring the LSURF to develop and submit an Operational Plan to LSU for approval on or before May 1, 2020 that details projected income and expenses of the LSURF from its operations that ultimately enable it to become financially self-sustainable and minimizes financial and in-kind support from LSU during the term of this Agreement. The Operational Plan will also include goals and associated performance metrics and milestones. Additionally, there will be a representative or designee of the LSU Board of Supervisors appointed to the LSURF Board of Directors to provide additional transparency and visibility into LSURF operations on an ongoing basis. Additionally, LSU and the LSURF will work collaboratively to develop an Operating Agreement that details the rights, responsibilities, and other necessary provisions underlying the ongoing financial and operational relationship between LSU and the LSURF going forward, including disposition of the LSURF's net revenues.

While the Agreement includes the provision of up to \$50,000 monthly for the operation, management, maintenance and repair of the Facilities and all utilities necessary to operate the Facilities, LSU projects that this revamped Agreement will result in quantifiable savings/cost avoidance to the University and increased lease-up/utilization of the Facilities in accordance with the stated purposes thereof and a corresponding increase of the revenues derived from the Facilities due the ability of the LSURF to more quickly identify and engage desired tenants and the necessary service providers and respond more efficiently, both financially and operationally, to tenant and Facilities issues, all of which will enable the LSURF to both (i) provide the services required by the Agreement, and (ii) pay down its existing accrued liabilities as identified in Exhibit D hereto.

3. Fiscal Impact

Under the 2013 CEA, LSU was obligated to provide to the LSURF up to \$750,000 annually (until the termination of the 2008 CEA, derived in part by LSU from the support payments by the State for the LDMF for the benefit of EA) for the operation, management, maintenance and repair of the Facilities in the event revenues derived by LSU and the LSURF from the Facilities were insufficient for such purposes. Under the new Agreement, the LSURF will collect all rentals and other revenue derived from Tenant Leases or otherwise from the use of the Facilities and use such revenues (projected to be \$1.3 million annually once the Facilities are fully leased at market rate), together with the up to \$50,000 monthly use support payment by LSU (a maximum of \$600,000 annually), for expenses related to the operation and management of the Facilities pursuant to an annual operating budget approved by the LSU Representative. After expenses, the LSURF is projected to generate approximately \$700,000 in net revenues on average over the next few years (see Exhibit E) which will be used initially to fund the Facilities' maintenance reserve account per the Agreement and pay down the outstanding liabilities identified in Exhibit D.

LSU is required to maintain property insurance coverage on the Facilities through its master property insurance program. LSU will also provide as "in-kind" services all utilities required to operate the Facilities, which will be considered part of the operational costs of the campus. LSU may, at its option, but is not

obligated to, provide other "in-kind" services in connection with maintenance and repair of the Facilities as requested by the LSURF. After accounting for the cost to LSU of the monthly use support payment and utilities expense associated with the Facilities, it is projected that LSU will recognize a net annual savings/cost avoidance of \$300,000 (not counting avoided deferred maintenance accrual of \$1.6 million annually) as compared with the direct and related costs LSU would incur if the University had full responsibility for the Facilities (see Exhibit F).

4. Review of Legal Documents

Legal documents have been drafted by LSU outside counsel Tracy Morganti of Breazeale, Sachse & Wilson, L.L.P., and reviewed by LSU Office of General Counsel and the LSU Executive Vice President for Finance and Administration and CFO.

5. Parties of Interest

The following parties have an interest in and/or are involved with this transaction.

LSU Research Foundation
LSU Board of Supervisors

6. Related Transactions

None

7. Conflicts of Interest

None.

ATTACHMENTS

- I. EXHIBIT A - Draft Cooperative Endeavor Agreement
- II. EXHIBIT B - Amended and Restated Agreement for Lease of Property for Construction of the Louisiana Emerging Technologies Center and the Louisiana Digital Media Facility entered into May 11, 2011 (but effective August 27, 2003) between the Board and the LSURF.*
- III. EXHIBIT C - Cooperative Endeavor Agreement dated as of September 27, 2013, and First Amendment to Cooperative Endeavor Agreement dated June 27, 2016, between the Board and the LSURF.*
- IV. EXHIBIT D - Outstanding Liabilities of LSURF in connection with the Facilities
- V. EXHIBIT E - Three-Year Pro Forma Summary of Revenues and Expenses
- VI. EXHIBIT F - Three-Year Net Operational Savings to LSU Associated with LSURF-Managed Facilities

* Note that items 8.B. and 8.C. will be amended and restated by the proposed new Cooperative Endeavor Agreement.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "LSU Board") does hereby authorize Thomas Galligan, Interim President of Louisiana State University, or his designee, acting on behalf and in the name of the LSU Board, and in consultation with general counsel, to execute and deliver a Cooperative Endeavor Agreement with the LSU Research Foundation (the "LSURF"), to provide for, among other things (i) the continuation of the existing ground lease to LSU Research Foundation (the "LSURF") of the portion of the campus of Louisiana State University and Agricultural and Mechanical College ("LSU") on which the Louisiana Emerging Technology Center (the "LETC"), which is owned by the LSURF, is located, (ii) the management (including comprehensive leasing and tenant services), operation, maintenance and repair by the LSURF of the LETC and the Louisiana Digital Media Facility (the "LDMF"), which is owned by the LSU Board, (iii) the lease by the LSU Board to LSURF of space in the LDMF occupied by EA and certain space not otherwise occupied by CCT or other LSU programs, with a simultaneous assignment to the LSURF of the lease with Electronic Arts, Inc. ("EA"), (iv) the continuation of collaborative efforts to use and occupy the LETC and LDMF to encourage new and emerging companies dependent upon university research and/or university technologies, to encourage technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, to attract faculty capable of obtaining research grant funding and to attract students in the disciplines of science, technology, engineering and math, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State, (v) development of an Operational Plan by the LSURF that ultimately enables the LSURF and its programs to become financially self-sustainable, (vi) development of an Operating Agreement which details the rights, responsibilities, and other necessary provisions underlying the ongoing financial and operational relationship between LSU and the LSURF, including disposition of the LSURF's net revenues, and (vii) collaboration as to LSU's Innovation Park regarding scientific investigation and startup business assistance through technology and business innovation to bring new technologies and products to market, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State, with such agreements, as well as any subsequent amendments thereto, to contain the terms and conditions that the President deems to be in the best interest of LSU;

BE IT FURTHER RESOLVED that the Board authorizes counsel to the Board to submit, on behalf of the Board, the Cooperative Endeavor Agreement for consideration by the Joint Legislative Committee on the Budget, in the event such submittal is so required; and

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby find an acceptable university purpose, pursuant to the terms of the Uniform Affiliation Agreement between the Board and the LSURF, to execute and deliver the Cooperative Endeavor Agreement, with the final terms and conditions of such Cooperative Endeavor Agreement subject to the approval of Thomas Galligan, Interim President of LSU, or his designee; and

BE IT FURTHER RESOLVED that prior to final agreement execution, Mr. Thomas Galligan, Interim President of Louisiana State University and Agricultural and Mechanical College, will notify the Board Chair, Chair-Elect, Immediate Past Chair, and the chair of the appropriate Board Committee of the final terms of the Cooperative Endeavor Agreement authorized by this Resolution; and

BE IT FURTHER RESOLVED that Ms. Mary Werner, Board Chair, acting on behalf and in the name of the LSU Board, shall name and appoint one (1) director of the LSURF Board pursuant to the Articles of Incorporation thereof.

COOPERATIVE ENDEAVOR AGREEMENT

by and between

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

and

LSU RESEARCH FOUNDATION

Originally Effective August 21, 2003

AMENDED AND RESTATED AS OF _____, 2020

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EXHIBIT A - DESCRIPTION OF THE LAND

EXHIBIT B - DESCRIPTION OF LDMF FOUNDATION LEASED SPACE AND LDMF LSU SPACE

EXHIBIT C - DESCRIPTION OF LETC SHELL SPACE IMPROVEMENTS

EXHIBIT D - COPY OF ANCHOR TENANT LEASE

EXHIBIT E - MEMORANDUM OF LEASE

COOPERATIVE ENDEAVOR AGREEMENT

THIS **COOPERATIVE ENDEAVOR AGREEMENT** (as amended, modified or supplemented from time to time, the "*Agreement*") is made and entered into as of _____, 2020 (the "*Delivery Date*"), but shall be effective the Effective Date (defined herein), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana ("*LSU*"), represented herein by Thomas Galligan, its duly authorized Interim President, and the LSU Research Foundation, a Louisiana nonprofit corporation (the "*Foundation*"), represented herein by Lee Griffin, its duly authorized Chair of the Board of Directors. Each of LSU and the Foundation are referred to, individually, as a "*Party*" and, collectively, as the "*Parties*").

RECITALS

WHEREAS, the Foundation is organized exclusively for charitable, educational and scientific purposes within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended, and is affiliated with LSU in accordance with La. R.S. 17:3390 with a principal purpose of supporting the programs, facilities and research and educational opportunities offered by Louisiana State University and Agricultural and Mechanical College (the "*University*"), including, without limitation, enhancing economic growth by encouraging, supporting, facilitating, fostering, marketing and/or managing (i) research emanating from the University, (ii) start-up research, life sciences and digital medical businesses emanating from the University, (iii) private life sciences and digital media companies and (iv) facilities housing and or supporting the businesses and companies identified in items (i), (ii) and (iii);

WHEREAS, La. Const. Art VII, §14(C) provides that, "[f]or a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;"

WHEREAS, furthermore, pursuant to La. R.S. 17:3361, *et seq.* (the "*University Leasing Act*"), LSU is authorized to lease to a nonprofit corporation, such as the Foundation, any portion of the grounds or campus of any college or university or other immovable property under its supervisions and management, under the conditions set forth therein;

WHEREAS, the University Leasing Act expressly authorizes a lease to provide for demolition, construction and renovations of buildings, other structures and improvements by a nonprofit corporation, such as the Foundation, on that portion of the grounds or campus of the University which is the subject of the lease;

WHEREAS, the University Leasing Act expressly authorizes, under certain circumstances, a university to lease back all or any portion of the buildings, other structures and improvements constructed by a nonprofit corporation on the leased property as more fully described therein;

WHEREAS, pursuant to the University Leasing Act, LSU and the Foundation (successor to Louisiana State University System Research and Technology Foundation) previously entered into that certain Amended and Restated Agreement and Lease of Property for Construction of the

Louisiana Emerging Technology Center and the Louisiana Digital Media Facility dated as of May 11, 2011, which amended and restated that certain Agreement and Lease of Property for Construction of the Louisiana Emerging Technologies Center dated effective August 21, 2003 (the "*Original Lease*"), which provided for the lease of a parcel of property on the University's main campus, as more particularly identified in the Original Lease (the "*Original Leased Land*"), and the construction of (i) an approximately 60,000 square foot wet-lab incubator building known as the Louisiana Emerging Technologies Center ("*LETC*") which is owned and operated by the Foundation in accordance with the Original Lease and was funded by the Louisiana Legislature through the Department of Economic Development to house new and emerging companies dependent on university research and/or university technologies and (ii) an approximately 100,855 square foot digital media building known as the Louisiana Digital Media Facility (together with the LETC, the "*Facilities*") to house the University's Center for Computation and Technology ("*CCT*") and the Anchor Tenant (defined herein);

WHEREAS, the State of Louisiana (the "*State*"), the Louisiana Department of Economic Development (the "*LED*"), the City of Baton Rouge/Parish of East Baton Rouge (the "*City-Parish*") and LSU entered into that certain Cooperative Endeavor Agreement, effective July 1, 2008 (the "*2008 CEA*"), for the stated purpose of promoting the development of the digital interactive media industry in the State and encouraging technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, including assistance by the State to the LDMF (for the benefit of the Anchor Tenant) of an average of \$465,000 annually, which 2008 CEA terminated as of June 30, 2018;

WHEREAS, construction of each of the LETC and the LDMF was fully completed and, subsequently, the Foundation donated the LDMF to LSU on September 17, 2013 (the "*Donation*");

WHEREAS, the Facilities serve as a critical catalyst in support of LSU's missions of research, technology transfer, and economic development;

WHEREAS, the Anchor Tenant occupies a portion of the LDMF (the "*Anchor Tenant Space*") as more particularly identified in that certain Lease Agreement dated effective as of February 1, 2013, between the Anchor Tenant and the Foundation, as amended by that certain First Amendment to Lease Agreement dated effective as of January 1, 2019, between LSU (as assignee of the Foundation) and the Anchor Tenant, and acknowledged by the Foundation (collectively, the "*Original Anchor Tenant Lease*");

WHEREAS, the Foundation operated and managed the LDMF (i) prior to the Donation, since the Anchor Tenant initially occupied the Anchor Tenant Space on February 1, 2013, pursuant to the Original Anchor Tenant Lease and (ii) subsequent to the Donation, pursuant to that certain Cooperative Endeavor Agreement dated as of September 17, 2013, as amended by the First Amendment to Cooperative Endeavor Agreement dated as of June 24, 2016 (collectively, the "*2013 CEA*"), each between LSU and the Foundation;

WHEREAS, in light of the foregoing, including the termination of support payments from the State under the 2008 CEA, the Parties believe it is in each of their best interests and the best interests of the Anchor Tenant and other tenants of the Facilities and the State and its citizens to combine, modernize, streamline and amend the obligations of LSU and the Foundation under the Original Lease and the 2013 CEA and to include certain additional obligations relating to LSU's

Innovation Park (located on LSU's South Campus) into this single, comprehensive Agreement pursuant to La. Const. Art VII, §14(C), the University Leasing Act, and other constitutional and statutory authority and, upon the Delivery Date, this Agreement shall amend and restate the Original Lease and the 2013 CEA in their entirety;

WHEREAS, pursuant to this Agreement, among other things, LSU will (i) continue to lease to the Foundation the portion of the Original Leased Land on which the LETC is located, as more particularly described in **Exhibit A** hereto (the "*Land*" and, together with the LETC, the "*LETC Property*" and, together with the LDMF, the "*Property*"), however the portion of the Original Leased Land on which the LDMF is located will no longer be leased by LSU to the Foundation, (ii) the Foundation will continue to have all responsibility to operate, manage and maintain the LETC Property, subject to the provisions of this Agreement, (iii) the Anchor Tenant Space and certain other space in the LDMF not occupied by the CCT or other LSU programs more particularly identified in **Exhibit B** hereto (collectively, the "*LDMF Foundation Leased Space*") will be leased by LSU to the Foundation (with a simultaneous assignment of the Original Anchor Tenant Lease by LSU to the Foundation and the execution and delivery of a Second Amendment to Lease Agreement dated of even date herewith (the "*Second Amendment to Anchor Tenant Lease*" and, together with the Original Anchor Tenant Lease and as amended, modified or supplemented from time to time, the "*Anchor Tenant Lease*") by and between the Foundation and the Anchor Tenant and acknowledged by LSU, (iv) the Foundation will sublease the Anchor Tenant Space to the Anchor Tenant pursuant to the Anchor Tenant Lease and the other LDMF Foundation Leased Space to other tenants pursuant to various sublease agreements, (v) the Foundation will have all responsibility for the leasing, management, operation, maintenance and repair of the LDMF Foundation Leased Space and provision of tenant services therein and for the management, operation, maintenance and repair of the space in the LDMF occupied by LSU (the "*LDMF LSU Space*"), subject to the provisions of this Agreement, (vi) the Foundation will perform or cause to be performed improvements to shell space on the first and third floors of the LETC for future tenants as more particularly described in **Exhibit C** hereto (the "*LETC Shell Space Improvements*"), (vii) the Foundation will continue to work collaboratively with LSU and the tenants and potential tenants of the Facilities to use and occupy the Facilities to encourage new and emerging companies dependent upon university research and/or university technologies, to encourage technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, to attract faculty capable of obtaining research grant funding and to attract students in the disciplines of science, technology, engineering and math ("*STEM*"), to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State and (viii) the Foundation will work collaboratively with LSU and the tenants and future tenants of LSU's Innovation Park regarding scientific investigation and startup business assistance through technology and business innovation to bring new technologies and products to market, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State; and

WHEREAS, LSU has determined that (i) the obligations of LSU under this Agreement comport with its governmental purpose, (ii) the expenditures and transfers by LSU hereunder are not gratuitous in light of the reciprocal obligations of the Foundation hereunder and (iii) LSU will receive value under this Agreement at least equivalent in value to the expenditure or transfer of public assets by LSU hereunder.

NOW THEREFORE, in consideration of the mutual covenants herein contained and the public purposes and benefits to be obtained hereby, the Parties agree as follows:

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ARTICLE I

AMENDMENT AND RESTATEMENT; COOPERATIVE ENDEAVOR AGREEMENT DECLARATIONS

Section 1.01. Amendment and Restatement. The Parties acknowledge and agree that this Agreement amends and restates in their entirety the Original Lease and the 2013 CEA. The Parties also acknowledge and agree that any future amendments, agreements, or related documents as contemplated by this Agreement or that are otherwise executed in compliance with this Agreement will remain in effect for the term of this Agreement.

Section 1.02. Declarations for Cooperative Endeavor Agreement. The obligations of LSU under this Agreement comport with its governmental purpose, (ii) the expenditures and transfers by LSU hereunder are not gratuitous in light of the reciprocal obligations of the Foundation hereunder and (iii) LSU will receive value under this Agreement at least equivalent in value to the expenditure or transfer of public assets by LSU hereunder.

Section 1.03. LSU Representative and Point of Contact. For purposes of this Agreement, the LSU Representative and point of contact is the Person(s) identified in the definition of "LSU Representative" in Article II hereof.

Section 1.04. Foundation Representative and Point of Contact. For purposes of this Agreement, the Foundation Representative and point of contact is the Person(s) identified in the definition of "Foundation Representative" in Article II hereof.

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ARTICLE II

DEFINITIONS

Section 2.01. Definitions. In addition to such other defined terms as may be set forth in this Agreement, the following terms shall have the following meanings:

"*Agent*" means any agent of the Foundation which performs obligations on behalf of the Foundation which obligations are required to be performed pursuant to this Agreement.

"*Agreement*" means this Cooperative Endeavor Agreement, as amended, modified or supplemented from time to time.

"*Anchor Tenant*" means a company which is preeminent in the digital media industry, capable of providing significant experienced advice and assistance to LSU's digital media programs and support to the development of the digital medical industry in the State. As of the Delivery Date, the Anchor Tenant is Electronic Arts Inc.

"*Anchor Tenant Lease*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Anchor Tenant Space*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Applicable Laws*" means any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, the Foundation or the Property or affecting LSU, the Foundation or the Property, including, without limitation, all applicable Environmental Laws, the Americans with Disabilities Act of 1990 and the Occupational Safety and Health Standards of the State and the United States, each as amended; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the Parties and/or third parties.

"*Associate Vice President*" means the Associate Vice President for Facility and Property Oversight of the University (or any successor officer or office) or his or her designee appointed in writing.

"*Budget*" shall have the meaning set forth in Section 7.04 hereof.

"*Budget Process*" shall mean the process for establishing the annual Budget for the operation, management, maintenance and repair of the Facilities set forth in Section 7.04 hereof.

"*Campus*" means the campus of the University, located in Baton Rouge, Louisiana, including, without limitation, the main Campus and the South Campus.

"*Collaborative Services*" means the services provided by the Foundation pursuant to Article VI hereof.

"*Delivery Date*" means the date of execution and delivery of this Amended and Restated Agreement by the Parties, _____, 2020.

"*Diverse Suppliers*" shall have the meaning assigned thereto in Article XVIII hereof.

"*Effective Date*" means the effective date of the Original Lease and this Agreement, June 21, 2003.

"*Emergency Repair Funds*" shall mean funds contributed by LSU to the Foundation pursuant to Section 7.03(b) hereof for the purpose of making Emergency Repairs.

"*Emergency Repairs*" shall have the meaning assigned thereto in Section 7.03(b) hereof.

"*Environmental Laws*" means all federal, State and local laws and ordinances and common law principles relating to the protection of the environment or the keeping, use, abatement, remediation, disposal, human health or natural resources or the generation, transportation, treatment, storage, disposal, recycling, keeping, use, or disposition of Hazardous Materials, substances, or wastes, presently in effect or adopted after the Effective Date, including, without limitation, all amendments to Environmental Laws and all rules and regulations under any Environmental Laws.

"*Executive Vice President*" means the Executive Vice President for Finance and Administration and CFO of LSU and shall include any permanent or interim officer or any successor office.

"*Facilities*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Facilities Account*" means the account established by the Foundation pursuant to Section 8.01 hereof.

"*Facilities Revenues*" shall have the meaning assigned thereto in Section 8.01 hereof.

"*Facilities Services*" shall have the meaning assigned thereto in Section 7.03 hereof.

"*Fiscal Year*" means (i) when used in reference to LSU, the twelve month period beginning on July 1 of any year and ending on June 30 the following year and (ii) when used in reference to the Foundation, the twelve month period beginning on January 1 and ending on December 31.

"*Force Majeure*" means any (a) act of God, lightning, hurricane, tornado, and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slowdown or work stoppage; or (c) any other similar cause or similar event beyond the reasonable control of the Foundation or LSU, as applicable.

"*Foundation*" means the LSU Research Foundation, a Louisiana nonprofit corporation, and its successors and assigns.

"*Foundation Representative*" means one or more of the persons designated and authorized in writing from time to time by the Foundation to represent the Foundation in exercising the

Foundation's rights and performing the Foundation's obligations under this Agreement; initially the Foundation Representative(s) shall be the Chair of the Foundation Board of Directors.

"*Governmental Authority*" means any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

"*Ground Lease*" means the lease of the Land by LSU to the Foundation pursuant to Section 3.01 of this Agreement.

"*Ground Rent*" means the amount of \$5,000.00 (\$100.00 per year for fifty (50) years) previously paid by the Foundation to LSU in one lump sum pursuant to the Original Lease.

"*Hazardous Materials*" means pollutants, contaminants, flammables, explosives, radioactive materials, hazardous wastes, substances, chemicals, or materials, toxic wastes, substances, chemicals or materials, or other similar substances, petroleum products, or derivatives, or any substance subject to regulation by or under Environmental Laws, including asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, polychlorinated biphenyls ("*PCBs*"), petroleum, petroleum byproducts (including but not limited to, crude oil, diesel, oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, infectious wastes, radioactive materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws.

"*Improvements Account*" shall have the meaning assigned thereto in Section 9.02(a) hereof.

"*Land*" shall have the meaning assigned thereto in the Recitals of this Facilities Lease and shall be as more particularly described in **Exhibit A** hereto.

"*LDMF*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*LDMF Foundation Leased Space*" shall have the meaning assigned thereto in the Recitals to this Agreement and shall be as more particularly described in **Exhibit B** hereto.

"*LDMF Foundation Leased Space Rent*" means the amount of \$1.00 paid by the Foundation to LSU on the date hereof.

"*LDMF LSU Space*" shall have the meaning assigned thereto in the Recitals to this Agreement and shall be as more particularly described in **Exhibit B** hereto.

"*Leasing Services*" shall have the meaning assigned thereto in Section 7.01(a) hereof.

"*Legislature*" shall have the meaning assigned thereto in Section 12.01(b) hereof.

"*LETC*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*LETC Property*" means, collectively, the Land and the LETC.

"*LETC Shell Space Improvements*" means the improvements to the first and third floors of the LETC as more particularly described in **Exhibit C** hereto.

"*Lien*" means any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage or otherwise.

"*LSU*" means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State, and its successors or assigns.

"*LSU Representative*" means one or more of the persons designated and authorized in writing from time to time by LSU to represent LSU in exercising LSU's rights and performing LSU's obligations under this Agreement; initially the LSU Representative(s) shall be the Associate Vice President.

"*Maintenance Reserve Account*" means the Maintenance Reserve Account established, funded and maintained by the Foundation pursuant to Section 8.02 hereof.

"*Maintenance Reserve Amount*" means \$5,000.00 or such other amount as shall be mutually agreed upon by the Foundation and LSU during the Budget Process.

"*Monthly Use Support Payment*" means a maximum of \$50,000.00 or lesser amount per month as shall be mutually agreed upon by the Foundation and LSU during the Budget Process.

"*Net Condemnation Proceeds*" means the proceeds received by the Foundation or LSU, as applicable, in the event of a Taking of all or a portion of the Property from the condemning Governmental Authority, less all reasonable and necessary costs and expenses issued in the connection with the settlement of the claims arising out of the Taking and the Award granted by the condemning Governmental Authority, including reasonable fees and expenses of counsel.

"*Net Insurance Proceeds*" means the proceeds received by the Foundation or LSU, as applicable, in the event of a casualty, damage or destruction to all or a portion of the Property under and pursuant to the insurance policies maintained by or on behalf of the Foundation with respect to the Property, less all reasonable and necessary costs and expenses insured in connection with the settlement of any insurance claim relative to such proceeds, and the deductible, including reasonable fees and expenses of counsel.

"*Operating Agreement*" means the agreement that LSU and the Foundation will collaboratively develop and execute prior to December 31, 2020 which details the rights, responsibilities, and other necessary provisions underlying the ongoing financial and operational relationship between LSU and the Foundation, including the required disposition of the Foundation's net revenues to LSU.

"*Operating Expenses*" means the current expenses of operation, maintenance and current repair of the Facilities, as calculated in accordance with generally accepted accounting principles,

and includes, without limiting the generality of the foregoing, insurance premiums, reasonable accounting and legal fees and other expenses, payments with respect to worker's compensation claims not otherwise covered by insurance, administrative expenses, the cost of materials and supplies used for current operations, and other taxes and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with sound accounting practice.

"*Original Anchor Tenant Lease*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Original Lease*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Original Leased Land*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Party(ies)*" means, individually, the Foundation or LSU, as applicable, and, collectively, the Foundation and LSU.

"*Person*" means an individual, a trust, an estate or a Governmental Authority, or a partnership, joint venture, corporation, limited liability company, firm or any other legal entity.

"*President*" means the President of LSU and shall include any permanent or interim officer or any successor office.

"*Property*" shall mean, collectively, the LETC, the LDMF and the Land.

"*Restoration*" shall have the meaning assigned thereto in Section 7.09(a) hereof.

"*Restoration Fund*" shall have the meaning assigned thereto in Section 7.09(a) hereof.

"*Second Amendment to Anchor Tenant Lease*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Services*" means, collectively, the Collaborative Services, the Leasing Services, the Tenant Services, the Facilities Services and all other obligations of the Foundation under this Agreement relating to the Facilities and the Innovation Park, other than the obligations contained in Article VIII hereof relating to the LETC Shell Space Improvements.

"*Shared Conference Space*" means the space in the LDMF Foundation Leased Space identified as Shared Conference Space in **Exhibit B** hereto.

"*STEM*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Taking*" means the actual or constructive condemnation, expropriation or the actual or constructive acquisition by condemnation, expropriation, eminent domain or similar proceeding

by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

"*Tenant Improvements*" means all improvements permanently affixed to the LETC or the LDMF Leased Space and made by or for a Tenant at any time during the Term.

"*Tenant*" means any tenant of the LETC or LDMF Foundation Leased Space approved in writing by the LSU Representative, including, without limitation, the Anchor Tenant.

"*Tenant Lease*" means any agreement for the use of space in the LETC or the LDMF Foundation Leased Space by a Tenant, including, without limitation, the Anchor Tenant Lease.

"*Tenant Services*" shall have the meaning set forth in Section 7.01(b) hereof.

"*Transfer*" shall have the meaning assigned thereto in Article XIII of this Agreement.

"*Uniform Affiliation Agreement*" means the Uniform Affiliation Agreement dated July 1, 2009, between LSU and the Foundation or any amendment, modification or supplement thereto or replacement thereof.

"*University*" means Louisiana State University and Agricultural and Mechanical College, the flagship institution of the State under the management and supervision of the Board.

"*University Leasing Act*" shall have the meaning assigned thereto in the Recitals to this Agreement.

"*Work*" shall have the meaning assigned thereto in Section 9.01 of this Agreement.

"*2013 CEA*" shall have the meaning assigned thereto in the Recitals to this Agreement.

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ARTICLE III

GROUND LEASE

Section 3.01 Lease of Land. LSU covenants that, for and in consideration of the Ground Rent and other good and valuable consideration, including, without limitation, the obligation of the Foundation to perform or cause to be performed the Services and the LETC Shell Space Improvements, and of the performance and observance by the Foundation of the covenants, obligations, conditions and stipulations herein expressed on the part of the Foundation to be performed and observed, the receipt and sufficiency of which is hereby acknowledged, LSU does hereby continue to lease unto the Foundation, and the Foundation does hereby continue to lease from LSU, the Land described in **Exhibit A** hereto for the remainder of the duration of the Term under the terms and conditions hereinafter set forth, together with the right of uninterrupted nonexclusive utilities, access, ingress, egress, parking (in accordance with LSU's parking policies as such may exist from time to time), and passage during the Term to and from all streets, roads, and parking areas now or hereafter adjoining the Land, including vehicular and pedestrian ingress and egress. The Foundation, by execution of this Agreement, accepts the leasehold estate in the Land herein demised. The Land is accepted by the Foundation in its present condition without warranty, and no repairs, replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the Land.

The Foundation agrees that it shall not, and it shall not permit any other person to, materially and adversely interfere with LSU's use of the Campus with respect to the Foundation's use of the Land.

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ARTICLE IV

LEASE OF LDMF LEASED SPACE

Section 4.01. Lease of LDMF Leased Space. LSU covenants that, for and in consideration of the LDMF Foundation Leased Space Rent and other good and valuable consideration, including, without limitation, the obligation of the Foundation to perform or cause to be performed the Services and the LETC Shell Space Improvements, and of the performance and observance by the Foundation of the covenants, obligations, conditions and stipulations herein expressed on the part of the Foundation to be performed and observed, the receipt and sufficiency of which is hereby acknowledged, LSU does hereby lease unto the Foundation, and the Foundation does hereby lease from LSU, the LDMF Foundation Leased Space described in **Exhibit B** hereto for the remainder of the duration of the Term under the terms and conditions hereinafter set forth, together with the right of access, ingress, egress, parking (in accordance with LSU's parking policies as such policies may exist from time to time), and passage during the Term to and from all streets, roads, and parking areas now or hereafter adjoining the LDMF, including vehicular and pedestrian ingress and egress. The Foundation, by execution of this Agreement, accepts the leasehold estate in the LDMF Foundation Leased Space herein demised. The LDMF Foundation Leased Space is accepted by the Foundation in its present condition without warranty, and no repairs, replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the LDMF Leased Space.

The Foundation agrees that it shall not, and it shall not permit any other person to, materially and adversely interfere with LSU's use of the Campus with respect to the Foundation's use of the LDMF Foundation Leased Space.

Section 4.02. Rights of Access. LSU shall grant to the Foundation, each Agent and each Tenant, as applicable, (i) a temporary right of passage and use over such other areas, including "lay down" and "staging" areas as may be reasonably required to build LETC Shell Space Improvements and Tenant Improvements; and (ii) a nonexclusive right of access over, across, and upon that portion of the Campus as is reasonably necessary to provide access to the LETC and the LDMC Foundation Leased Space to each Tenant and its guests. Each such right of access and right of passage and use described in clause (i) of the immediately preceding sentence shall terminate upon completion of the related Tenant Improvements.

Section 4.03. Future Availability of LDMF LSU Space. The Parties acknowledge that LSU may in the future determine that all or a portion of the LDMF which, as of the date of this Agreement, constitutes LDMF LSU Space would be better suited to serve Tenants. In such event, upon thirty days written notice to by the LSU Representative to the Foundation, such space shall be deemed to constitute LDMF Foundation Leased Space and shall be subject to the obligations of the Foundation with respect to LDMF Foundation Leased Space hereunder, including, without limitation, the provision of Services. The Parties shall substitute a new **Exhibit B** to this Agreement which properly reflects the new configuration of LDMF Foundation Leased Space by written acknowledgment by each of the Foundation Representative and the LSU Representative.

ARTICLE V

PURPOSE OF AGREEMENTS; USE OF LAND AND FACILITIES

Section 5.01. Purpose of Original Ground Lease. The Parties entered into the Original Ground Lease for the purpose of constructing, using and occupying the Facilities in accordance with the terms thereof. The Parties acknowledge and agree that the construction of the Facilities has been completed as contemplated by the Original Ground Lease.

Section 5.02. Purpose of 2013 CEA. The Parties entered into the 2013 CEA for the purpose of providing for the operation and management of the Facilities in accordance with the terms thereof.

Section 5.03. Purpose of this Agreement. The Parties entered into this Agreement for the purpose of combining, modernizing, amending and restating the Original Ground Lease and the 2013 CEA, and pursuant to this Agreement, among other things, (i) LSU will continue to lease to the Foundation the Land, (ii) the Foundation will continue to have all responsibility to operate, manage, maintain and repair the Facilities, subject to the provisions of this Agreement, (iii) the Anchor Tenant Space and the LDMF Foundation Leased Space will be leased by LSU to the Foundation (with a simultaneous assignment of the Original Anchor Tenant Lease by LSU to the Foundation and the execution and delivery of the Second Amendment to Anchor Tenant Lease, (iv) the Foundation will sublease the Anchor Tenant Space to the Anchor Tenant pursuant to the Anchor Tenant Lease and the other LDMF Foundation Leased Space to other tenants pursuant to various sublease agreements, (v) the Foundation will have all responsibility for the leasing, management, operation, maintenance and repair of the LDMF Foundation Leased Space and provision of tenant services therein and for the management, operation, maintenance and repair of the LDMF LSU Space, subject to the provisions of this Agreement, (vi) the Foundation will perform or cause to be performed the LETC Shell Space Improvements, (vii) the Foundation will continue to work collaboratively with LSU and the tenants and potential tenants of the Facilities to use and occupy the Facilities to encourage new and emerging companies dependent upon university research and/or university technologies, to encourage technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, to attract faculty capable of obtaining research grant funding and to attract students in the disciplines of STEM, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State, (viii) the Foundation will work collaboratively with LSU and the tenants and future tenants of LSU's Innovation Park to further develop the Innovation Park through scientific investigation and startup business assistance through technology and business innovation to bring new technologies and products to market, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State, and (ix) the Foundation will establish the Maintenance Reserve Account to fund major repairs of the Facilities. Except as otherwise provided herein or consented to in writing by the LSU Representative, the Land and the Facilities shall be used for no other purpose.

Section 5.04. Compliance with Statutory Requirements. The University Leasing Act prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Agreement, LSU represents that it has complied with applicable statutory requirements of such Title 17 including, without limitation, (a) the formulation and adoption of such rules, regulations and requirements as it deems necessary or desirable relative to the erection, construction and maintenance of the Facilities, which rules, regulations and requirements are incorporated in this Agreement as though fully set forth herein, as required by La. R.S. 17:3362A and (b) the waiver, by written consent, of its right to require removal of the LETC (i) in the event the Foundation fails, neglects or refused to comply with such rules, regulations or requirements as set forth in La. R.S. 17:3362B, except as otherwise set forth in this Agreement and (ii) upon failure of the Foundation to conform to rules or regulations relative to the conduct and social activities of people in the Facilities or on the Land as permitted by La. R.S. 17:3364, except as otherwise set forth in this Agreement; provided, however, that LSU reserves the right to enforce any and all other available remedies in the event of such failure, neglect or refusal.

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ARTICLE VI

COLLABORATIVE EFFORTS

Section 6.01. LETC and LDME. The Parties agree to continue, for the duration of the Term, to work collaboratively with the Tenants and potential tenants of the Facilities to use and occupy the Facilities to encourage new and emerging companies dependent upon LSU – generated research and/or technologies, to encourage technology transfer and research and development in the field of digital interactive media by providing for relevant curricula, workforce and facilities in support thereof, to attract faculty capable of obtaining research grant funding and to attract students in the disciplines of STEM, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State.

Section 6.02. Innovation Park. The Parties shall collaborate, for the duration of the term, with the tenants and future tenants of LSU's Innovation Park to further develop the Innovation Park through scientific investigation and startup business assistance via technology and business innovation to bring new technologies and products to market, to promote the engagement between LSU students and private sector business for research, assistantships, internships and talent acquisition/placement and to facilitate economic development in the State.

Section 6.03. Collaborative Services. The Collaborative Services to be provided by the Foundation hereunder shall include, without limitation, collaboration with LSU with regard to the following:

- (a) Development and execution of an Operating Agreement by December 31, 2020.
- (b) Organization of the tenant/occupant communities at the Facilities and the Innovation Park into an active social unit engaged around planned, produced, indigenous and spontaneous events of varying scale.
- (c) Integration of the tenant/occupant communities at the Facilities and the Innovation Park with the greater LSU, Baton Rouge and State innovation communities increasing the public profiles of the Facilities and the Innovation Park and enhancing their desirability as business locations.
- (d) Curation of relevant stakeholder interests and community calendar information in an accessible digital format.
- (e) With respect to the LETC and the Innovation Park, implementation, to the extent feasible and to the extent desired by LSU, of the recommendations set forth in the Baton Rouge Entrepreneurship Ecosystem Assessment dated March 2019 prepared by Emergent Method.
- (f) With respect to the Innovation Park,

(i) review and evaluate the current business plan and ascertain objectives thereof;

(ii) research and analyze the most efficient and effective ways of operation and maintenance;

(iii) ascertain the interests and wishes of prospective tenants as to services, amenities and pricing;

(iv) prepare various proposals for updating and refining the business plan;

(v) review and evaluate the current master plan and ascertain requirements and objectives, including the (A) desired design statement and image, (B) access, traffic circulation and parking issues, (C) feasibility analysis for different development densities based on market conditions and development costs and (D) based on the foregoing, establish development program parameters;

(vi) compile and review all existing information and source data (such as topographic, boundary and as-built surveys, soil reports and geotechnical studies, zoning and entitlement conditions and restrictions, environmental reports and assessments and easements and title work) or, in the absence thereof, obtain and prepare such information and source data;

(vii) prepare a planning phase budget;

(viii) prepare a comprehensive schedule setting forth time frames for various planning activities, including master planning, testing, conceptual cost modeling and/or permitting activities and approvals required for additional development;

(ix) evaluate proposals for updating and refining the master plan, which evaluation shall include the preparation of conceptual cost models and pro formas for both the horizontal and vertical elements of proposed master plan revisions to assess feasibility) and coordinate the preparation of any updates to the master plan resulting therefrom; and

(x) prepare various proposals for design of infrastructure and buildings.

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ARTICLE VII

FOUNDATION SERVICES

Section 7.01. Leasing of LETC and LDMF Foundation Leased Space; Tenant Services.

(a) The Foundation shall use, or cause an Agent to use, commercially reasonable efforts to lease the LETC and LDMF Foundation Leased Space to Tenants (the "*Leasing Services*"); provided, however, that each Tenant and the terms and provisions of each Lease shall be subject to the prior written approval of the LSU Representative. Leasing Services shall include, without limitation, the following:

(i) develop a set of leasing guidelines for use in connection with the leasing of space in the Facilities;

(ii) maintain current information through periodic surveys and research as to the pricing, products and practices of competitors of the Facilities;

(iii) establish plans, policies and strategies for attracting prospective Tenants;

(iv) maintain an ongoing program of promotion and advertising of the Facilities;

(v) aggressively pursue prospective Tenants; and

(vi) negotiating leases with prospective Tenants and renewals of leases with existing Tenants on such terms and conditions as are consistent with the leasing guidelines established pursuant to Section 7.01(a)(i).

(b) The Foundation shall, or shall cause an Agent to, furnish to the Tenants or other occupants of the Facilities such services as are customarily furnished to Tenants or otherwise rendered by landlords in connection with the rental of space in office and research facilities similar to the Facilities or as otherwise required to be furnished under any Tenant Lease (collectively, the "*Tenant Services*").

(c) Pursuant to the provisions of La. R.S. 17:3365, no leasing, subleasing or other occupancy or use rights shall be granted in connection with leases granted by LSU under the University Leasing Act without the consent and approval of LSU. Subject to the provisions of Section 7.01(a), LSU's approval at a regularly scheduled meeting of LSU of the form of this Agreement and the execution and delivery of hereof shall constitute the consent and approval required by La. R.S. 17:3365 of the leasing, subleasing and occupancy and other use rights currently granted or to be granted by the Foundation to the Tenants in accordance with this Agreement.

Section 7.02. Assignment of Anchor Tenant Lease. LSU shall assign its right, title and interest in and to the Anchor Tenant Lease to the Foundation and the Foundation and the Anchor Tenant shall execute and deliver the Second Amendment to Anchor Tenant Lease (acknowledged by LSU) on the Delivery Date.

Section 7.03. Facilities Management Services.

(a) The Foundation shall, or shall cause an Agent to, operate, manage, maintain and repair the Facilities (the "*Facilities Services*"). The Facilities Services shall include, without limitation, the following:

(i) obtain and keep in effect all approvals required by any Governmental Authority and perform such acts as shall be necessary to maintain compliance with Applicable Law as pertain to the Facilities;

(ii) collect rental payments as they come due and pursue aggressively and diligently the collection of overdue rental payments;

(iii) maintain complete financial records, schedules, systems and files as may be appropriate to safeguard, monitor and administer the Facilities;

(iv) provide business and master planning services, including, without limitation:

(A) perform periodic review and evaluation of the current business plan and objectives thereof;

(B) perform research and analysis regarding the most efficient and effective ways of managing, operating and maintaining and repairing the Facilities;

(C) ascertain the interests and wishes of prospective Tenants as to services, amenities and pricing; and

(D) prepare and submit to LSU for review and approval various proposals/recommendations for updating and refining the business plan and facilities for the Facilities;

(v) provide janitorial services, including, without limitation, emptying trash cans, vacuuming the carpet, and cleaning the kitchen, break rooms, restrooms and common areas on a daily basis (Saturdays, Sundays and holidays excepted), removing trash from the parking lot on a weekly basis, polishing all hard floors and tiled areas twice a month, and steam cleaning the carpet annually;

(vi) maintain in good repair, ordinary wear and tear excepted, (A) the roof, foundation, elevators, exterior walls, and exterior windows, (B) the electrical, heating, air conditioning, ventilation, lighting, plumbing and fire alarm systems,

utility lines, and sewer pipes forming a part of or serving the Facilities, and (C) the parking lot, entrances, exits, stairways, common areas, and exterior landscaping;

(vii) respond to Tenant maintenance requests, such as replacing light bulbs, cleaning windows, and making minor repairs, including repairs to the interior and/or demising walls, interior windows, and interior doors;

(viii) respond to Tenant issues as may otherwise be required by the individual Tenant Leases;

(ix) coordinate and schedule the use of the Shared Conference Space;

(x) maintain the insurance coverages required by Section 8.02 hereof and

(xi) perform all other services which may be required in connection with the Facilities, including, without limitation, major interior and exterior repairs.

(b) No unbudgeted expenditure in excess of \$2,500 per item shall be made for any purpose without prior written approval of the LSU Representative as set forth in Section 7.04 hereof. However, emergency repairs involving manifest danger to life or property or immediately necessary for the preservation or the safety of the Facilities or for the safety of the Tenants or required to avoid the suspension of any necessary service to the Facilities or required by any Governmental Authority ("*Emergency Repairs*") may be made by the Foundation without prior approval and regardless of the cost limitations imposed by this Section 7.03(b). However, the Foundation shall give immediate telephone or written notice to the LSU Representative of any such emergency repairs for which prior approval shall not be required; provided, however, in the event funds on deposit in the Facilities Account and the Maintenance Reserve Account are insufficient to pay for the required emergency repairs, the Foundation may provide a written request to the Executive Vice President and the LSU Representative for a contribution of Emergency Repair Funds necessary to pay or reimburse the Foundation for such Emergency Repairs (at the Foundation's cost without markup) and, with the prior written consent of the Executive Vice President, LSU shall pay such Emergency Repair Funds to the Foundation, which shall immediately apply such funds to the Emergency Repairs at issue. LSU shall, to the extent it is able, make a claim under the insurance coverage maintained pursuant to Section 10.01 hereof to reimburse itself for any such expenditures for Emergency Repairs.

(c) Should a Tenant request an alteration, physical addition, modification or improvement within the LDMF Foundation Leased Space, the Foundation shall authorize the requested alteration, physical addition, modification or improvement to be made by or on behalf of the Tenant, or make the requested alteration, physical addition, modification or improvement for the Tenant, only after (i) notifying the LSU Representative as to the identities of the source of funding for such work and the Person forming such work and (ii) obtaining the prior written consent of the LSU Representative.

(d) If, in the opinion of the Foundation, it is necessary to incur expense to provide Services hereunder as a result of the negligence or other fault of a Tenant or its

employees or invitees, the Foundation shall use commercially reasonable efforts to recover the amount of such expense from such Tenant.

Section 7.04. Annual Operating Budget. At least sixty (60) days prior to the beginning of each calendar year, the Foundation shall prepare and submit to the LSU Representative for approval an operating budget delineating the revenues the Foundation expects to derive from the Facilities and the expenses that the Foundation anticipates it will incur to perform its obligations under this Agreement for such year. In the event the LSU Representative, in his sole and unfettered discretion, disapproves of any proposed budget submitted by the Foundation, the LSU Representative shall give the Foundation written notice thereof, in which event the Foundation shall make all revisions thereto which the LSU Representative shall direct and resubmit the proposed budget to the LSU Representative for approval. In the absence of such written notice of disapproval within twenty (25) days after delivery of the proposed budget to the LSU Representative, the proposed budget shall be deemed to have been approved by the LSU Representative as of the first day of the first month of the applicable calendar year until the date, if any, that the LSU Representative delivers to the Foundation written notice of disapproval of the budget. Each approved budget (a "*Budget*") shall constitute the control instrument under which the Foundation shall operate for the calendar year covered thereby. Approval of the budget shall be deemed to be approval by the LSU Representative of all items specified therein. The Foundation shall not incur, or permit to be incurred, expenses in any approved Budget (excluding utility expenses, general real estate taxes, insurance premiums, financing costs and emergency expenses) in excess of the amount set forth in the Budget for any single expense classification (e.g., cleaning expenses, H.V.A.C. expenses, etc.).

Except as set forth herein and in section 7.03(b), there shall be no variance, which variance shall be the greater of ten (10%) percent or \$2,500.00, from any approved Budget, without the prior written consent of the LSU Representative. Within five (5) business days of receiving written notice of any expense requiring LSU approval as described in Section 7.03(b) or this Section 7.04, the LSU Representative shall provide the Foundation either (i) written approval of the expense or (ii) indicate in writing that it does not approve of the expense. Any such approval for a recurring expense of which the LSU Representative has been notified is so recurring need be obtained only at the time of the initial expenditure.

The Foundation reserves the right to modify and/or update, with the prior written consent of the LSU Representative, the Budget periodically throughout the year. During each annual Budget Process during the Term, the LSU Representative may amend the threshold amount of any individual expense for the provision of Services that requires approval by the LSU Representative as set forth in Section 7.03(b) or this Section 7.04.

Section 7.05. Operational Plan, Performance Metrics, and Reporting. The Foundation shall, on or before May 1, 2020, submit to the LSU Representative for approval the Foundation's Operational Plan including all sources of funding and short- and long-term and projected expenses in fulfillment of its mission, including goals with associated quantitative and qualitative performance metrics. The Operational Plan should also detail projected income and expenses of the Foundation from its operations that ultimately enable the Foundation to become financially self-sustainable and minimizes financial and in-kind support from LSU during the term of this Agreement.

Section 7.06. Periodic Accounting and Audits.

(a) The Foundation shall, within thirty (30) days of the end of the first three fiscal quarters of each Foundation Fiscal Year provide to the LSU Representative and Executive Vice President an accounting for such reporting period of all revenues received and expenses incurred by the Foundation in connection with performing its obligations hereunder for such reporting period and a comparison, on a year-to-date basis, of the budgeted amount with the actual expenditures.

(b) The Foundation shall, within fifteen (15) days of the end of each calendar month, provide to the LSU Representative an accounting of the debits and credits to the Facilities Account, the Maintenance Reserve Account and, if any, the Restoration Fund during such calendar month.

(c) The Foundation shall, at its own expense, employ an independent external auditor to audit the books, bank accounts, records and other accounts of the Foundation pertaining to its obligations under this Agreement at the end of each Foundation Fiscal Year during the Term to the extent necessary to verify compliance with this Agreement. The completed audit report shall be provided to the LSU Representative and Executive Vice President within ninety (90) days of the end of each Foundation Fiscal Year during the Term. LSU covenants with the Foundation to keep the results of any such audits confidential except as required by rules and regulations of LSU and by Applicable Law.

Section 7.07. Title to Improvements to LDMF. Any non-consumable movable or immovable property purchased by the Foundation for permanent use in or incorporation into the LDMF shall become, through an act of donation by the Foundation to LSU, the property of LSU. The Foundation agrees to execute any formal documentation necessary to memorialize such donation.

Section 7.08. Criminal History Checks. Any vendors, specialists, agents, consultants and contractors engaged by the Foundation or the Agent in connection with the Facilities shall provide to the LSU Representative a letter certifying that criminal history checks have been conducted on all personnel providing a service on the Campus in connection with the Facilities, which letter shall be (i) provided within fifteen (15) days of engagement (ii) updated as new personnel are added, (iii) updated annually for all personnel, (iv) kept on file at the office of such vendors, specialists, agents and consultants and (v) made available to LSU or the University upon request thereby. Any Person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by the Foundation or the Agent.

Section 7.09. Damage and Destruction.

(a) ***Damage in Whole or in Part.*** In the event either Facility is damaged or destroyed in whole or in part, the Foundation shall, to the extent Net Insurance Proceeds are available, repair, replace, rebuild, restore, and/or re-equip the affected Facility promptly to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations, and modifications (including the substitution and addition of other property) as the LSU Representative shall approve in writing (if any) as will not impair the value or the character of the affected Facility

(the "*Restoration*"). All Net Insurance Proceeds for damage to LETC shall be paid to the Foundation and deposited and held in an account to be established by the Foundation for such purpose (the "*Restoration Fund*") to be applied to the Restoration. After completion of and payment for the Restoration, all remaining Net Insurance Proceeds shall be transferred by the Foundation to the Facilities Account. All Net Insurance Proceeds for damage to LDMF shall be paid to the University. The Foundation shall be reimbursed by the University for the Restoration.

(b) ***Restoration Performed in Accordance with Applicable Law.*** Any and all Restoration by the Foundation hereunder shall be performed in accordance with all Applicable Law and the provisions of Section 9.03 hereof (provided that references in such Section 9.03 to the "Work" and the "LETC Shell Space Improvements" shall be deemed to refer to the Restoration). If not theretofore delivered, the Foundation shall deliver to the LSU Representative, within one hundred twenty (120) days of the completion of such Restoration, a complete set of record "as built" exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

Section 7.10. Condemnation.

(a) ***Event of Taking of All or Substantially All Property.*** In the event all or substantially all of the Property shall be subject to a Taking, or if so much of the Property or any component thereof shall be so Taken so that the remainder of the Property shall not reasonably be capable of being used for its intended purpose, as reasonably determined by the Foundation and LSU, shall promptly notify the Trustee and the LSU Representative, and the Net Condemnation Proceeds shall be applied and paid first to the payment of all of the Foundation's outstanding expenses incurred in performing the Services and any balance shall be paid to LSU.

(b) ***Taking of Less than All Property.*** In the event less than all or substantially all of the Property or any component thereof shall be subject to a Taking, LSU and the Foundation shall cause the Net Condemnation Proceeds received by them from any Award to be deposited and held in the Restoration Fund to be applied, as fully as practicable, with the prior written consent of LSU to the Restoration of the Property. The balance of Any Net Condemnation Proceeds remaining after completion and payment for the Restoration shall be transferred by the Foundation to the Facilities Account.

(c) ***Restoration Performed in Accordance with Applicable Law.*** Any and all Restoration by the Foundation hereunder shall be performed in accordance with all Applicable Law and the provisions of Section 9.03 hereof (provided that references in such Section 9.03 to the "Work" and the "LETC Shell Space Improvements" shall be deemed to refer to the Restoration). If not theretofore delivered, the Foundation shall deliver to the LSU Representative, within one hundred twenty (120) days of the completion of such Restoration, a complete set of record "as built" exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

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ARTICLE VIII

FUNDS AND ACCOUNTS; CONTRIBUTIONS BY LSU

Section 8.01. Facilities Account. The Foundation shall establish a separate checking account for the administration of the Facilities (the "*Facilities Account*"). All revenues derived by the Foundation from the operation and management of the Facilities, including, without limitation, all rentals and other revenue derived from Tenant Leases or otherwise from the use of the Facilities and all funds paid to the Foundation by LSU pursuant to this Agreement (except as otherwise explicitly provided herein), including, without limitation, the Monthly Use Support Payment and any Emergency Repair Funds (collectively, the "*Facilities Revenues*"), shall be deposited to the Facilities Account. Subject to the provisions of Section 8.03 hereof, the Foundation shall use the funds on deposit in the Facilities Account only for the purpose of performing the Services and to fund the Maintenance Reserve Fund pursuant to Section 8.02 hereof. Upon the termination of this Agreement, all funds remaining on deposit in the Facilities Account after payment of all amounts payable therefrom shall be the property of, and shall be remitted to, LSU.

Section 8.02. Maintenance Reserve Account. The Foundation shall establish and maintain during the Term a separate account for the Maintenance Reserve Account. The Foundation shall, on or before the last day of each calendar month during the Term and subject to the availability of funds, transfer the Maintenance Reserve Amount from the Facilities Account to the Maintenance Reserve Account. The funds on deposit in the Maintenance Reserve Account shall be invested at the direction of the LSU Representative. The Foundation shall, with the prior written consent of the LSU Representative, use the funds on deposit in the Maintenance Reserve Fund to fund the cost of major repairs to the Facilities. Upon the termination of this Agreement, all funds remaining on deposit in the Maintenance Reserve Account after payment of all amounts payable therefrom shall be the property of, and shall be remitted to, LSU.

Section 8.03. Order of Expenditures to Provide Services.

(a) Each month during the Term, the Foundation shall apply the funds on deposit in the Facilities Account in accordance with the Budget in the following order to provide the Services hereunder:

(i) first, for the provision of all Services to be provided by the Foundation hereunder other than those Facilities Services set forth in Sections 7.03(a)(vi) and (x) hereof;

(ii) second, for the provision of those Facilities Services set forth in Sections 7.03(a)(vi) and (x) hereof and for the payment of Operating Expenses of the Foundation;; and

(iii) lastly, to fund the Maintenance Reserve Fund as required in Section 8.02 hereof.

(c) Under no circumstances shall the Foundation be obligated to provide for the payment for the performance of the Services from funds other than those funds on deposit in the Facilities Account, the Maintenance Reserve Account (with the prior written consent of the LSU Representative) and, if any, the Restoration Fund.

Section 8.04. LSU's Payment and Other Obligations.

(a) **Monthly Use Support Payment.** The Foundation shall, not less than ten (10) days prior to the first day of each calendar month during the Term, provide to LSU an invoice for the Monthly Use Support Payment, which amount LSU shall pay to the Foundation by the first day of each ensuing calendar month.

(b) **Utilities.** LSU shall provide, at its expense, all utilities required for the operation of the Facilities, as applicable, including, without limitation, gas, water, electricity, sewerage, wi-fi and telephone, which utilities shall be individually metered and the costs of which shall be accounted for by LSU as "in-kind services" provided by LSU to the Foundation in the annual accounting reconciliation prepared in accordance with the provisions of the Uniform Affiliation Agreement and the requirements of La. R.S. 17:3390.

(c) **Other In-Kind Services.** At the written request by the Foundation to the LSU Representative, LSU may, in the LSU Representative's sole and unfettered discretion, but shall in no way be obligated to, provide other "in-kind services" in connection with the repair and maintenance of the Facilities in the event funds on deposit in the Facilities Fund are insufficient for such purposes, the costs of which services shall be accounted for by LSU as "in-kind services" provided by LSU to the Foundation in the annual accounting reconciliation prepared in accordance with the provisions of the Uniform Affiliation Agreement and the requirements of La. R.S. 17:3390.

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ARTICLE IX

LETC SHELL SPACE IMPROVEMENTS

Section 9.01. Obligation to Perform LETC Shell Space Improvements. The Foundation shall perform, or cause to be performed, the LETC Shell Space Improvements in accordance with the provisions of this Agreement (the "*Work*"). The LETC Shell Space Improvements shall be at the sole expense of the Foundation.

Section 9.02. Performance of the LETC Shell Space Improvements. The Foundation shall perform the Work in a good and workmanlike manner, in accordance with the following provisions:

(a) ***Plans and Specifications/Change Orders.*** Plans and specifications for the Work shall be delivered to the LSU Representative for review. The LSU Representative shall approve or disapprove in writing such plans and specifications within fourteen (14) days of receipt thereof. Any request for change orders to the plans and specifications or to the construction contract should be made to the LSU Representative (unless the LSU Representative and the Foundation agree in writing that certain classes or types of change orders may proceed without the LSU Representative's approval). The LSU Representative shall approve or disapprove such request within seven (7) days of having received the request for the change order. No change order to the construction contract or to the plans and specifications which increases the total contract amount by Fifty Thousand Dollars (\$50,000.00) or more shall be implemented without the prior written consent of the LSU Representative.

(b) ***Commencement and Completion of the Work.*** Unless delayed by Force Majeure, the Foundation agrees to commence the Work upon receipt from LSU (through the LSU Representative) of (i) written approval of the plans and specifications and (ii) a notice to proceed to use commercially reasonable efforts to complete the Work in a timely manner.

(c) ***Construction Contract(s).*** The Work shall be performed on behalf of the Foundation pursuant to one or more written contracts between the Foundation and one or more contractors. The LSU Representative shall approve or disapprove any such contracts within ten (10) days of receipt of a copy thereof from the Foundation. Where appropriate, the contract(s) and bond(s) shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. The Foundation shall include a liquidated damage clause acceptable to the LSU Representative in its construction contract(s). LSU and the Foundation hereby acknowledge and, to the extent practically and legally possible, any contract between the Foundation and any contractor or contractors and all subcontracts entered into by the general contractor shall acknowledge expressly, the following:

(i) The Work will be performed solely and exclusively for the Foundation.

(ii) The Foundation is a separate legal entity from LSU. The Foundation is not acting as an agent for LSU, and the Foundation has no authority to obligate LSU to any extent whatsoever.

(iii) Neither LSU nor the State shall be liable, directly or indirectly, for the payment under the contract of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work.

(iv) The Foundation owns the property upon which the Work will be performed and the LETC Shell Space Improvements will be owned by the Foundation. The Work shall not give rise to any rights against any property of LSU.

(d) **Performance Bond.** The Foundation shall require that the contractor(s) provide a performance and labor and materials payment bond with a corporate surety authorized to do business in the State. Said bond shall be for the greater of the full amount of the contract price or the amount of the guaranteed maximum price of the Work. Both the Foundation and LSU shall be obligees or beneficiaries under the bond.

(e) **Rights Concerning the Property During Performance of the Work and Thereafter.** The Foundation and its contractor(s) shall have the right to occupy and use the LETC Property, with reasonable ingress to and egress therefrom, during the performance of the Work, and, as applicable, during the term of this Agreement, and with the prior written consent of the LSU Representative, shall fence that area of the Land necessary to perform the Work in a safe and secure manner. Except for unknown and unforeseen and/or unforeseeable defects, the Foundation assumes all responsibility for the condition of the LETC Property and any portion of the Campus surrounding the LETC Property used by it during the term of this Agreement. The Foundation and its contractor(s) shall maintain the LETC Property and any improvement or construction thereon in a reasonably prudent manner during the term of this Agreement. The LSU Representative and any other LSU employees designated by him shall at all times have access to the LETC Property and shall exercise all rights as owner, even those not specifically acknowledged herein. The Foundation will take prudent care of the LETC Property and return same to LSU at the termination or expiration of this Agreement, with the improvements thereon, in as good a condition as when received, ordinary wear and tear excepted. The Foundation accepts the Land for the purposes herein outlined without any warranty of title or recourse whatsoever against LSU.

(f) **Access over Adjoining Property during Performance of the Work.** LSU hereby grants to the Foundation a servitude of access over and across such other portions of the Campus as is necessary in order for the Foundation to fulfill its obligations under this Article IX, provided, however, that the Foundation will not unreasonably interfere with LSU's use of such other property.

(g) **LSU Rules and Regulations; Access during Performance of the Work.** The Foundation agrees that it will comply with all LSU regulations and policies with regard to all contractors and personnel entering the Property for purposes of performing the Work (including, without limitation, the criminal history checks required by Section 7.08 hereof, and with all Applicable Law regulating its operations on the Property, and that it will secure, at its own expense, all necessary permits and licenses from all regulatory agencies

or bodies, which rules and regulations will be addressed at the pre-construction conference. The Foundation shall make these same requirements of its contractor(s) for the Work. The Work shall be subject to inspection by the LSU Representative, and the LSU Representative shall have access at all times to the Work.

(h) **Approvals.** LSU may not unreasonably deny or delay any approval required pursuant to this Article IX.

(i) **Signage.** Before erecting or placing any sign upon the LETC Property, the Foundation shall submit the design specifications of such sign to the LSU Representative for approval, which approval shall not be withheld if such signage is consistent with LSU's current signage policy or such signage was included in the plans and specifications.

(j) **Acceptance of the Work.** The Foundation and LSU agree to work together to complete all warranty and punch list items within the first year following acceptance of the Work. The Foundation will not accept the Work without the written approval of the LSU Representative. LSU reserves the right to refuse to approve the acceptance of the Work unless monies equal to the value of the punch list deficiencies are held by the Foundation in an escrow account for payment to the contractor(s) for completion of the punch list items. Final payment shall not be made to the contractor(s) until LSU agrees in writing that the punch list items have been completed.

(k) **Clerk of the Works.** If, in LSU's sole discretion, LSU shall determine that a Clerk of the Works is necessary to oversee the Work, the Foundation, at LSU's expense, shall hire a Clerk of the Works for full time supervision of the Work.

(l) **Utilities.** LSU shall provide, at its expense, all utilities necessary for the performance by the Foundation of the LETC Shell Space Improvements, including, without limitation, water, heat, gas, electricity, sewerage.

(m) **No Liens: Release of Recorded Lien.** The Foundation shall not suffer or permit any Liens to be enforced against the LETC Property or LSU by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to the Foundation or to anyone through the Foundation. If any such Liens shall be recorded against the LETC Property, the Foundation shall cause the same to be released of record, or in the alternative, if the Foundation in good faith desires to contest the same, the Foundation shall be privileged to do so, but in such case, the Foundation hereby agrees to indemnify and save LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

(n) **Information.** The Foundation shall provide to LSU, within fifteen (15) days of the end of each calendar month, copies of all documentation generated by the Foundation, or generated by third parties and in the possession of the Foundation, in connection with the LETC Shell Space Improvements, including without limitation, all draw requests and supporting documentation, statements reflecting debits and credits to the Improvements Account, change orders and any other information reasonably requested by LSU.

(o) ***Insurance.*** During the performance of the Work, the Foundation shall maintain or require its contractor(s) to maintain, the following:

(i) ***Builder's Risk Insurance.*** Contractor(s) shall provide an "All Risk" builder's risk insurance policy, including but not limited to fire and extended coverage, vandalism and malicious mischief insurance, for not less than one hundred (100%) percent of the full replacement value of the Work to protect against any damage or loss during the Work. This policy shall be taken out prior to commencement of the Work and be discontinued upon final approval by LSU of the Work. Coverage shall run in favor of the contractor(s), the subcontractor(s), the Foundation and LSU, as their interests may appear. The coverage shall include the architect's fee for work required and reconstruction following a loss during the Work. Written evidence of such insurance shall be provided to LSU prior to commencement of the Work.

(ii) ***Other Insurance.*** The Foundation shall require its contractor(s), before commencing the Work, to procure the coverages required pursuant to Section 10.02(b) hereof. Written evidence of such insurance shall be provided to LSU prior to commencement of the Work.

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ARTICLE X
INSURANCE

Section 10.01. Insurance to be Maintained by LSU. LSU shall maintain the property insurance for the LDMF as part of a master property program throughout the Term. Such coverage includes all risk property insurance, including named windstorm, earthquake, flood and Business Interruption. Such insurance shall be on a replacement cost basis. In addition to the master property program: terrorism coverage, boiler and machinery and fine arts (if applicable) coverage will be provided in an amount adequate to cover the risk. As part of the master property program, LSU will appoint the appropriate claims personnel to handle losses. Other losses shall be handled by the carrier of record. Building personal property (contents) not in LSU's care, custody, and control will not be insured by LSU.

Section 10.02. Other Insurance Provisions.

(a) The University requires the Foundation to procure the below minimum insurance. The insurance must be maintained for the Term. The minimum insurance requirements described herein do not in any way limit the Foundation's financial responsibilities as outlined in the Indemnification requirements. Therefore, the Foundation may opt to have broader coverage and limits to satisfy its financial obligations.

(i) Workers' Compensation insurance shall be in compliance with the laws of the State of Louisiana. Employer's Liability shall be included with a minimum limit of \$1,000,000 per accident/per disease/per employee. If the Foundation is exempt from workers' compensation or fails to provide appropriate coverage, then the Foundation is or agrees to be solely responsible and hold harmless the University for the injuries of any officers, agents, volunteers, or employees during the course of the agreement.

(ii) Commercial General Liability insurance shall be maintained on an "occurrence" basis, including property damage, bodily injury, products & completed operations, and personal & advertising injury with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate on Insurance Services Office Form CG 00 01, ISO 2007 edition or equivalent.

(iii) If the Foundation owns or operates automobiles, then Automobile Liability Insurance shall be maintained with a minimum combined single limit per accident of \$1,000,000 on ISO form number CA 00 01 or equivalent. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned vehicles.

(iv) If the Foundation collects and stores personal protected information then Cyber liability insurance shall be maintained that provides third party coverage for privacy breach, including coverage for notification and assistance as required by Louisiana law with a minimum limit of \$1,000,000.

(v) Umbrella or Excess insurance may be used to meet the minimum limit requirements for liability insurance.

(b) LSU shall be listed as an Additional Insured on the Commercial General Liability (must use an endorsement at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms with edition date 2004 if later revisions used). See section 10.2 (b) (vi) on how the LSU should be listed as an Additional Insured.

(c) All insurances shall include a waiver of subrogation/recovery in favor of the University.

(d) For any claims related to the Foundation's operations or activities, the Foundation's insurance coverage shall be primary insurance as respects to the University. Any applicable insurance or self-insurance maintained by the University shall be excess of the Foundation's insurance and shall not contribute with it.

(e) Any deductibles or self-insured retentions above \$25,000 must be approved by the University or reduced. The University may require the Foundation to provide proof of ability to pay losses related investigations, claim administration, and defense expenses within the retention.

(f) Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A- VII, unless otherwise approved by the University.

(g) For verification of coverage, the University shall be listed as Additional Insured and Certificate Holder as follows:

Board of Supervisors of Louisiana State University
and Agricultural & Mechanical College
330 Thomas Boyd Hall
Baton Rouge, LA 70803

Certificates of Insurance shall be furnished to the University evidencing the insurance required herein including amendatory endorsements. The University's failure to obtain the required documents or acceptance of a non-compliant certificate shall not waive the Foundation's obligation to have in place the required insurances or to provide the certificate. The University reserves the right to require certified copies of all the insurance policies, including endorsements.

(h) Unless otherwise required by the University, all contractors of the Foundation performing services on University campuses shall be subject to all of the insurance requirements stated herein. Foundation shall be responsible for verifying insurance coverages and limits and maintaining Certificates of Insurance for each contractor. The University reserves the right to receive from the Foundation copies of contractor's certificates.

(i) LSU reserves the right to consider alternate coverage or limits and to modify these requirements, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ARTICLE XI

INDEMNITY

Section 11.01. Indemnity Obligations of the Foundation. The Foundation shall and will indemnify, defend, and save harmless LSU and its board members, authorized agents, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Property and any servitudes, rights of attachment and air rights by the Foundation, its officers, employees, agents, contractors, guests, members, or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, the Foundation and LSU may use the same counsel if such counsel is approved by LSU, which approval shall not be unreasonably withheld, delayed or conditioned. It is expressly understood and agreed that the Foundation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LSU shall in no way be responsible for the acts or omissions of the Foundation. The Foundation's obligation to indemnify LSU in accordance with the terms of this Section 11.01 shall be limited to the extent of (i) its proportionate share of fault and (ii) to Net Insurance Proceeds available for such purpose.

Section 11.02. Indemnity Obligations of LSU. To the extent permitted by Applicable Law, LSU shall and will indemnify, defend, and save harmless the Foundation and its board members, authorized agents, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Property and any servitudes, rights of attachment and air rights by LSU, its officers, employees, agents, contractors, guests, members or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, the Foundation and LSU may use the same counsel if such counsel is approved by LSU, which approval shall not be unreasonably withheld, delayed or conditioned. It is expressly understood and agreed that the Foundation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LSU shall in no way be responsible for the acts or omissions of the Foundation. LSU's obligation to indemnify the Foundation in accordance with the terms of this Section 11.02 shall be limited to the extent of (i) its proportionate share of fault and (ii) Net Insurance Proceeds available for such purpose.

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ARTICLE XII

TERMINATION

Section 12.01. Termination by LSU.

(a) ***Termination for Cause.*** Any other provision to the contrary contained herein notwithstanding, LSU may terminate this Agreement for cause based upon the failure of the Foundation to comply with the terms and/or conditions hereof; provided that LSU shall give the Foundation written notice specifying the Foundation's failure. If within forty-five (45) days after receipt of such notice, the Foundation shall not have either corrected such failure or, in case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then LSU may, at its sole option, place the Foundation in default and the Agreement shall terminate on the date specified in the notice.

(b) ***Event of Nonappropriation.*** The continuation of this Agreement is contingent upon the appropriation of funds by the Louisiana Legislature (the "*Legislature*") to LSU to fulfill the requirements of this Agreement. If the Legislature fails to appropriate sufficient monies to LSU to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies to LSU for the continuation of this Agreement, this Agreement shall terminate on the date of the beginning of the first LSU Fiscal Year for which funds are not appropriated unless terminated earlier as otherwise provided in this Agreement.

LSU, at its sole discretion, shall determine for each LSU Fiscal Year whether its legislative appropriation for such Fiscal Year includes sufficient moneys to enable LSU to fulfill the requirements of this Agreement. If Board determines that the Legislature did not include sufficient moneys which would enable the LSU Board to fulfill the requirements of this Agreement for that LSU Fiscal Year, such determination by LSU shall constitute an event of nonappropriation for purposes of this Agreement and LSU shall, at the earliest possible date, adopt a resolution at a regularly scheduled or special LSU meeting stating that there has been an event of nonappropriation hereunder. LSU agrees to notify the Foundation within ten (10) business days in the event that LSU has adopted a resolution stating that there has been an event of nonappropriation hereunder.

Section 12.02. Termination by the Foundation. The Foundation may exercise any rights available to it under Applicable Law to terminate this Agreement for cause upon the failure of LSU to comply with the terms and conditions of this Agreement, provided that the Foundation shall give LSU written notice specifying LSU's failure and a reasonable opportunity for LSU to cure the defect.

ARTICLE XIII

NON-ASSIGNABILITY; TRANSFERS

The Foundation shall not (and shall not have the right to) assign, pledge, mortgage, grant a security interest in, encumber or otherwise transfer or dispose of this Agreement or any interest herein or in the Property or any right or privilege appurtenant hereto, or lease, ground lease or sublease the Property or any portion thereof, or permit or suffer any of the same to occur (each, a "*Transfer*"), unless, in each case, the prior written consent of the LSU Representative is first obtained, which consent shall not be unreasonably delayed, conditioned or withheld. Any transfer or assignment of its interest which is made without such written consent of the LSU Representative shall be void *ab initio*.

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ARTICLE XIV

AUDIT AND AUDITORS

In addition to the audit requirement outlined in Section 7.06 of this Agreement, LSU may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and other accounts of the Foundation pertaining to its obligations under this Agreement to the extent necessary to verify compliance with this Agreement. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU, or by independent auditors retained by LSU or 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 by the Foundation. LSU covenants with the Foundation to keep the results of any such audits confidential except as required by rules and regulations of LSU and by Applicable Law.

In addition, the Uniform Affiliation Agreement between LSU and the Foundation will include a provision that the LSU Office of Internal Audit will, at LSU's expense, serve as the internal audit function for the Foundation, and will have full access to the books, bank accounts, records and other accounts of the Foundation in fulfillment of that function.

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ARTICLE XV

RECORD RETENTION

The books, accounts and records of the Foundation which pertain to this Agreement shall be maintained at the principal office of the Foundation. The Foundation agrees to retain all books, records, and other documents relevant to this Agreement and the funds expended hereunder for at least three years after final payment, or as required by applicable federal law if federal funds are used to fund this Agreement.

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ARTICLE XVI

TERM

This Agreement began on the Effective Date and shall terminate on June 30, 2025, unless terminated earlier in accordance with the terms hereof. The termination date may be extended for successive five (5) year terms by written amendment to this Agreement, which must be signed by each of the Parties after obtaining any necessary approvals; provided, however, in no event shall the term of this Agreement extend beyond August 21, 2053, inclusive of all extensions. Extension of the Agreement beyond June 30, 2025 is contingent on the development and successful execution of the Operational Plan described in Section 7.05 herein.

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ARTICLE XVII

DISCRIMINATION CLAUSE

Section 17.01 Requirements. The Foundation shall, and shall cause the Agent and any of its other contractors or subcontractors to agree to, abide by: (a) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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; (b) the requirements of the Americans with Disabilities Act of 1990; and (c) any executive order issued by the governor of the State.

Section 17.02. Additional Requirements. The Foundation shall additionally require and cause the Agent and each contractor and subcontractor to agree: (i) not to discriminate in its employment practices; and (ii) to render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Section 17.03. Cause for Termination. Any act of discrimination committed by the Foundation or the Agent or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

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ARTICLE XVIII

DIVERSE SUPPLIERS

The Foundation understands that LSU is committed to promoting the growth and development of minority- and women-owned and small and historically underutilized businesses (collectively, "*Diverse Suppliers*") by providing opportunities to participate in LSU agreements. In support of this commitment, (a) the Foundation shall use good faith and commercially reasonable efforts to provide opportunities to Diverse Suppliers that are either certified by the State or another certifying entity in a diverse category as a subcontractor or supplier according to LSU policies and procedures and (b) the Foundation shall provide to LSU a list of Diverse Suppliers during each Foundation Fiscal Year, which list shall identify as to each Diverse Supplier contained thereon (i) the legal name thereof, (ii) the principal office or address, (iii) ownership and (iv) the services or good that it may provide or supply and the value of the goods or services procured therefrom. To the extent that any Applicable Law would require that this Article XVIII be modified or voided, the Parties agree that such provision may be amended or severed from this Agreement without affecting any of the other terms hereof.

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ARTICLE XIX

INDEPENDENT CONTRACTORS

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Foundation shall at all times remain an "independent contractor" with respect to the Services to be performed under this Agreement.

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ARTICLE XXI

TAX LIABILITY

The Foundation hereby agrees that the responsibility for payment of taxes due, if any, in connection with the funds received by it under this Agreement shall be the obligation of the Foundation.

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ARTICLE XXII

MISCELLANEOUS

Section 22.01. Severability. If any clause or provision of this Agreement is deemed to be illegal, invalid or unenforceable under present or future Applicable Law effective during the term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

Section 22.02. Governing Law; Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana. The 19th Judicial District Court in and for the Parish of East Baton Rouge, State of Louisiana, shall be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding by and among the Parties in connection with, or by reason of, this Agreement.

Section 22.03. Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered by: (1) hand; (2) U.S. Postal Service, postage prepaid, certified mail, return receipt requested; (3) by private, commercial carrier; or (4) sent by telecopy or other form of rapid electronic transmission when the receipt is confirmed in writing by the addressee. Notices must be addressed to the addressee at the addresses shown below or to such other person or address as a Party may give notice to the other Parties:

If to LSU: President of LSU
 Louisiana State University
 3810 West Lakeshore Drive
 Baton Rouge, Louisiana 70803
 Facsimile: (225) 578-4749

With copies to (which copies shall not constitute notice):

 General Counsel
 LSU
 3810 West Lakeshore Drive, Suite 124
 Baton Rouge, Louisiana 70808
 Facsimile: (225) 578-5524

and

 Executive Vice President for Finance and Administration and CFO
 Louisiana State University
 330 Thomas Boyd Hall
 Baton Rouge, Louisiana 70803
 Facsimile: (225) 578-5403

and

Associate Vice President for Facility and Property Oversight
Louisiana State University
212A Facilities Services Building
Engineering Lane
Baton Rouge, Louisiana 70803
Facsimile: (225) 578-5597

If to Foundation: LSU Research Foundation
Building 340, East Parker Boulevard
Baton Rouge, Louisiana 70803
Facsimile: (225) 615-8910
Attn: Chief Executive Officer

With a copy to (which copy shall not constitute notice):

Kantrow, Spaht, Weaver & Blitzer, APLC
445 North Boulevard
Baton Rouge, Louisiana 70802
Facsimile: (225) 343-0630
Attn: W. Scott Keaty

Section 22.04. Entire Agreement. This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the matters set forth herein and contains all of the terms and conditions agreed upon with respect to such matters, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the Parties; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

Section 22.05. Amendments. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated on or subsequent to the date hereof and duly executed by the Parties and all required approvals have been obtained.

Section 22.06. Construction. LSU and the Foundation and/or their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by LSU and the Foundation, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement. In entering this Agreement, the Parties represent that they have relied upon the advice of their attorneys, who are attorneys of their own choice, and that the terms of this Agreement have been completely read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted by them.

Section 22.07. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument. For purposes hereof, facsimile and electronically scanned .pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

Section 22.08. Interpretation. Unless the context of this Agreement clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof" "herein," "hereunder," and similar terms in this Agreement shall refer to this Agreement as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Agreement are for reference purposes, and shall not control or affect the construction of this Agreement or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Agreement unless otherwise specified. All exhibits attached to this Agreement constitute a part of this Agreement and are incorporated herein. All references to a specific time of day in this Agreement shall be based upon Central Time.

Section 22.09. Further Assurances. From time to time hereafter, each Party shall execute and deliver such additional instruments, certificates or documents, and take all such actions as the other Party may reasonably request, for the purpose of fulfilling its obligations hereunder.

Section 22.10. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, board member, officer, agent or employee of any Party hereto in his individual capacity, and those persons executing this Agreement on behalf of a Party to this Agreement shall not be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement except to the extent required by Applicable Law.

Section 22.11. Delay or Omission. No delay or omission in the exercise of any right or remedy accruing to a Party upon any breach by the other Party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 22.12. Compliance with Applicable Law. Each Party shall comply, and shall cause all Persons using the Property (including the Agent, the Tenants and any contractors, subcontractors, vendors and suppliers) to comply, with Applicable Law, including, without limitation, all applicable Environmental Laws, in the performance of its obligations under this Agreement.

Section 22.13. Memorandum of Lease. Neither LSU nor the Foundation shall file this Agreement for recordation in East Baton Rouge Parish, Louisiana, or in any public place without the written consent of the other. In lieu thereof LSU and the Foundation agree to execute in recordable form a memorandum of this Agreement in the form of **Exhibit E** attached hereto. Such memorandum shall be filed for record in East Baton Rouge Parish, Louisiana.

Section 22.14. Applicable Law. The obligations of each party to this Agreement shall be performed in accordance with all Applicable Law.

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[Signature Page to Cooperative Endeavor Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Agreement on behalf of LSU on the ____ day of _____, 2020, to be effective on the Effective Date, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

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

Printed Name:

Printed Name:

By: _____
Name: Thomas Galligan
Title: Interim President,
Louisiana State University

Notary Public

Printed Name
LSBA Roll No. _____
My Commission is for life.

[Signature Page to Cooperative Endeavor Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Agreement on behalf of the Foundation on the ____ day of _____, 2020, to be effective on the Effective Date, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

LSU RESEARCH FOUNDATION

Printed Name:

By:_____

Name: Lee Griffin

Title: Chair, Board of Directors

Printed Name:

Notary Public

Printed Name

LSBA Roll No. _____

My Commission is for life.

EXHIBIT A

DESCRIPTION OF THE LAND

[metes and bounds description to come – survey in progress
and will include the footprint of the LETC building plus a 5 foot perimeter]

EXHIBIT B

**DESCRIPTION OF LDMF FOUNDATION LEASED SPACE
AND LDMF LSU SPACE**

EXHIBIT C

DESCRIPTION OF LETC SHELL SPACE IMPROVEMENTS

EXHIBIT D
COPY OF ANCHOR TENANT LEASE

EXHIBIT E
MEMORANDUM OF LEASE

LSU: Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, Louisiana 70803
Attn: Executive Vice President for Finance and Administration and CFO

Foundation: LSU Research Foundation
Building 340, East Parker Boulevard
Baton Rouge, Louisiana 70803
Attn: Chief Executive Officer

This Memorandum is executed for the purpose of recordation in the public records of East Baton Rouge Parish, Louisiana in order to give notice of certain terms and provisions of the CEA and is not intended and shall not be construed to define, limit or modify the CEA. All of the terms, conditions, provisions and covenants of the CEA are incorporated into this Memorandum by reference as though fully set forth herein, and both the CEA and this Memorandum shall be deemed to constitute a single instrument or document.

[remainder of this page intentionally left blank]

[signature page to Memorandum of Lease]

IN WITNESS WHEREOF, the LSU has caused this Memorandum of Lease to be executed and delivered before me, the undersigned Notary Public, duly commissioned and qualified in and for East Baton Rouge Parish, Louisiana, and in the presence of the undersigned competent witnesses, who hereunto set their names with LSU and me, Notary, after due reading of the whole, on the day, month and year set forth below his signature, to be effective _____, 2020.

WITNESSES:

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

Printed Name: _____

By: _____

Name: Thomas Galligan

Title: Interim President

Louisiana State University

Date: _____

Printed Name: _____

NOTARY PUBLIC

Printed Name: _____

La. bar Roll Number: _____

My commission is for life.

[signature page to Memorandum of Lease]

IN WITNESS WHEREOF, the Foundation has caused this Memorandum of Lease to be executed and delivered before me, the undersigned Notary Public, duly commissioned and qualified in and for East Baton Rouge Parish, Louisiana, and in the presence of the undersigned competent witnesses, who hereunto set their names with the Foundation and me, Notary, after due reading of the whole, on the day, month and year set forth below his signature, to be effective _____, 2020.

WITNESSES:

LSU RESEARCH FOUNDATION,
a Louisiana nonprofit corporation

Printed Name:

By: _____

Name: Lee Griffin

Title: Chair, Board of Directors

Date: _____

Printed Name:

NOTARY PUBLIC

Printed Name: _____

La. bar Roll Number: _____

My commission is for life.

**AMENDED AND RESTATED
AGREEMENT AND LEASE OF PROPERTY
FOR CONSTRUCTION OF THE
LOUISIANA EMERGING TECHNOLOGIES CENTER
AND THE LOUISIANA DIGITAL MEDIA FACILITY**

THIS AMENDED AND RESTATED AGREEMENT AND LEASE OF PROPERTY FOR CONSTRUCTION OF THE LOUISIANA EMERGING TECHNOLOGIES CENTER AND THE LOUISIANA DIGITAL MEDIA FACILITY (the "Agreement") is entered into as of the 11th day of May, 2011, by and between:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, appearing herein through and represented by John V. Lombardi, President of the Louisiana State University System, duly authorized and empowered by resolution of said Board of Supervisors (hereinafter referred to as "LSU"),

and

LOUISIANA STATE UNIVERSITY SYSTEM RESEARCH AND TECHNOLOGY FOUNDATION, a Louisiana nonprofit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, appearing herein through and represented by Arthur R. Cooper, its duly authorized Chief Executive Officer appointed by its Board of Directors (hereinafter referred to as the "Foundation"),

RECITALS

WHEREAS, LSU and the Foundation entered into that certain Agreement and Lease of Property for Construction of the Louisiana Emerging Technologies Center (the "Prior Agreement") effective as of the 21st day of August, 2003 (the "Effective Date");

WHEREAS, LSU is the owner of a certain tract of immovable property described in Subsection 0.3 of this Agreement as the "Property";

WHEREAS, pursuant to the Prior Agreement, the Foundation leased the Property from LSU as of the Effective Date for the purpose of constructing, using and occupying thereon a wet lab incubator referred to as the Louisiana Emerging Technologies Center (the "Center");

WHEREAS, the Center, which was funded by the Louisiana Legislature through the Louisiana Department of Economic Development, has now been completed and houses new and emerging companies dependent upon university research and/or university technologies at the Foundation's expense;

WHEREAS, LSU and the Foundation desire to amend and restate the Prior Agreement to permit the Foundation to construct on the Property a digital media building to be referred to as the Louisiana Digital Media Facility (the "LDMF");

WHEREAS, construction of the LDMF will be funded by the Louisiana Legislature through the Louisiana Department of Economic Development as well as by a grant from the U.S. Department of Commerce, Economic Development Administration and will house LSU's Center for Computation and Technology (the "CCT") and is anticipated to house a private digital media company meeting the definition of "Anchor Tenant" in the Cooperative Endeavor Agreement by and between the State of Louisiana, the Louisiana Department of Economic Development, the City of Baton Rouge/Parish of East Baton Rouge and LSU approved by the Governor's Office of Contract Review on December 29, 2008 ("Anchor Tenant");

WHEREAS, the Foundation is utilizing the Center in a manner that will benefit LSU, as well as other public and private research-based entities and intends to donate the LDMF upon construction to LSU, all of which are expected to facilitate economic development in the community and State; and

WHEREAS, the Foundation is a nonprofit corporation whose tax exempt purpose is to support the mission and programs of LSU and other cooperating state universities, and the Foundation will promote that mission by continuing the use and occupancy of the Center and constructing the LDMF for the purposes described herein:

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

PROPERTY DESCRIPTION

- 0.1 The Recitals are incorporated herein as if copied in extenso.
- 0.2 This Agreement amends and restates the Prior Agreement in its entirety.
- 0.3 As of the Effective Date, LSU leased and hereby continues to lease to the Foundation the following described immovable property, owned by LSU and located on the LSU and A&M College of LSU (the "LSU Campus"), to-wit:

See Exhibit "A" attached hereto (the "Property").

1.

AGREEMENT TO CONSTRUCT IMPROVEMENTS

- 1.1 The Foundation has constructed on the Property the Center, which includes laboratories, offices, conference rooms, and restrooms, together with utility connections, all in accordance with plans and specifications approved by LSU and pursuant to LSU's design standards applicable to the LSU Campus.

1.2 The Foundation hereby agrees to further construct on the Property the LDMF, which shall not exceed one hundred thousand (100,000) square feet, shall include a minimum of fifty thousand (50,000) square feet to house LSU's CCT and shall include without limitation a computer data room, offices, conference rooms, classrooms, restrooms, and related facilities, together with utility connections and infrastructure improvements (collectively, together with parking lot reconfiguration, if any, the "Improvements"), all in accordance with the terms and provisions set forth in this Agreement. If and when the Foundation and the Chancellor of LSU A&M certify to the President of the LSU System (the "President") in writing that funds are available for the purpose of constructing an extensive, highly specialized audio-visual auditorium (the "AV Auditorium"), and the President approves the use of such funds for the specified-in-detail proposal for construction thereof, the "Improvements" as defined in this Agreement will include the AV Auditorium, provided that the Foundation will not enter into any binding obligation to construct the AV Auditorium unless and until such certification and approval have been made in writing and provided to the Foundation.

2.

RIGHT OF USE AND SERVITUDE

2.1 LSU hereby grants to the Foundation a right of use and a servitude of access through, across, over and upon the Property for the purpose of constructing the Improvements (said construction to be referred to herein as the "Work").

3.

LEASE

3.1 As of the Effective Date, LSU leased and hereby continues to lease the Property to the Foundation to fulfill the purposes of the Louisiana Legislature in allocating funding for the construction, use and occupancy of the Center to house new and emerging life-sciences entities dependent upon university research and/or university technologies and for the construction of the LDMF to house LSU's CCT and an Anchor Tenant.

4.

TERM

4.1 This Agreement shall be for a term of fifty (50) years from the Effective Date (the "Term").

5.

CONSIDERATION

5.1 This Agreement is made for and in consideration of annual rental of \$100 (the "Annual Rental Payments"), which annual rental totals \$5,000 (the "Total Rental Payment") for the Term. The Total Rental Payment is due and payable upon execution of this Agreement less any Annual Rental Payments previously paid by the Foundation to LSU. As further consideration, the Foundation and LSU acknowledge the advantages and benefits accruing to the Louisiana State University System as a result of the activities of the Foundation that will be conducted on and from the Property. Should this Agreement terminate prior to the expiration of the Term, the Foundation will not seek reimbursement from LSU of any portion of the Total Rental Payment.

5.2 It shall be a condition of this Agreement that the Foundation perform all of its obligations and covenants contained herein, including use of the Center for the purposes specified in this Agreement. The Center and the LDMF shall be used for no other purposes without the prior written consent of the LSU Representative as defined in Section 6 of this Agreement. The Center has been established for the purpose of housing new and developing research-based businesses focused on biotechnology and life sciences industries in Louisiana as specified by the Louisiana Legislature. The Center provides laboratory and office space, as well as business and technical assistance to small and start up businesses developing and commercializing LSU and other Louisiana university technologies. Upon its donation by the Foundation to LSU upon completion of construction, the LDMF will be used by LSU for the purpose of housing LSU's CCT and an Anchor Tenant.

5.3 Pursuant to the provisions of La. R.S. 17:3365, no leasing, subleasing or other occupancy or use rights shall be granted in connection with any building located on the Property owned or operated by the Foundation or anyone acting on the Foundation's behalf without the consent and approval of the LSU Board of Supervisors. To facilitate day-to-day operations, LSU and the Foundation may, with the express approval of the LSU Board of Supervisors by a resolution expressly addressing that single object, enter into a written agreement that specifies, in greater detail, the specific types of occupancy and uses that may be engaged in, including leasing and subleasing in connection therewith, without the necessity of obtaining the additional consent and approval of the LSU Board of Supervisors for each individual tenant. LSU and the Foundation hereby further agree that any lease, sublease or other occupancy or use rights granted by the Foundation as lessor to any other person, party,

or entity as lessee pursuant to this Subsection 5.3 of this Agreement, shall be assigned to LSU upon the request of LSU.

6.

CONSTRUCTION

6.1 At its sole cost and expense, the Foundation shall perform the Work in a good and workmanlike manner, in accordance with the following provisions:

A. Plans and Specifications/Change Orders

Plans and specifications for the Work shall be delivered to the LSU System through the President of the LSU System or his or her designee specified in writing (the "LSU Representative") for review. The LSU Representative shall approve or disapprove in writing such plans and specifications, which must comply with LSU's design standards applicable to the LSU Campus, within fourteen (14) days of receipt thereof. Any request for change orders to the plans and specifications or to the construction contract should be made to the LSU Representative (unless the LSU Representative and the Foundation agree in writing that certain classes or types of change orders can proceed without LSU approval). The LSU Representative shall approve or disapprove such request within seven (7) days of having received the request for the change order from the Foundation. No change order to the contract or to the plans and specifications which increases the total contract amount of the contract Fifty Thousand (\$50,000.00) Dollars or more, or which materially alters the exterior appearance of the LDMF, shall be implemented without the prior written consent of the LSU Representative.

B. Commencement and Completion of the Work

Unless delayed by Force Majeure, the Foundation, at its own expense, agrees to commence the Work on or before July 15, 2011 and shall make best efforts to complete same by January 15, 2013. The Work shall not commence until the LSU Representative has given his written notice to commence and has approved in writing the plans and specifications of the Work. The completion date set forth herein may be extended by a written change order issued by the Foundation and approved in writing by the LSU Representative.

“Force Majeure” for purposes of this Agreement shall mean any (a) act of God, lightning, hurricane, tornado, and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slow down or work stoppage; or (c) any other similar cause or similar event beyond the reasonable control of the Foundation.

C. Contract with Contractor

The Work shall be performed on behalf of the Foundation pursuant to a written contract(s) between the Foundation and a contractor or contractors. The LSU Representative shall approve or disapprove such contract(s) within ten (10) days of receipt of a copy of the contract from the Foundation. Where appropriate, the contract(s) and bond(s) shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. The Foundation shall include a liquidated damage clause acceptable to the LSU Representative in its construction contract(s). LSU and the Foundation hereby acknowledge, and to the extent practically and legally possible, any contract between the Foundation and any contractor or contractors and all subcontracts entered into by the general contractor shall acknowledge expressly, the following:

- (a) The Work will be performed solely and exclusively for the Foundation.
- (b) The Foundation is a separate legal entity from LSU. It is not acting as an agent for LSU, and the Foundation has no authority to obligate LSU to any extent whatsoever.
- (c) Neither LSU nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Agreement.
- (d) The Foundation has no ownership interest in the Property upon which the Work will be performed. The Work shall not give rise to any rights against any property of LSU.

D. Performance Bond

The Foundation shall require that the contractor(s) provide a performance and labor and materials payment bond with a corporate surety authorized to do business in the State of Louisiana. Said bond shall be for the greater of the full amount of the contract price or the amount of the guaranteed maximum price of the Work. Both the Foundation and LSU shall be obligees or beneficiaries under the bond.

E. Rights Concerning the Property During Performance of the Work and Thereafter

The Foundation and its contractor(s) shall have the right to occupy and use the Property, with reasonable ingress to and egress therefrom, during the performance of the Work, and, as applicable, during the term of this Agreement, and with the prior written consent of the LSU Representative, shall fence that area of the Property necessary to perform the Work in a safe and secure manner. Except for unknown and unforeseen and/or unforeseeable defects, the Foundation assumes all responsibility for the condition of the Property used by it during the term of this Agreement. The Foundation and its contractor(s) shall maintain the Property and any improvement or construction thereon in a reasonably

prudent manner during the term of this Agreement. The LSU Representative and any other LSU employees designated by him shall at all times have access to the Property and shall exercise all rights as owner, even those not specifically acknowledged herein. The Foundation will take prudent care of the Property and return same to LSU at the termination or expiration of this Agreement, with the improvements thereon, in as good a condition as when received, ordinary wear and tear excepted. The Foundation accepts the Property for the purposes herein outlined without any warranty of title or recourse whatsoever against LSU.

F. Access over Adjoining Property during Performance of the Work

LSU hereby grants to the Foundation a servitude of access over and across such other property owned by LSU as is necessary in order for the Foundation to fulfill its obligations hereunder, provided, however, that the Foundation will not unreasonably interfere with LSU's use of such other property.

G. LSU Rules and Regulations: Access during Performance of the Work

The Foundation agrees that it will comply with all LSU regulations and policies with regard to all contractors and personnel entering the Property for purposes of performing the Work, and with all state and local laws and ordinances regulating its operations on the Property, and that it will secure, at its own expense, all necessary permits and licenses from all regulatory agencies or bodies, which rules and regulations will be addressed at the pre-construction conference. The Foundation shall make these same requirements of its contractor(s) for the Work. The Work shall be subject to inspection by the LSU Representative, and the LSU Representative shall have access at all times to the Work.

H. Approvals

LSU may not unreasonably deny or delay any approval required pursuant to this Agreement.

I. Signage

Before erecting or placing any sign upon the Property or the Improvements, the Foundation shall submit the design specifications of such sign to the LSU Representative for approval, which approval shall not be withheld if such signage is consistent with LSU's current signage policy or such signage was included in the plans and specifications.

J. Acceptance of the Work

The Foundation and LSU agree to work together to complete all warranty and punch list items within the first year following acceptance of the Work. The Foundation will not accept the Work without the written approval of the LSU Representative. LSU reserves the right to refuse to approve the acceptance of the Work unless monies equal to the value of the punch list deficiencies are held by the Foundation in an escrow account for payment to the contractor(s) for completion of the punch list items. Upon acceptance of the Work by the Foundation and provided the Improvements are donated to LSU pursuant to Section 8 of this Agreement, the Foundation hereby agrees that, to the extent allowed by law, the Foundation will transfer to LSU, upon LSU's written request, its right to enforce actions against the contractor(s) and/or the architect(s) arising out of the Work; provided, however, that the Foundation shall continue to be obligated to complete the punch list items. Final payment shall not be made to the contractor(s) until LSU agrees in writing that the punch list items have been completed.

K. Funds for the Work

Prior to the commencement of the Work, the Foundation shall satisfy the LSU Representative that the total amount of money needed to complete the Work has been collected or acquired by the Foundation and is dedicated to that use. At LSU's option, the Foundation may be required to provide a letter of credit, a performance bond, or a dedicated escrow account to guarantee its performance.

L. Clerk of the Works

If in LSU's sole discretion it becomes necessary, the Foundation at the Foundation's expense shall hire a Clerk of the Works for full time supervision of the Work.

M. Inspection and Survey

The Foundation shall inspect the Property and arrange for boundary surveys, topographical surveys, soil borings and other site investigations at its expense. LSU does not warrant that the Property is suitable for the Work. The Foundation accepts the Property in its present condition excepting any unknown or unforeseen defect in the Property.

N. Utilities

LSU may have provided water, heat, gas, electricity, sewerage and other utilities necessary for the construction of the Center to the boundary of the Property; however, any financial obligation of LSU to provide such utilities was limited to expenditure not to exceed Five Hundred Thousand (\$500,000) Dollars (which amount was to be apportioned between LSU Agricultural and Mechanical College and the LSU Agricultural Center). The Foundation, and not LSU, shall be responsible for all such utility expenses in connection with the Work provided LSU will cooperate in providing any necessary utilities to the boundary of the Property, including access to the chilled water loop, in connection with the construction.

use and occupancy of the Center and the construction of the LDMF. The Foundation expressly acknowledges that all utility construction that was required in connection with the Center and that will be required in connection with the LDMF will be available to LSU for future developments of LSU, and such utility construction is not for the exclusive benefit of the Center, the LDMF or the Foundation. The Foundation was and shall be responsible for paying or causing to be paid any and all charges for all utilities used on the Property during the Work and used thereafter by the Center, through the expiration of this Agreement.

O. No Liens; Release of Recorded Lien

The Foundation shall not suffer or permit any liens to be enforced against the Property or LSU by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to the Foundation or to anyone through the Foundation. If any such liens shall be recorded against the Property, the Foundation shall cause the same to be released of record, or in the alternative, if the Foundation in good faith desires to contest the same, the Foundation shall be privileged to do so, but in such case, the Foundation hereby agrees to indemnify and save LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

P. Site Improvements Prior to Commencement of the Work

The Foundation or its contractor(s) will not remove or trim any trees located on or adjacent to the Property without prior written consent of the LSU Representative, which consent shall not be unreasonably withheld. During performance of the Work, the Foundation and its contractor(s) will protect and guard all trees standing within 100 yards of the construction site for a distance of 10 feet from the drip line of each tree against vehicular

traffic and other reasonably foreseeable hazards, and not store any construction materials within the protected area. Any existing utility lines to surrounding buildings must be rerouted by the Foundation in order that the Improvements not be placed over any existing utility lines.

7.

INSURANCE

7.1 During the performance of the Work, the Foundation shall maintain or require its contractor(s) to maintain, the following:

A. Builder's Risk Insurance

Contractor(s) shall provide an "All Risk" builder's risk insurance policy, including but not limited to fire and extended coverage, vandalism and malicious mischief insurance, for not less than one hundred (100%) percent of the full replacement value of the Work to protect against any damage or loss during the Work. This policy shall be taken out prior to commencement of the Work and be discontinued upon final approval by LSU of the Work. It shall run in favor of the contractor(s), the subcontractor(s), the Foundation and LSU, as their interests may appear. The coverage shall include the architect's fee for work required and reconstruction following a loss during the Work. Written evidence of such insurance shall be provided to LSU prior to commencement of the Work.

B. General Liability and Property Damage Insurance

The Foundation and its contractor(s), before commencing the Work, shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, which will cover the legal liability of the Foundation, LSU and the architect arising out of the Work performed by the Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by either of them,

for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings, which may arise from operations in connection with the Work, with minimum limits of liability of One Million (\$1,000,000.00) Dollars. The Foundation shall also require its contractors and subcontractors to have in full force and effect a policy of workers' compensation and employee's liability insurance before proceeding with the Work under this Agreement. Written evidence of such insurance shall be provided to LSU prior to commencement of the Work.

7.2 Upon completion of the Center and prior to commencement of the Center's operations, the Foundation established and has maintained, and shall continue to establish and maintain, the following:

A. General Liability and Property Damages Insurance

The Foundation shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, as necessary to cover the legal liability of the Foundation and LSU arising out of the operation of any building or other facility located on the Property which is owned or operated by the Foundation or any of its agents, and by anyone directly or indirectly employed by them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings which may arise from operations of any building or other facility located on the Property which is owned or operated by the Foundation, with limits of liability of One Million (\$1,000,000.00) Dollars. The Foundation, and any building or other facility located on the Property which is owned or operated by the Foundation, shall also have in full force and effect a policy of

workers' compensation and employer's liability insurance. Written evidence of such insurance shall be provided to LSU prior to commencement of any such operations.

7.3 LSU Named as Insured

LSU shall be named as an additional insured on all policies required hereby. Certificates of all policies of insurance shall be delivered to LSU upon written request, and said policies shall provide for a thirty (30) day written notification to LSU prior to the cancellation thereof.

8.

OFFER TO DONATE IMPROVEMENTS AND TITLE TO IMPROVEMENTS

8.1 The Foundation agrees to offer to donate the Improvements to LSU after (a) final acceptance of the Work by the Foundation and written approval by the LSU Representative of said final acceptance and (b) the delivery to the LSU Representative of either (i) a clear lien certificate as to the Work which certificate has been obtained from the proper parish clerk's office or (ii) evidence that any liens against the Improvements have been adequately bonded. Said Work shall not be considered donated to LSU until the events in (a) and (b) of this Subsection 8.1 have occurred and LSU has agreed in writing to accept the Foundation's offer to donate the Improvements to LSU. If the architect for the Work recommends final acceptance of the Work by the Foundation, LSU shall not unreasonably refuse to approve final acceptance by the Foundation.

8.2 Upon fulfillment of the conditions set forth in Subsection 8.1 (a) and 8.1 (b) hereof and provided LSU has agreed in writing to accept the Foundation's offer to donate the Improvements to LSU, the Improvements shall be donated to and title and ownership to said Improvements shall be transferred to and shall become owned by LSU. Said donation shall

occur concurrently with final fulfillment of the conditions set forth in Subsection 8.1 (a) and 8.1 (b) and LSU's agreement in writing to accept the Foundation's offer to donate the Improvements to LSU, and, upon said donation, (1) the Foundation shall have no further responsibilities, obligations or liabilities with regard to the Improvements, the LDMF or the Work except as otherwise specifically set forth herein, and (2) LSU will comply with all conditions of the U.S. Department of Commerce, Economic Development Administration grant jointly received by the Foundation and LSU for the purpose of construction of the LDMF, identified under EDA Investment No. 08-79-04623. The Foundation shall bear the risk of loss with respect to the Improvements until acceptance of the donation by LSU; provided, however, the Foundation's risk shall be limited to available insurance proceeds. Furthermore, the Foundation shall obtain guarantees and warranties from the contractor or contractors and suppliers of equipment, which guarantees and warranties shall run in the favor of the Foundation if LSU does not agree in writing to accept the Foundation's offer to donate the Improvements to LSU or, alternatively, shall be assigned to and shall run in favor of LSU upon the donation of the Improvements, provided, however, the Foundation itself shall make no warranty as to the condition of the Work. To the extent that such terms are available on commercially reasonable terms, guarantees and warranties for the construction and completion of the Improvements shall run from the later of (1) the fulfillment of the conditions set forth in Subsection 8.1 (a) and (b) or (2) the recordation of the donation of the Improvements from the Foundation to LSU or (3) occupancy for the purposes set forth herein (the "Warranty Commencement Date"), which warranties shall include but not be limited to the following items and periods if available:

(a) For one year following the Warranty Commencement Date, all defects in materials and workmanship;

(b) For ten years following the Warranty Commencement Date, all plumbing, electrical, heating, cooling and ventilating systems; and

(c) For the length of manufacturers' warranties, all appliances and equipment.

8.3 Upon fulfillment of the conditions set forth in Subsection 8.1 hereof and provided that LSU has agreed in writing to accept the Foundation's offer to donate the Improvements to LSU, the parties agree to execute any and all documents necessary to effectuate the donation and the acceptance by LSU thereof. The parties will record the donation and acceptance in the records of the parish in which the Improvements and/or the LDMF are located.

8.4 Notwithstanding anything contained in this Lease, LSU at all times will have the absolute right to terminate this Lease on thirty (30) days' written notice to the Foundation. Upon such termination either LSU shall take title to all buildings, facilities, or other improvements made on or to the Property (including, but not limited to, the Center and LDMF), or LSU, at its option, may require Foundation to transfer all of its right, title and interest in this Agreement, in any such buildings, facilities, or other improvements constructed pursuant to this Agreement and in any funds Foundation has dedicated to complete the construction of any such buildings, facilities, or other improvements to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390, which is acceptable to LSU, and which accepts the obligations of the Foundation hereunder

INDEMNIFICATION

9.1 The Foundation, for itself and for its successors, assigns, agents, contractors, employees, invitees, customers and licensees, agrees to indemnify, defend and to hold LSU harmless against any loss for damages or injuries that may be suffered LSU or by any person, including but not limited to the Foundation's agents, contractors, employees, invitees, and licensees, to the extent such loss arises out of or is related to the Property, the Work, the Improvements, any building or facility located on the Property which is owned or operated by the Foundation, or any activity or operations of the Foundation on the Property, except with respect to the acts or omissions by LSU board members, officers and employees unless said board members, officers or employees are acting at the direction or request of the Foundation, and the Foundation agrees to defend LSU in any legal action against LSU and pay in full and satisfy any claims, demands or judgments made or rendered against LSU, and to reimburse LSU for any legal expenses, including attorney's fees and court costs, which may be incurred by LSU in defense of any claim or legal action arising out of any such loss provided, however, that the Foundation's costs and expenses incurred in fulfilling this indemnity and defense obligation shall be limited to insurance proceeds which are available for this purpose.

9.2 To the extent allowed by law, LSU, for itself and for its successors, assigns, agents, contractors, employees, invitees, customers and licensees, agrees to indemnify, defend and hold the Foundation harmless against any loss for damages or injuries that may be suffered by the Foundation or by any person, including but not limited to LSU's agents, contractors, employees, invitees, and licensees, except if any such persons are acting at the

direction or request of the Foundation, to the extent that such loss is caused by the negligence or fault of LSU, its board members, officers or employees and arises out of or is related to the Property, the Work, the Improvements, any building or facility located on the Property which is owned or operated by the Foundation, or any activity or operations of the Foundation on the Property, and LSU agrees to defend the Foundation in any legal actions against the Foundation and, to the extent allowed by law, pay in full and satisfy any claims, demands or judgments made or rendered against the Foundation, and to reimburse the Foundation for any legal expenses, including attorneys' fees and court costs, which may be incurred by the Foundation in defense of any claim or legal action arising out of any such loss provided, however, that LSU's costs and expenses incurred in fulfilling this indemnity and defense obligation shall be limited to proceeds from the Office of Risk Management which are available for this purpose.

10.

TERMINATION

10.1 This Agreement shall terminate upon expiration of this Agreement as set forth in Subsection 4.1 herein, or upon such earlier termination as may occur pursuant to Sections 8.4 or 12.2 of this Agreement, but all rights accrued thereunder shall survive such term for purposes of enforcement.

11.

NOTICES

11.1 All notices, demands and correspondence made necessary by the provisions of this Agreement shall be deemed to be properly given, served and addressed, if and when sent by certified mail, return receipt requested, directed as follows:

LSU:

Board of Supervisors of
Louisiana State University and
Agricultural and Mechanical College
Attention: Executive Vice
President
3810 West Lakeshore Drive
Baton Rouge, LA 70808

With copy to:
Office of General Counsel, at the above address

**LOUISIANA STATE UNIVERSITY SYSTEM
RESEARCH AND TECHNOLOGY FOUNDATION:**

Board of Directors of
LSU System Research & Technology Foundation
Attention: Chief Executive Officer
P.O. Box 25128
Baton Rouge, LA 70894

12.

FOUNDATION DEFAULT

12.1 LSU may declare the Foundation in default upon the occurrence of one or more of the following events:

A. Failure of the Foundation to commence and/or complete the Work as set forth in this Agreement, within the time frame allowed, unless such time period has been mutually extended in writing by LSU and the Foundation, and which failure has continued for a period of thirty (30) days after receipt of written notice from LSU specifying such failure and requesting that it be remedied; or

B. A substantial deviation, unauthorized in writing by LSU, from the plans and specifications for the Work approved by LSU, which deviation has continued for a period of thirty (30) days after receipt of written notice from LSU specifying such failure and requesting that it be remedied; or

C. Failure of the Foundation to observe or perform any other covenant, condition or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied; or

D. The taking by execution, for the benefit of any person or entity other than LSU, of any building, facility, or other improvement which is located on the Property and owned or operated by the Foundation (including, but not limited to, the Center, the Improvements, and the LDMF); or

E. A court having jurisdiction entering an order for relief in any involuntary case commenced against the Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation or ordering the winding up or liquidation of the affairs of the Foundation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days; or

F. The commencement by the Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Foundation to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation; or

G. The Foundation, after commencement of the Work but prior to substantially completing the Work, abandoning (with no intent to continue) the Work, for a period of fifteen (15) consecutive days, excluding delays caused by Force Majeure.

12.2 Whenever any event of default referred to in this Section 12 shall have occurred and continue and the Foundation refuses or fails to take the reasonable and necessary remedial action to cure such default in the time period specified therefore, in addition to any other remedies herein or by law provided, LSU shall have the right but not the obligation, without any further demand or notice, to declare this Agreement terminated, subject to the following.

A. In the event of such termination of this Agreement, the Foundation expressly waives any notice to vacate.

B. In the event of such termination of this Agreement during the Work due to the default of any contractor(s), LSU may call on the surety under the performance bond to complete the Work and LSU either accept title and ownership of all building, facilities, or other improvements made on or to the Property (including, but not limited to, the Center, the LDMF and the Improvements), or LSU, at its sole option, may require Foundation to transfer all of its right, title, interest and obligations under this Agreement, in any buildings, facilities, or other improvements constructed pursuant to this Agreement or the Prior Agreement, and in any funds the Foundation has dedicated to complete the Work to another nonprofit corporation or entity which meets the requirements of La. RS. 17:3390 and which is acceptable to LSU.

C. In the event of such termination of this Agreement at any other time, either LSU shall take title to and ownership of all buildings, facilities, or other improvements

made on or to the Property (including, but not limited to, the Center, the Improvements, and the LDMF), or LSU, at its sole option, may require Foundation to transfer all of its right, title and interest in this Agreement, in any buildings, facilities, or other improvements constructed pursuant to this Agreement or the Prior Agreement, and in any funds Foundation has dedicated to complete the construction of any such buildings, facilities, or other improvements to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390, which is acceptable to LSU, and which accepts the obligations of the Foundation hereunder.

13.

LSU DEFAULT

13.1 Until acceptance of the Work, the Foundation may declare LSU in default upon the failure of LSU to observe or perform any covenant, condition or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default continues and LSU has not taken any action reasonably anticipated to cure such default, in addition to any other remedies herein or by law provided, the Foundation shall have the right, without any further demand or notice, to declare this Agreement terminated and shall have no further obligation to perform any of the obligations of the Foundation under this Agreement. After acceptance of the Work, a default by LSU and notice and delay as defined in this Section 13 shall give rise to a claim for judicial enforcement in accordance with law.

14.

MISCELLANEOUS

14.1 Relationship of 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.

14.2 Attorneys' Fees

If either party is required to commence legal proceedings relating to this Agreement, the prevailing party to the extent allowed by law shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

14.3 Louisiana Law to Apply

This Agreement shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana.

14.4 Nonwaiver

No waiver by LSU or the Foundation of a breach of any of the covenants, conditions or restrictions of this Agreement shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Agreement. The failure of LSU or the Foundation to insist in any one or more cases upon the strict performance of any of the covenants, conditions or restrictions of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant, condition, restriction or option. No waiver, change, modification, or discharge by

LSU or the Foundation of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

14.5 Severability

If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

14.6 Authorization

By execution of this Agreement, the Foundation and LSU each represent to the other that it is an entity validly existing, duly constituted and in good standing under the laws of the jurisdiction of which it was formed and in which it presently conducts business; that all acts necessary to permit it to enter into and be bound by this Agreement have been taken and performed; and that the person signing this Agreement on its behalf has due authorization to do so.

14.7 Use of Name

Neither party shall make use of the other party's name, logo or marks without the other party's prior written consent.

14.8 Amendment

No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

14.9 Assignment

The Foundation shall not assign or transfer any interest in this Agreement or any part hereof without the prior written consent of LSU, and any attempt of assignment or transfer without the prior written consent of LSU shall be null and void as to LSU.

14.10 Successors and Assigns

All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSU into another educational institution.

14.11 Disposition of the Center and the LDMF upon lapse of the Term

Unless LSU and the Foundation enter into a written agreement providing otherwise, upon termination of this Agreement by lapse of the Term, any buildings, facilities, or other improvements constructed on the Property pursuant to this Agreement (including, but not limited to, the Center and the LDMF, if title to either has not previously been transferred to LSU by donation or otherwise) shall be transferred to LSU by the Foundation or demolished at the Foundation's expense, in the sole discretion of LSU.

14.12 Entire Agreement

This Agreement, together with Exhibit A attached hereto, and the Cooperative Endeavor Agreement between the Louisiana Department of Economic Development and Louisiana State University System Research and Technology Foundation approved by the Office of the Governor, Office of Contractual Review on August 18, 2001, including any amendments thereto, the Cooperative Endeavor Agreement between the Louisiana Department of Economic Development and the Foundation executed in March, 2003,

including any amendments thereto, and the Cooperative Endeavor Agreement between the State of Louisiana, the Louisiana Department of Economic Development, the City of Baton Rouge/Parish of East Baton Rouge and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approved by the Office of the Governor, Office of Contractual Review on December 29, 2008, including any amendments thereto, contains the final and entire agreement between the parties hereto with respect to the Property and contains all of the terms and conditions agreed upon with respect to the Property, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written. Any ambiguity in this agreement shall be interpreted by reference to the Resolution of the Board of Supervisors adopted on April 15, 2011, and without reference to the principal drafter of any provision.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day, month and year hereinabove first written.

WITNESSES:

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

Kay Miller
[Signature]

By: [Signature]
John V. Lombardi, President
Louisiana State University System

LOUISIANA STATE UNIVERSITY SYSTEM
RESEARCH & TECHNOLOGY FOUNDATION

Charlotte Smith
[Signature]
Huston Bell

By: [Signature]
Arthur R. Cooper, Chief Executive Officer

[Signature page for Amended and Restated Agreement and Lease
of Property for Construction of the Louisiana
Emerging Technologies Center and the Louisiana Digital Media Facility]

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this 11th day of May, 2011, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared John V. Lombardi, appearing herein in his capacity as the President of the Louisiana State University System, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Supervisors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

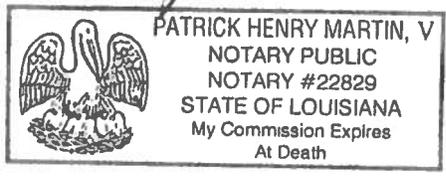
IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

Kay Miller
[Signature]

[Signature]
John V. Lombardi, President
Louisiana State University System

[Signature]
NOTARY PUBLIC



STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this 12th day of May, 2011, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared Arthur R. Cooper, appearing herein in his capacity as the Chief Executive Officer of the LSU System Research and Technology Foundation, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said nonprofit corporation with full authority of its Board of Directors and that said instrument is the free act and deed of the Foundation and was executed for the uses, purposes and benefits therein expressed.

IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

Charlotta Smith

Arthur R. Cooper

Arthur R. Cooper, Chief Executive Officer,
Louisiana State University System Research and
Technology Foundation

Kristyn Bell

Christie C. Richardson
NOTARY PUBLIC

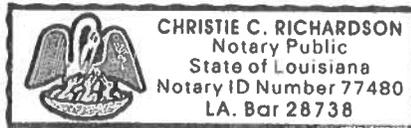


Exhibit A – The Property

A 6.69 acre tract situated on the Baton Rouge Campus of Louisiana State University in Section 67, Township 8 South – Range 1 West, East Baton Rouge Parish and being more particularly described as follows:

Commence at the intersection of the westerly edge of East Parker Boulevard and the southerly edge of the turnout for South Coliseum Drive and the POINT OF BEGINNING;

Thence proceed along the westerly side of East Parker Boulevard the following courses: North 46 degrees 53 minutes 13 seconds East 92.98 feet, North 50 degrees 13 minutes 23 seconds East 29.01 feet, North 54 degrees 14 minutes 06 seconds East 94.35 feet, North 45 degrees 35 minutes 37 seconds East 122.21 feet, North 37 degrees 30 minutes 01 seconds East 150.45 feet; thence proceed along a curve to the left having a radius of 34.49 feet, the long chord of which bears North 8 degrees 16 minutes 56 seconds West 44.24 feet, a distance of 48.03 feet; thence proceed along the southerly edge of South Stadium Drive North 54 degrees 03 minutes 53 seconds West 52.73 feet; thence proceed along a curve to the left having a radius of 328.88 feet, the long chord of which bears North 66 degrees 02 minutes 42 seconds West 131.36 feet, a distance of 132.25 feet; thence proceed North 78 degrees 01 minute 37 seconds West 251.25 feet; thence proceed along a curve to the right having a radius of 1196.90 feet, the long chord of which bears North 72 degrees 40 minutes 52 seconds West 140.22 feet, a distance of 140.29 feet; thence proceed North 67 degrees 15 minutes 23 seconds West 152.52 feet; thence proceed South 6 degrees 44 minutes 44 seconds West 534.95 feet to the southerly edge of Coliseum Drive; thence proceed South 83 degrees 45 minutes 01 seconds East 206.86 feet; thence proceed along a curve to the left having a radius of 384.46 feet, the long chord of which bears North 85 degrees 36 minutes 33 seconds East 95.61 feet, a distance of 95.86 feet; thence proceed North 74 degrees 58 minutes 07 seconds East 23.13 feet; thence proceed South 45 degrees 12 minutes 39 seconds East 117.34 feet to the POINT OF BEGINNING.

RESOLUTION BY THE BOARD OF DIRECTORS OF LOUISIANA STATE UNIVERSITY SYSTEM RESEARCH AND TECHNOLOGY FOUNDATION AT ITS SPECIAL MEETING TO BE HELD ON APRIL 28, 2011

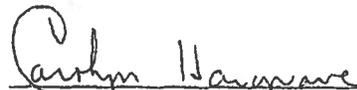
BE IT RESOLVED, that (a) the Amended and Restated Agreement and Lease of Property for Construction, Use and Occupancy of the Louisiana Emerging Technologies Center and the Louisiana Digital Media Facility by and between the Louisiana State University System Research and Technology Foundation (the "**Foundation**"), as lessee, and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("**LSU**"), as lessor (the "**Amended and Restated Agreement and Lease**"), and (b) the Lease Agreement for Demolition of Sheep/Swine Building and Construction of Surface Parking on East Parker Land by and between the Foundation, as lessee, and LSU, as lessor (the "**East Parker Lease**") (collectively, the Amended and Restated Agreement and Lease and the East Parker Lease are referred to herein as the "**Leases**"), be, and the Leases are, hereby approved and authorized in substantially the same form and content as presented at this meeting, and, in connection therewith, Arthur R. Cooper, the Chief Executive Officer of the Foundation (the "**Authorized Officer**"), be, and hereby is, authorized, empowered and directed in the name of and on behalf of the Foundation to execute and deliver the Leases, and such other related agreements and documents contemplated by the Leases, with such changes, additions and modifications thereto, if any, as the Authorized Officer, in his discretion, deems necessary or appropriate; and

BE IT FURTHER RESOLVED, that the Board of Directors of the Foundation hereby approves the Louisiana Digital Media Facility General Contractor Selection Criteria and Process presented at this meeting.

CERTIFICATE

The undersigned, being the duly authorized Secretary of Louisiana State University System Research and Technology Foundation (the "**Foundation**"), does hereby certify that the above and foregoing is a true and accurate copy of a Resolution duly adopted by the Board of Directors of the Foundation at its Special Meeting duly noticed and held on Thursday, April 28, 2011, at which a quorum was present throughout, which Resolution has not been amended or rescinded and is in full force and effect as of the date hereof.

Executed as of the ²⁸28 day of April, 2011.



Carolyn Hargrave, Secretary

EXECUTION VERSION

RECEIVED

OCT 30 2013

PROPERTY & FACILITIES

COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

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

AND

**LOUISIANA STATE UNIVERSITY SYSTEM
RESEARCH AND TECHNOLOGY FOUNDATION**

DATED AS OF SEPTEMBER 17, 2013

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (the “**Agreement**”) is made and entered into as of September 17, 2013 (the “**Effective Date**”), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, its duly authorized undersigned President & Chancellor (hereinafter referred to as “**LSU**”), and the Louisiana State University System Research and Technology Foundation, a nonprofit Louisiana corporation, represented herein by Arthur R. Cooper, its duly authorized undersigned Chief Executive Officer (hereinafter referred to as the “**R&T Foundation**”) (LSU and the R&T Foundation are each a “**Party**” and collectively, the “**Parties**”).

RECITALS

WHEREAS, Article VII, Section 14(C) of the Constitution of the State of Louisiana provides that “For a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;”

WHEREAS, the State of Louisiana (the “**State**”), the Louisiana Department of Economic Development (the “**LED**”), the City of Baton Rouge/Parish of East Baton Rouge and LSU entered into that certain Cooperative Endeavor Agreement, effective July 1, 2008 (the “**2008 CEA**,” attached hereto as **Exhibit A**), for the stated purpose of promoting the development of the digital interactive media industry in the State, and encouraging technology transfer and research and development in the field of digital interactive media, by providing for relevant curricula, workforce and facilities in support thereof, including assistance to the Louisiana Digital Media Facility (the “**LDMF**”).

WHEREAS, the 2008 CEA provides, among other things, that (1) LSU will work collaboratively and negotiate in good faith with the anchor tenant of the proposed LDMF (the “**Anchor Tenant**,” currently Electronic Arts, Inc.) regarding the location, design, funding and construction of a space to house the proposed LDMF and the Anchor Tenant; and (2) the LED will provide funds to LSU for lease or use support for the Anchor Tenant at the LDMF subject to the terms of “a second Cooperative Endeavor Agreement.”

WHEREAS, in conformance with the stated purpose of the 2008 CEA, LSU and the R&T Foundation subsequently entered into that certain Amended and Restated Agreement and Lease of Property for Construction of the Louisiana Emerging Technology Center and the Louisiana Digital Media Facility, dated as of May 11, 2011 (the “**Construction Agreement**”), to permit the R&T Foundation to construct the LDMF

(together with parking lot reconfiguration, the “**Improvements**”) on the LSU main campus;

WHEREAS, the Improvements have been completed and, in accordance with Section 8 of the Construction Agreement, the R&T Foundation has offered to donate, and LSU has agreed in writing to accept the donation of, the Improvements to LSU (the “**Donation**”) pursuant to the terms of a donation agreement to be executed contemporaneously with this Agreement;

WHEREAS, the R&T Foundation has operated and managed the Improvements since the Anchor Tenant moved into the LDMF on February 1, 2013, and entered into a Lease Agreement with the R&T Foundation (the “**Anchor Tenant Lease Agreement**,” attached hereto as **Exhibit B**) on the same date;

WHEREAS, the Parties believe the R&T Foundation can react more quickly than LSU to the needs of LDMF tenants, including the Anchor Tenant, and thus LSU has requested that the R&T Foundation continue to operate and manage the Improvements following the Donation subject to the terms and conditions set forth herein;

WHEREAS, the R&T Foundation has agreed to continue to operate and manage the Improvements following the Donation subject to the terms and conditions set forth herein; and

WHEREAS, the Anchor Tenant Lease Agreement provides that all of the provisions thereof as to the rights and obligations of the R&T Foundation shall apply to LSU upon the Donation;

NOW THEREFORE, in consideration of the mutual covenants herein contained and the public purposes and benefits to be obtained hereby, the Parties agree as follows:

ARTICLE I

Section 1.01 Scope of Services

Contractor hereby agrees to render the following services:

(A) Services.

- (1) Routine Services. Subject to the terms and conditions of Subsection (B) of this Section 1.01, the R&T Foundation will operate and manage the Improvements and, in connection therewith, will (a) provide routine janitorial services required by the normal, prudent use of the Improvements, such as emptying trash cans, vacuuming the carpet, and cleaning the kitchen, break rooms, restrooms and common areas on a daily basis (Saturdays, Sundays and holidays excepted), removing trash from the parking

lot on a weekly basis, polishing all hard floors and tiled areas twice a month, and steam cleaning the carpet annually (the “**Routine Janitorial Services**”); (b) maintain in good repair, ordinary wear and tear excepted, (i) the roof, foundation, elevators, exterior walls, and exterior windows, (ii) the electrical, heating, air conditioning, ventilation, lighting, plumbing and fire alarm systems, utility lines, and sewer pipes forming a part of or serving the LDMF, and (iii) the parking lot, entrances, exits, stairways, common areas, and exterior landscaping (the “**Routine Maintenance Services**”); and (c) respond to tenant issues that arise in the normal, prudent use of the Improvements, such as replacing light bulbs, cleaning windows, and making minor repairs, including minor repairs to interior and/or demising walls, interior windows, and interior doors (the “**Routine Tenant Services**”) (collectively, the Routine Janitorial Services, Routine Maintenance Services and Routine Tenant Services are referred to herein as the “**Routine Services**”).

(2) Non-Routine Services. Subject to the terms and conditions of Subsection (B) of this Section 1.01, the R&T Foundation will also provide services in connection with the operation and management of the Improvements other than those Routine Services identified in Subsection (A)(1) of this Section 1.01, including major interior or exterior repairs (the “**Non-Routine Services**”), provided that the R&T Foundation is capable of providing such services.

(B) Services Requiring LSU Approval. Before incurring any individual expense for the provision of Routine or Non-Routine Services that exceeds \$2,500, the R&T Foundation will first provide written notice to, and obtain written approval to proceed from, a representative of LSU designated hereunder to act on behalf of LSU (the “**LSU Designated Representative**”).

(C) Extra Janitorial Services Provided Anchor Tenant. If requested by the Anchor Tenant and consistent with the terms of the Participation and Use Agreement (as defined in the 2008 CEA), the R&T Foundation will also provide janitorial services for the Anchor Tenant on Saturdays, Sundays, holidays and/or at night and invoice the Anchor Tenant directly for such janitorial services.

(D) Alterations. Should a Tenant request an alteration, physical addition, modification or improvement of its leased space within the LDMF, the R&T Foundation will only authorize the requested alteration, physical addition, modification or improvement to be made by or on behalf of the Tenant, or make the requested alteration, physical addition, modification or improvement for the Tenant, after (1) providing written notice to the LSU Designated Representative of, and obtaining written approval from

the LSU Designated Representative authorizing, performance of the work requested and (2) confirming with LSU who will perform and pay for the work requested.

- (E) Annual Operating Budget. Within ten (10) days of the Effective Date of this Agreement and on or before each annual anniversary of the Effective Date of this Agreement through and including June 30, 2018, the R&T Foundation will prepare an operating budget delineating the expenses that the R&T Foundation anticipates it will incur to operate and manage the Improvements for the upcoming year and forward this operating budget to the LSU Designated Representative for approval by the appropriate Vice Chancellor. During this budget process, the appropriate Vice Chancellor may amend the threshold amount of any individual expense for the provision of Routine or Non-Routine Services that requires LSU approval as set forth in Subsection 1.01(B) of this Agreement.
- (F) Property. Any non-consumable movable or immovable property purchased by the Foundation for permanent use in or incorporation into the LDMF shall become the property of LSU. Foundation agrees to execute any formal documentation necessary to memorialize such donation.

Section 1.02 LSU Review, Payment, and Representatives.

- (A) Payment Obligations. Subject to the terms and conditions of this Agreement, LSU will pay (1) the R&T Foundation Monthly Management Fee described and defined in Subsection 2.01(B)(1) of this Agreement, (2) the Monthly Use Support Payment described and defined in Subsection 2.01(B)(2) of this Agreement (less the Reserve Maintenance Fund Amount described and defined in Subsection 2.01(C) of this Agreement), and (3) to the extent that the LDMF Account and the Reserve Maintenance Fund as described and defined in Subsections 2.01(A) and (C) of this Agreement, respectively, do not contain sufficient funds to pay (a) all expenses incurred by the R&T Foundation in connection with providing the Services identified in Section 1.01 of this Agreement as described in Subsection 2.01(D) of this Agreement and (b) the Insurance Reimbursement Amount as described in Subsection 2.01(D) of this Agreement, the full amount of such insufficiency; provided that, LSU will not be obligated to pay in any one fiscal year greater than \$750,000.00 in connection with this Agreement. Under no circumstance will the R&T Foundation be obligated to pay any of the amounts described in this Subsection 1.02(A).
- (B) Written Response. Within five (5) business days of receiving written notice of any expense requiring LSU approval as described in Subsections 1.01(B) and 1.01(D) of this Agreement, LSU, through its Designated

Representative, will provide written approval of the expense or indicate in writing that it does not approve of the expense.

(C) LSU Designated Representative and Point of Contact.

- (1) For purposes of this Agreement, the LSU Designated Representative is LSU's Executive Director for Facilities Services or his designee or such other individual as may in the future be identified by LSU by written notice provided to the R&T Foundation in the manner provided for in Section 12.03 of this Agreement.
- (2) For purposes of the Anchor Tenant Lease Agreement, the R&T Foundation and its Chief Executive Officer, Arthur R. Cooper, or such other entity and/or individual as may in the future be identified by LSU by written notice provided to the R&T Foundation in the manner provided for in Section 12.03 of this Agreement, will be the point of contact for issues arising under Paragraphs 2 (Services), 7 (Care and Use of Facilities), 8 (Alterations or improvements), 10 (Maintenance), 22 (Right of Entry or Inspection), 27 (Utilities and Other Services), and 29 (Improvements).

**ARTICLE II
PAYMENT TERMS**

Section 2.01 Payment Process.

- (A) LDMF Account. The R&T Foundation will establish a separate checking account for the LDMF (the "**LDMF Account**").
- (B) Payment for Services and Use Support. On and after the Effective Date of this Agreement, the R&T Foundation will invoice LSU for the following amounts ten (10) days prior to the first day of each ensuing calendar month, and LSU will pay the R&T Foundation the following amounts by the first day of each ensuing calendar month (less the Reserve Maintenance Fund Amount described and defined in Subsection 2.01(C) of this Agreement), through and including June 30, 2018: (1) \$4,843.75, representing the R&T Foundation's monthly fee for providing the Services identified in Section 1.01 of this Agreement (the "**R&T Foundation Monthly Management Fee**") and (2) \$33,906.25, representing the monthly use support payment for the LDMF (the "**Monthly Use Support Payment**") to be used to pay the expenses and insurance associated with operating and managing the LDMF as further described herein.

- (C) The Reserve Maintenance Fund. LSU will retain \$5,000.00 of each Monthly Use Support Payment (the “**Reserve Maintenance Fund Amount**”) in a separate account maintained by LSU (the “**Reserve Maintenance Fund**”) or such other amount as mutually agreed upon by the R&T Foundation and LSU through the annual operating budget process in Subsection 1.01(E).
- (D) Payment of Expenses and Insurance.
- (1) Routine Services. On and after January 1, 2013, and subject to the terms and conditions of Subsection 1.01(B) of this Agreement, all expenses that were or are incurred by the R&T Foundation in connection with providing the Routine Services identified in Subsection 1.01(A)(1) will be paid out of the LDMF Account. In the event that the LDMF Account does not have sufficient funds to pay these expenses, the R&T Foundation will so advise the LSU Designated Representative in writing and LSU will then remit to the R&T Foundation sufficient funds from the Reserve Maintenance Fund (or some other source) to cover the deficiency.
 - (2) Non-Routine Services. On and after the Effective Date of this Agreement, and subject to the terms and conditions of Subsection 1.01(B) of this Agreement, all expenses incurred by the R&T Foundation in connection with providing the Non-Routine Services identified in Subsection 1.01(A)(2) of this Agreement will be paid to the R&T Foundation directly by LSU (solely on a reimbursement basis without markup of any kind), or as otherwise mutually agreed to between the R&T Foundation, LSU and any affected Tenant. If, in the opinion of the R&T Foundation, the expense is necessary as a result of the negligence or other fault of any tenant of the LDMF (each a “**Tenant**”), its agents, employees, or invitees (which damage will be documented by the R&T Foundation by photographs and/or other means, with copies provided to LSU), the R&T Foundation will first use best efforts to collect the amount of any such individual expense from that Tenant and, only if unsuccessful, will LSU pay such expense (solely on a reimbursement basis without markup of any kind).
 - (3) Alterations. On and after the Effective Date of this Agreement, all expenses incurred by the R&T Foundation in connection with making any alteration, physical addition, modification or improvement pursuant to Subsection 1.01(D) of this Agreement will be paid as determined in accordance with Subsection 1.01(D)(2) of this Agreement.
 - (4) Insurance. The Insurance Reimbursement Amount described and defined in Subsection 4.02 of this Agreement, will be paid out of

the LDMF Account. In the event that the LDMF Account does not have sufficient funds to pay this amount, the R&T Foundation will so advise the LSU Designated Representative in writing and LSU will then remit to the R&T Foundation sufficient funds from the Reserve Maintenance Fund (or some other source) to cover the deficiency.

(5) Current or Overdue Payment Amounts. Any funds in the LDMF Account can be used to pay the R&T Foundation any current or overdue R&T Foundation Monthly Management Fees, any current or overdue Monthly Use Support Payments (less the Reserve Maintenance Fund Amount described and defined in Subsection 2.01(C) of this Agreement), and any current or overdue Insurance Reimbursement Amounts.

(E) Accounting. Each quarter and annually, the R&T Foundation will provide the LSU Representative with an accounting of all expenses incurred in connection with providing the Services identified in Section 1.01 of this Agreement and paid by the R&T Foundation out of the LDMF Account as well as a copy of the account statement for the LDMF Account and a comparison, on a year-to-date basis, of the budgeted amount with the actual expenditures.

Section 2.02 Anticipated future payments and process.

(A) Snack/Coffee Shop. In the future, a snack/coffee shop may be built in the LDMF and operated by LSU, directly or through its dining services contract or other contract. The Parties agree that the R&T Foundation will neither operate nor manage the snack/coffee shop and will have no responsibilities in connection therewith either pursuant to this Agreement or otherwise.

(B) Audio-Visual Auditorium, Classroom and Conference Rooms. LSU may permit an individual or entity, on a daily or longer basis, to use the Audio-Visual Auditorium, the Audio-Visual Classroom and/or certain Audio-Visual Conference Rooms, shown as the cross-hatched portion of the first floor site plan of the LDMF attached hereto as **Exhibit C**. If, and only if, LSU charges and collects a facilities use fee in connection therewith, LSU will remit to the R&T Foundation 12.5% of each such facilities use fee as an additional management fee that will be deposited in the R&T Foundation's Operating Account.

ARTICLE III TERMINATION

Section 3.01. Termination by LSU. If LSU does not receive sufficient funds from the LED or some other source to pay the R&T Foundation the amounts due hereunder, LSU will have the option to terminate this Agreement upon forty-five (45) days written notice and, if exercised, the R&T Foundation will have no further responsibilities, obligations or liabilities with regard to operating and managing the LDMF.

Section 3.02. Termination by the R&T Foundation.

- (A) If the R&T Foundation does not receive from LSU or some other source either the R&T Foundation Monthly Management Fee described and defined in Subsection 2.01(B)(1) of this Agreement or the Monthly Use Support Payment described and defined in Subsection 2.01(B)(2) of this Agreement (less the Reserve Maintenance Fund Amount described and defined in Subsection 2.01(C) of this Agreement) on or before the first day of any calendar month in connection with which such payments are due, the R&T Foundation will have the option to terminate this Agreement if the full delinquent payment is not received by the R&T Foundation within forty-five (45) days of the R&T Foundation providing written notice of such failure to pay to LSU (or to the Anchor Tenant pursuant to the terms of the Anchor Tenant Lease) and, if exercised, the R&T Foundation will have no further responsibilities, obligations or liabilities with regard to operating and managing the LDMF.

- (B) The R&T Foundation may also terminate this Agreement if the LDMF Account does not contain sufficient funds to pay (a) all expenses incurred by the R&T Foundation in connection with providing the Services identified in Section 1.01 of this Agreement as described in Subsection 2.01(D) of this Agreement and (b) the Insurance Reimbursement Amount as described in Subsection 2.01(D) of this Agreement, and LSU, or some other person or entity, does not provide sufficient funds to pay such amounts from the Reserve Maintenance Fund (or some other source) within ten (10) days of the R&T Foundation providing written notice of the insufficiency of funds.

Section 3.03. Balance of Reserve Maintenance Fund. Upon termination of this Agreement, any funds remaining in the Reserve Maintenance Fund after payment of all R&T Foundation Monthly Management Fees due hereunder, all expenses incurred by the R&T Foundation in connection with providing the Services identified in Section 1.01 of this Agreement as described in Subsection 2.01(D) of this Agreement, and all Insurance Reimbursement Amounts as described in Subsection 2.01(D) of this Agreement, shall be the property of LSU.

Section 3.04 State Termination Clause. Notwithstanding any other provision herein, LSU may terminate this Agreement for cause based upon the failure of the R&T Foundation to comply with the terms and/or conditions of the Agreement; provided that LSU shall give the R&T Foundation written notice specifying the R&T Foundation's failure. If within forty-five (45) days after receipt of such notice, the R&T Foundation shall not have either corrected such failure or, in case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then LSU may, at its option, place the R&T Foundation in default and the Agreement shall terminate on the date specified in the notice. In addition to its right to terminate this Agreement in accordance with Section 3.02 of this Agreement, the R&T Foundation may also exercise any rights available to it under Louisiana law to terminate for cause upon the failure of LSU to comply with the terms and conditions of this Agreement, provided that the R&T Foundation shall give LSU written notice specifying LSU's failure and a reasonable opportunity for LSU to cure the defect.

ARTICLE IV INSURANCE

Section 4.01 Insurance. Subject to LSU's reimbursement obligations set forth in Section 4.02 of this Agreement, the R&T Foundation (A) has maintained, and will through the date of the Donation maintain, a policy or policies of insurance with insurers described in Subsections 4.03(A) and (K) of this Agreement in amounts mutually agreed upon by the Parties covering all insurable risks of physical damage or injury to the Improvements available under Louisiana insurance law and regulations, and sufficient in amount to fully restore the Improvements to the greatest extent allowed by law, and (B) has maintained, and will through the term of this Agreement or any earlier termination date, subject to the cancellation provisions set forth in Subsection 4.03(M) of this Agreement, continue to maintain, a policy or policies of insurance with insurers described in Subsections 4.03(A) and (K) of this Agreement in amounts mutually agreed upon by the Parties providing general liability coverage. Following the Donation, LSU, and not the R&T Foundation, will be wholly responsible for obtaining and maintaining the insurance described in Section 4.01(A) of this Agreement in amounts mutually agreed upon by the Parties.

Section 4.02 Reimbursement. Both (A) the cost of the insurance maintained by the R&T Foundation as described in Subsection 4.01(A) as well as (B) a proportionate share (as mutually agreed by the R&T Foundation and LSU as part of the annual operating budget process in subsection 1.01(E)) of the cost of the general liability coverage described in section 4.01(B) shall be considered expenses related to the operations of the LDMF and as such, the R&T Foundation shall reimburse itself for the cost of such coverage (the "**Insurance Reimbursement Amount**") out of the funds deposited into the LDMF Account pursuant to this Agreement.

Section 4.03 Other Insurance Provisions.

(A) Required Insurance. Through the term of this Agreement or any earlier termination date, subject to the cancellation provisions set forth in Subsection 4.03(M) of this Agreement, the R&T Foundation shall at all times maintain or cause to be maintained, with respect to its operations of the LDMF, insurance in the following types and amounts. Such insurance shall be with insurance companies duly licensed to do business in the State of Louisiana and, to the extent available on commercially reasonable terms, bearing a rate of A-VI in the latest Best Casualty Insurance Reports.

TYPE	AMOUNT
<p>Commercial General Liability Insurance for the following where the exposure exists:</p> <ul style="list-style-type: none"> (a) premises-operations (b) broad form Lease liability (c) products/completed operations (d) use of Contractors and subcontractors (e) personal injury (bodily injury and death) (f) broad form property damage (g) explosion, collapse and underground property damage (h) independent Contractors (i) sprinkler leakage legal liability 	<p>Coverage in an amount not less than:</p> <p style="padding-left: 40px;">\$1,000,000.00 per occurrence; \$2,000,000.00 General Aggregate; and \$2,000,000.00 Products & Completed Operations Aggregate; less a commercially reasonable deductible.</p> <p>“Claims Made” form is not acceptable.</p>
<p>Business Automobile Liability Insurance for bodily injury and property damage, covering owned, hired, rented, and leased automobiles.</p>	<p>Combined single limit of One Million Dollars (\$1,000,000.00) per occurrence.</p>
<p>Worker’s Compensation & Employer’s Liability Insurance.</p>	<p>Limits as required by the Labor Code of the State of Louisiana and Employer’s Liability coverage. The insurer shall agree to waive all rights of subrogation against LSU, its officers, agents, employees and volunteers for losses arising from work performed by the Contractor for the Agency.</p>

(B) Additional Insurance Requirements. Unless otherwise approved in writing by the LSU Designated Representative, the R&T Foundation shall maintain or require all contractors and/or subcontractors to maintain the insurance provided above. The R&T Foundation and its contractors and/or

subcontractors, before commencing any activity pursuant to this Agreement, shall procure such comprehensive liability and property damage insurance, including, but not limited to Commercial General Liability, Personal and Advertising Injury Liability, Products and Completed Operations Liability and insurance for the operation of motor vehicles, which will cover, to the extent allowed by law, improvements, repairs, or other work performed by the R&T Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by any of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding structures and buildings. Unless otherwise agreed to in writing by the LSU Designated Representative, such policy or policies of insurance shall provide minimum liability limits of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and Two Million and 00/100 Dollars (\$2,000,000.00) general aggregate. The R&T Foundation shall also either (a) require its contractors and subcontractors to have in full force and effect a policy of workers' compensation and employer's liability insurance or (b) include such contractors and subcontractors under its own policies for liability and workers' compensation before proceeding with any work under this Agreement, which insurance shall be in compliance with the Louisiana Workers Compensation Act.

- (C) Required Insurance Shall Be Primary. All insurance required hereby shall be primary as respects to LSU and its board members, employees, agents, and volunteers. Any insurance or self-insurance maintained by LSU shall be excess and noncontributory to the insurance maintained by the R&T Foundation or any contractors hereunder.
- (D) Failure to Comply With Reporting Requirements. Any failure of the R&T Foundation or its contractor(s) and/or subcontractor(s) to comply with reporting requirements of a policy required hereby shall not affect coverage provided to LSU and its board members, employees, agents, and volunteers.
- (E) Application of Multiple Policies. The insurance maintained by the R&T Foundation and/or any contractors and/or subcontractors hereunder shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policy limits.
- (F) No Release. Neither the acceptance of completed work nor the payment therefor shall release the R&T Foundation or any contractor from the obligations of the insurance requirements or indemnification set forth herein.

- (G) No Recourse. 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.
- (H) Excess Insurance. Excess umbrella insurance may be used to meet the minimum requirements for general liability insurance and automobile liability insurance only.
- (I) Deductibles and SIR's. Any deductibles or self-insured retentions must be declared to and accepted by the LSU Designated Representative. The R&T Foundation and/or its contractors and/or subcontractors shall be responsible for all deductibles and self-insured retentions.
- (J) No Special Limitations. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to LSU and its board members, employees, agents, and volunteers.
- (K) Licensed Louisiana Insurers. All insurance shall be obtained through insurance companies duly licensed and authorized to do business in the State of Louisiana, which, to the extent available on commercially reasonable terms unless waived in writing by the LSU Designated Representative, bear a rating of A-:VI in the latest A. M. Best Co. ratings guide. If at any time an insurer issuing a policy hereunder does not meet the minimum A. M. Best Co. ratings, and such requirements has not been waived in writing, the R&T Foundation and/or contractor and/or subcontractor shall obtain a policy with an insurer that meets the A. M. Best Co. rating required and shall submit another Certificate of Insurance as required hereunder.
- (L) Occurrence Based Policies. All insurance required hereunder shall be per occurrence coverage. Claims-made policies are not allowed.
- (M) Verification of Coverage. The R&T Foundation shall furnish the LSU Designated Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. In addition to the certificates, the R&T Foundation shall submit the declarations page and the cancellation provision endorsement for each insurance policy. Said certificates and policies shall to the extent allowed by law provide at least a thirty (30) day written notification to the LSU Designated Representative prior to the cancellation thereof. Upon failure of the R&T Foundation to furnish, deliver and maintain such insurance as provided herein, this Agreement, at the election of the LSU System President & Chancellor, may be suspended, discontinued or terminated; alternatively, LSU may, but shall not shall be obligated to, obtain said insurance on behalf of the R&T Foundation at the expense of the R&T

Foundation unless the cost of such coverage is to be paid out of the funds deposited into the LDMF Account pursuant to Section 4.02 of this Agreement. Failure of the R&T Foundation to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve the R&T Foundation from any liability or indemnification hereunder.

- (N) Additional Insureds. The Foundation, the Board, and their board members, employees, and agents shall each be named as additional insureds on all policies required hereby.

ARTICLE V INDEMNITY

Section 5.01 Indemnity Obligations of the R&T Foundation. The R&T Foundation agrees to protect, defend, indemnify, save, and hold harmless, LSU, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of the R&T Foundation, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by the R&T Foundation as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of LSU, its officers, agents, servants, employees and/or volunteers. The R&T Foundation agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent. However, the Parties further agree that the R&T Foundation's costs and expenses incurred in fulfilling its defense and indemnity obligations hereunder shall be limited to insurance proceeds which are available for this purpose.

Section 5.02 Indemnity Obligations of LSU. LSU agrees to protect, defend, indemnify, save, and hold harmless, the R&T Foundation, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of LSU, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by LSU as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the R&T Foundation, its officers, agents, servants, employees and/or volunteers. LSU agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent. However, the Parties further agree that LSU's costs and expenses incurred in fulfilling its defense and indemnity obligations hereunder shall be limited to proceeds from the Office of Risk Management which are available for this purpose.

**ARTICLE VI
NON-ASSIGNABILITY**

Neither Party shall assign any interest in this Agreement by assignment, transfer, or novation, without prior written consent of the other party. This provision shall not be construed to prohibit the R&T Foundation from assigning its bank, trust company, or other financial institution any money due or to become due from approved Agreements without such prior written consent. Notice of such assignment or transfer shall be furnished promptly to LSU and the Office of Contractual Review..

**ARTICLE VII
AUDIT AND AUDITORS**

The Parties hereby agree that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration, as well as LSU and its internal auditors shall have the option of auditing all records and accounts of the R&T Foundation that relate to this Agreement, as well as all contracts with outside consultants and service providers relative to the performance of services under this Agreement.

**ARTICLE VIII
RECORD RETENTION**

R&T Foundation agrees to retain all books, records, and other documents relevant to this Agreement and the funds expended hereunder for at least three years after final payment, or as required by applicable Federal law if Federal funds are used to fund this Agreement.

**ARTICLE IX
TERM**

This Agreement shall begin on the Effective Date and shall terminate on June 30, 2018. The termination date may be extended by written amendment to this Agreement, which must be signed by each of the Parties after obtaining any necessary approvals.

**ARTICLE X
FISCAL FUNDING**

The continuation of this Agreement is contingent upon the appropriation of funds to fulfill therequirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated unless terminated earlier as otherwise provided in this Agreement.

**ARTICLE XI
DISCRIMINATION CLAUSE**

Section 9.01 Applicable Non-Discrimination Acts. The Parties agree to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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 contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Section 9.02 Non-Discrimination Policy. The Parties agree not to discriminate in employment practices, and will render services under this Agreement without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disability.

Section 9.03 Termination. Any failure to comply with these statutory obligations when applicable, or any act of discrimination committed by any Party, shall be grounds for termination of this Agreement.

**ARTICLE XII
INDEPENDENT CONTRACTORS**

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The R&T Foundation shall at all times remain an "independent contractor" with respect to the Services to be performed under this Agreement.

**ARTICLE XIII
TAX LIABILITY**

The R&T Foundation hereby agrees that the responsibility for payment of taxes due, if any, in connection with the funds received under this Agreement shall be the obligation of the R&T Foundation.

**ARTICLE XIV
MISCELLANEOUS**

Section 14.01 Severability. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 14.02 Governing Law; Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana. The 19th Judicial District Court in and for the Parish of East Baton Rouge, State of Louisiana, shall be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding by and among the Parties in connection with, or by reason of, this Agreement.

Section 14.03 Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered by: (1) hand; (2) U.S. Postal Service, postage prepaid, certified mail, return receipt requested; (3) by private, commercial carrier; or (4) sent by telecopy or other form of rapid electronic transmission when the receipt is confirmed in writing by the addressee. Notices must be addressed to the addressee at the addresses shown below or to such other person or address as a Party may give notice to the other Parties:

In the case of LSU:

Board of Supervisors of Louisiana State University and
Agricultural and Mechanical College
104B System Building
3810 W. Lakeshore Drive
Baton Rouge, Louisiana 70808
Telecopy: (225) 578-5524
Attn: LSU President & Chancellor

With a copy to (which copy shall not constitute notice):

General Counsel
LSU System
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Fax 225-578-5524

And another copy to (which copy shall not constitute notice):

Vice Chancellor for Finance & Administrative Services & CFO
330 Thomas Boyd Hall
Louisiana State University
Baton Rouge, LA 70803

In the case of the R&T Foundation:

Louisiana State University System Research and Technology
Foundation
Building 340, East Parker Boulevard
Baton Rouge, Louisiana 70803
Telecopy: (225) 615-8910
Attn: Arthur R. Cooper
Chief Executive Officer

With a copy to (which copy shall not constitute notice):

Kantrow, Spaht, Weaver & Blitzer, APLC
445 North Boulevard
Baton Rouge, Louisiana 70802
Telecopy: (225) 343-0630
Attn: W. Scott Keaty

Section 14.04 Entire Agreement; Supercedure. This Agreement sets forth the entire agreement of the Parties with respect to the subject matter hereof and supercedes any and all prior contracts, agreements and understandings between the Parties, whether written or oral, concerning the subject matter hereof and is a complete statement of the terms thereof.

Section 14.05 Amendments. The Parties agree that any amendment to this Agreement must be in writing and executed by all Parties.

Section 14.06 Construction. LSU and the R&T Foundation and/or their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by LSU and the R&T Foundation, and no presumption or burden of proof shall arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement. In entering this Agreement, the Parties represent that they have relied upon the advice of their attorneys, who are attorneys of their own choice, and that the terms of this Agreement have been completely read and explained to them by their attorneys, and that those terms are fully understood and voluntarily accepted by them.

Section 14.07 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument. For purposes hereof, facsimile and electronically scanned pdf copies hereof and facsimile and electronically scanned pdf signatures hereof shall be authorized and deemed effective.

Section 14.08 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

Section 14.09 Further Assurances. From time to time hereafter, each Party shall execute and deliver such additional instruments, certificates or documents, and take all such actions as the other Parties may reasonably request, for the purpose of fulfilling its obligations hereunder.

Section 14.10 No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, board member, officer, agent or employee of any Party hereto in his individual capacity, and those persons executing this Agreement on behalf of a Party to this Agreement shall not be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement except to the extent required by law.

Section 14.11 Delay or Omission. No delay or omission in the exercise of any right or remedy accruing to a Party upon any breach by the other Party under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

[Signature page follows]

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 14 day of ~~September~~ November, 2013, to be effective as of the Effective Date.

WITNESSES:

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

Kay Miller

By: F. King Alexander
Name: F. King Alexander
Title: President & Chancellor

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 18th day of September, 2013, to be effective as of the Effective Date.

WITNESSES:

LOUISIANA STATE UNIVERSITY
SYSTEM RESEARCH AND
TECHNOLOGY FOUNDATION

Charlotte Smith

By: Arthur R. Cooper
Name: Arthur R. Cooper
Title: Chief Executive Officer

Exhibits

- A – 2008 CEA
- B – Anchor Tenant Lease Agreement
- C – Cross-hatched portion of the first floor site plan of the LDMF showing the Audio-Visual Auditorium, the Audio-Visual Classroom and the Audio-Visual Conference Rooms

[Signature Page for Cooperative Endeavor Agreement]

JAN 07 2009

BOBBY JINDAL
GOVERNOR



LSU SYSTEM STEPHEN MORET
SECRETARY

State of Louisiana
LOUISIANA ECONOMIC DEVELOPMENT

DATE: December 30, 2008

TO: Elliott Adams
Contract Monitor

FROM: Chris Stewart 
Contracts/Grants Reviewer

SUBJECT: Approved Contract

Attached is the approved contract between Louisiana Economic Development and Louisiana State University, *and an original for you to forward to the contractor.*

A contract compliance checklist which outlines the contract requirements, payment schedule, and certification that the deliverables were met in accordance with the terms of the contract is also attached. This form must be completed, signed and submitted with any request for payment before checks will be processed. Any questions about the completion of the form can be directed to Jennifer Williams at 342-5627.

As contract monitor, please be advised that if the contract services and deliverables are not completed/provided by the contract end date, you must have an amendment submitted for processing and approval at least thirty (30) days prior to the contract end date.

If you have any questions, please call me at 342-5361.

Attachments





BOBBY JINDAL
GOVERNOR

ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of Contractual Review

December 29, 2008

Ms. Fran Gladden
Undersecretary
Department of Economic Development
Post Office Box 94185
Baton Rouge, LA 70804-9185

Dear Ms. Gladden:

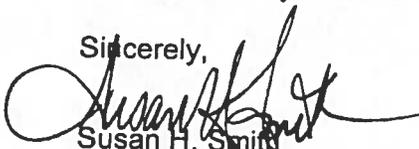
Enclosed are approved copies of the following cooperative endeavor agreement, received in our office on December 23, 2008. This agreement is being approved under the authority of Executive Order BJ 2008-29, issued August 5, 2008.

Department of Economic Development
OCR# 252-900893 CFMS# 673592 La. State University

The OCR and CFMS numbers preceding the cooperative party's name has been assigned by this office and are used as identification for this cooperative endeavor. The CFMS number is the system assigned number for the ISIS Contract Financial Management System. Please use these numbers when referring to the cooperative endeavor in any future correspondence or amendment(s).

We appreciate your continued cooperation.

Sincerely,


Susan H. Smith
Director

SHS/pl

Enclosure

DEC 30 2008

09/10/08
10:00

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT ("Agreement"), effective July 1, 2008 ("Effective Date") is made between:

the STATE OF LOUISIANA (the "State"), acting by and through the Commissioner of Administration;

the LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT ("LED"), an agency of the State of Louisiana, acting through the Secretary of Economic Development,

the CITY OF BATON ROUGE / PARISH OF EAST BATON ROUGE ("the City-Parish") acting through its Mayor-President, and

the BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU"), a public constitutional corporation acting through the duly authorized President of the Louisiana State University System.

WITNESSETH:

WHEREAS, the parties hereto are executing this Agreement to promote the development of the digital interactive media industry in the State of Louisiana, and to encourage technology transfer and research and development in the field, by providing for relevant curricula, workforce and facilities in support thereof, including assistance to the Louisiana Digital Media Facility and the LSU Avatar Program;

WHEREAS, the Louisiana Constitution of 1974, Article VII, Section 14(C), provides that for a public purpose the State and its political subdivisions may engage in cooperative endeavors with each other and with any public or private association, corporation or individuals, and in Article VI, Section 21 authorizes assistance to local industry;

WHEREAS, La. R.S. 33:9029.2 authorizes the State through the Commissioner of Administration to enter into cooperative endeavor agreements with political subdivisions and with any private association, corporation or individual to achieve a public purpose, including but not limited to enhancing or maintaining the economic well-being of the State, upon a showing of reasonable expectations that such obligation of the State will result in economic development or will achieve other economic goals that will equal or exceed the value of the obligations of the State;

WHEREAS, Richard Clinch of the Jacob France Institute has prepared a projection, which estimates that the Economic Benefit of the Louisiana Digital Media Facility (herein "LDMF") and related companies for the term of this Agreement shall be \$55,607,125 in the aggregate, exceeding the value of the State's obligations hereunder;

WHEREAS, in order to provide initial momentum and a rapid startup of the LDMF, and to attract the Anchor Tenant for the LDMF, the parties desire to provide space for said tenant as

quickly as possible, and the State agrees to provide funds to LSU of up to \$505,000 for the provision of space for the Anchor Tenant at the Interim Facilities, and additional funding of operational expenses in the form of lease or use support;

WHEREAS, LSU intends to work collaboratively with the Anchor Tenant to determine the location, design and feasible funding of the means of construction of the proposed Louisiana Digital Media Facility on an LSU campus, subject to the approval of the LSU Board of Supervisors, and the State agrees to provide funds to LSU of up to \$1,000,000 for the provision of space for the Anchor Tenant at that proposed Facility, and additional funding of operational expenses in the form of lease or use support;

THEREFORE, it is agreed as follows:

ARTICLE I. DEFINITIONS

Section 1.01 Definitions

"Act" means, collectively, Section 14(C) of Article VII and La. R.S. 33:9029.2.

"Anchor Tenant" means a company which is preeminent in the digital media industry, capable of providing significant experienced advice and assistance to LSU's digital media programs and support to the development of the digital media industry in the State, and has been specifically approved in writing by LED to participate in the benefits of this Agreement, currently Electronic Arts, Inc.

"Contract Monitor" means the person or persons designated by LED charged with the responsibility of reviewing compliance with this Agreement by the other parties hereto.

"Economic Benefit" means the estimated impact on the economy of the State of Louisiana of the Louisiana Digital Media Facility and related companies, resulting from and supported by the ongoing fulfillment of the contract obligations hereunder, as set forth in Article IV hereof.

"Executive Budget" means the budget submitted each year to the State Legislature by the Governor setting forth all proposed State expenditures.

"Facilities" mean the Anchor Tenant space within the Louisiana Digital Media Facility as approved by the LSU Board of Supervisors.

"Goals and Objectives" means to renovate and make available the Interim Facilities, to attract a major digital interactive media company as an Anchor Tenant, and thereby acquire expertise and prestige in the industry which will support and enhance the Louisiana Digital Media Facility and the LSU Avatar Program, and serve as a beachhead in the development of the digital interactive media industry in the State.

"Interim Facilities" means the space located at 8000 GSRI Avenue, use of which is provided by LSU to EA pursuant to the Participation and Use Agreement, being approximately 10,994 square feet in Building 3110 on LSU A&M's South Campus.

“Louisiana Digital Media Facility” (“LDMF”) means the location of the companies and the LSU programs associated with the digital interactive media industry.

“Participation and Use Agreement” means the agreement entered in to between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and Electronic Arts, Inc., effective the 12th day of September, 2008, and titled “Participation and Use Agreement” providing for the use of the Interim Facilities to EA.

“Performance Measures” means:

1. Completion of the design for the Facilities.
2. Commencement of the renovation, furnishing and equipping of the Interim Facilities.
3. Completion of the renovation, furnishing and equipping of the Interim Facilities in a timely manner
4. Providing the use of the Interim Facilities during the term of this Agreement to the Anchor Tenant.

“Plans and Specifications” means, collectively, the plans and specifications for the Facilities and the Interim Facilities, to be developed by LSU with collaborative input from LED and the Anchor Tenant, as the same may be amended from time to time.

“Project Budget” means the estimate of total Project Costs, as set forth in Exhibit A hereto.

“Project Costs” means (1) all costs incurred to design, renovate, construct, improve, furnish and equip the Facilities and the Interim Facilities, in accordance with the Plans and Specifications, and (2) the operating costs including, but not limited to, the Participation Fee attributable to providing space for the Anchor Tenant.

Section 1.02 Use of Defined Terms.

Terms defined in this Agreement shall have their defined meanings when used herein unless the context requires otherwise. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and the words “hereof” and “herein” shall be construed to refer to the entirety of this Agreement and shall not be restricted to the particular Article, Section, subsection or paragraph in which they appear.

ARTICLE II. AUTHORITY AND SCOPE OF THE AGREEMENT

Section 2.01 Authority of State.

The Act grants the parties the authority to enter into cooperative endeavor agreements with public and private associations or corporations for a public purpose, including agreements which may require the providing for and the use of state funds, personnel or other resources, provided legal guidelines are met. This Agreement is entered into pursuant to the Act, and with the

expectation that the resulting economic development benefits will exceed the obligations of the parties hereto.

Section 2.02 Scope of Agreement.

Part of the established mission of LED is to encourage development in Louisiana of a strong capital base for the production of digital interactive media in order to achieve a more independent, self-supporting industry. This objective is divided into immediate and long-term objectives as follows:

- (1) Immediate objectives are to:
 - a) Attract private investment for the production of digital interactive media;
 - b) Develop an infrastructure which encourages private investment.
- (2) Long-term objectives are to:
 - a) Encourage increased employment opportunities successful competition with other states, and economic development in the digital interactive media industry sector;
 - b) Encourage new education curricula in order to provide a labor force trained in all aspects of digital interactive media;
 - c) Encourage partnerships between digital interactive media developers and Louisiana educational institutions.

Support for the LDMF fits within this mission, and its successful development will assist LED in achieving the above objectives. In order to achieve success for the LDMF, it is important to (1) attract a private sector "Anchor Tenant" to establish the validity of the LDMF and attract other tenants, (2) provide for build out of the Interim Facilities so that appropriate space is timely available, and (3) provide assistance in the form of an operations subsidy to the proposed LDMF to ensure its operations.

ARTICLE III. COOPERATIVE ENDEAVOR OBLIGATIONS

Section 3.01 Obligations of LSU.

- (A) LSU hereby agrees that it will renovate or cause to be renovated the Interim Facilities (not including any space referred to as "Future Space" in the Participation and Use Agreement) in accordance with the Plans and Specifications, and LSU will provide occupancy in the Interim Facilities to Electronic Arts, Inc. in accordance with the Participation and Use Agreement. LSU hereby certifies that Electronic Arts, Inc. is currently occupying a substantial portion of the Interim Facilities. Selection of design professionals and construction contractors shall be the responsibility of LSU and shall be done at the

discretion of LSU in accordance with LSU's normal procurement processes and any applicable public bid laws.

- (B) Pending availability of the proposed LDMF, and conditioned on receiving from LED or Anchor Tenant an amount equal to the Participation Fee described in the Participation and Use Agreement, LSU will provide the Interim Facilities for the use of Electronic Arts, Inc. at a location acceptable to both LSU and Electronic Arts, Inc.. In the event that either LED or Electronic Arts, Inc. fails to pay to LSU the Participation Fee for a period of thirty days after LSU has given written notice to LED and Electronic Arts, Inc. that payment was not made in accordance with the requirements of the Participation and Use Agreement, LSU may evict Electronic Arts, Inc. from the Interim Facilities and LSU shall have no further obligation to provide the use of the Interim Facilities to Electronic Arts, Inc.
- (C) LSU agrees to continue to work collaboratively and negotiate in good faith with EA and LED regarding the location, design, funding and construction of a facility or other space to house the proposed LDMF and the Anchor Tenant, subject to the approval of the LSU Board of Supervisors.

Section 3.02 Obligations of LED.

- (A) LED agrees to provide funds to LSU for lease or use support for the Anchor Tenant at the Interim Facilities in an amount equal to the lesser of the actual amount of the Participation Fee provided for in Section 2.a)i. of the Participation and Use Agreement, or the following annual payment amount:

Fiscal Year Ending June 30, 2009	\$ 113,000
Fiscal Year Ending June 30, 2010	\$ 113,000
Fiscal Year Ending June 30, 2011	\$ 114,000
Fiscal Year Ending June 30, 2012	\$ 465,000*
Fiscal Year Ending June 30, 2013	\$ 465,000
Fiscal Year Ending June 30, 2014	\$ 465,000
Fiscal Year Ending June 30, 2015	\$ 465,000
Fiscal Year Ending June 30, 2016	\$ 465,000
Fiscal Year Ending June 30, 2017	\$ 465,000
Fiscal Year Ending June 30, 2018	\$ 465,000

The payments shall be made by LED in accordance with the terms and dates provided for in Section 2.a)ii. of the Participation and Use Agreement. (*Subject to LSU Board of Supervisor approval, the parties intend to provide the Anchor Tenant with up to 30,000 sq. ft. of space in the Facilities by FY2012, and contemplate entering into a second Cooperative Endeavor Agreement for lease support at the Facilities in lieu of lease support at the Interim Facilities.)

- (B) The State and/or LED shall provide funds to LSU, to be used for the renovation, furnishing and equipping of the Interim Facilities in accordance with the Plans and Specifications in an amount not to exceed Five Hundred Five Thousand and No/100 Dollars (\$505,000.00), to be paid on a reimbursement basis, based upon invoices submitted from LSU to LED and sufficient documentation of expenses incurred. After final approval by the Division of

Administration of this Agreement, the State and/or LED shall make payment to LSU within ten days of receipt of each invoice submitted by LSU to LED pursuant to this subsection.

- (C) The State shall provide funds to LSU, to be used for the renovation, construction, improvement, furnishing and equipping of the Facilities in accordance with the Plans and Specifications, as may be approved by the LSU Board of Supervisors, in an amount not to exceed One Million and No/100 Dollars (\$1,000,000.00), to be paid on a reimbursement basis, based upon invoices submitted from LSU to LED with sufficient documentation of expenses incurred.
- (D) The State, LSU and LED hereby acknowledge that the State's obligation to fund the requirements set forth in this Section is subject to Legislative discretion and that the source of funding of the appropriation and the recipient agency of such appropriation could vary during the term of this Agreement Nonetheless, the State hereby expressly agrees to request such funding in LED's budget each year through the term hereof and if appropriated to an agency other than LED, to facilitate the transfer of such funds as required hereby.
- (E) LED acknowledges that Electronic Arts, Inc.(EA) is approved as the initial Anchor Tenant. If EA's participation in the LSU digital media program is terminated, LED shall provide equivalent support for a LED-approved successor Anchor Tenant.

Section 3.03 Obligations of the State.

The Commissioner hereby agrees on behalf of the State to include in the Executive Budget and request the State Legislature to provide funding as herein stipulated for-the accomplishment of this Agreement by payment to LSU of the amounts set forth in Section 3.02., above.

Section 3.04 Obligations of the City-Parish.

The City-Parish shall provide funds to LSU to be used for the construction, furnishing and equipping of the Interim Facilities in accordance with the Plans and Specifications, in an amount not to exceed Seventy Five Thousand and No./100 (\$75,000.00), which shall be transferred to LED to be paid to LSU on a reimbursement basis, based upon invoices submitted from LSU to LED and sufficient document of expenses incurred. Said funds are in addition to LED's obligation, which is exclusive of any funds paid by the City-Parish.

ARTICLE IV. APPROPRIATIONS

Section 4.01 State Appropriations.

All payment obligations of the State under this Agreement shall be subject to appropriation by the Legislature of sufficient funds therefore and the availability of funds following Legislative appropriation. The State, through the Commissioner of Administration and LED agree to request, in the Executive Budget, the appropriation necessary to meet the requirements of Section 4.03 hereof but make no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations. A failure by the Legislature to appropriate sufficient funds to satisfy the obligation of the State and LED under this Agreement shall not constitute a

default under this Agreement, and this Agreement shall continue in full force and effect as if the appropriation had been made; provided, however, that the obligation of the State shall not be diminished and the obligation to make future payments shall not be delayed by virtue of a failure to appropriate.

Section 4.02 LSU Appropriations.

The obligations of the LSU under this Agreement shall be subject in all respects to the appropriation of funds to LSU by the Legislature sufficient to allow LSU to fulfill its obligations hereunder and subject to the availability of funds to LSU following legislative appropriation. The performance of LSU's obligations is also subject to the performance by LED and the State of their obligations hereunder, as well as the performance by Electronic Arts of its obligations pursuant to the Participation and Use Agreement. A failure by the Legislature to appropriate sufficient funds to satisfy the obligations of LSU under this Agreement shall not constitute a default under this Agreement. Furthermore, LSU shall not be in default in any event in which LSU is unable to perform its obligations because the obligations of the State or LED have not been performed. The termination of the Participation and Use Agreement shall not constitute a fault by LSU hereunder, and the loss of the Anchor Tenant as an occupant of the Interim Facilities shall not constitute a default by LSU.

**ARTICLE V.
AUDIT MATTERS AND REPORTING**

Section 5.01 Audit.

Each year during this Agreement, LSU shall provide to State and LED a copy of the annual audit performed by the Legislative Auditor of the State of Louisiana. LSU shall retain the books and records related to this Agreement for three (3) years after the close of the year in which the books and records were created or generated.

**ARTICLE VI.
ASSIGNMENT**

Section 6.01 Assignment.

The parties hereto shall not transfer or assign this Agreement or transfer or assign any or all of their rights or delegate any or all of their duties hereunder, without the consent of each of the other parties to this Agreement.

**ARTICLE VII.
TERM**

Section 7.01 Term.

The term of this Agreement shall begin July 1, 2008 and shall terminate June 30, 2018. The termination date may be extended by written amendment to this Agreement, which must be signed by the parties and approved by the Director of the Office of Contractual Review or the Commissioner of Administration.

**ARTICLE VIII.
MISCELLANEOUS**

Section 8.01 Severance.

To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 8.02 Amendments.

This Agreement may be amended only upon the written consent of all parties.

Section 8.03 No Personal Liability of LSU or State Officials.

No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of any party hereto in his individual capacity, and neither the officers of any party hereto nor any official executing this Agreement shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement except to the extent required by law.

Section 8.04 Approvals.

Should approval be necessary for any purpose as required by this Agreement, such approval shall be considered effective when received from the Commissioner of Administration for the State or for LED by its Secretary for LSU by the President of the Louisiana State University System or his designee.

Section 8.05 Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

Section 8.06 Counterparts.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

Section 8.07 Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana.

Section 8.08 Further Assurances.

From time to time hereafter, LSU shall execute and deliver such additional instruments, certificates or documents, and take all such actions as the State may reasonably request for the purpose of fulfilling its obligations hereunder.

Section 8.09 Addresses for Notices.

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or by private, commercial carrier, express mail, such as Federal Express, or sent by telex, telegram, telecopy or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth below, or as to each party at such other address or numbers as shall be designated by such party in written notice to the other party.

If to the State:

(Post Office Address for U. S. Postal Service Delivery)
Ms. Angele Davis, Commissioner
Division of Administration
P. O. Box 94095
Baton Rouge, LA 70804-9095

(Street Address for Courier or Express Mail Delivery)
Ms. Angele Davis, Commissioner
Division of Administration
Claiborne Building
1201 N. Third St.
Baton Rouge, LA 70802
Telephone: (225) 342-7000
Telecopy: (225) 342-1057

If to LED:

(Post Office Address for U.S. Postal Service Delivery)
Mr. Stephen Moret., Secretary
Department of Economic Development
P. O. Box 94185
Baton Rouge, LA 70804-9185

(Street Address for Courier or Express Mail Delivery)
Mr. Stephen Moret., Secretary
Department of Economic Development

1051 N. 3rd Street
Baton Rouge, LA 70802
Telephone: (225) 342-3000
Telecopy: (225) 342-5389

If to the City Parish of Baton Rouge

(Street Address for U. S. Postal Service Delivery, Courier or Express Mail Delivery)
Mayor-President
222 St. Louis Street, 3rd Flr.
Baton Rouge, LA 70802

Copy to:
Parish Attorney
222 St. Louis Street, Room 902
Baton Rouge, LA 70802

If to LSU:

(Street Address for U. S. Postal Service Delivery, Courier or Express Mail Delivery)
→ Office of the President
Louisiana State University
107 System Building
3810 W. Lakeshore Drive
Baton Rouge, LA 70808
Telephone: (225) 578-2111
Telecopy: (225) 578-5524

Office of the Chancellor
Louisiana State University
156 Thomas Boyd Hall
Baton Rouge, LA 70803
Telephone: (225) 578-6977
Telecopy: (225) 578-5982

Section 8.10 Delay or Omission.

No delay or omission in the exercise of any right or remedy accruing to the State upon any breach by LSU under this Agreement shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant or condition herein or therein contained.

Section 8.11 Venue.

The 19th Judicial District Court, East Baton Rouge Parish, State of Louisiana, shall be deemed to be the exclusive court of Jurisdiction and venue for any litigation, special proceeding or other proceeding as between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement. LSU does not waive any sovereign immunity it may have by signing this Agreement.

Section 8.12 Discrimination Clause.

LSU agrees to abide by the requirements of Title VI and VII of the Civil Rights Act of 1964, as amended, by the Equal Opportunity Act of 1972, Federal Executive Order 11146, the Federal Rehabilitation Act of 1973, as amended, and the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, and the Age Act of 1975. In addition, LSU agrees to abide by the requirements of the Americans with Disabilities Act of 1990. LSU agrees not to discriminate against participants due to race, color, religion, sex, disabilities or national origin. LSU agrees to ensure that all services will be delivered without discrimination due to race, color, religion, sex, national origin or disabilities. LSU shall not discriminate on the basis of sexual orientation in any matter relating to employment.

Section 8.13 Contract Approval.

This contract shall not become a valid contract until all appropriate parties, including the Division of Administration - Office of Contractual Review, have approved it.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective duly authorized and undersigned officers, in the presence of the undersigned competent witnesses, as of the day and year written below, after a due reading of the whole document.

THUS DONE AND SIGNED, this 29 day of December 2008 at Baton Rouge, Louisiana.

WITNESSES:

STATE OF LOUISIANA,
DIVISION OF ADMINISTRATION


Witness Signature
Sanct Tomery
Print Name

By: 
Angele Davis, Commissioner


Witness Signature
Candace Levy
Print Name

[Signature Page for Cooperative Endeavor Agreement]

THUS DONE AND SIGNED, this 15th day of December, 2008, at Baton Rouge, Louisiana.

WITNESSES:

STATE OF LOUISIANA,
DEPARTMENT OF ECONOMIC DEVELOPMENT

[Signature]
Witness Signature
Kathy Blankenship
Print Name

By: [Signature]
Stephen Moret, Secretary

[Signature]
Witness Signature
Chris Stewart
Print Name

THUS DONE AND SIGNED, this 15th day of December, 2008, at Baton Rouge, Louisiana.

WITNESSES:

CITY OF BATON ROUGE /
PARISH OF EAST BATON ROUGE

[Signature]
Witness Signature
SUSAN F. BOWDREAU
Print Name

By: [Signature]
Melvin L. "Kip" Holden

[Signature]
Witness Signature
Renee Dalton Pailin
Print Name

APPROVED
Office of the Governor
Office of Contractual Review

[Signature]
DEC 29 2008

THUS DONE AND SIGNED, this _____ day of December, 2008, at Baton Rouge, Louisiana.

DIRECTOR

WITNESSES:

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

[Signature]
Witness Signature
Kay Miller
Print Name

By: [Signature]
Dr. John V. Lombardi, President
Louisiana State University System

[Signature]
Witness Signature
LAUREN THOMAS
Print Name:

APPROVED

PARISH ATTORNEY AT LAW

EXHIBIT A

Project Budget

STATE EXPENDITURES

Initial Build Out at LSU Facility	\$ 505,000.00	
Use Fees EA's Operations years 1 through 3	340,000.00	
Construction and Equipment at t/b/d/ LSU Digital Media Facility	1,000,000.00	
Use Fees EA's Operations years 4 through 10	<u>3,255,000.00</u>	
Total State Expenditures		<u>5,100,000.00</u>

CITY-PARISH EXPENDITURES

Initial build Out at LSU Facility	<u>\$75,000.00</u>	
Total City-Parish Expenditures		<u>\$75,000.00</u>

TOTAL PROJECT BUDGET		<u>\$5,175,000.00</u>
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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") is entered into effective as of the 1st day of February, 2013 (the "Effective Date"), by and between

LOUISIANA STATE UNIVERSITY SYSTEM RESEARCH AND TECHNOLOGY FOUNDATION, a Louisiana nonprofit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, appearing herein through and represented by Arthur R. Cooper, its duly authorized Chief Executive Officer appointed by its Board of Directors (hereinafter referred to as the "**Foundation**"),

and

ELECTRONIC ARTS INC., a Delaware corporation, TIN 94-2838567, appearing herein through and represented by Curt Wilhelm, Vice President, Corp. Services & Facilities, Electronic Arts, Inc. (hereinafter referred to as "**EA**").

RECITALS

WHEREAS, EA is engaged in the business of testing interactive digital games;

WHEREAS, the Foundation desires to lease to EA, and EA desires to lease from the Foundation, certain space in the Louisiana Digital Media Facility, a digital media building located on East Parker Boulevard, LSU Campus, in Baton Rouge, Louisiana (the "**LDMF**");

WHEREAS, EA and Louisiana Department of Economic Development ("**LED**") have entered into a Cooperative Endeavor Agreement dated August 20, 2008 ("**CEA**") which provides that the State of Louisiana will provide certain incentives to encourage the location of EA in Baton Rouge;

WHEREAS, the parties agree and acknowledge that their intent is that this Agreement is entered into contingent upon and in connection with the modification of the CEA with the State of Louisiana and LED, to provide for, among other things, continuing financial incentives to be provided for EA in connection with EA's occupation of the Premises (as defined below) and full payment of all Rent, utilities and other support hereunder on behalf of EA. The continuation of the benefits to EA contained in the CEA are significant inducements for EA entering into this Agreement;

WHEREAS, the parties agree that this Agreement shall not become effective until EA has terminated the Participation and Use Agreement between EA and the Board of Supervisors of LSU & Agricultural and Mechanical College, and amended the CEA to incorporate this Agreement as a replacement Exhibit to the CEA;

NOW, THEREFORE, for the consideration hereinafter set forth, the parties agree as follows:



1. **PREMISES**

THE FOUNDATION HEREBY LEASES TO EA THE PREMISES CONTAINING A TOTAL GROSS TENANT AREA OF 28,253 SQUARE FEET OF OFFICE SPACE, INCLUDING THE ENTIRE THIRD FLOOR OF THE LOUISIANA DIGITAL MEDIA CENTER DESCRIBED MORE FULLY ON EXHIBIT "A" ATTACHED HERETO (THE "PREMISES").

2. **SERVICES**

The Foundation hereby also agrees to provide EA the following services:

- (a) The Foundation shall provide EA access to, and use of, any common areas related to the Premises (herein "**Common Areas**").
- (b) The Foundation shall provide EA, at EA's expense and at EA's request, access to local and long distance telecommunication services, which charges shall be established by the Foundation and billed to EA. Such charges shall be at standard rates charged to all Foundation tenants.
- (c) The Foundation shall provide EA with reasonably adequate parking for EA's staff, contractors and invitees to the Premises at no additional cost to EA in the 450 space parking lot adjacent to the Premises. Landlord shall exercise commercially reasonable efforts to ensure that such spaces are EA at all hours including after hours, however during LSU home football games and other large events on the LSU Campus, Landlord will provide EA with notice of the event and work with EA to provide parking and or transportation to EA's staff to allow them access to the Premises
- (d) The Foundation shall provide EA, at EA's expense and at EA's request, reasonable use of a facsimile machine, word processing equipment, and secretarial support and EA shall pay all charges for such use as established by the Foundation.
- (e) The Foundation will allow EA to use furniture, fixtures and equipment when available at no additional cost.
- (f) The Foundation shall provide EA with routine janitorial service (as described in Exhibit "B" hereto) at the Foundation's cost. Extraordinary cleaning or janitorial services may be provided by the Foundation, in its sole discretion, at EA's expense and at an agreed upon price, which shall not exceed \$ 16.50 per hour during the first year of this agreement with an annual increase on no more that 5% per year each year thereafter.
- (g) The Foundation shall provide EA with utilities as set forth in Section 27 of this Agreement at the Foundation's cost.

3. **RENT AND OTHER CHARGES**

EA shall pay the Foundation the following rent and other charges:

(a) **RENT:**

- (i) EA or the Louisiana Department of Economic Development (the "LED") shall pay the Foundation monthly rent in the amount of \$38,750.00 (the "Rent"). Except as set forth hereinbelow, the Rent shall be due and payable in advance on the first day of each calendar month at the Foundation's address designated in Section 23 (or such other address as the Foundation may designate in accordance with the provisions of Section 23) (each a "Monthly Rent Installment"). The Monthly Rent Installment shall be in payment of all services provided by the Foundation to EA except use of those items set forth in Section 2(c) above, extraordinary cleaning or janitorial services, extraordinary utility costs, internet, phone charges, and other telecommunication services and equipment, and any other amounts charged pursuant to Section 3(c) hereof, all of which shall be the responsibility of EA. EA shall have no obligation for payment of maintenance and area costs, operating expenses, taxes, insurance or any other costs except as expressly set forth this Agreement.
- (ii) Notwithstanding anything to the contrary contained herein, payment of the Monthly Rent Installment by the LED shall be considered payment by EA. In the event that the Foundation has not received the Monthly Rent Installment from LED, or another Louisiana state agency on EA's behalf, the Foundation shall provide EA with written notice of such failure to pay. EA shall then have forty-five (45) days from the date it receives such notice either to pay the Monthly Rent Installment or to vacate the Premises, in which case no unpaid Rent shall be due from EA to the Foundation and the Foundation shall look to LED for payment of any unpaid Rent.

(b) **TELECOMMUNICATION CHARGES:** EA shall pay for telecommunication services and equipment at rates established by the Foundation or by outside providers that EA contracts with directly and outside of this Agreement.

(c) **OTHER SERVICE CHARGES:** Charges for other services as referenced herein, and which have been specifically requested by EA, shall be paid by EA to the Foundation upon receipt of invoices for same. Such service charges owed to the Foundation over forty-five (45) days past due shall constitute a default under this Agreement; and

(d) **NSF CHARGES:** A \$75 NSF Fee will be assessed to EA for any checks payable to the Foundation returned unpaid for any reason.

4. **TERM**

The term of this Agreement is seventy-one (71) months, commencing February 1, 2013 and ending December 31, 2018 (the "Term"), unless extended as set forth herein. Any changes to the Term of this Agreement must be agreed to in writing by both parties.

5. **RENEWAL**

EA may renew this Agreement at EA's sole option for a period of five (5) years on the same terms and conditions as set forth herein. If EA desires to renew this Agreement for a term of five (5) years, it must provide the Foundation with a written request, at least thirty (30) days prior to the expiration of the original Term of this Agreement, which renewal is conditioned upon payment by EA of all sums then due and owing by EA to the Foundation pursuant to this Agreement or otherwise. The Monthly Rent Installment for any additional term shall be determined on the basis of \$18.00 per square foot.

6. **TERMINATION OF AGREEMENT**

This Agreement may be terminated by either party upon an event of default of the other and expiration of the applicable cure period as set forth herein without the cure of the default having been accomplished.

In addition to any other right of EA to terminate this Agreement, this Agreement may be terminated by EA upon thirty (30) days prior written notice to the Foundation for no reason or for any reason whatsoever.

If this Agreement is terminated for any reason, the Foundation shall be entitled to recover from EA or LED all sums due by EA to the Foundation up to and including the date of actual surrender of the Premises to the Foundation.

7. **CARE AND USE OF FACILITIES**

EA shall occupy and use the Premises only for general office use, and for such other uses as are reasonably associated with or necessary for the conduct of EA's business therein, including, specifically and without limitations, the operation of the WW QA North American Test Center related to EA's interactive digital games (herein "EA's Use") and for no other purpose. During the Term of this Agreement, the Foundation shall not permit occupancy or use of the Premises or any other part of the LDMF by any person or entity, other than EA, that is engaged in the production of video or digital games and any directly related business without EA's prior written consent thereto.

Subject to EA's right to use and occupy the Premises for EA's Use, EA shall not permit any conduct or condition which may endanger, materially disturb or otherwise unreasonably interfere with the normal operations of any other LDMF occupant or with the management of the LDMF. The Foundation shall not permit any conduct or condition arising out of occupancy by any other LDMF occupant which endangers, materially disturbs or otherwise unreasonably interferes with EA's use of the Premises and its normal operations therein. EA may use all

Common Areas only for their intended purposes. The Foundation shall have exclusive control of all Common Areas at all times.

EA shall comply with all health, safety, environmental and other ordinances and laws now existing or to be enacted, and the rules and regulations established or to be established by the Foundation. EA shall maintain and keep the Premises in a neat, clean and orderly condition, as a prudent administrator, during the Term of this Agreement, or any extension thereof, and shall not cause damage to or defacement of same. At the termination of this Agreement, whether by expiration or termination, EA shall, without further notice, deliver to the Foundation management at the address set forth in Section 23 all of the keys to the Premises, all of the parking access cards and permits issued to EA, and all of the furniture and fixtures assigned to EA; deliver possession of the Premises and appurtenances to the Foundation; and clean the Premises such that it is free from trash and in the original condition as received (save and except any alterations, additions and improvements consented to in writing by the Foundation as provided herein), reasonable wear and tear accepted. EA shall not cause an increase in the fire or hazard insurance premiums by EA's use of the Premises. EA shall not conduct any unlawful trade, occupation, or operation in the Premises or in the LDMF.

8. ALTERATIONS OR IMPROVEMENTS

The Foundation is providing hereunder a newly constructed tenant space making up the Premises, including all furnishings, fixtures and equipment in accordance with the plan attached hereto and made a part hereof. EA shall pay only for those items that shall be owned by EA, including internal signage and logos, access and CCTV systems for the Premises, audio-visual and other equipment not provided by the Foundation in the new construction, and all EA IT owned equipment, including servers, switches and related equipment. EA shall install and own the access system on the third floor which shall be separate from the Foundation's building access system. EA's access system shall have the ability to open the main building entrance door on the first floor. EA shall also install and own a CCTV system on the third floor to monitor the Premises. EA shall not make or allow to be made any alterations, modifications or improvements, other than minor cosmetic changes such as painting and floor coverings, in and to the Premises or the LDMF without first obtaining the written consent of the Foundation which consent shall not be unreasonably withheld. Such consent shall be obtained from the Chief Executive Officer of the Foundation. Any and all such other alterations, modifications, or improvements made by or through EA shall become the property of the Foundation and shall be surrendered to the Foundation at the termination or expiration of this Agreement or any extensions or renewals thereof without compensation. Any such alterations, modifications or improvements shall not impair the safety or the appearance of the Premises or the LDMF and shall be made according to all applicable laws, ordinances, regulations and policies, including but not limited to those of the Foundation and LSU. At the termination of this Agreement, if the Foundation directs by written notice to EA, EA, at its sole expense, shall promptly remove any additions from the Premises and/or restore to the Premises any modifications or improvements designated by the Foundation and repair any damage caused by such removal and restore the Premises to its original condition.

Notwithstanding the foregoing, EA shall have the right to erect, maintain and operate on the roof of the LDMF certain antenna and satellite communications facilities for its own use,

including without limitation utility lines, transmission lines, electronic equipment, transmitting and receiving antennas, and other supporting equipment and structures thereto (the "Communications Facilities"). In connection therewith, EA shall have the right to perform all work necessary to prepare, maintain and alter the Communications Facilities for EA's business operations and to install transmission lines in connection with the Communications Facilities. The Foundation reserves the right to observe the erection, maintenance and installation of the Communications Facilities, and reserves the right to approve the connection details to the existing roof or building structure. The Foundation shall not be responsible to EA, and EA holds the Foundation harmless, with respect to any interference by other antenna or rooftop structures either now existing or to be erected in the future. Title to the Communications Facilities shall be held by EA, and all of the Communications Facilities shall remain EA's personal property and are not fixtures. EA has the right to remove all Communications Facilities at its sole expense on or before the expiration or earlier termination of this Agreement; provided, however, that EA shall repair to the Foundation's reasonable satisfaction any damage to the LDMF caused by such removal and restore the LDMF to its original condition.

EA agrees to pay promptly all sums allegedly due and payable for any work, labor or services performed or materials supplied to the Premises and to have canceled immediately, by posting bond or otherwise, any lien or encumbrance placed on the property of the Foundation as a result of any work authorized or allowed by EA. EA shall indemnify and hold the Foundation harmless from any and all claims, liens, or costs (including attorney's fees), which arise from any work authorized or allowed by EA.

9. **SIGNS**

The general design, location, size and nature of EA's signage (the "Signage Plan"), has been approved by EA, the Foundation and the LSU System and is attached to this Agreement as Exhibit "C" and made a part hereof. The Signage Plan specifies which interior signage shall be furnished and maintained by the Foundation at its expense, and which signage shall be furnished and maintained by EA at its expense. Except for EA's Signage as described and included within the Signage Plan, EA shall not place any signs in or on the Premises or the LDMF other than signs that are located wholly within the interior of the Premises and not visible from the exterior of the Premises. EA shall remove its signs at the termination of this Agreement, shall repair any resulting damage, and shall restore the Premises and the LDMF to their condition existing prior to the installation of EA's signs. EA shall not otherwise mark, paint, drill into or in anyway alter the windows, doors, walls, ceiling, partitions or floors of the Premises or the LDMF other than as allowed by Section 8 above, without the prior written consent of the Foundation.

10. **MAINTENANCE**

The Foundation shall maintain the LDMF, including the Premises, the Common Areas, the building systems and any other improvements owned by the Foundation located in the LDMF or on the Common Areas in good order and repair at all times. If EA becomes aware of any condition that is the Foundation's responsibility to repair, EA shall promptly notify the Foundation in writing of the condition. The Foundation shall not be obliged to make any repairs caused by the fault, negligence, acts or omissions of EA or those of EA's agents, directors,

officers, employees, or visitors, and the Foundation shall not be liable for any damages caused thereby, and any such repairs shall be made at the sole expense of EA.

EA shall keep the Premises in a neat and orderly condition. Except for those alterations, repairs and replacements occasioned by normal wear and tear (which shall be the responsibility of the Foundation), or unless caused by the negligence or willful misconduct of the Foundation, alterations, repairs and replacements to the Premises, the LDMF or the Common Areas, made necessary because of: (i) any EA alterations, modifications or improvements made in accordance with the terms of this Agreement; (2) any use or circumstances special or particular to EA; or (iii) any act or omission of EA or its directors, officers, employees or visitors, shall be made at the sole expense of EA.

11. INSURANCE

EA shall, during the entire term hereof, keep in full force and effect a policy or policies of commercial general liability, property damage, and fire insurance, acceptable to the Foundation, with respect to the Premises, and the business and operations of EA in or about the Premises and the LDMF, with combined single limits of commercial general liability of not less than two million (\$2,000,000.00) dollars per occurrence and five million (\$5,000,000.00) dollars general aggregate issued by a solvent insurance company acceptable to the Foundation, authorized to do business in the State of Louisiana, and bearing a rating of A+:XV. The Foundation shall be named as an additional insured on said policies and will be provided a 30 day notification of any policy cancellations, nonpayment of premiums, or policy alterations by the insurance company.

EA shall carry an Employer's Liability and Worker's Compensation Liability Insurance policy for full coverage and protection against liability to employees.

Prior to the commencement of this Agreement, and at any other time demanded by the Foundation, EA shall furnish certificates of all insurance policies required pursuant to this Agreement, which policies shall be issued to EA and/or the Foundation as their interests may appear, together with a certification to the Foundation that all such insurance is in force and will not be canceled or otherwise changed or modified during the term of this Agreement or any extension and/or renewal thereof without notifying the Foundation in writing thirty (30) days in advance of such contemplated cancellation or modification.

Any insurance carried by the Foundation shall be in addition to that required to be carried by EA and in the event of dual coverage, the Foundation's insurance shall be considered as excess coverage.

In addition to the insurance coverage to be provided by EA for the benefit of the Foundation pursuant to this Section 11, the Foundation shall maintain insurance through the Office of Risk Management against loss or damage to the Premises and the LDMF with coverage for perils as set forth under the "Causes of Loss-Special Form" or equivalent property insurance policy in an amount equal to the full insurable replacement cost of the Premises and the LDMF subject to a commercially reasonable deductible not less than \$1,000.00 (excluding coverage of EA's personal property and any alterations by EA), for damage to property arising out of any one

occurrence. The Foundation further agrees to carry, or cause to be carried, during the Term, insurance for fire, extended coverage, vandalism and malicious mischief, insuring the improvements located within the Premises, for the full insurable replacement value thereof. The Foundation also agrees to carry, or cause to be carried, during the Term hereof, workmen's compensation insurance and public liability insurance on the Premises, providing coverage of not less than \$1,000,000 combined single limit with a \$4,000,000 general aggregate limit (which general aggregate limit may be satisfied by an umbrella liability policy), for bodily injury, personal injury or death. Either EA or the Foundation shall be entitled to make reasonable requests of the other party to furnish certificates of all insurance policies required pursuant to this Agreement, which certificates shall be provided within a reasonable amount of time following such limited and reasonable requests. Notwithstanding anything to the contrary set forth herein, provision of insurance by the Office of Risk Management, is deemed to comply with the Foundation's requirements in this Section 11.

12. LIABILITY AND INDEMNITY

Except to the extent caused by or contributed to by the negligence or willful misconduct of the Foundation or its board members, officers, or employees (herein "**Foundation Indemnitees**"), EA will protect, indemnify and hold harmless the Foundation Indemnitees from and against any and all claims, actions, damages, liability and expense (including fees to attorneys, investigators and experts) in connection with loss of life, personal injury or damage to property in or about the Premises or the LDMF to the extent caused by the negligence or fault of EA or its officers, directors, or employees. In case any action or proceeding is brought against the Foundation Indemnitees by reason of the foregoing, EA, at its expense, shall resist and defend such action or proceeding, or cause the same to be resisted and defended by counsel (reasonably acceptable to the Foundation Indemnitees) designated by the insurer whose policy covers such occurrence or by counsel designated by EA and approved by the Foundation Indemnitees. EA's obligations pursuant to this subsection shall survive the expiration or termination of this Agreement.

Except to the extent caused by or contributed to by the negligence or willful misconduct of EA or its officers, directors or employees (herein "**EA Indemnitees**"), and to the extent allowed by law, the Foundation will protect, indemnify and hold harmless the EA Indemnitees from and against any and all claims, actions, damages, liability, and expense (including fees of attorneys, investigators and experts) in connection with loss of life, personal injury or damage to property caused to any person in or about the Premises or the LDMF to the extent occasioned by the negligence or fault of the Foundation or its board members, officers or employees. In case any action or proceeding is brought against the EA Indemnitees by reason of the foregoing, the Foundation, at its expense and to the extent allowed by law, shall resist and defend such action or proceeding, or cause the same to be resisted and defended by counsel (reasonably acceptable to the EA Indemnitees) designated by the insurer whose policy covers such occurrence or by counsel designated by the Foundation and approved by the EA Indemnitees. The Foundation's obligations pursuant to this subsection shall survive the expiration or termination of this Agreement.

13. SUCCESS OR FAILURE OF EA'S BUSINESS

EA specifically recognizes and acknowledges that the business venture to be undertaken by EA depends upon the ability of EA as an independent business person, as well as other factors, such as market and economic conditions, all of which are beyond the control of the Foundation. EA acknowledges that success or failure of EA's business enterprise will be dependent on the business acumen and diligence of EA. EA agrees that success or failure of EA's business will not depend on the Foundation's performance under this Agreement or any other agreement with the Foundation, and the Foundation makes no representations or warranties as to the growth or success of EA's business. The Foundation shall have no liability to EA whatsoever for the success or failure of EA's business including but not limited to any consequential or incidental damages to EA or to any other person or entity.

14. SUBLEASE, ASSIGNMENT or TRANSFER BY EA

EA shall not enter into nor permit any sublease, assignment or transfer (herein "Transfer") of this Agreement or any rights hereunder voluntarily or by operation of law, without the prior consent of the Foundation, which consent shall not be unreasonably withheld, conditioned or delayed. Without limitation, EA agrees that the Foundation's consent shall not be considered unreasonably withheld if (i) the proposed transferee is an existing tenant of the LDMF or the Foundation, (ii) the business or business reputation of the proposed transferee is unacceptable to the Foundation, in its commercially reasonable discretion, or (iii) EA is in default, beyond any applicable cure period, under this Agreement, or any act or omission by EA shall have occurred, which, with the giving of notice and/or the passage of time, would constitute a default. Consent to one Transfer shall not be deemed to be consent to any subsequent Transfer. In no event shall any Transfer relieve EA from any obligation under this Agreement. The Foundation's acceptance of fees from any person shall not be deemed to be a waiver by the Foundation of any provision of this Agreement or to be consent to any transfer. Any Transfer not in conformity with this Section 14 shall be void at the option of the Foundation.

In connection with any request by EA for the Foundation's consent to a Transfer, EA shall provide the Foundation, at least fifteen (15) days prior to the proposed Transfer, current financial statements of the transferee certified by an executive officer of the transferee, a complete copy of the proposed Transfer documents, and any other information the Foundation reasonably requests. Immediately following the Foundation approving any Transfer, EA shall deliver to the Foundation an assumption agreement reasonably acceptable to the Foundation executed by EA and the transferee, together with a certificate of insurance evidencing the transferee's compliance with the insurance requirements of EA under this Agreement. EA agrees to reimburse the Foundation for reasonable administrative and attorney's fees (not to exceed \$1,000) in connection with the processing and documentation of any Transfer for which the Foundation's consent is requested.

Notwithstanding any provision herein to the contrary, the Foundation's consent shall not be required for any Transfer by EA to an Affiliate provided that (i) EA provides the Foundation notice of the Transfer at least fifteen (15) days prior to the effective date thereof, together with current financial statements of the Affiliate certified by an executive officer of the Affiliate, and (ii) EA delivers to the Foundation an assumption agreement reasonably acceptable to the Foundation executed by EA and the Affiliate, together with a certificate of insurance evidencing the Affiliate's compliance with the insurance requirements of EA under this Agreement. For

purposes of this Agreement, "Affiliate" shall be defined to mean a company or other person controlling, controlled by, or under common control with, EA, where "control" shall mean the direct or indirect control by ownership or otherwise of more than fifty percent (50%) of the outstanding voting shares, ownership or voting rights, or other similar measure of control.

Notwithstanding any provision herein, no prior consent from or notice to the Foundation shall be required for any Transfer by EA pursuant to a merger, by operation of law or otherwise.

15. **DEFAULT**

The occurrence of any of the following at any time after the commencement of the Term of this Agreement shall be an event of default under this Agreement:

- (a) Subject to EA's right of termination of this Agreement upon providing the Foundation written notice of same, as provided in Section 6 hereof, should EA abandon or discontinue the use of the Premises for the purposes stated herein, or should EA fail to pay any one of the Monthly Rent Installments timely or to make any other payments required by this Agreement, except as otherwise set forth herein;
- (b) In the event of the failure of LED or any other Louisiana state agency to make payments under Section 3(a), the failure of EA to either pay Rent or to vacate the Premises within forty-five (45) days of receiving written notice from the Foundation of such LED's failure;
- (c) Should either party become insolvent, fail to pay any debt when due, file a voluntary petition for relief under or pursuant to any Chapter within Title 11 United States Code, in or with any court of the United States, or should proceedings be instituted or a petition filed against either party looking to the appointment of a receiver or syndic or seeking an order for relief pursuant to 11 USC Section 303, to place either party in involuntary bankruptcy;
- (d) Should either party make an assignment for the benefit of creditors;
- (e) Should either party suffer its interest in this Agreement or any portion of the Premises or the LDMF to be seized, attached or otherwise taken or encumbered under any writ, claim or lien;
- (f) Should destruction, damage or defacement occur to the Premises, the LDMF or any other property of one of the parties hereto by the actions, omissions or fault of the other party hereunder;
- (g) Should either party fail to cure promptly any hazardous condition that has occurred or is reasonably likely to occur which that party has created or allowed after fifteen (15) days written notice from the other party; or
- (h) Should either party breach any of its obligations to the other pursuant to this Agreement or otherwise, or fail to comply with any of the other terms, provisions, covenants of stipulations of this Agreement.

Upon the occurrence of any of the above described defaults, the non-defaulting party may give notice of such occurrence in writing to the other party at the address set forth in Section 23 hereof. If the default shall not be cured within thirty (30) days of receipt of such notice (except as to Section 15(f) which provides for a fifteen (15) day notice), the non-defaulting party may, at its sole option, at any time thereafter:

(a) Declare and make, by written notice of to the defaulting party, all sums due under this Agreement or any part of the unpaid sums immediately due and payable, or proceed one or more times for past due Monthly Rent Installments without prejudicing the non-defaulting party's rights to proceed later for any sums for the unexpired term; and

(b) Terminate this Agreement by written notice to the defaulting party, collect fees accrued to the date of surrender of the Premises, provided that no such termination of this Agreement shall relieve the defaulting party of its liability and obligations under this Agreement incurred prior to such termination, and, if the non-defaulting party is the Foundation, reenter and relet the Premises; and

(c) Recover from the defaulting party all unpaid sums due under this Agreement, as well as any additional sums provided for by law, including attorney's fees or as otherwise provided in this Agreement, to the extent allowed by law, for which the defaulting party is liable or for which the defaulting party has agreed to indemnify the other party under the provisions of this Agreement; and

(d) Exercise any other right or remedy provided to the non-defaulting party by law and/or pursuant to this Agreement, including, but not limited to, an action for specific performance of the terms of this Agreement and/or a claim for recovery of damages suffered by the non-defaulting party as a result of the default by the other party.

Either party shall have the right to sue for accrued fees in the same proceeding with any other demand it is entitled to make. Any default or delinquency on the part of one party or any failure of the other party to exercise any option above given the non-defaulting party or the exercise by the non-defaulting party of the right to sue for any accrued fees, shall not bar or abridge the right of the non-defaulting party to exercise any of said options upon any subsequent delinquency or default or to insist thereafter upon a strict compliance with said provisions, and nothing herein shall impair any other or additional right or remedy not in conflict with the foregoing provisions which the non-defaulting party may have by law or in equity.

In addition, as provided herein, the non-defaulting party shall have the right, at its sole option, to correct any default by the defaulting party and charge the defaulting party for any and all reasonable costs incurred by the non-defaulting party relative to same; and the defaulting party agrees to reimburse the non-defaulting party for such charges, including, to the extent allowed by law, its attorney's fees, within ten (10) days from receipt of written demand from the non-defaulting party.

16. SURRENDER OF PREMISES BACK TO THE FOUNDATION

Should the Agreement be declared terminated or upon expiration of its Term, EA shall surrender the Premises to the Foundation immediately, hereby waiving any notice of eviction

therefrom. If the Foundation terminates this Agreement, as provided above, the Foundation may assign the Premises to another at its discretion or make any use of the Premises as the Foundation so desires.

17. **END OF TERM**

EA shall surrender the facilities at the end of this Agreement in good order and condition except for reasonable wear and tear.

18. **HOLDING OVER**

Should EA hold over after the Term of this Agreement expires, with the Foundation's written approval, this Agreement shall continue on a month-to-month basis for a Monthly Rent Installment of one hundred twenty five percent of the prior month's Monthly Rental Installment, and for payment by EA of all other fees and charges set forth herein, and upon all of terms and conditions specified in this Agreement.

19. **RELATIONSHIP OF THE FOUNDATION AND EA**

Neither party hereto shall use any trademark, service mark, trade name or other indicia of the other party, nor shall either party hold itself out as having any business affiliation with the other party without having specific written agreement from the other party and upon cause shall issue public disclaimers to that effect. It is not the intent of this Agreement that either party shall gain any advantage for soliciting and selling any goods or services to employees, students, customers, or agents of the other party. Each party is specifically prohibited from direct solicitation and sale of the other party's owned or leased property. This Agreement does not create a partnership, joint venture or any other implied or inadvertent relationship between the parties.

20. **WAIVER**

No waiver by either party or its successors or assigns, of any breach of any of the obligations or conditions herein contained to be performed by the other party, shall be construed as a waiver of any succeeding breach of the same or any other obligation or condition of this Agreement.

21. **DONATION, ASSIGNMENT OR TRANSFER BY THE FOUNDATION**

Subject to this Agreement, the Foundation may donate, assign or transfer the Premises, the LDMF or this Agreement to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), or to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to LSU, without prior consent from or notice to EA. In the event of such donation, assignment or transfer by the Foundation to LSU, all of the provisions of this Agreement as to the rights and obligations of the Foundation shall thereupon apply to LSU, or such other non-profit corporation or entity and the Foundation shall thereupon be divested of all rights and be released from all obligations to EA hereunder occurring thereafter, but none of EA's rights hereunder shall be terminated or modified by any such donation, assignment or transfer.

22. RIGHT OF ENTRY AND INSPECTION

EA shall permit the Foundation and its agents to enter the Premises at all reasonable times following reasonable notice (except in an emergency) to inspect, maintain, or make alterations to the Premises or the LDMF, to exhibit the Premises or the LDMF for the purpose of sale or financing, and, during the last twelve (12) months of the Term, to exhibit the Premises or the LDMF to any prospective tenant. Provided however, the Foundation shall not bypass the EA access system more specifically described under Section 8 hereof in entering the Premises, but will check in at the EA Security Desk and follow all EA access procedures except in case of an emergency. The Foundation will make reasonable efforts not to inconvenience EA in exercising such rights and shall respect and keep confidential EA's proprietary and confidential information that may be revealed to the Foundation in connection therewith. The Foundation reserves and shall have the right and power to prescribe weight limits and position of objects located within the Premises or the LDMF in order to distribute the weight properly so that no damage is done from overloading.

23. NOTICES

All notices or other communications to the Foundation and EA shall be sent registered or certified mail or hand delivered to each party's address as follows:

The Foundation:	Louisiana State University System Research & Technology Foundation Attention: Chief Executive Officer 101 Louisiana Emerging Technology Center East Parker Boulevard LSU Campus Baton Rouge, Louisiana 70803
EA:	Electronic Arts, Inc. Attention: Steve Berry, Sr. Manager, Facilities, Electronic Arts-Tiburon Louisiana Business and Technology Center Louisiana State University South Stadium Drive Baton Rouge, Louisiana 70803
With a copy to:	Curt Wilhelm 209 Redwood Shores Parkway Redwood City, CA 94065
With a copy to:	Russell Evans 209 Redwood Shores Parkway Redwood City, CA 94065

Notice to the above addresses shall be sufficient for any reason unless a change of address has been sent by certified mail. All matters which must be approved by the Foundation

and all items which must be delivered to the Foundation shall be processed through the Foundation's Chief Executive Officer, who shall be the Foundation's Coordinator of this project.

24. **QUIET ENJOYMENT**

The Foundation covenants that EA, upon performing all of its covenants, agreements and conditions of this Agreement, shall have quiet and peaceful occupation of the Premises as against anyone claiming by or through the Foundation, subject, however, to the terms of this Agreement.

25. **COMPLIANCE WITH LAWS/BUILDING RULES AND REGULATIONS**

EA will, at its expense, promptly comply with all laws now or subsequently adopted pertaining to the Premises, the LDMF, parking areas for the LDMF or EA's Use, but it is expressly understood that the Foundation has constructed the Premises and the LDMF to be in compliance with ADA requirements for EA's Use. Unless the cost thereof is paid by EA, neither EA nor its agents shall use the Premises in any manner that under any law or regulation would require the Foundation to make any alteration to or in the LDMF or Common Areas. Without limiting the foregoing, EA shall not change EA's Use in any manner that would cause the Premises or the LDMF to be deemed a "place of public accommodation" under the ADA if such change in EA's Use would require any such alteration. EA will comply, and will cause its agents to comply, with the LDMF Rules and Regulations set forth on Exhibit "D" attached hereto. EA acknowledges that the Foundation may from time to time reasonably amend, delete or modify existing rules and regulations, or adopt reasonable new rules and regulations for the use, safety, cleanliness and care of the Premises and the Building, and the comfort, quiet and convenience of occupants of the Building. Modifications or additions to the Rules and Regulations will be effective upon notice to EA from the Foundation.

26. **CONDEMNATION/TAKING**

If (a) all of the Premises is the subject of a condemnation or taking ("Taken"), or (b) any part of the Premises is Taken, but the remainder is insufficient for the reasonable operation of EA's business, or (c) any part of the Premises is Taken, but it would be impractical or the condemnation proceeds are insufficient to restore the remainder for the reasonable operation of EA's business, then this Agreement shall terminate as of the date the condemning authority takes possession. If this Agreement is not terminated, the Foundation shall restore the LDMF and the Premises to a condition as near as reasonably possible to the condition prior to such taking, the Monthly Rental Installments and all other fees to be paid by EA hereunder shall be abated for the period of time all or a part of the Premises is untenable in proportion to the square foot area untenable, and this Agreement shall be amended appropriately. All condemnation awards and similar payments shall be paid and belong to the Foundation, except any amounts awarded or paid specifically to EA for removal and reinstallation of EA's trade fixtures, personal property or EA's moving costs, or for EA's business damages.

27. **UTILITIES AND OTHER SERVICES**

Notwithstanding any provision in this Agreement to the contrary, the Foundation shall furnish utility services for EA's use of the Premises 24 hours per day, 7 days per week, which

shall include, but not limited to: (i) electricity; (ii) chilled water/HVAC; (iii) trash removal and janitorial services pursuant to the cleaning schedule and specifications attached as Exhibit "B;" (iv) water; (v) elevator service; and (vi) such other services as reasonably appropriate or necessary.

28. **DAMAGE BY FIRE OR OTHER CASUALTY**

If the Premises is made wholly or substantially untenable by fire or other casualty, or if EA's use and occupancy of the Premises are wholly or substantially interfered with due to damage to the Common Areas, then either the Foundation or EA may, by notice to the other party within sixty (60) days after the casualty or damage, terminate this Agreement. Such termination shall become effective as of the date of such casualty or damage.

If the Premises is made substantially or wholly untenable by fire or other casualty and this Agreement is not terminated as provided above, the Foundation shall restore the Premises to the condition it was in on the Effective Date of this Agreement, not including any personal property of EA or alterations performed by EA. If the Foundation does not terminate this Agreement as provided above, and the Foundation fails within one hundred eighty (180) days from the date of such casualty to restore the Premises as required hereinabove, EA may terminate this Agreement upon notice to the Foundation delivered within thirty (30) days after the expiration of the aforesaid one hundred eighty (180) day period.

In the event of termination of this Agreement pursuant to this Section 28, the Monthly Rental Installment for the month at issue shall be prorated on a per diem basis and paid to the date of the casualty. If the Premises is untenable and this Agreement is not terminated, the Monthly Rental Installment for the month(s) at issue shall abate on a per diem basis from the date of the casualty until the Premises is ready for occupancy by EA. If part of the Premises is untenable, the Monthly Rental Installment for the month(s) at issue shall be prorated on a per diem basis and apportioned in accordance with the part of the Premises which is usable by EA until the damaged part is ready for EA's occupancy. Notwithstanding the foregoing, if any damage was proximately caused by an act or omission of EA or its agents, then in such event, EA agrees that the Monthly Rental Installment for the month(s) at issue shall not abate or be diminished during the Term of this Agreement.

29. **IMPROVEMENTS**

As of the date of EA's execution of this Agreement, EA has examined and knows the present condition of the Premises, the LDMF, the zoning, streets, sidewalks, parking areas, curbs and access ways adjoining it, and visible easements, and EA accepts them in the condition in which they now are, without relying on any representation, covenant or warranty by the Foundation, except as may be expressly set forth herein. EA and its agents shall have the right, at EA's and any such agent's own risk, expense and responsibility, at all reasonable times prior to the Effective Date hereof, to enter the Premises for purpose of taking measurements and installing its furnishings and equipment, but only as otherwise allowed by this Agreement provided that (i) EA does not unreasonably interfere with or delay the work to be performed by the Foundation, (ii) EA uses contractors and workers previously approved by the Foundation as

provided below, and (iii) EA obtains the Foundation's prior written consent or oral consent thereto (which consent shall not be unreasonably withheld, conditioned or delayed).

30. **CAPTIONS**

The captions in this Agreement are for convenience only, are not a part of this Agreement and do not in any way define, limit, describe or amplify the terms of this Agreement.

31. **MISCELLANEOUS**

This Agreement shall not be modified in any manner except by an instrument in writing signed by or on behalf of the parties hereto and no agreement or representation, verbal or otherwise, made by the Foundation or EA, shall be binding on either party unless incorporated in this Agreement. The covenants, warranties and obligations contained herein shall inure to the benefit of and be binding upon the heirs, administrators and assigns of the respective parties. The obligations of all persons or entities referred to herein as EA shall be in solido. This Agreement shall be interpreted under the laws of the State of Louisiana. If any revision of this Agreement shall be invalid, the remainder of this Agreement shall not be affected thereby. This Agreement supercedes and replaces all prior agreements between the parties whether written or oral.

This Agreement is contingent upon the modification of the CEA with the State of Louisiana and LED to provide for, among other things, continuing financial incentives to be provided for EA in connection with EA's occupation of the Premises and full payment of all Rent, utilities and other support hereunder by LED on behalf of EA. The continuation of the benefits to EA contained in the CEA are significant inducements for EA entering into this Agreement. This Agreement shall also not become effective until EA has terminated the Participation and Use Agreement between EA and the Board of Supervisors of LSU & Agricultural and Mechanical College and the modification of the CEA has incorporated this Agreement as a replacement exhibit to the CEA.

[The remainder of this page is intentionally left blank.]

THUS DONE, READ AND SIGNED in duplicate originals, on the date first above written, in the presence of the undersigned competent witnesses who have hereunto signed their names with the parties hercunder.

WITNESSES:

Allyssa Witty
[Signature]

THE FOUNDATION:

By: [Signature]
Arthur R. Cooper
Chief Executive Officer
Louisiana State University
Research & Technology Foundation

Date: 2/4/2013

WITNESSES:

Jean P. Powell
[Signature]

EA: [Signature]
By: [Signature]
Curt Wilhelm
Vice President, Corp. Services & Facilities
Electronic Arts, Inc.

Date: 2/5/2013

**CONSENTED TO/APPROVED
PURSUANT TO LA. R.S. 17:3365:**

WITNESSES:

LSU:

By: _____
[insert name]
[insert title]
Board of Supervisors of
Louisiana State University and
Agricultural and Mechanical College
Date: _____

[Signature Page for Agreement]

A

The following documents are exhibits to this Agreement:

- Exhibit "A" The Premises
- Exhibit "B" Janitorial Service
- Exhibit "C" Signage Plan
- Exhibit "D" LDMF Rules and Regulations

EXHIBIT "A"
The Premises

EA's lease space includes the entire third floor of the Louisiana Digital Media Center for a total gross tenant area of 28,253 square feet.

Space is designated according to the floor plan attached, along with any revision made after 9/7/2012.

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Plan View
Scale: 1/8" = 1'-0"

3d View - Administration
3d View - Office/Workstation
3d View - Tester Station
3d View - Lead Station
3d View - Commuter Station

Tenant: EA
Louisiana Emergency Technologies Building
LSU - Baton Rouge, LA

Workplace Resource
A General Contractor Firm

1707 W. St., Suite 100
Baton Rouge, LA
70805-2000
504-777-1000
© 2010 Workplace Resource

Legend:
 Approved
 Approved as Noted
 Date: 05/12/11
 By: [Signature]

Revisions:
 REV 01 04/14/12
 REV 02 01/17/12
 REV 03 08/17/12
 REV 04 08/09/12
 REV 05 08/09/12

Notes:
 This drawing indicates the manufacturer, material, finish and approximate quantity of items to be furnished. It is not intended to be used as a contract document. It shall not be used for construction or for any other purpose without the written consent of the architect. It is the responsibility of the contractor to verify the accuracy of the information provided in this drawing and to make any necessary adjustments to the contract documents.

EXHIBIT "B"
Janitorial Service

LSU Research & Technology Foundation Janitorial Service

The LSU Research & Technology Foundation (LSURTF) will provide for basic tenant janitorial services. This service includes daily emptying of trash cans in each unit, vacuuming of carpet, and cleaning of the kitchen, break rooms, restrooms and common areas. It also includes twice monthly polishing of hard floor and tiled areas and annual steam cleaning of carpet.

The regular janitorial staff is on site from 9:00 am – 2:30 pm daily, Monday-Friday. They can also be contacted during these hours to address specific needs during these hours. For those activities that could be disruptive to EA staff, such as vacuuming and floor polishing, the janitorial staff will try to accomplish them during "off hours" in the evening or at a time that is convenient to EA.

EXHIBIT "C"
SIGNAGE PLAN

Signage plan to be attached prior to February 1, 2013 Effective Date.

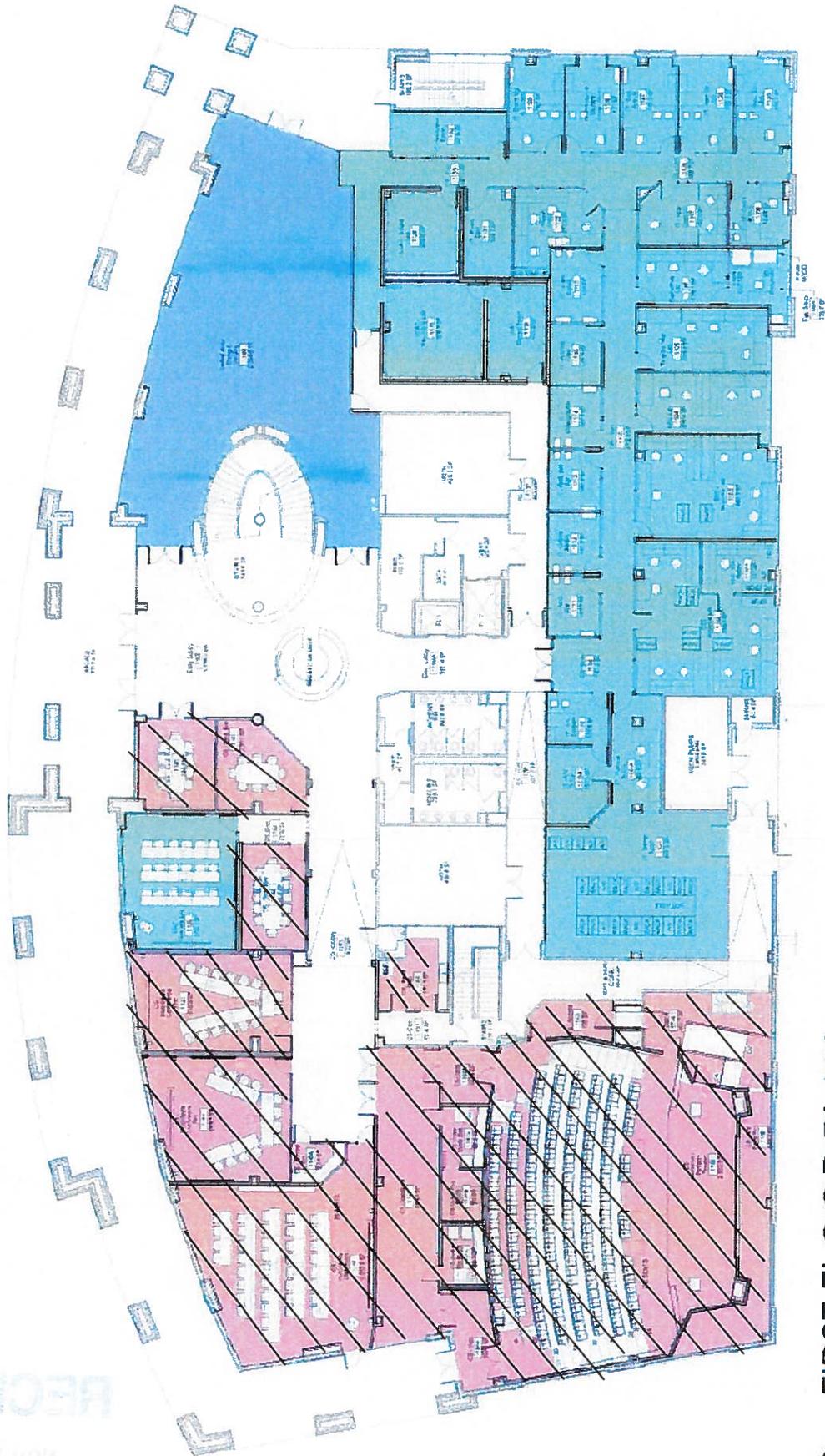
EXHIBIT D
RULES AND REGULATIONS

- A. The plumbing facilities shall not be used for any other purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by TENANT who shall, or whose employees, agents and invitees shall, have caused it.
- B. Except as to TENANT's customary improvements, TENANT shall not deface wall, ceilings, glass, partitions, floors, doors, wood, paint, stone or metal work of the Premises or the Building by marking, nailing, drilling or otherwise defacing.
- C. TENANT shall not use, keep or permit to be used or kept, any foul or obnoxious gas or substance in the Premises or permit or suffer the Premises to be used or occupied in any manner offensive or objectionable to LANDLORD or other occupants of the Building or Program by reason of any noise, odors and/or vibrations.
- D. TENANT, or its agents, shall not play any musical instrument or make or permit any improper noises in the Building.
- E. TENANT, or its employees, shall not loiter in the entrance or corridors of the Building or Program, or in any way obstruct the sidewalks, hallways and stairways and shall use the same only as a means of access to and from the Premises.
- F. LANDLORD may limit weight, size and position of all safes, fixtures and other equipment used in the Premises. In the event TENANT shall require extra heavy equipment, TENANT shall notify LANDLORD of such fact and shall pay the cost of structural bracing to accommodate same. All damage done to the Premises or the Program by putting in, or taking out, or maintaining extra heavy equipment shall be repaired at the expense of the TENANT.
- G. TENANT shall not do anything in the Premises, or bring or keep anything therein, which will in any way increase or tend to increase the risk of fire or the rate of fire insurance or which shall conflict with the regulations of the Fire Department or the law or with any insurance policy on the Premises or any part thereof, or with any rules or regulations established by any administrative body or official having jurisdiction, and it shall not use any machinery therein, even though its installation may have been permitted, which may cause any unreasonable noise, or jar or tremor to the floor or walls, or which by its weight might injure the floors of the Premises.
- H. Keys for the Premises shall be provided to TENANT by LANDLORD and TENANT shall return to LANDLORD any such keys upon termination of the Lease. TENANT shall not change locks or install other locks on doors of the Premises without receiving prior written approval from LANDLORD and providing LANDLORD with appropriate keys for such locks.
- I. No personnel shall enter or remain in the Building or Program while intoxicated or under the influence of liquor or drugs. LANDLORD shall have the right to exclude or expel any person who, in the absolute discretion of LANDLORD, is under the influence of liquor or drugs.

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- J. TENANT and its agents and employees shall not bring into nor keep within the Premises any animal or bird, however; this rule does not apply to dogs trained to assist individuals with a disability. TENANT and its agents and employees shall not throw refuse or other substances or litter of any kind in or about the Premises except in receptacles placed therein for such purposes by LANDLORD or governmental authorities.
- K. TENANT shall not install any form of window covering or ventilators or similar devices visible from the outside of the Premises without the prior written consent of LANDLORD.
- L. All freight must be moved into, within and out of the Premises only during such hours and according to such regulations as may be posted from time to time by LANDLORD.
- M. No aerial, antenna or dish shall be erected on the roof or exterior walls of the Premises or on the grounds, without in each instance the written consent of LANDLORD. Any aerial, antenna or dish so installed without such written consent shall be subject to removal without notice at any time.
- N. TENANT shall not burn any trash or garbage at any time in or about the Building.
- O. No waiver of any rule or regulation by LANDLORD shall be effective unless expressed in writing and signed by LANDLORD or its authorized agent.
- P. TENANT shall abide by any additional rules or regulations which are ordered or requested by any governmental or military authority.
- Q. In the event of any conflict between these Rules and Regulations or any further or modified rules and regulations from time to time issued by LANDLORD and the Lease, the Lease shall govern and control.
- R. All extension signs shall be in accordance with LANDLORD's sign plan. No other signage shall be used by TENANT except that which is approved in writing by LANDLORD.
- S. TENANT shall not clean, wash, repair, or otherwise perform any maintenance or service on any vehicle owned or utilized by TENANT in any of the common areas of the Building or any other area in plain view of the public.

RECEIVED
NOV 20 2013
FBI - NEW YORK
FEDERAL BUREAU OF INVESTIGATION
100 WALL STREET, NEW YORK, NY 10038
TEL: (212) 344-3100 FAX: (212) 344-3101



FIRST FLOOR PLAN

Blumberg No. 8119
EXHIBIT
C

**FIRST AMENDMENT TO
COOPERATIVE ENDEAVOR AGREEMENT**

THIS FIRST AMENDMENT TO THE COOPERATIVE ENDEAVOR AGREEMENT (the “**Agreement**”) is made and entered into as of June 24, 2016 (the “**Effective Date**”), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana, represented herein Daniel T. Layzell, its duly authorized undersigned Vice President for Finance and Administration & CFO (hereinafter referred to as “**LSU**”), and the Louisiana State University System Research and Technology Foundation, a nonprofit Louisiana corporation, represented herein by Arthur R. Cooper, its duly authorized undersigned Chief Executive Officer (hereinafter referred to as the “**R & T FOUNDATION**”) (LSU and the R & T FOUNDATION are each a “**Party**” and collectively, the “**Parties**”).

RECITALS

WHEREAS, Article VII, Section 14(C) of the Constitution of the State of Louisiana provides that “For a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual;”

WHEREAS, the Parties entered into the original Cooperative Endeavor Agreement (“**2013 CEA**”) on September 17, 2013 and hereby incorporates the Recitals of the 2013 CEA as if copied in extenso.

WHEREAS, the Parties entered into an Agreement and Lease of Property (“**LEASE**”) for Construction of the Louisiana Emerging Technology Center (“**LETC**”) on August 21st, 2003, which was amended to include the Louisiana Digital Media Facility (“**LDMF**”), on of May 11, 2011;

WHEREAS, the LETC and LDMF have been completed and, the R & T FOUNDATION has donated the LDMF to LSU;

WHEREAS, the LETC and LDMF have been operated and managed by the R & T FOUNDATION during their construction and since their completion;

WHEREAS, the Parties desire to provide that the term of the LEASE which includes land that the LDMF (also referred to as the Digital Media Center) and LETC were constructed on and this agreement are the same and the terms of this agreement be amended to change the provisions to simplify the agreement between the parties;

NOW THEREFORE, in consideration of the mutual covenants herein contained and the public purposes and benefits to be obtained hereby, the Parties agree as follows:

Amendment 1

The term PROPERTY shall mean the the Louisiana Emerging Technolog Center and the Digital Media Center (also referred to as the Louisiana Digatal Media Center) as more particularly described in Exhibit 1 to this amendment and LDMF in the 2013 CEA will be replaced by the term PROPERTY wherever it is used in the 2013 CEA in an article that is not amended and replaced by Amendment 3 below.

Amendment 3

Articles I, II, III and IX are hereby amended and replaced and an Exhibit 1 is attached to this amendment as an addition to the prior Exhibits, the remaining terms of the original agreement shall be incorporated into this Agreement as if copied in extenso, the amended Articles are as follows:

ARTICLE I SCOPE OF SERVICES AND TERM

Section 1.01 Scope of Services

The R & T FOUNDATION hereby agrees to render the following services to the PROPERTY described in Exhibit A of this agreement:

(A) Services.

- (1) Routine Services. The R & T FOUNDATION will operate and manage the PROPERTY or contract to have it preformed, and, in connection therewith, will (a) provide routine janitorial services required by the normal, prudent use of the PROPERTY, (the "**Routine Janitorial Services**"); (b) maintain in good repair, ordinary wear and tear excepted, (i) the roof, foundation, elevators, exterior walls, and exterior windows, (ii) the electrical, heating, air conditioning, ventilation, lighting, plumbing and fire alarm systems, utility lines, and sewer pipes forming a part of or serving the PROPERTY, and (iii) the parking lot, entrances, exits, stairways, common areas, and exterior landscaping (the "**Routine Maintenance Services**"); (c) respond to tenant issues that arise in the normal, prudent use of the Property, such as replacing light bulbs, cleaning windows, and making minor repairs, including minor repairs to interior and/or demising walls, interior windows, and interior doors; and (d) invoice tenants for amount owed by tenants (the "**Routine Tenant Services**") (collectively, the Routine Janitorial Services, Routine Maintenance Services and Routine Tenant Services are referred to herein as the "**Routine Services**").
- (2) Non-Routine Services. The R & T FOUNDATION will also provide, or contract to have it provided, other services in connection with the operation and management of the Property other than those Routine Services identified in Subsection (A)(1) of this Section 1.01 of this

agreement , including, but not limited to major interior or exterior repairs (the “**Non-Routine Services**”), the R & T FOUNDATION will obtain written approval from, a representative of LSU designated hereunder to act on behalf of LSU (the “**LSU Designated Representative**”.)

- (B) Non-Routine Services Provided to a Tenant. If requested by a Tenant of the Property, the R & T FOUNDATION will also provide Non-Routine services for that Tenant on and invoice the Tenant directly for such services.
- (C) Alterations and Planning. the R & T FOUNDATION will only authorize the requested alteration, physical addition, modification, improvement, master planning, business plan development or any other type of study to the Property or for the evaluation of other property to include in the definition of the Property after (1) providing written notice to the LSU Designated Representative of, and obtaining written approval from the LSU Designated Representative authorizing, performance of the work requested and (2) confirming with LSU who will perform the and how the work will be paid for, including any financing.
- (D) Expenses Requiring LSU Approval. Before incurring any expense that exceeds \$2,500 the R & T FOUNDATION will obtain written approval from the LSU Designated Representative. The approval for a recurring expense only needs to be at the time of the initial expenditure.
- (E) Annual Operating Budget. The R & T FOUNDATION will prepare an operating budget delineating the expenses that the R & T FOUNDATION anticipates it will incur to operate and manage the Property for the upcoming calendar year and forward this operating budget to the LSU Designated Representative at least sixty (60) days before the start of the year. During this budget process, the LSU Designated Representative may amend the threshold amount of any budget item and approval of the budget will serve as approval under Subsection 1.01 (D) of this agreement up to the amount established in the approved budget.

Section 1.02 LSU Review, Payment, and Representatives.

- (A) Payment Obligations. Subject to the terms and conditions of this Agreement, LSU will pay the amounts described Article II of this Agreement including to the full amount of any insufficiency in PROPERTY Account in Article II of this agreement provided the insufficiency is the result of items that were approved pursuant to Subsection 1.01 of this agreement; provided that, LSU will not be obligated to pay in any one fiscal year more than \$750,000.00 in connection with this Agreement.
- (B) Written Response. Within five (5) business days of receiving written notice of any expense requiring LSU approval as described in Subsection 1.01(D) of this Agreement LSU, through its Designated Representative, will provide written approval of the expense or indicate in writing that it does not approve of the

expense and if the expense is not approved it will not be considered in determining the deficiency amount in Subsection 2.01(C)(3) of this amendment.

(C) LSU Designated Representative and Point of Contact.

- (1) For purposes of this Agreement, the LSU Designated Representative is LSU's Associate Vice President for Facilities and Property Oversight or his designee or such other individual as may in the future be identified by LSU by written notice provided to the R & T FOUNDATION in the manner provided for in Section 12.03 of this Agreement.
- (2) For purposes of this Agreement, the R & T FOUNDATION's Chief Executive Officer, or such other entity and/or individual as may in the future be identified by the R & T FOUNDATION by written notice provided to the LSU in the manner provided for in Section 12.03 of this Agreement, will be the point of contact for issues arising under Paragraphs 2 (Services), 7 (Care and Use of Facilities), 8 (Alterations or Property), 10 (Maintenance), 22 (Right of Entry or Inspection), 27 (Utilities and Other Services), and 29 (Property).

**ARTICLE II
PAYMENT TERMS**

Section 2.01 Payment Process.

- (A) PROPERTY Account. The R & T FOUNDATION will establish, or contract to have it established, a separate checking account for the PROPERTY (the "**PROPERTY Account**") and all revenue and expenses associated with the PROPERTY shall be deposited or deducted of this account. The R & T FOUNDATION will provide LSU an accounting of the deposits and deductions from this account within 15 days from the end of each month
- (B) Payment for Services and List of Expenses. LSU will notify the R & T FOUNDATION of any revenue it received from a third party for the use of the Property, the R & T FOUNDATION will invoice LSU ten (10) days prior to the first day of each ensuing calendar month, and LSU will pay the R & T FOUNDATION the any amounts received by LSU for the use of the PROPERTY. LSU will provide, on a regular basis, a list of all the expenses LSU has incurred for the operation of the PROPERTY.
- (C) Payment of Expenses and Insurance.
 - (1) Services and Alterations. All expenses that were or are incurred by the R & T FOUNDATION in connection with providing the Routine Services, Non-Routine Service and Alterations will be paid out of the PROPERTY Account.

- (2) Insurance. The Insurance Reimbursement Amount described and defined in Subsection 4.02 of the original Agreement, will be paid out of the PROPERTY Account. In the event that the PROPERTY Account does not have sufficient funds to pay this amount, the R & T FOUNDATION will so advise the LSU Designated Representative in writing and LSU will then remit to the R & T FOUNDATION sufficient funds from the Reserve Maintenance Fund (or some other source) to cover the deficiency.
- (3) Deficiency of Property Account. In the event that the Property Account does not have sufficient funds the R & T FOUNDATION will so advise the LSU Designated Representative in writing and LSU will then remit to the R & T FOUNDATION sufficient funds to cover the deficiency provided the deficiency has occurred from expenses that have been approved by LSU pursuant to Section 1.01 (D) of this agreement. If the deficiency is the result of maintenance items, the LSU Designated Representative will remit the funds from the Maintenance Fund
- (D) Accounting. Each quarter, the R & T FOUNDATION will provide the LSU Representative with an accounting of all revenue received and expenses incurred in connection with the PROPERTY, as well as a copy of the account statement for the PROPERTY Account and a comparison, on a year-to-date basis, of the budgeted amount with the actual expenditures. Any excess funds may be at the request of LSU be distributed to LSU for payment of expenses of LSU identified in Section 2.01(B) (less any amounts at current rental rates allocated to space located in the PROPERTY occupied by LSU) or to additional funds owed to LSU by the R & T FOUNDATION. Any funds remaining after reimbursement to LSU may be distributed to the R & T FOUNDATION.
- (E) The Reserve Maintenance Fund. LSU will retain from the amount paid pursuant to Section 2.01 (B) of this Agreement (the “**Reserve Maintenance Fund Amount**”) and place it in a separate account maintained by LSU (the “**Reserve Maintenance Fund**”) in an amount as mutually agreed upon by the R&T Foundation and LSU through the annual operating budget process in Subsection 1.01(E) of this amendment.

Section 2.02 Amendment of PROPERTY

- (A) Existing Space. In the future, any space that is currently occupied by LSU in the PROPERTY may be made available to 3rd party tenants at LSU’s request and it would be managed under this agreement.

(B) Additional Property. At the LSU Designated Representative request additional property may be added to Exhibit A by the agreement of the Parties. The amended Exhibit A must be signed and dated by the LSU Designated Representative and the R & T FOUNDATION and a notice send to all parties listed in Section 15.03 of the original agreement.

**ARTICLE III
TERMINATION AND SUBCONTRACT**

Section 3.01. Termination by Parties. Either Party will have the option to terminate this Agreement upon forty-five (45) days written notice, however should LSU terminates this agreement then LSU agrees to assume the payment any expense approved pursuant to Section 1.01 (D) of this agreement.

Section 3.02. Subcontract by the R & T FOUNDATION. With consent of the LSU Designated Representative, the R & T FOUNDATION can subcontract with a 3rd Party to provide the services under this agreement.



**ARTICLE IX
TERM**

This Agreement shall begin on the Effective Date listed above and shall terminate at the same time as the Agreement and Lease of Property which is 50 years from the 21st day of August 2003 ("2003 Lease"); unless terminated earlier.

[Signature page follows]

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 27 day of June, 2016, to be effective as of the Effective Date.

WITNESSES:

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

Dellie Richards

By: Daniel T. Layzell
Name: Daniel T. Layzell
Title: Vice President for Finance
Administration & CFO

Kirk Gray

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 27th day of June, 2016, to be effective as of the Effective Date.

WITNESSES:

**LOUISIANA STATE UNIVERSITY
SYSTEM RESEARCH AND
TECHNOLOGY FOUNDATION**

Don Deak

By: Arthur R. Cooper
Name: Arthur R. Cooper
Title: Chief Executive Officer

Alyssa Gompally

Exhibit to Amendment

A – Property Covered

[Signature Page for Cooperative Endeavor Agreement]

Exhibit 1

The following property is covered by this agreement:

1. The Digital Media Center is a 94,000 sq. ft. building which was constructed by the R&T Foundation pursuant to the LEASE, as amended. The building currently houses both LSU's Center for Computation and Technology ("CCT") and Electronic Arts ("EA"). EA is currently occupying the 3rd Floor of the Digital Media Center.
2. The Louisiana Emerging Technology Center is a 67,000 sq. ft. building which was constructed by the R&T Foundation pursuant to the LEASE. The building houses private companies, primarily startup technology companies and LSU's Office of Innovation and Technology Commercialization.

OUTSTANDING LIABILITIES OF LSURF

<u>Name of Creditor</u>	<u>Amount Owed</u>
TUFF LSU Management LLC	\$1,700,000
LSU Ag Center	873,000
Technology Transfer Legal Fees	650,000
Accounts Payable	<u>550,000</u>
TOTAL	<u><u>\$3,773,000</u></u>

3 Year Pro Forma Summary of LSU RF Revenues & Expenses

	FY 2020	FY 2021	FY 2022
Tenant Revenue	799,250	1,343,670	1,357,175
Monthly Use Support Payment	250,000	600,000	600,000
Total Operating Revenues	\$ 1,049,250	\$ 1,943,670	\$ 1,957,175
O&M	819,190	818,490	854,700
TUFF Interest	44,725	44,725	44,725
Minimum MRA Funding	25,000	60,000	60,000
Total Operating Expenses (Less Utilities)	\$ 888,915	\$ 923,215	\$ 959,425
Projected Net Revenues	\$ 160,335	\$ 1,020,455	\$ 997,750

Three-Year Net Operational Savings to LSU Associated with LSURF-Managed Facilities

LSU Cost/Savings				FY 2020 - 2022	Annual Average
	FY 2020	FY 2021	FY 2022	Total	(Cost)/Savings
LSU Utilities Provided	\$ (255,000)	\$ (260,100)	\$ (265,302)	\$ (780,402)	\$ (260,134)
LSURF Management Fee	\$ (600,000)	\$ (600,000)	\$ (600,000)	\$ (1,800,000)	\$ (600,000)
LSU Saved O&M	\$ 1,141,300	\$ 1,141,300	\$ 1,141,300	\$ 3,423,900	\$ 1,141,300
Total	\$ 286,300	\$ 281,200	\$ 275,998	\$ 843,498	\$ 281,166

Note: In addition, LSU avoids approximately \$1.6M annually in deferred maintenance accrual associated with the LETC and DMC due to ownership and management by the LSURF.



Request from LSU AgCenter to Approve a Property Exchange with State Department of Corrections, Hunt Correction Facility at the Reproductive Biological Research Center, Iberville Parish, St. Gabriel, LA

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article VII, of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter":

Section 1.B. The transfer of title or ownership to any immovable property to or from the Board, whether by sale, assignment, donation, or other mechanism.

1. Summary of Matter

The Dept of Corrections has requested a 52.5 acre property exchange at our RBC station in St Gabriel which is adjacent to Hunt Correctional Facility. The reason for exchange is to allow for construction of a new Women’s Prison that was destroyed and abandoned in the 2016 flood.

The property exchange is beneficial to LSU due to the property being received is more valuable for the proposed Mitigation Bank at RBC than the property released to Hunt Correctional Facility.

The AgCenter is further requesting the Board of Supervisors to authorize and empower the President at this time to sign any subsequent agreement(s) regarding the Reproductive Biological Center Property Exchange which the President believes is in the best interest of LSU.

2. Review of Business Plan

N/A

3. Fiscal Impact

None

4. Description of Competitive Process

N/A

5. Review of Legal Documents

One or more Agreements between State Department of Corrections and the LSU Board of Supervisors

6. Parties of Interest

- LSU Board of Supervisors
- LSU AgCenter
- State Department of Corrections

7. Related Transactions

None

8. Conflicts of interests

None.

ATTACHMENTS

- I. Vice President Letter
- II. Draft Act of Exchange with Survey

RESOLUTION

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Thomas Galligan, Interim President, Louisiana State University System, to execute agreement(s) necessary to effectuate property exchange.

BE IT FURTHER RESOLVED that Thomas Galligan, Interim President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."



Office of Vice President for Agriculture

December 20, 2019

To: F. King Alexander, President
LSU

From: William B. Richardson, Vice President
LSU College of Agriculture and AgCenter

RE: **Property Exchange**
State Dept. of Corrections
Hunt Correctional Center
Iberville Parish
St. Gabriel, Louisiana

William B. Richardson
12/23/19

101 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-4161
FAX: (225) 578-4143

Accounting Services
103 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-4648
FAX: (225) 578-0735

Ag Leadership
106 Knapp Hall
Baton Rouge, LA 70803-0106
(225) 578-3659
FAX: (225) 578-5805

Communications
128 Knapp Hall
Baton Rouge, LA 70803-0106
(225) 578-2263
FAX: (225) 578-4524

Development and
Corporate Relations
102 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-7360
FAX: (225) 578-4143

Facilities Planning
210 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-8731
FAX: (225) 578-7351

Global Network
South Stadium Road
160 C Hatcher Hall
LSU Box 16090
Baton Rouge, LA 70803-0106
(225) 578-6963
FAX: (225) 578-6775

Governmental Relations
101 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-4967
FAX: (225) 578-4143

Human Resource Management
103 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-2258
FAX: (225) 578-8284

Information Technology
241A Knapp Hall
Baton Rouge, LA 70803-0106
(225) 578-7650
FAX: (225) 578-3629

Sponsored Programs and
Intellectual Property
104 J. Norman Efferson Hall
Baton Rouge, LA 70803-0106
(225) 578-6030
FAX: (225) 578-6032

The Dept of Corrections has requested a 52.5 acre property exchange at our RBC station in St Gabriel which is adjacent to Hunt Correctional Facility. The reason for exchange is to allow for construction of a new Women's Prison replacing one that was destroyed and abandoned in the 2016 flood.

The property exchange is beneficial to LSU due to the property being received is more valuable for the proposed Mitigation Bank at RBC than the property released to Hunt Correctional Facility and is adjacent to Mitigation Bank site.

The AgCenter is further requesting the Board of Supervisors to authorize and empower the President at this time to sign any subsequent agreement(s) regarding the Reproductive Biological Center Property Exchange which the President believes is in the best interest of LSU.

Attachments

xc: Hampton Grunewald

ACT OF EXCHANGE**DRAFT 12/20/19**

BE IT KNOWN that before the undersigned Notaries Public, duly commissioned and qualified in and for their respective jurisdictions, and in the presence of the undersigned competent witnesses, personally came and appeared:

THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (hereinafter referred to as "LSU"), a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through **XXXX**, **Interim** President of LSU, who is duly authorized to execute this document,

and

THE STATE OF LOUISIANA (hereinafter referred to as the "State"), appearing herein by and through its Department of Public Safety and Corrections, and further represented herein by its duly authorized Undersecretary, Thomas Bickham, who is duly authorized to execute this document,

who declared that they did and do, by these presents, make an exchange of property on the express terms and conditions herein set forth.

TRANSFER FROM LSU TO STATE

In consideration of and in exchange for the transfer of land by the State to LSU as described below, LSU hereby conveys, transfers, sets over, and delivers unto the State the following described property, to-wit:

A tract of land, consisting of 52.5 acres, more or less, situated in Section 29, Iberville Parish, Louisiana, and being designated as EOP #1 on the survey prepared by Baton Rouge Land Surveying, dated XXXXX and attached hereto as Exhibit A.

TRANSFER FROM STATE TO LSU

In consideration of and in exchange for the transfer of land by LSU to the State as described above, the State hereby conveys, transfers, sets over, and delivers unto LSU the following described property, to-wit:

A tract of land, consisting of 18.9 acres, more or less, situated in Sections 28 and 57, Iberville Parish, Louisiana, and being designated as EOP #2 on the survey prepared by Baton Rouge Land Surveying, dated XXXXX and attached hereto as Exhibit A,

and

A tract of land, consisting of 33.7 acres, more or less, situated in Sections 57 and 89, Iberville Parish, Louisiana, and being designated as EOP #3 on the survey prepared by Baton Rouge Land Surveying, dated XXXXX and attached hereto as Exhibit A,

TO HAVE AND TO HOLD, the above described properties, the one to the other, their heirs and assigns, in full property forever, free from any lien, mortgage or encumbrance whatsoever, with full and general warranty of title, and with full subrogation to all rights and warranty and other rights held by the predecessor-in-title.

The Parties acknowledge and agree that the properties exchanged herein are subject to: all rights-of-way, servitudes, mineral servitudes, and easements recorded in the public records of Iberville Parish, Louisiana; all unrecorded legal servitudes including those established through use and/or maintenance; and those servitudes which may arise by virtue of the location of the property, such as servitude for drains or the rights of others to use the banks of any navigable streams (the beds of which are owned by the State of Louisiana) which meander through or are adjacent to the subject property.

In accordance with La. R.S. 41:901, all oil, gas, minerals, and other mineral rights in, on, under, or to be produced from the tract transferred herein by LSU to State shall vest with the State and all oil, gas, minerals, and other mineral rights in, on, under, or to be produced from the tract transferred herein by State to LSU shall vest with LSU.

Both Parties hereby disclaim any warranty, guaranty, or representation, oral or written, past, present or future, of, as to, or concerning, (i) the nature and condition of the properties, including the suitability thereof for any and all activities and uses which any party may elect to conduct thereon; (ii) the existence of any environmental hazards or conditions thereon; and (iii) the compliance of the Property or its operations with any laws, ordinances, building codes, or regulations of any governmental or other body.

Both Parties also take the property exchanged “as is” and waive and release each other from any and all claims and/or causes of action to which either may have or hereafter may be otherwise entitled, based on vices or defects in the property exchanged, whether obvious or latent, known or unknown, easily discoverable or hidden, and particularly for any claims or causes of action for redhibition pursuant to Louisiana Civil Code Articles 2520, *et seq.* or for fitness for ordinary use pursuant to Civil Code Article 2524, *et seq.* Both Parties further assume the risk of all vices and defects in the property exchanged and all improvements and component parts thereof, whether those vices or defects are latent or not discoverable upon simple

inspection, and including those vices or defects, knowledge of which would deter either from making this exchange.

Both Parties waive any and all resolatory conditions which may exist and neither Party may rescind this transaction or exchange.

This exchange is made and mutually accepted by the parties hereto, it being agreed and understood that the value of the property transferred to LSU meets or exceeds the value of the property transferred to the State.

The parties acknowledge that no title examination has been conducted, no title opinion has been rendered, no environmental analysis has been performed, and no title insurance has been purchased. The Parties understand that they have the right to perform these activities, but decline to do so. The parties further acknowledge that the property descriptions contained herein, as well as the surveys referenced herein, were provided to the drafters of this document by the parties. The Parties expressly release Notaries, as well as the drafters of this document, from any claim arising out of the information supplied by the Parties or any claims related to defects in the property.

All parties signing this instrument have declared themselves to be of full legal capacity.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

THUS DONE AND PASSED, before me, the undersigned Notary Public, in the Parish of East Baton Rouge, State of Louisiana, on the _____ day of _____, 2020, in the presence of the undersigned competent witnesses, who hereunto subscribe their names, together with said LSU, after due reading of the whole.

Louisiana State University and Agricultural and Mechanical College

By: _____

Name: _____

WITNESSES:

Print Name

X _____
Signature

Print Name

X _____
Signature

Notary Public

THUS DONE AND PASSED, before me, the undersigned Notary Public, in the Parish of East Baton Rouge, State of Louisiana, on the _____ day of _____, 2020, in the presence of the undersigned competent witnesses, who hereunto subscribe their names, together with the State, after due reading of the whole.

**State of Louisiana through the
Department of Public Safety and Corrections**

By: Thomas Bickham
Undersecretary

WITNESSES:

Print Name

X _____
Signature

Print Name

X _____
Signature

Notary Public



Request from LSU A&M to Enter into a Lease with Tiger Athletic Foundation for Construction of Improvements to Rooms 103 and 203 of the Gym Armory Building

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article VII, of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a Significant Board Matter.

Section 1.C.5. The lease of any immovable property, as lessee or lessor, where the anticipated use of the building or land by the lessee would fundamentally transform the building or land and alter the purposes for which the University can use it.

Section 1.E.1. Any contract or series of related contracts for the construction, renovation, or other capital improvement of buildings or other immovable property where construction costs are projected to be greater than \$1,000,000.

1. Summary of the Matter

Tiger Athletic Foundation ("TAF"), requests consideration and approval for the University to lease portions of the Gym Armory Building, housing the Cox Communications Academic Center for Student Athletes ("Building"), to TAF for the purpose of permitting TAF to renovate and improve Rooms 103 and 203 (the "Work") at TAF's cost and in strict accordance with plans and specifications approved by LSU and applicable LSU policies and procedures. The planned renovations and improvements will create more design of the Building by facilitating the relocation of the Computer Lab from Room 203 to Room 103 and the relocation of learning specialists, currently housed in Room 103, to Room 203.

The proposed lease would be effective on or about May 1, 2020, and terminate on the earlier of March 31, 2021, or donation of the completed Work to LSU, whichever is earlier, unless extended upon written consent by the President of LSU.

2. Review of Business Plan

TAF has sufficient private contributions and other funds that may be used for the purpose of paying expenses incurred by TAF for design and construction of the Work and related expenses.

3. Fiscal Impact

The cost of constructing the Work, excluding design, is estimated at an amount not to exceed One Million Two Hundred Fifty Thousand Dollars (\$1,250,000). The estimated cost of the Work may be increased only with the written consent of TAF and the LSU Representative. All costs and expenses shall be paid by TAF from private funds.

4. Description of Competitive Process

Based on approved construction drawings, qualified contractors will be asked to submit proposals.

5. Review of Legal Documents

Before execution by the President, all legal documents will be reviewed by LSU for legal sufficiency and compliance with LSU policies, procedures and practices. Pursuant to the terms of the attached Lease, the Board will grant to TAF and its contractors rights of access and use of LSU property for the sole purpose

of performing the Work. Lease provisions include requirements that: construction must be at TAF's expense; contractors must be licensed in Louisiana and provide labor and materials payment bonds for the full amount of the construction contract naming TAF and the Board as dual-obligees; unless waived by the LSU Representative, contractors must provide specific insurance in certain minimum amounts naming the Board and TAF as additional insureds; and, Plans and Specifications must be approved by the LSU Representative prior to commencement of construction.

6. Parties of Interest

Board, LSU A&M and Tiger Athletic Foundation are the primary parties in interest.

7. Related Transactions

None

8. Conflicts of Interest

None

ATTACHMENTS

- I. Draft Lease for Construction of Improvements to Rooms 103 and 203 of the Gym Armory Building.

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes Thomas Galligan, in his capacity as Interim President of LSU, to execute a Lease to Tiger Athletic Foundation in order to permit construction of Improvements to Rooms 103 and 203 of the Gym Armory Building, and to execute related agreements as may be reasonably necessary to facilitate the project;

BE IT FURTHER RESOLVED that the Board, pursuant to the Uniform Affiliation Agreement between it and the Tiger Athletic Foundation, finds an acceptable University purpose for Tiger Athletic Foundation to enter into the proposed Lease, and any related or ancillary contracts and agreements reasonably necessary for the project; and,

BE IT FURTHER RESOLVED that Thomas Galligan, in his capacity as Interim President of LSU, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, to include in the Lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.”

ATTACHMENT I

**LEASE AGREEMENT FOR CONSTRUCTION OF IMPROVEMENTS TO
ROOMS 103 AND 203 OF THE GYM ARMORY BUILDING**

**THIS LEASE AGREEMENT FOR CONSTRUCTION OF IMPROVEMENTS TO
ROOMS 103 AND 203 OF THE GYM ARMORY BUILDING** (herein "Lease") is entered into
as of the dates indicated on the attached Acknowledgments, by and between,

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional
corporation organized and existing under the Constitution and laws of the State of
Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing
herein through, F. King Alexander, in his capacity as President of LSU, duly
authorized and empowered by resolution of said Board of Supervisors (hereinafter
referred to as "Board"),

and

TIGER ATHLETIC FOUNDATION, a Louisiana non-profit corporation
organized and existing under the laws of the State of Louisiana, domiciled in the
Parish of East Baton Rouge, herein appearing through and represented by Richard
B. Perry, its duly authorized President and Chief Executive Officer (hereinafter
referred to as "Foundation"),

provides as follows:

WITNESSETH

WHEREAS, Foundation is a private non-profit Louisiana corporation described in Section
501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax exempt purpose is to
support the mission and programs of Louisiana State University and Agricultural and Mechanical
College ("University"), a higher education institution under the management and supervision of
Board;

WHEREAS, Louisiana Revised Statutes 17:3361, et seq., expressly authorizes Board to lease property to a nonprofit corporation such as Foundation for the purpose of constructing and renovating buildings, other structures and improvements;

WHEREAS, Board is the owner of the immovable property including but not limited to the Old Gym Armory Building housing the Cox Communications Academic Center for Student Athletes and surrounding land as further described on Exhibit “A” (the improvements on the land are sometimes referred to as the “Building,” and the land and the Building are sometimes collectively referred to as the “Land”);

WHEREAS, Foundation desires to lease the Land for the purpose of constructing improvements to Rooms 103 and 203 and making related improvements, all at Foundation’s expense and in accordance with design standards established by the Board and/or University, and Board desires to grant Foundation such a lease and limited rights of use and access in order to facilitate construction of such improvements; and,

WHEREAS, the improvements to be constructed by Foundation pursuant to the terms of this Lease will be donated by Foundation to Board upon completion of construction and acceptance by Board in accordance with the terms of this Lease;

NOW THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

CERTAIN TERMS DEFINED

“**Applicable Laws**,” refers to all laws, statutes, rules, regulations, ordinances, building codes, resolutions and orders of any Governmental Authority, including but not limited to applicable rules, regulations and architectural standards of University and Board, applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or any third parties.

“**Architect**,” refers to any architect or other design professional, including their permitted successors and assigns, engaged by Foundation to perform architectural or design services with respect to any phase of the design and/or construction renovation of the Improvements or any substitute or successor architect or other design professional engaged by Foundation.

“**Construction Contract**,” refers to one or more agreements for the construction of the Improvements entered into by and between the Foundation and the Contractor, including all amendments, modifications, exhibits, schedules, supplements and change orders to all such agreements.

“**Contractor**,” refers to the contractor or contractors selected by Foundation to construct the Improvements and their permitted successors and assigns.

“**Effective Date**,” refers to May 1, 2020, or the date upon which all of the following have occurred, whichever is later: (a) this Lease is executed and delivered by the parties hereto; (b) all necessary approvals of this Lease, as required by Applicable Laws, are obtained; and, (c) the final Plans and Specifications have been approved and an Authorization to Proceed has been authorized and issued in accordance with the terms of this Lease, including but not limited to Section 4.1B.

“**Force Majeure**,” refers to any (a) act of God, lightning, hurricane, tornado, and other extraordinarily adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slow down or work stopped; and, (c) any other similar cause or similar event beyond the reasonable control of the Foundation.

“**Governmental Authorities**,” refers to any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“**Improvements**,” refers to repairs, renovations and other improvements to Rooms 103 and 203 of the Building that will permit the relocation of the Computer Lab from Room 203 to Room 103 and further permit the relocation of learning specialists housed in Room 103 to Room 203, all of which will be made in accordance with the Plans and Specifications and the terms of this Lease.

“**LSU**” refers to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including the campus of the Board at which the Work is to be performed.

“**LSU Representative**,” refers to the President of LSU or the Executive Vice President for Finance and Administration and CFO of LSU acting as the President’s designee. With respect to matters involving construction and design, including, without limitation, approvals of Plans and Specifications, Change Orders, Authorizations to Proceed, Punch Lists, and Substantial Completion, the term LSU Representative shall refer to the LSU Associate Vice President for Facilities and Property Oversight.

“**LSU Rules and Regulations**” refers to all current and future rules, regulations, procedures and directives promulgated by or pursuant to authority granted to LSU.

“**LSU Construction Monitor**,” one or more persons designated and authorized from time

to time by the Associate Vice President for Facilities and Property Oversight to monitor Foundation's construction progress during the construction phase of the Improvements or any other Work who shall be either a licensed architect or a licensed engineer. The initial LSU Construction Monitor shall be LSU's Director of Planning, Design and Construction.

"Payment and Performance Bonds," refers to payment and performance bonds required in connection with performance of the Work and described in Section 4D of this Lease.

"Plans and Specifications," refers to one or more sets of final plans and specifications, including any amendments thereto, for design of the Improvements, materials selection and method of construction for the construction of the Improvements and for all Work related thereto, which have been approved, in writing, by the LSU Representative.

"Punch List," refers to a list prepared by the Architect and approved by the LSU Construction Monitor and the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion, prior to final acceptance.

"Substantial Completion," refers to the date or dates on which (a) the Architect has certified to Foundation that the Work (or, if approved by the LSU Construction Monitor and the LSU Representative, any portion of the Work) has been completed substantially in accordance with the Plans and Specifications, subject to customary punch list items remaining to be completed, (b) the LSU Construction Monitor and the LSU Representative have given written approval of the Architect's certificate, which approval shall not be unreasonably delayed, withheld or conditioned, and (c) governmental certificates and approvals required to allow beneficial use and occupancy of the Improvements by the University have been obtained, including, but not limited to, a Certificate of Occupancy (whether temporary or final if applicable) and State Fire Marshal approval.

"Work," refers to all work and activities required to be undertaken by Foundation in order to design and construct the Improvements including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the design, planning and construction of Facilities and all necessary utility placements, relocations, tie-ins and upgrades.

1.

AGREEMENT TO LEASE

For and in consideration of One Hundred (\$100) Dollars and other good and valuable consideration, Board hereby leases the Land to Foundation, and hereby grants to Foundation such rights of use and access as are necessary for Foundation to perform the Work. Unless otherwise agreed to in writing by Foundation and Board, this Lease, including all rights of use and access for construction purposes, shall terminate upon the earlier of; (a) termination of this Lease in accordance with the provisions hereof; (b) donation of the Improvements to Board as provided for

herein; or (c) March 31, 2021.

2.

AGREEMENT TO CONSTRUCT AND DONATE IMPROVEMENTS

Foundation agrees to construct the Improvements in accordance with the Plans and Specifications and to donate the Improvements to Board after completion of the Work. It is estimated that the total cost to construct the Improvements (excluding design), will not exceed One Million Two Hundred Fifty Thousand and 00/100 Dollars (\$1,250,000.00), all of which cost and expense shall be paid by Foundation from private donations. The amount estimated for costs and expense may be increased with the written consent of Foundation and the LSU Representative, subject to the requirements of Subsections 4.1.A and 4.1.J hereof.

3.

USE OF PREMISES

Foundation may use the Land only for construction of the Improvements. Foundation shall not use the Land for the sale, distribution, storage, transportation or handling of petroleum or other similar synthetic products. Foundation shall not make any use of the Land in violation of any Applicable Laws, and shall not permit any contamination or pollution on or about the Land or increase the fire or insurance hazard by any use thereof. Before beginning any Work on the Land, Foundation shall obtain any permits required by the State of Louisiana, the Parish of East Baton Rouge and the United States of America or any of their subdivisions or departments. Foundation shall not install or otherwise place storage tanks in or on the Land without the LSU Representative's prior written consent which, in addition to any other conditions required by the LSU Representative, shall be subject to the condition that any such tanks shall be located on a concrete slab and shall be surrounded by a retaining wall that will retain the products stored in the tanks in the event of any spill, discharge, leak, overflow, or other release.

4.

CONSTRUCTION

4.1 At its sole cost and expense, Foundation shall construct the Improvements in a good and workmanlike manner, in accordance with the following provisions:

A. Plans and Specifications/Change Orders

At least thirty (30) days prior to commencement of any construction, proposed final plans and specifications approved by the LSU Construction Monitor shall be delivered to the LSU Representative for his review. The LSU Representative shall approve or disapprove such proposed final plans and specifications in writing within thirty (30) days of receipt thereof. Any request for change orders to the Plans and Specifications or to the Construction Contract shall be made to the LSU Representative, who shall approve or disapprove such request in writing within ten (10) working days of having received such request from the Foundation. Any change in work and materials relating to construction of the Improvements which either (1) materially alters the exterior appearance of the Improvements, or (2) materially alters the quality of materials or the interior appearance of any buildings forming part of the Improvements and costs more than One Hundred Thousand and 00/100 Dollars (\$100,000.00), is subject to the prior review and approval of the LSU Representative, which approval shall not be unreasonably withheld, delayed or conditioned. Foundation shall notify the LSU Representative in writing of any such proposed changes in work or materials, and provide to the LSU Representative copies of the proposed changes, and the LSU Representative shall either approve or disapprove any such changes within seven (7) Business Days after receipt of such notice from Foundation. If the LSU Representative fails to respond within such seven (7) day period, it shall be deemed that LSU approves such changes. Notification to the LSU Representative shall include copies of proposed change orders approved by the Contractor, the Architect, the Foundation and the LSU Construction Monitor, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such changes in the Work or materials. Complete copies of all final change orders shall be provided to the LSU Representative no later than the commencement of the Work represented by the change order, even if approval of the LSU Representative is not required. Changes in work or materials relating to construction of the Improvements not required to be submitted to the LSU Representative by this section shall be submitted in writing (unless

written submission is waived by the LSU Construction Monitor) to and received by the LSU Construction Monitor who shall either approve or disapprove any such changes within two (2) Business Days after receipt of such request and copies of the proposed changes from Foundation. If the LSU Construction Monitor fails to respond within such two (2) Business Day period, it shall be deemed that he approves such changes.

No change order to the Construction Contract which materially and substantially deviates from the Plans and Specifications as originally approved shall be implemented without the prior written consent of the LSU Representative.

B. Commencement and Completion of Work

Unless delayed by Force Majeure, at its own expense, Foundation agrees to: (1) commence the Work on or before May 1, 2020, or within thirty (30) days after the LSU Representative has issued a written Authorization to Proceed, whichever is later; and (2) make best reasonable efforts to achieve Substantial Completion of all Work on or before January 15, 2021, but in any event to complete all Work on or before March 31, 2021. No work shall commence until the LSU Representative has issued a written Authorization to Proceed and written approval to the final proposed plans and specifications. The commencement and completion dates set forth herein may be extended by a written request issued by the Foundation and approved in writing by the LSU Representative.

C. Construction Contract

The Work shall be performed on behalf of Foundation pursuant to the terms of the Construction Contract. Where appropriate, the Construction Contract and Payment and Performance Bonds shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. Foundation shall include a liquidated damages clause in the proposed Construction Contract. Board and Foundation hereby acknowledge the following, and, to the extent practically and legally possible, the Construction Contract and all subcontracts

entered into by the Contractor shall acknowledge expressly that they have been informed of the following:

- (i) The Work will be performed solely and exclusively for Foundation.
- (ii) Foundation is a separate legal entity from University and Board. It is not acting as agent for University or Board, and Foundation has no authority to obligate University or Board to any extent whatsoever.
- (iii) Neither Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Lease.
- (iv) Foundation has no ownership interest in the Land on which the Work will be performed. Any improvements placed on the Land shall become property of Board upon completion of the Work. The Work shall not give rise to any rights against the Land or Board.
- (v) It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with the Work. No party shall infer, based on any consent, approval or review given or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such

consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

D. Payment and Performance Bonds

Foundation shall require that the Contractor provide a performance and labor and materials payment bond(s) with a corporate surety authorized to do business in the State of Louisiana. Said bond(s) shall be for the greater of the full amount of the Contract Sum or the Guaranteed Maximum Price as defined and established in the Construction Contract. Both Foundation and Board shall be obligees under the bond(s).

E. Rights Concerning the Land During Construction

To the extent necessary, Foundation and the Contractor shall have the right to occupy and use the Land, with reasonable ingress to and egress from the Land, during the term of this Lease and, with the prior written consent of the LSU Construction Monitor, shall fence or block off that area of the Land necessary to perform the Work in a safe and secure manner. Except for unknown or unforeseen and unforeseeable defects, Foundation assumes all responsibility for the condition of the Land during the term of this Lease. Foundation and the Contractor shall maintain Land and any improvement or construction thereon in a reasonably prudent manner at all times until the Work is accepted by the LSU Representative and donated to the Board. Board shall not be responsible for any maintenance or repairs to the Land or the Work during the term of this Lease. The LSU Construction Monitor and the LSU Representative and any other individuals authorized by the LSU Representative shall at all times have access to the Land and the exercise of all rights as owner except as otherwise provided herein, even those not specifically acknowledged herein. Foundation accepts the Land for the purposes herein outlined without any warranty of title or recourse whatsoever against Board.

F. Access over Adjoining Property during Construction

Board hereby grants to Foundation a servitude of access over and across such other property owned by Board only in so far as such is reasonably necessary in order for the Foundation to fulfill its obligations hereunder, provided, however, that (1) such access routes are approved in writing by the LSU Construction Monitor; and (2) Foundation shall not unreasonably interfere with Board's (or Board's lessee's) use of such other property.

G. LSU Rules and Regulations; Access During Construction

Foundation agrees that it will comply with all Board and University regulations, policies and mandates with regard to all contractors and personnel entering the Land for purposes of construction, which rules and regulations will be addressed at the pre-construction conference, and that it will secure, at its own expense, all necessary permits and licenses from all regulatory agencies or bodies. Foundation shall make these same requirements of the Contractor. At all times during construction, the LSU Construction Monitor, the LSU Representative and any individuals authorized by the LSU Representative shall have the right but not the obligation to enter the Land and review the Work to determine that it is being performed in compliance with the Plans and Specifications and in a good and workmanlike manner.

H. Signage

Before erecting or placing any sign upon the Land or the Improvements, Foundation shall submit the design specifications of such sign to the LSU Construction Monitor for approval. Foundation may only erect or place signage hereunder if it has obtained the prior written approval of the University Construction Monitor.

I. Acceptance of Construction

Foundation and Board agree to work together to identify and facilitate completion of all warranty and punch list items within the first year following acceptance of the Work. Foundation will not accept any portion of the Work without the written approval of the LSU

Representative. Board reserves the right to refuse to approve the acceptance of the Work unless monies equal to the value of the punch list deficiencies are withheld by the Foundation and designated for payment to the Contractor only upon completion of the punch list items. Upon donation of the Work, by Foundation to Board, Foundation hereby agrees that, to the extent allowed by law, Foundation will assign or transfer to Board its right to enforce actions against the Contractor and/or the Architect arising out of the Work; provided, however, Foundation shall continue to be obligated to complete the Punch List items. Final payment shall not be made to the Contractor until the LSU Representative agrees in writing that the Punch List items have been completed.

J. Funds for Construction

At the LSU Representative's request, prior to the commencement of the Work, Foundation shall satisfy the LSU Representative that the total amount of money needed to complete the Work, has been collected or acquired by the Foundation and is dedicated to that use. At the LSU Representative's sole option, Foundation may be required to provide a letter of credit, a performance bond, or a dedicated escrow account to guarantee its performance.

K. On Site Construction Inspector

If in the LSU Representative's sole discretion it becomes necessary, Foundation at Foundation's expense shall hire an on-site construction inspector or clerk of the works for full time supervision of the Work.

L. Inspection and Survey

Foundation shall inspect the Land, and arrange for any necessary boundary surveys, topographical surveys, soil borings and other site investigations at its expense. Foundation accepts the Land in its present condition.

M. No Liens; Release of Recorded Liens

Foundation shall not suffer or permit any liens to be enforced against the Land or Board by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to Foundation or to anyone through or under the Foundation. If any such liens shall be recorded against the Land, Foundation shall cause the same to be released of record, or in the alternative, if the Foundation in good faith desires to contest the same, Foundation shall be privileged to do so, but in such case, Foundation shall promptly deposit with the Recorder of Mortgages of East Baton Rouge Parish a bond guaranteeing payment of any such liens and hereby agrees to indemnify, defend with an attorney of the LSU Representative's choice, and save Board harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

5.

INSURANCE

5.1 Unless otherwise approved in writing by the LSU Representative, during the Work and prior to the donation of the Improvements to Board, Foundation shall maintain or require the Contractor to maintain the following:

A. Builder's Risk Insurance

Contractor shall provide an "All Risk" builder's risk insurance policy, including but not limited to fire and extended coverage insurance, vandalism and malicious mischief, for not less than one hundred (100%) percent of the full replacement value of the Work or property destroyed to protect against any damage or loss during the Work and until final donation of the Improvements to Board and acceptance thereof. This policy shall be taken out prior to commencement of construction and discontinue upon final acceptance by Board of the donation. It shall run in favor of Contractor, Foundation and Board, as their interests may appear. The coverage shall include

the Architect's fee for work required and reconstruction following a loss during construction. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.

B. General Liability and Property Damage Insurance

Foundation and its contractors, before commencing any construction, shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, which will cover Foundation's, Board's and the Architect's legal liability arising out of the construction performed by Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by either of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings, which may arise from operations for the construction of the Work, with minimum limits of liability of Two Million (\$2,000,000.00) dollars per occurrence and Five Million (\$5,000,000.00) dollars general aggregate. Foundation shall also require its contractors and subcontractors to have in full force and effect a policy of workmen's compensation and employer's liability insurance before proceeding with the construction under this Lease. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.

C. Architect's Design, Errors and Omissions

Upon execution of this Lease, Foundation shall provide the LSU Representative with evidence that the Architect has procured architect's design, errors and omissions insurance coverage for the Work in an amount acceptable to the LSU Representative, and Board shall be named as an additional insured on said policy.

5.2 Unless otherwise approved by the LSU Representative in writing, the following requirements shall be applicable to insurance policies and coverages required pursuant to the terms

of this Lease:

A. Required Insurance Shall Be Primary

All insurance required hereby shall be primary as respects Board, its members, officers, employees and authorized agents. Any insurance or self-insurance maintained by the Louisiana Office of Risk Management and Board shall be excess and noncontributory of Foundation or any Contractors' insurance.

B. Failure to Comply With Reporting Requirements

Any failure of the Foundation or Contractor to comply with reporting requirements of a policy required hereby shall not affect coverage provided to Board, its members, officers, employees and authorized agents.

C. Application of Multiple Policies

The Foundation's and/or Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policy limits.

D. No Release

Neither the acceptance of the completed Work nor the payment therefor shall release the Foundation or Contractor or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein.

E. No Recourse

The insurance companies issuing the required policies shall have no recourse against Board for payment of premiums or for assessments under any form of the policies.

F. Excess Insurance

Excess umbrella insurance may be used to meet the minimum requirements for the general liability and automobile liability only.

G. Deductibles and SIR's

The Foundation and/or Contractor shall be responsible for all deductibles and self-insured retentions.

H. No Special Limitations

The coverage required hereunder shall contain no special limitations (e.g. limitations beyond those that are normal and customary based on the policy, coverage and activity insured) on the scope of protection afforded to Board, its members, officers, employees and authorized agents.

I. Licensed Louisiana Insurers

All insurance shall be obtained through insurance companies duly licensed and authorized to do business in the State of Louisiana, which, to the extent available on commercially reasonable terms, bear a rating of A+:X in the latest A. M. Best Co. ratings guide. If at any time an insurer issuing a policy hereunder does not meet the minimum A. M. Best Co. ratings, and such requirement has not been waived in writing by the LSU Representative, the Foundation and/or Contractor shall obtain a policy with an insurer that meets the A. M. Best Co., rating required and shall submit another Certificate of Insurance as required hereunder.

J. Occurrence Based Policies

All insurance required hereunder, with the exception of Architect's Design Errors and Omissions policies, shall be occurrence coverage. Except as specifically permitted herein, claims-made policies are not allowed.

K. Verification of Coverage

The Foundation shall furnish the LSU Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to

be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a twenty (20) day written notification to the LSU Representative prior to the cancellation thereof. Upon failure of the Foundation to furnish, deliver and maintain such insurance as provided herein, and expiration of any applicable cure period, then Board may, but shall not shall be obligated to, obtain said insurance on behalf of the Foundation at the Foundation's commercially reasonable cost and expense. Failure of the Foundation to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve the Foundation from any liability or indemnification hereunder.

L. Additional Insureds

The Foundation, Board and its members, officers, employees and authorized agents shall each be named as additional insureds on all policies required hereby.

M. Additional Insurance

The LSU Representative may review Foundation's required insurance as stated herein at the time of renewal of the policies or at the time of a material change, and the LSU Representative reserves the right to require reasonable additional limits or coverages to the extent available at commercially reasonable rates. Foundation agrees to comply with any such reasonable request by the LSU Representative or to allow reasonable changes or reductions in coverages.

N. Blanket Policies

If any blanket general insurance policy of Foundation complies with the requirements of this Lease, such insurance shall fulfill the requirements set forth herein.

O. Limitation on Liability

The insurance and other provisions of this Lease do not waive or abrogate, are not intended to waive or abrogate, and shall not be interpreted to waive or abrogate the limitation on liability established under La. R.S. 13:5106 for Board.

6.

DONATION OF IMPROVEMENTS AND TITLE TO IMPROVEMENTS

6.1 Foundation agrees to donate the Improvements to Board after (a) final acceptance of all Work by Foundation and written approval by the LSU Representative of said final acceptance, and (b) the delivery to the LSU Representative of either (i) a clear lien certificate as to the Work, which certificate has been obtained from the proper parish clerk's office or (ii) evidence that any liens against the Improvements have been adequately bonded. Unless otherwise agreed to in writing by the LSU Representative and Foundation, the Work shall not be donated to Board until the events in both (a) and (b) of this paragraph have occurred; however, for good cause as determined by the LSU Representative in his sole discretion, the Work may be donated to Board following Substantial Completion subject to Foundation's obligation to satisfactorily complete any outstanding punch list items and satisfy any outstanding liens and payment obligations relating to the Work. If the Architect for the Work recommends final acceptance of the Work by Foundation, the LSU Representative shall not unreasonably refuse to approve final acceptance by Foundation. Unless otherwise agreed to in writing by the LSU Representative and Foundation, use and/or occupancy of the Improvements shall be prohibited until the Improvements have been donated by Foundation to Board.

6.2 Upon fulfillment of the conditions set forth in paragraph 6.1 (a) and 6.1 (b) hereof, the Improvements shall be donated to and title and ownership to said Improvements shall be transferred to and shall become owned by Board. Said donation shall occur concurrently with final fulfillment of the conditions set forth in paragraph 6.1 (a) and 6.1 (b), and, upon said donation,

Foundation shall have no further responsibilities, obligations or liabilities with regard to the completed Improvements, Land or the Work except as otherwise specifically set forth herein. Foundation shall bear the risk of loss with respect to the Improvements until acceptance of the donation by the LSU Representative; provided, however, Foundation's risk shall be limited to available insurance proceeds. Furthermore, prior to such donation, Foundation shall obtain guarantees and warranties from the contractor or contractors and suppliers of equipment, which guarantees and warranties shall be assigned to and shall run in favor of Board upon the donation of the Improvements, provided, however, Foundation itself shall make no warranty as to the condition of the Work. To the extent that such terms are available on commercially reasonable terms, guarantees and warranties for the construction and completion of the Improvements shall run from the later of (1) the fulfillment of the conditions set forth in paragraph 6.1 or (2) the full execution of the donation of the Improvements from the Foundation to Board or (3) occupancy for the purposes set forth herein (the "Warranty Commencement Date"), which warranties shall include but not be limited to the following items and periods if reasonably available:

- (a) For ten (10) years following the Warranty Commencement Date, all defects in materials and workmanship;
- (b) For ten (10) years following the Warranty Commencement Date, all plumbing, electrical, heating, cooling and ventilating systems; and
- (c) For the length of manufacturers' warranties, all appliances and equipment.

6.3 Upon fulfillment of the conditions set forth in Paragraph 6.1 hereof the parties agree to execute any and all documents necessary to effectuate the donation and the acceptance thereof on behalf of Board. The parties will record the donation and acceptance in the records of the parish in which Land is located.

6.4 Notwithstanding anything contained in this Lease, at all times Board shall have the absolute right to terminate this Lease on thirty (30) days' written notice to Foundation. Upon such

termination either Board shall take title to the Improvements, or Board, at its option, may require Foundation to transfer all of its right, title and interest in this Lease, in any funds (subject to applicable donor restrictions and the terms of any valid and perfected liens, pledges and security interests) dedicated to complete the construction of the Improvements, and in the Improvements already constructed, to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390, which is acceptable to Board, and which accepts the obligations of the Foundation hereunder.

7.

INDEMNIFICATION

7.1 Foundation, for itself and for its successors, assigns, agents, contractors, employees, invitees, customers and licensees, agrees to indemnify, defend and to hold Board harmless against any loss for damages or injuries that may be suffered by Board or by any person, including but not limited to Foundation's agents, contractors, employees, invitees and licensees, to the extent such loss arises out of or is related to the Work, except with respect to acts or omissions by Board's members, officers and employees unless said members, officers and employees are acting at the direction or request of the Foundation, and Foundation agrees to defend Board with an attorney of Board's choice in any legal action against it and pay in full and satisfy any claims, demands or judgments made or rendered against Board, and to reimburse Board for any legal expenses, including attorney's fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder, but Foundation's costs and expenses incurred in fulfilling this indemnity and defense shall, to the extent allowed by Applicable Laws, be limited to insurance proceeds which are available for this purpose.

7.2 To the extent allowed by Applicable Laws, Board, agrees to indemnify, defend and hold Foundation harmless against any loss for damages or injuries that may be suffered by

Foundation or by any person including but not limited to Board's agents, contractors, employees, invitees, and licensees, except if any of such persons are acting at the direction or request of the Foundation, to the extent that such loss, damage or injuries arise out of or are related to the fault or negligence of Board, its members, employees, or officers, and Board agrees to defend Foundation in any legal actions against it and, to the extent allowed by law, pay in full and satisfy any claims, demands or judgments made or rendered against Foundation, and to reimburse Foundation for any legal expenses, including attorneys fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder; provided, however, that Board's costs and expenses incurred in fulfilling this indemnity and defense shall be limited to proceeds from the Office of Risk Management which are available for this purpose.

8.

TERMINATION

This Lease shall terminate upon donation of the Improvements to Board and acceptance by Board of said donation as set forth in paragraph 6.1(a), 6.1(b) and 6.2 hereof, or at the latest on March 31, 2021. This Lease may be extended by written consent of both parties, which consent may be granted by the LSU Representative.

9.

NOTICES

All notices, demands and correspondence made necessary by the provisions of this Lease shall be deemed to be properly given, served and addressed, if and when sent by certified mail, return receipt requested, directed as follows:

Board: Board of Supervisors of
Louisiana State University and
Agricultural and Mechanical College

Attention: F. King Alexander
President of LSU
3810 West Lakeshore Drive
Baton Rouge, LA 70808

Foundation: Tiger Athletic Foundation
Attention: Richard B. Perry, President and CEO
Pete Maravich Assembly Center
North Stadium Drive
P.O. Box 711
Baton Rouge, LA 70821

10.

FOUNDATION DEFAULT

10.1 Board may declare Foundation in default upon one or more of the following events:

A. Failure to Timely Commence or Complete.

Failure of Foundation to commence and/or complete the Work as set forth in this Lease, within the time frame allowed, unless such time period has been mutually extended in writing by the LSU Representative and Foundation unless such failure was caused by a Force Majeure, and which failure has continued for a period of thirty (30) days after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied; or

B. Deviation From Approved Plans and Specifications.

A substantial deviation, unauthorized in writing by the LSU Representative, from the plans and specifications for the Work approved by the LSU Representative, which deviation has continued for a period of thirty (30) days after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied; or

C. Breach of Lease Covenants.

Failure of Foundation to observe or perform any other covenant, condition or obligation upon its part to be observed or performed under this Lease for a period of thirty (30)

days after receipt of written notice specifying such failure and requesting that it be remedied; or

D. Taking of Improvements.

The taking by execution of the Improvements for the benefit of any person or entity other than Board; or

E. Involuntary Bankruptcy.

A court having jurisdiction shall enter an order for relief in any involuntary case commenced against Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for Foundation or any substantial part of the properties of Foundation or ordering the winding up or liquidation of the affairs of Foundation, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

F. Voluntary Bankruptcy.

The commencement by Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by Foundation to the commencement of a case under such Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for Foundation or any substantial part of the properties of the Foundation; or

G. Abandonment of Project.

Foundation, after commencement of construction but prior to substantially completing construction of the Improvements, abandons (with no intent to continue) construction for a period of ninety (90) consecutive days, excluding delays caused by Force Majeure.

10.2 Whenever any event of default referred to in this section shall have occurred and

be continuing and Foundation refuses or fails to take the reasonable and necessary remedial action to cure such default in the time period specified therefor, in addition to any other remedies herein or by law provided, Board shall have the right, without any further demand or notice, to declare this Lease terminated. In the event of the termination of this Lease, Foundation expressly waives any notice to vacate. Furthermore, in the event of the termination of this Lease during the Work, Board shall be the owner of all improvements made on or to the Land, provided, however, at Board's sole option and direction, in the event of the termination of this Lease during the Work, Foundation shall transfer any Improvements constructed pursuant to the Lease, its rights and obligations under this Lease and any funds (subject to applicable donor restrictions and the terms of any valid and perfected liens, pledges and security interests) Foundation has dedicated to complete the construction of the Improvements to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to Board.

11.

BOARD DEFAULT

Foundation may declare Board in default upon the failure of Board to observe or perform any covenant, condition or agreement upon its part to be observed or performed under this Lease for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default be continuing and Board has not taken any action reasonably anticipated to cure such default, in addition to any other remedies herein or by law provided, Foundation shall have the right, without any further demand or notice to declare this Lease terminated and shall have no further obligation to perform any of the obligations of Foundation under this Lease.

12.

MISCELLANEOUS

12.1 Relationship of 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.

12.2 Attorneys Fees.

The prevailing party to the extent allowed by law shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

12.3 Louisiana Law to Apply.

This Lease shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana.

12.4 Nonwaiver.

No waiver by Board or Foundation of a breach of any of the covenants, conditions, or restrictions of this Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Lease. The failure of Board or Foundation to insist in any one or more cases upon the strict performance of any of the covenants of the Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. No waiver, change, modification or discharge by Board or Foundation of any provision of this Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties hereto.

12.5 Severability.

If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby.

12.6 Authorization.

By execution of this Lease, Foundation and Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Lease have been taken and performed; and that the persons signing this Lease on their behalf have due authorization to do so.

12.7 Use of Name, Logos or Marks.

Neither party shall make use of the other party's name, logo or marks without its prior written consent.

12.8 Amendment.

No amendment, modification, or alteration of the terms of this Lease shall be binding unless made in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

12.9 Assignment and Mortgage.

Foundation shall not assign this Lease or any part hereof without the prior written consent of the LSU Representative, and any attempt of assignment without the prior written consent of the LSU Representative shall be null and void as to Board. Furthermore, Foundation may not mortgage or encumber its rights in or arising out of this Lease or any rights it has or might have in the Land, the Improvements or the Work without the prior written consent of the LSU Representative, and any attempt to mortgage or encumber without the prior written consent of the

LSU Representative shall be null and void as to Board.

12.10 Books, Records and Audit.

The books, accounts and records of Foundation which pertain directly to the Work and construction of the Improvements shall be maintained at the principal office of Foundation. Board 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 Foundation and its contractor(s) to the extent necessary to verify compliance with this Lease or insofar as said books, bank accounts, records and accounts directly relate to Foundation'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 Board, by independent auditors retained by Board to conduct such audit, or by the Louisiana Legislative Auditor, 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 the Foundation.

12.11 Successors and Assigns.

All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of University or Board into another educational institution or governing body.

12.12 Notice of Lease.

Foundation agrees not to record this Lease. At the Foundation's request, the parties will execute a Notice of Lease for recording in the records of East Baton Rouge Parish, and the cost of recording will be borne by Foundation.

12.13 LSU Representative.

In addition to any other individuals specifically authorized in writing by the President of LSU System to act as the LSU Representative, the LSU Associate Vice President for Facility and Property Oversight is hereby authorized to act as the LSU Representative. It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with this Lease or the Work. No party shall infer, based on any consent, approval or review given or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the LSU Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

12.14 Oversight By Division of Administration Office of Facility Planning and Control (“OFPC”). Design and construction of the Improvements is subject to oversight by OFPC in accordance with La. R. S. 17:3361 (A) (2), and such oversight includes, but is not limited to (a) the right to review and approve plans and specifications prior to commencement of construction and to require changes to conform to Applicable Laws, including space and quality standards, and (b) the right to conduct periodic inspections during construction to ensure that all work is being performed in compliance with the OFPC approved Plans and Specifications.

12.15 Entire Agreement.

This Lease, together with the exhibits attached hereto, contain the final and entire agreement between the parties hereto with respect to the Land and contain all of the terms and conditions agreed upon with respect to the Land, and no other agreements, oral or otherwise,

regarding the subject matter of this Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the dates indicated on the attached Acknowledgments.

WITNESSES:

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

By: _____
F. King Alexander
President of LSU

TIGER ATHLETIC FOUNDATION

By: _____
Richard B. Perry, President and CEO

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this ____ day of _____, 2020, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared F. King Alexander, appearing herein in his capacity as President of LSU, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Supervisors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

F. King Alexander
President of LSU

NOTARY PUBLIC

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this ____ day of _____, 2020, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared Richard B. Perry, appearing herein in his capacity as President and Chief Executive Officer of Tiger Athletic Foundation, a charitable organization, who, being by me and first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Directors and that said instrument is the free act and deed of said Foundation and was executed for the uses, purposes and benefits therein expressed.

IN TESTIMONY WHEREOF, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

WITNESSES:

Richard B. Perry, President and CEO

NOTARY PUBLIC

EXHIBIT "A"

PROPERTY DESCRIPTION

Rooms 103 and 203 of that certain building designated as the Gym Armory Building, housing the Cox Communications Academic Center for Student Athletes, located on the campus of Louisiana State University & Agricultural and Mechanical College in East Baton Rouge Parish Louisiana.

STATE OF LOUISIANA

NOTICE OF LEASE

BE IT KNOWN, that as of the ____, day of _____ 2020, the undersigned parties made and entered into a "Lease Agreement for Construction of Improvements to Rooms 103 and 203 of the Gym Armory Building," pursuant to which Lessor, for good and valuable consideration, leased the land and improvements described herein to Lessee.

LESSOR'S NAME: BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE

LESSEE'S NAME: TIGER ATHLETIC FOUNDATION

LEASE TERM: Approximately May 1, 2020, and ending on approximately March 31, 2021, unless terminated earlier or extended in accordance with applicable lease terms.

DESCRIPTION OF LEASED PROPERTY: See, attached Exhibit "A".

SIGNED, this ____ day of _____, 2021.

WITNESSES:

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

BY: _____

Name:

Title:

WITNESSES:

TIGER ATHLETIC FOUNDATION

BY: _____

Richard B. Perry, President & CEO



**Request from LSU Health Sciences Center- New Orleans for
Authorization to Enter into a Multi-Year Cooperative Endeavor and
Lease Agreement with the LSU Health Foundation to Develop New
Student Housing**

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article VII, Section 1 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

General Rule. Any matter having a significant or long-term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

LSU Health Science Center-New Orleans (LSUHSC-NO) seeks approval by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU Board) to enter into a 50 year Cooperative Endeavor and Lease Agreement (CEA) with the LSU Health Foundation (Foundation) who will partner with Provident Group- HSC Properties (Provident), a not-for-profit corporation headquartered in Baton Rouge, Louisiana for construction of a new 579 bed student housing facility. The facility will be built on property donated to the LSU Board for the benefit of LSUHSC-NO by the Foundation.

1. Summary of the Matter

On June 29, 2018, LSUHSC-NO presented the attached Board Resolution and supporting documents to the LSU Board for consideration and approval (**Attachment I**). The essence of the Resolution was to request approval for the Board to enter into a Joint Agreement along with the Foundation and Provident related to building new student housing adjacent to the downtown LSUHSC-NO campus and to authorize acceptable University purpose for the Foundation. The LSU Board approved the resolution.

The parties worked to finalize the elements of the Joint Agreement, but changing market conditions including cost of capital, materials, labor and some difficulty in acquiring property prompted the parties to revise the scope of the project in order for it to remain financially viable. The project was reduced from 900 beds to approximately 600 beds. This reduction in scope was to allow the developer to keep student room rates competitive, while working within capital constraints, thus insuring the financial viability of the project. To further reduce operational costs, the Foundation agreed to develop an adjacent property for non-LSU students, faculty and staff parking and to use the Foundation logo. As a result, LSUHSC-NO would not need a role in the partnership.

On February 27, 2019, LSUHSC-NO returned to the LSU Board and presented the attached Board resolution and supporting documentation requesting authorization to withdraw as a partner from the previously approved draft Joint Agreement, leaving only two partners, the Foundation and Provident (**Attachment II**). The Board approved the resolution.

The Foundation and Provident continued to work together to optimize the student housing project and have recently finalized the building design and Provident is positioned to issue \$98.2 million in tax exempt bonds to construct the student housing project on property to be donated by the Foundation to the LSU Board for the benefit of LSUHSC-NO (**Attachment III**).

The Foundation is an “Affiliate” of the LSU Board, pursuant to the terms and conditions of the Uniform Affiliation Agreement dated July 1, 2009 between the Foundation and the LSU Board, which describes the Affiliate’s purpose and status including the Foundation’s obligation to support one or more programs, facilities, research or educational opportunities offered by LSUHSC-NO.

Once the CEA and lease of the ground are in place with LSUHSC-NO, the Foundation would then enter into a multi-year sub-lease with Provident of the parcels donated to LSUHSC-NO by the Foundation. Provident would construct the housing facility on the sub-leased land. The donated property is bounded by Johnson Street, Perdido Street, Poydras Street, and Galvez Street in New Orleans, Louisiana (**Attachment IV**).

2. Review of Business Plan

LSUHSC-NO will receive land donations with a cumulative estimated value of \$2.7 million from the Foundation. It is proposed that the LSU Board and the Foundation enter into a 50-year CEA which includes the ground lease (**see Attachment V**) where a new student housing facility will be built. The Foundation will pay \$1,000 per year in ground lease payments to LSUHSC-NO in return for the Foundation’s partnering with Provident who will development and operate a 579-bed student housing facility at no expense to the LSU Board for the benefit of LSUHSC-NO.

LSUHSC-NO will continue to operate its existing student housing facilities. It is anticipated that a number of students in these facilities will transfer to the new student housing, but it is expected that a greater number will relocate from various off-campus locations to the new housing facility given their close proximity to the LSUHSC-NO campus. Project construction would begin in the spring of 2020 and would require 18- 24 months to complete. Total development costs are estimated at \$99.3 million.

3. Fiscal Impact

LSUHSC-NO will not receive cash-flows from the CEA but will receive access to a new student housing option at no cost to the University in addition to combined property donations valued at an estimated \$2.7 million. Once the 40-year tax-exempt bonds are retired, and at the sole option of the LSU Board, the building will be either transferred to the LSU Board or demolished and disposed of by the Foundation and replaced with a green space at no expense to the LSU Board.

Revenues from existing LSUHSC-NO student housing along with all additional auxiliary revenues are pledged to the debt service on the outstanding Series 2013 Revenue Bonds, set to be retired in 2031. The annual debt service on the bonds is \$1.17 million in FY 2019-20. The remaining balance at FYE 2019 was \$10.7 million and the bonds will be retired in 2031. The LSUHSC-NO has no other outstanding bonds.

As part of its due diligence, LSUHSC-NO sought the opinion of bond counsel Stokes McConnell of Breazeale, Sachse & Wilson, LLP, regarding whether the revised student housing model would be deemed a violation of the existing bond covenants. Mr. McConnell has provided a written opinion (**see Attachment VI**) that these changes, as described in the letter to him and contingent upon conditions outlined in the opinion, will not result in a violation of the covenants and agreements as set forth in the Bond Resolution.

4. Description of Competitive Process

Not applicable.

5. Review of Legal Documents

A draft of the CEA is attached hereto, and the final CEA will be reviewed by the Office of General Counsel prior to execution.

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Foundation and Provident Group- HSC Properties.

7. Related Transactions

None.

8. Conflicts of Interest

None known.

ATTACHMENTS:

- I. Board Resolution and related documents approved June 29, 2018
- II. Board Resolution and related documents approved February 27, 2019
- III. Provident Student Housing Project Investor Presentation
- IV. Property to be Donated- Map
- V. Draft Cooperative Endeavor and Lease Agreement
- VI. Letter from Bond Counsel
- VII. Campus Map
- VIII. Letter from Chancellor Larry Hollier, MD

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Thomas Galligan, Interim President of Louisiana State University, or his designee, to execute a Cooperative Endeavor and Lease Agreement with LSU Health Foundation, New Orleans.

BE IT FURTHER RESOLVED that Thomas Galligan, Interim President of Louisiana State University, or his designee, is authorized to (1) execute such other consents, approvals, amendments and agreements as are necessary to effectuate said Cooperative Endeavor and Lease Agreement, (2) to include in said Agreement and in such other consents, approvals, amendments and agreements those terms and conditions as he deems to be in the best interest of the Board of Supervisors of LSU and (3) to participate in the submission of said Agreement for consideration by the Louisiana State Bond Commission.

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, pursuant to the Uniform Affiliation Agreement by and between the LSU Board of Supervisors and the LSU Health Foundation, New Orleans finds an Acceptable University Purpose for the LSU Health Foundation, New Orleans to be party to the Cooperative Endeavor and Lease Agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.



Request from LSU Health Sciences Center-New Orleans to Approve a Joint Agreement to develop residential housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans and Approval of Acceptable University Purpose

To: Members of the Board of Supervisors

Date: June 29, 2018

Pursuant to Article VII, Section 9 of the Bylaws of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, this matter is a significant board matter.

This matter is a “significant board matter” pursuant to Art. VII, Section 9 of the Bylaws:

A.1 General Rule. Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

LSU Health Science Center-New Orleans seeks the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approval for the Joint Agreement.

In addition, in accordance with Section 6.3 of the Uniform Affiliation Agreement between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Board and the LSU Health Foundation, New Orleans Foundation, this matter is presented to the Board to determine if the proposal by the Foundation to enter into the Joint Agreement and to accept an onerous donation of land from Provident Group- HSC Properties, Inc. constitute an Acceptable University Purpose.

1. Summary of the Matter

LSUHSC-NO has two residence halls, each constructed more than fifty years ago. Periodic renovations have been completed through the years, but due to the overall design and advanced age of these facilities, further renovations are not cost-effective. While students prefer housing on or adjacent to campus for convenience, increasingly they are opting for modern off-campus solutions. Competitive campus-based student housing is essential to a vibrant and engaging academic community and enriches the student experience.

The prospect for receiving capital outlay for new resident housing through the conventional state process is dismal and in recent years higher education institutions have gone away from conventional bond financing and have turned to private-public affiliations to provide convenient and affordable housing for students. This approach eliminates the need for institutions to incur debt in order to provide modern competitive student housing on or adjacent to campus.

The LSU Health Sciences Center-New Orleans (LSUHSC-NO) was approached by Provident Resources Group, Inc. (“PRG”) with a proposal that PRG would create a non-profit Louisiana corporation named Provident Group- HSC Properties, Inc. (Provident), whose only member would be PRG. Provident would purchase property proximate to the Health Sciences Center-New Orleans Campus (see Attachment I) and through an interested developer will construct enhanced housing on the property consisting of a 900-bed residential living-learning community and related amenities (the “Facility”) that would be available for students registered in a professional academic health program at LSUHSC-NO, regular, full time and part time faculty and staff of LSUHSC-NO, visiting faculty serving at LSUHSC-NO on a temporary basis, persons participating in any LSUHSC-NO sponsored activity or program, and, to the extent beds are available after giving first choice to the above individuals, to physicians, medical residents

and the staff of University Medical Center and to full time students attending other accredited public institutions of higher education within the City of New Orleans. These resident standards will sustain a professional and educational campus environment. Provident expects to finance the acquisition of the land and the development and construction of the Facility through the issuance of tax-exempt bonds.

It is anticipated that the Foundation would directly purchase two smaller parcels (see Attachment II) needed by Provident for the project. Provident intends to purchase the bulk of the property needed for the construction, donate the property at closing to the Foundation, and then lease from the Foundation the donated property and the two parcels that the Foundation itself acquires for the construction of the Facility. The Foundation plans to finance its acquisition of those two smaller parcels and to utilize rental from Provident of those two parcels to satisfy the Foundation's debt service. In addition, Provident has asked for a license from LSUHSC-NO for a limited non-exclusive use of LSUHSC-NO's name, marks and logo in conjunction with the promotion of the new residential facility and will also enter into a long term lease for parking (between 400 and 500 spaces) with LSUHSC-NO (see Attachment III).

The Foundation is an "Affiliate" of the LSU Board of Supervisors, pursuant to the terms and conditions of the Uniform Affiliation Agreement dated July 1, 2009 between the Foundation and the LSU Board of Supervisors, which describes the Affiliate's purpose and status including the Foundation's obligation to support one or more programs, facilities, research or educational opportunities offered by LSUHSC-NO. Pursuant to the Uniform Affiliation Agreement, Chancellor Hollier recommends approval to the LSU Board based on his determination that LSUHSC-NO would benefit from the development of enhanced housing proximate to the University and from the involvement of the Foundation as a party to that transaction. Furthermore, upon the conclusion of the payment of the debt incurred by Provident, the facility constructed by Provident on the land would become owned by the Foundation. Prior to closing, the Foundation will have purchased the two additional smaller parcels at an estimated combined cost of \$450,000. The Foundation will become the owner of the land donated to it by Provident (estimated value between \$2.0-2.5 million) at the initial closing of Provident's financing, Foundation will then lease all of the parcels back to Provident and Provident will construct the housing facility on the leased land. The plan envisions that the housing will be constructed on property bounded by Johnson Street, Perdido Street, Poydras Street, and Galvez Street in New Orleans, Louisiana. This property is adjacent to the Health Sciences Center- New Orleans Campus. LSUHSC agrees not to build new competing housing on the main campus bounded by Claiborne, Galvez, Poydras and Canal Streets (see Attachment IV). This restriction however excludes the portion of campus east of Claiborne and the Dental School campus.

On June 26, 2017, the Board of Directors of the Foundation approved the participation of the Foundation in this project subject to the approval of the LSU Board of Supervisors.

2. Review of Business Plan

It is proposed that Provident, the Foundation and the LSU Board of Supervisors enter into the Joint Agreement. The Joint Agreement will provide that LSU would receive an annual licensing royalty payment for the limited non-exclusive use of LSUHSC-NO's name, marks and logo in connection with the promotion of the residential housing. LSU would receive 80% of the net available annual surplus cash flow from the housing facility up to the amount each year currently due on the University's previously issued and outstanding bonds. In 2000, the LSU Board of Supervisors issued auxiliary revenue bonds in the amount of \$15,910,000 for the benefit of LSUHSC-NO. Those bonds were refunded in 2013, and the outstanding balance, including unamortized interest, is \$15.2 million as of June 30, 2018 (see Attachment V). The proceeds from the 2000 issuance were used to construct/renovate housing on the Campus of LSUHSC-NO. Once the bonds are retired, LSUHSC-NO will receive 50% of the net available annual surplus thereafter. Under no circumstance will LSUHSC-NO be paid less than \$200,000 in any one year. The Foundation's portion is paid to Foundation as rent for the parcels of land owned by the Foundation including the land donated to the Foundation by Provident at closing.

LSUHSC-NO will continue to operate its existing student housing facilities. It is anticipated that a number of students in these facilities will transfer to the new housing, but it is expected that a greater number will relocate from various off-campus locations to the new residence hall. The revenues from existing LSUHSC-NO student housing along with all additional auxiliary revenues are pledged to the debt service on the LSU Board's bonds. Auxiliary revenues totaled \$9.4 million in FY 2016-17. The annual debt service is \$1.17 million per year and will be retired in 2031.

Project construction would begin in the fall of 2018 and would require about 18 months to complete. Total development costs are estimated at \$115 million (see Attachment VI).

3. Fiscal Impact

LSUHSC-NO will receive net cash flows as royalty payments from the Joint Agreement related to its share of the annual operating surplus as well as from a long-term Lease Agreement with Provident for parking related to the facility as referenced above. Table-1 below shows new revenue projections over the first six years of the project based on the Project Financial Proforma (see Attachment VII).

Table-1 **Projected New Revenue from Joint Agreement and other Supporting Agreements**

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Parking	\$ 250,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Trademark Licensing Fee	593,448.80	781,053.60	974,286.40	1,173,316.00	1,378,316.00	1,589,466.40
Projected Cash Flow	\$ 843,448.80	\$ 1,081,053.60	\$ 1,274,286.40	\$ 1,473,316.00	\$ 1,678,316.00	\$ 1,889,466.40

Revenues to LSUHSC-NO from the Parking Lease Agreement are expected to range between \$250,000 and \$300,000 annually, based on an estimated prevailing local monthly market rate of \$50 per space and the need for up to 500 spaces.

Existing LSUHSC-NO student housing generates just over \$2 million in revenue annually and covers operating and allocated overhead expenses. Table-2 below shows the trend in revenue and expenditures during the past four years.

Table-2 **Existing Student Housing Financial Summary**

Facility		Estimated			
		FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Staislaus/Residence Hall	Revenue	\$ 2,191,152	\$ 2,132,219	\$ 2,249,234	\$ 2,044,132
Staislaus/Residence Hall	Expenses	2,127,878	1,997,770	2,144,939	1,926,786
	Net Income	\$ 63,274	\$ 134,449	\$ 104,295	\$ 117,346

LSUHSC-NO student housing has averaged 70% occupancy in recent years, see Table-3 below. On average monthly rental costs for a one bed unfurnished unit are just over \$700, while the proposed student housing will average \$1060 for a one bed unit, but will feature upgraded and modern accommodations. Multi-bed units have similar prorated pricing structures.

Table- 3

Existing Student Housing Capacity vs. Occupancy

Facility	Units	Rented	Rented	Rented	Rented
		FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Dorm Rooms (Stanislaus)	154	79	89	106	96
Dorm Rooms (Res Hall)	37	33	31	30	28
1 Bedroom Apt (Res Hall)	64	62	62	60	55
2 Bedroom Apt (Res Hall)	88	68	69	66	63
3 Bedroom Apt (Res Hall)	14	9	12	9	8
Total	357	251	263	271	250
Occupancy		70%	74%	76%	70%

While LSUHSC-NO stands to lose some revenue from existing students who decide to transfer to the newer student housing project, the additional revenue from trademark licensing and the parking lease are anticipated to offset any net loss in cash-flows. Bond counsel has affirmed his opinion that LSUHSC-NO will not violate its existing covenants on outstanding bonds by entering into the Joint Agreement (see Attachment VIII).

4. Description of Competitive Process

Not applicable.

5. Review of Legal Documents

A draft of the Joint Agreement is attached hereto, and the final Joint Agreement will be reviewed by the Office of General Counsel prior to execution (see Attachment IX).

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Foundation, New Orleans, Provident Resources Group, Inc. and Provident Group- HSC Properties, Inc.

7. Related Transactions

None.

8. Conflicts of Interest

None known.

ATTACHMENTS

- I.** Property to be Donated- Map
- II.** Downtown Housing Location- Map
- III.** Proposed Leased Parking
- IV.** Campus Map
- V.** Bond Debt Service Schedule
- VI.** Estimated Development Cost Summary
- VII.** Project Financial Proforma
- VIII.** Letter from Bond Counsel
- IX.** Draft Joint Agreement
- X.** Letter from Chancellor Larry Hollier, MD

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of Louisiana State University, or his designee, to execute a Joint Agreement among Board of Supervisors of LSU, LSU Health Foundation, New Orleans and Provident Group- HSC Properties, Inc.

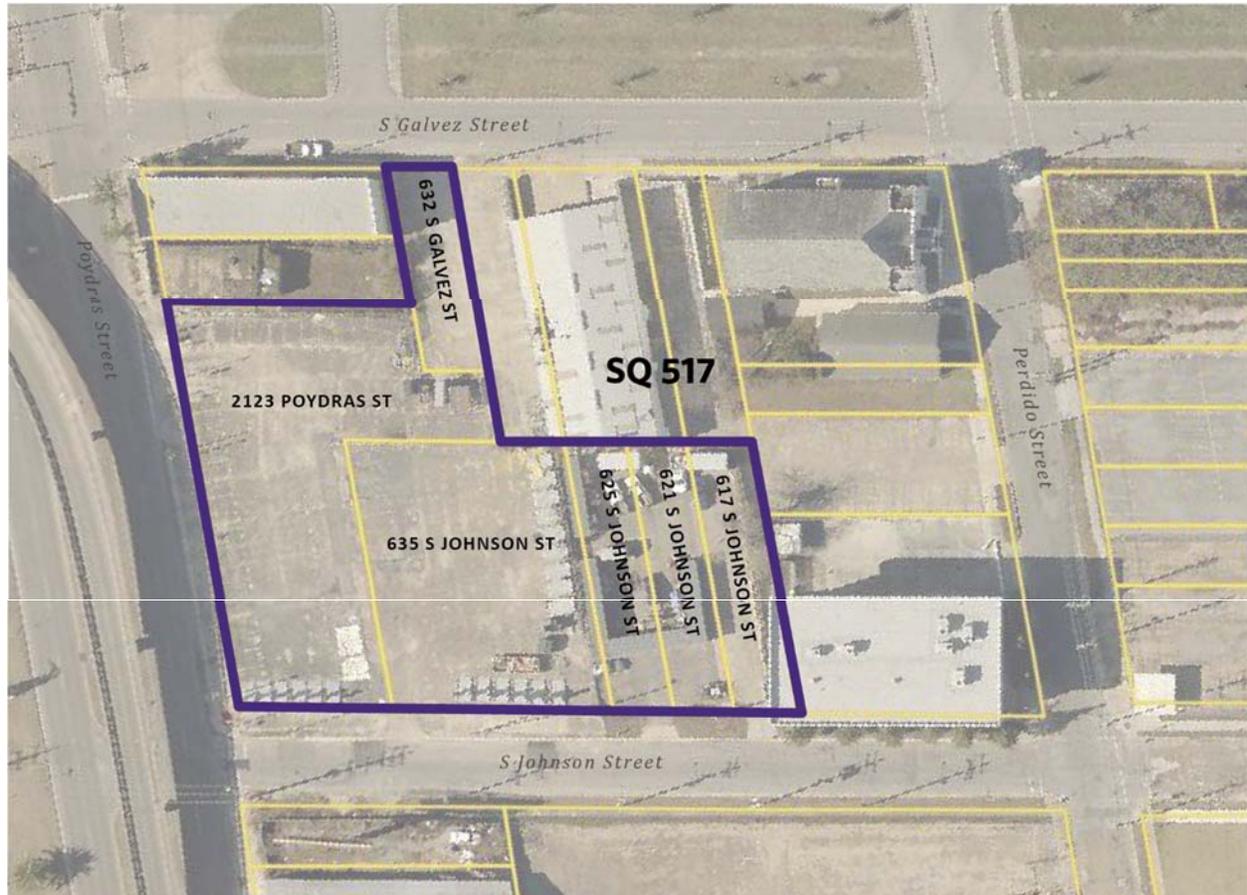
BE IT FURTHER RESOLVED that F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute such other consents, approvals, amendments and agreements as are necessary to effectuate said Joint Agreement and to include in the Joint Agreement and in such other consents, approvals, amendments and agreements those terms and conditions as he deems to be in the best interest of the Board of Supervisors of LSU.

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, pursuant to the Uniform Affiliation Agreement by and between the LSU Board of Supervisors and the LSU Health Foundation, New Orleans finds an Acceptable University Purpose for the LSU Health Foundation, New Orleans to be party to the Joint Agreement and to accept a donation of immovable property as a part of the overall transaction with Provident Group- HSC Properties, Inc.

ATTACHMENT I

PROPERTY TO BE DONATED

Figure 1. Properties to be Donated are Located on SQ 517 in New Orleans, Louisiana



The property to be donated consists of 6 parcels on SQ 517 in City of New Orleans, Parish of Orleans, State of Louisiana. Two of these parcels have been formed by combining 2 or more lots. This legal description is composed of the legal descriptions of each parcel which are identified by the location address recognized by the City of New Orleans.

1. Location Address: 2123 POYDRAS ST is located on SQ 517 and consists of LOT 6; 31'9" x 120'; LOT 5; 34'5" x 149'; LOT 28; 132' x 74'; in entirety.
2. Location Address: 632 S GALVEZ ST is located on SQ 517 LOT 23; 29'3" x 97' in entirety.
3. Location Address: 635 S JOHNSON ST is located on SQ 517 LOT 5 and PT LOT 6; 52'3" x 132'3"; PT LOT 6 and LOT 7; 52'3" x 132'3".
4. Location Address: 625 S JOHNSON ST is located on SQ 517 LOT 8; 29'3" x 123'3" in entirety.
5. Location Address: 621 S JOHNSON ST is located on SQ 517 LOT9; 29'3" x 132'3" in entirety.
6. Location Address: 617 S JOHNSON ST is located on SQ 517 LOT 10; 29'3" x 132'3" in entirety.

ATTACHMENT II DOWNTOWN HOUSING LOCATION

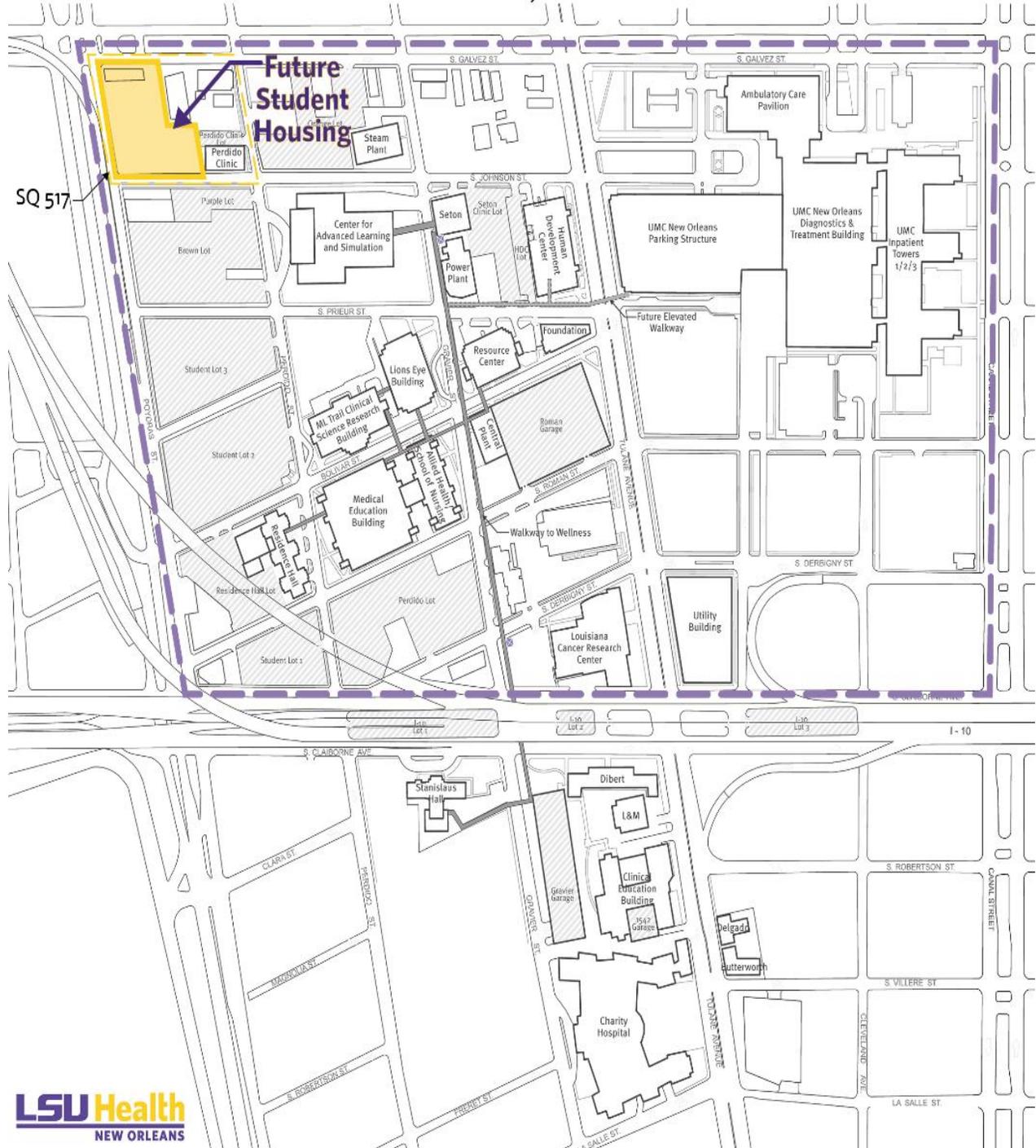


**ATTACHMENT III
PROPOSED LEASED PARKING**



ATTACHMENT IV DOWNTOWN HOUSING LOCATION

LSU HEALTH DOWNTOWN CAMPUS MAP NEW ORLEANS, LOUISIANA



JOINT AGREEMENT

THIS JOINT AGREEMENT (this “**Agreement**”) is dated _____, 2018 (the “**Effective Date**”), by and among [PROVIDENT GROUP – HSC PROPERTIES INC.] (“**Provident**”),] a Louisiana nonprofit corporation, the sole member of which is Provident Resources Group Inc., a Georgia nonprofit corporation (“**PRG**”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College herein acting for the benefit of LSU HEALTH SCIENCES CENTER NEW ORLEANS (“**LSUHSC-NO**”), and LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana nonprofit corporation (the “**Foundation**”), acting by and through the undersigned duly authorized representatives. Provident, LSUHSC-NO and Foundation are referred to herein collectively as the “**Parties**” and individually as a “**Party**.”

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College is a public constitutional corporation created under the constitution and laws of the State of Louisiana with supervision and management over LSUHSC-NO, which is a public comprehensive academic health sciences center located in New Orleans, Louisiana, enrolling approximately Two Thousand Eight Hundred (2,800) students and employing more than Two Thousand Three Hundred (2,300) faculty and staff throughout its six (6) professional health schools;

WHEREAS, Foundation is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended, the “**Code**”) as an affiliated supporting organization to LSUHSC-NO and its mission of education, patient care, research, and community outreach;

WHEREAS, the Parties acknowledge that there is a desire for enhanced housing near or adjacent to the LSUHSC-NO campus for Eligible Tenants, as hereinafter defined;

WHEREAS, Provident is a supporting organization of PRG, an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code;

WHEREAS, Provident is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code, including the advancement of education and lessening the burdens of government;

WHEREAS, Provident desires to address the need for enhanced housing by developing, financing, constructing, furnishing, equipping and operating an approximately Nine Hundred (900) bed residential living-learning community and related amenities (the “**Facility**”) for Eligible Tenants, which Facility will be located adjacent to the LSUHSC-NO campus on property owned by Foundation and situated within a parcel of real property bounded by Perdido Street, South Johnson Street, Poydras Street and South Galvez Street in New Orleans, Louisiana (the “**Land**,” and together with the **Facility**, the “**Property**” or the “**Project**”);

WHEREAS, Provident expects to finance the acquisition of the Land and the development, construction, furnishing and equipping of the Facility through the issuance by the

Louisiana Public Facilities Authority (the “**Authority**”) of one or more series of its tax-exempt and, if necessary taxable, Revenue Bonds (the “**Bonds**” and such transaction referred to as the “**Financing**”), pursuant to one or more Trust Indentures (the “**Trust Indenture**”), by and between the Authority and a national banking association or state banking association, as Trustee, and such other documents, agreements and instruments executed by Provident in connection with the issuance of the Bonds (the “**Bond Documents**”);

WHEREAS, LSUHSC-NO and Foundation will benefit from the development and operation of the Facility, as herein described, which Facility will contribute importantly to the overall educational and cultural function of LSUHSC-NO and the Foundation by fostering interaction among faculty, staff and students in various educational programs at LSUHSC-NO and meeting the desire for additional upgraded housing facilities for students, faculty and staff of LSUHSC-NO; and

WHEREAS, as an inducement for Provident to undertake the development, financing and operation of the Facility LSUHSC-NO and Foundation are each willing to agree to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and subject only to the consummation of the Financing, the Parties agree as follows:

1. Nonprofit Ownership Structure.

a. Provident. Provident has been formed as a Louisiana non-profit corporation of which PRG is the sole member in accordance with applicable federal tax regulations. Provident has been organized as a supporting organization for PRG, exclusively to further the stated charitable purposes of PRG and specifically for the purpose of planning, developing, financing, equipping, operating and maintaining the Facility in furtherance of the mission of LSUHSC-NO and Foundation, all in accordance with this Agreement. Provident’s principal roles in the Project will be as owner of the Facility and borrower under the Financing.

b. Board of Directors. The management of the business and affairs of Provident shall be vested in a Board of Directors (“**Board of Directors**”) which shall consist of up to seven (7) individuals (“**Directors**”) to be appointed by the Governing Board of PRG. The Board of Directors shall include: two (2) Directors selected from a list of candidates submitted by LSUHSC-NO; and one (1) Director selected from a list of candidates submitted by Foundation, each of which has demonstrated a high level of experience and competence in the area of university housing and governance of higher education institutions, and/or community involvement in the New Orleans community (“**LSU Representatives**”). LSUHSC-NO and Foundation agree to submit a list of candidates for these positions upon request of PRG. PRG shall not unreasonably withhold, delay or condition the appointment of the recommended LSU Representatives. The remaining four (4) Directors should have competency in university housing or similar facilities and shall be appointed at the discretion of PRG and may include board members and/or officers of PRG or other members from the New Orleans Community. Specific provisions relating to the terms, duties, responsibilities, meetings and actions of the Board of Directors shall be addressed in the By-laws of Provident, a copy of which shall be provided to LSUHSC-NO and Foundation, including without limitation, the requirement that the Board of Directors approve the annual operating and

capital budgets for the Facility and any material revisions to the annual operating and capital budgets for the Facility that may be submitted to the Board of Directors by the Operations Committee, provided such approval in either case includes the affirmative vote by at least one LSU Representative, such approval not to be unreasonably withheld, delayed or conditioned.

2. Donation of Land; Ground Lease; Compensation.

a. Commensurate with the closing of the Financing, Provident will acquire the Land with proceeds from the Financing and donate the Land to Foundation (the “**Donation**”), subject to approval of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College for “acceptable University purpose.” Prior to donation, Provident will provide good and merchantable title to the Land and will obtain and provide a Phase 1 environmental survey, both of which must be acceptable to LSUHSC-NO and the Foundation. Upon execution of this Agreement, the Parties agree to work in good faith and use their respective best efforts to negotiate and enter into definitive documents to carry out the Donation with customary terms and conditions for a transaction such as this.

b. Immediately after consummation of the Donation, Foundation, as lessor, will enter into a long-term ground lease of the Land to Provident, as lessee (the “**Ground Lease**”). Upon execution of this Agreement, the Foundation, and Provident agree to work in good faith and use their respective best efforts to negotiate a Ground Lease with terms consistent with this Agreement as well as additional customary terms and conditions for a transaction such as this, including the following:

- i.** Provident will assume responsibility for developing, designing, financing, constructing, owning, managing and operating the Project on terms acceptable to LSUHSC-NO and Foundation.
- ii.** The term of the Ground Lease shall be for a term consistent with the term of the Financing, not to exceed forty (40) years without the prior written approval of Foundation, and the Ground Lease shall terminate at the earlier of: (1) forty (40) years, or (2) when the Financing has been paid in full, or (3) the termination of this Agreement as provided in Section 8.
- iii.** Upon termination of the Ground Lease and satisfaction of all obligations of Provident under the Financing, the title to the Facility shall automatically transfer to and be the property of the Foundation and Provident will execute any and all documents to effectuate the transfer.

c. Royalty Payments to LSUHSC-NO and Rental Payments to Foundation. In consideration of the respective promises and covenants made by LSUHSC-NO pursuant to the Trademark License Agreement, hereinafter defined, to be separately negotiated and entered into with Provident, and in consideration of the obligations of Foundation under the Ground Lease, as applicable, Provident shall make the following royalty payments to LSUHSC-NO and rental payments to Foundation commencing 180 days after the end of each calendar year beginning the first full calendar year following the year substantial completion of the Facility is obtained:

i. To LSUHSC-NO, an amount equal to eighty percent (80%) of the net available annual surplus cash flow from the Facility as an annual licensing royalty payment (“**Cash Flow Payment**”), but in no event will the annual Cash Flow Payment to LSUHSC-NO: (i) be less than TWO HUNDRED THOUSAND (\$200,000) DOLLARS, which amount shall increase each year by an annual escalator of one and one half (1.5%) percent (the annually increasing amount shall be referred to herein as, the “**Annual Minimum**”) or (ii) exceed an amount equal to one hundred percent (100%) of the annual escalating debt service on the \$15,166,227 Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Revenue Refunding Bonds, including unamortized bond interest (Louisiana State University Health Sciences Center Project), Series 2013 (the “**LSUHSC-NO Bonds**”), with any Cash Flow Payment in excess of such amount reverting to Foundation as a “**Supplemental Payment**”, until such time as the debt on the LSUHSC-NO Bonds is paid in full. Following payment in full of the LSUHSC-NO Bonds, the greater of: the Annual Minimum (as such amount has increased annually to that point) or (ii) fifty percent (50%) of the net available annual surplus cash flow from the Facility shall be paid to LSUHSC-NO as the Annual Cash Flow Payment.

ii. To Foundation, subject to the Annual Minimum, an amount equal to the remaining twenty percent (20%) of the net available annual surplus cash flow from the Facility as a ground lease rental payment under the Ground Lease plus the Supplemental Payment, if applicable, until such time as the LSUHSC-NO Bonds are paid-in-full, and thereafter fifty percent (50%) of the net available annual surplus cash flow from the Facility shall be paid to Foundation as a ground lease payment.

iii. The calculation and payment of net available annual surplus cash flow from the Facility shall be determined in accordance with the Bond Documents and as approved by the Parties, with the general intent and understanding being that net available annual surplus cash flow means, for each annual period, the excess of gross revenues derived from the operation of the Facility over the sum of (i) all reasonable and customary expenses related to the Facility, (ii) debt service and administrative expenses on the Bonds, and (iii) reasonable and customary reserves.

iv. The Trust Indenture shall establish a fund designated as the “Surplus Fund” to hold all amounts consisting of net available annual surplus cash flow. Failure to pay the Annual Minimum due to insufficient funds being available in the Surplus Fund to make such payment or any portion thereof shall not be deemed a breach or default of this Agreement or the Trademark License Agreement, provided that any amount unpaid shall accrue and continue to be payable subject to the availability of funds in the Surplus Fund.

3. Development and Construction of the Facility.

a. Development of the Property. Provident agrees to design, acquire, construct, furnish, and equip the Facility to provide affordable, high quality, housing only for Eligible Tenants consistent with the Plans and Specifications (defined below). For purposes of this Agreement, “**Eligible Tenants**” means, in order of priority, students registered in a professional academic health program at LSUHSC-NO; regular full-time and part-time faculty and staff of LSUHSC-NO, visiting faculty serving at LSUHSC-NO on a temporary basis; persons participating in any LSUHSC-NO sponsored activity or program; and lastly, but only to the extent Facility beds are available, first, to physicians, medical residents and staff of University Medical Center, and

second to full-time students attending other accredited public institutions of higher education within the City of New Orleans. Any use of the Facility by persons other than Eligible Tenants is subject to the prior written approval of Provident and the Operations Committee, hereinafter defined, and the receipt by Provident of an opinion of Bond Counsel (as defined in the Bond Documents) that such use will not adversely affect the tax-exempt status of the Financing.

b. Development Parties. Provident will use best practices to select and engage the services of a developer (“Developer”) pursuant to a Development Agreement (the “**Development Agreement**”) to oversee and supervise the design, development, construction and completion of the Facility in accordance with detailed building plans and specifications as approved by Provident, LSUHSC-NO and Foundation (“**Plans and Specifications**”). LSUHSC-NO will have no responsibility or liability with regard to plans or specifications. Pursuant to the Development Agreement, the Developer will engage Architects to design the Facility and a General Contractor to construct, furnish and equip the Facility in accordance with the Plans and Specifications (the “**General Contractor**”). Prior to the closing of the Financing, Provident will cause the Developer to perform certain customary due diligence activities, including a student housing market analysis, environmental site analysis, title and survey reports, and financial feasibility analysis. Provident will share any such reports with LSUHSC-NO and Foundation. Pre-development costs and expenses shall be paid by the Developer and reimbursed from the proceeds of the Financing. Neither Provident, LSUHSC-NO nor Foundation shall have any personal liability for the payment of pre-development costs and expenses.

c. University and Foundation Participation. LSUHSC-NO and Foundation shall have the right to review and approve the final Plans and Specifications and to have a representative present at weekly, or other periodic progress meetings of the Developer and General Contractor. Provident shall inform LSUHSC-NO and Foundation of any modifications to the Plans and Specifications that will materially affect the design of the Facility or any major building components of the Facility, and any such modifications shall be subject to the prior written approval of each of LSUHSC-NO and the Foundation

4. Operation and Management of the Facility.

a. Student Housing Facility. Provident agrees to operate and maintain the Facility for the exclusive use and benefit of the Eligible Tenants. The Facility shall be operated consistent with standards adopted and published from time-to-time by Provident and approved by LSUHSC-NO and Foundation.

b. Facility Manager. Provident agrees to engage the Developer and Provident Resources Management LLC, a wholly owned subsidiary of PRG, as the initial property managers (collectively referred to as the “**Manager**”) to undertake and be responsible for the management and operational activities of the Facility pursuant to the terms and conditions of a written management agreement subject to the prior written approval of LSUHSC-NO and Foundation (the “**Management Agreement**”). The Management Agreement shall require the Manager to operate and maintain the Facility in accordance with the terms of this Agreement and in accordance with the standards adopted and published from time-to-time by Provident and approved by LSUHSC-NO and Foundation. Provident agrees that it will give prior written notice to LSUHSC-NO and Foundation in the event the appointment of any replacement or substitution of the Manager is

deemed necessary by Provident or is otherwise required under the terms of the Bond Documents, and any such replacement or substitution shall be subject to the prior written consent of each of LSUHSC-NO and Foundation. Such contract shall comply with IRS Regulations with respect to qualified management agreements relating to tax exempt bond financed facilities.

c. Project Operations Committee. In addition to the oversight provided by the Board of Directors, Provident shall cause to be established a project operations committee (the “**Operations Committee**”) to provide advice and consultation to Provident and the Manager with respect to the management and operations of the Facility. Specifically, the Operations Committee shall provide advice and consultation to Provident and the Manager on the setting of rental rates at the Facility and shall participate in the development of annual operating budgets and capital plans for the Facility, and any material revisions thereto, for submission to the Board of Directors for final approval as set forth in Section 1(b). The Operations Committee shall be composed of: (a) two members recommended by LSUHSC-NO, (b) one member recommended by Foundation, and (c) two members recommended by PRG.

5. Facility Identification.

a. Marketing. LSUHSC-NO agrees to provide information concerning the Facility to the same extent that LSUHSC-NO provides information with respect to its own residence halls, as an associated housing option for students, faculty and staff of LSUHSC-NO. In fulfillment of this obligation, LSUHSC-NO will identify the Facility as a residential housing option in any mail-outs, catalogues, informational brochures and other literature that LSUHSC-NO uses to identify student housing options, as well as on its official web site. In addition, LSUHSC-NO will include a web-link to the Facility’s website on its web page. Provident shall cause Manager to advertise the Facility subject to any applicable requirements of the Trademark License Agreement hereinafter defined. LSUHSC-NO also agrees to advise its students of available financial aid provided to students to pay eligible housing expenses in the same manner as LSUHSC-NO does for its own housing.

b. Transportation. LSUHSC-NO agrees to publicize available public transportation options between the Facility and LSUHSC-NO campus for the benefit of the Facility’s Eligible Tenants to the same extent as for its existing student housing facilities.

c. Parking. LSUHSC-NO agrees to enter into a long-term lease, at prevailing market rates, with Provident for parking in support of the Facility. To the extent reasonably available, leased parking will be adjacent or close to the Property. Provident may charge residences of the Facility as necessary and will be responsible for parking management, controlling and issuing related resident permits. LSUHSC-NO agrees to provide Provident with any information related to such parking as may be necessary for Provident to evidence its compliance with any zoning or land use requirements.

d. Use of Name. LSUHSC-NO and Provident agree to the limited non-exclusive use of “Louisiana State University Health Sciences Center New Orleans” or “LSU Health Sciences Center New Orleans” or related LSU Health logo in association with promotional materials, signage and general marketing presence, for the sole purpose of appropriately identifying the Facility’s association with LSUHSC-NO. The exact wording and usage shall be determined

through good faith discussions between LSUHSC-NO and Provident and will be limited to those permitted expressly in writing.

e. Data. Provident and LSUHSC-NO agree to cooperate to optimize access by LSUHSC-NO residents of the Facility to networks similarly accessed by LSUHSC-NO residents of facilities located on the campus of LSUHSC-NO.

f. Additional Parcels. Subject to approval by Foundation's Board of Directors, Foundation will use commercially reasonable efforts to acquire two parcels of property immediately adjacent to the property purchased by Provident in association with the Project. The municipal address of the parcels are 2127 Poydras Street and 2133 Poydras Street and are located at the corner of Poydras Street and South Galvez Street. Provident will enter into a long-term ground lease agreement with Foundation for these two additional parcels in order to amalgamate the properties and to support the development of the Project.

6. Covenants of LSUHSC-NO and Foundation.

a. Acknowledgment. LSUHSC-NO and Foundation acknowledge that each shall directly and substantially benefit from the development, operation and management of the Facility by Provident in accordance with this Agreement, and that the Facility will provide a much needed enhancement to the housing supply available to this segment of LSUHSC-NO student body, as well as further LSUHSC-NO's educational purposes and objectives. Each of LSUHSC-NO and Foundation respectively agree that it shall exercise all reasonable efforts to uphold and preserve its cooperation with Provident and association with the Facility as described herein, subject to the terms and conditions of this Agreement.

b. Competing Projects. During the Term of this Agreement, neither LSUHSC-NO nor Foundation shall undertake to construct or operate any New Competing Student Housing Facilities until such time as the Facility has achieved and sustained residential occupancy of not less than Ninety-Five Percent (95%) and a debt service coverage ratio of not less than 1.20 to 1.00 for two (2) consecutive years, as verified by an independent auditor acceptable to Provident, LSUHSC-NO and Foundation. "**New Competing Student Housing Facility**" as used herein means new residential student housing the commencement of construction of which occurred subsequent to the closing of the Financing and located within the grid bordered by Claiborne, Galvez, Poydras and Canal Streets and marketed primarily to students of LSUHSC-NO, but excludes housing outside of said grid, including but not limited to LSUHSC-NO's Dental School campus, and excludes the upkeep, maintenance, and renovation of any LSUHSC-NO residence halls existing as of the Effective Date of this Agreement, regardless of the location.

c. Disclaimer of Endorsement. Nothing contained in this Agreement authorizes Provident or PRG to represent in any oral or written form or in any communication medium that any of products or services of Provident or PRG have been endorsed, selected or approved by LSU or LSUHSC-NO, or any officer, employee or agent of LSU, or LSUHSC-NO and Provident and PRG are hereby specifically prohibited from doing so without the prior written consent of LSU. Any permission granted hereunder to use any name or other mark of LSU or LSUHSC-NO does not expressly, or by implication, connote that LSU or LSUHSC-NO, or any officer, employee or agent of LSU or LSUHSC-NO has made any inquiry to ascertain, by use of standards or other

criteria, the relative merits of any Provident or PRG products or services in comparison with competitive products or services.

7. Covenants of Provident.

a. Financing of the Facility. Provident intends to obtain permanent financing required for acquiring the Land and paying the costs associated with the design, acquisition, development, construction, furnishing and equipping of the Facility, including reimbursement of pre-development costs and expenses and the costs of obtaining such financing, through the issuance of the Financing. The proceeds of the Financing shall be used solely to pay for the costs of the Project and to pay for such other costs and the establishment of such reserve funds as may be contemplated under the Bond Documents and the costs of issuance of the Financing. The documents evidencing the Financing shall contain provisions for reserve accounts to be set up to fund capital improvements, repairs and maintenance of the Facility and the replacement of furniture and furnishings used in the operation of the Facility.

b. No University Liability for Financing. None of LSUHSC-NO, Foundation or any of their affiliated entities shall have any obligation with respect to the payment of the Financing. The Trust Indenture and other Bond Documents shall provide for no recourse for the payment of the principal of, or premium, if any, or the interest on, the Financing, or for any claim based thereon or any agreement supplemental or collateral thereto, against LSUHSC-NO or Foundation, any affiliated entity, or any trustee, member, director, officer or employee, past, present or future, thereof, or of any predecessor or successor corporation.

c. Transfer of Legal Ownership of the Property. Upon termination of the Ground Lease, the Facility shall be transferred to and be owned by Foundation, and Provident shall confirm and ratify that all right, title, and interest in and to the Facility has been conveyed from Provident to Foundation or at Foundation's option, subject to approval of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, to another similarly situated charitable organization or entity exempt from the payment of federal income tax under Section 501(a) of the Code, as an entity organized under Section 501(c)(3) of the Code, organized and operated exclusively for charitable, educational, or scientific purposes, selected or designated by Foundation (a "**Designated Transferee**"). Nevertheless, if Provident fails to execute the above act of transfer, Foundation or its Designated Transferee, as applicable, shall be the sole and absolute owner of the Property, free of any right, title, interest or estate of Provident, without the execution of any further instrument and without payment of any money or other consideration therefor.

d. Insurance. Provident shall deliver to LSUHSC-NO and Foundation certificates evidencing Provident's insurance, or those providing insurance on behalf of Provident, each with limits of liability as currently maintained by Provident in accordance with the requirements of the Bond Documents and naming LSUHSC-NO and Foundation as additional insureds. Said insurance coverage shall include but not be limited to extended property damage insurance for not less than full replacement value of the cost of the Facility, Commercial General Liability with limits of no less than \$1 million each occurrence, \$2 million general aggregate, and Umbrella Liability with limits of no less than \$10 million, which insurance shall state that it is the primary insurance carried by any other party.

8. Term.

The term of this Agreement (the “**Term**”) shall commence on the Effective Date and continue until and terminate upon the earlier of: (a) issuance of a written notice of termination by any Party if the Financing has not been consummated by the two (2) year anniversary of the Effective Date; or (b) the date the Property has been conveyed to Foundation or a Designated Transferee pursuant to Section 7 above, provided however, that notwithstanding anything to the contrary set forth herein, LSUHSC-NO at its sole option, may terminate this Agreement when the Project Bonds have been paid in full or when the Project Financing has been paid in full.

9. Notices.

All notices and other communications required hereunder shall be in writing. Each such written communication shall be deemed to have been received: (i) upon personal delivery; (ii) on the second business day after its deposit for overnight delivery with a recognized overnight delivery service; (iii) if mailed, three (3) business days after such mailing, or upon actual receipt if sent by registered or certified or U.S. Express mail, with return receipt requested, addressed to the other Party’s address below, with a copy sent by email:

a. If to **Provident to:**

Provident Resources Group Inc.
5565 Bankers Avenue
Baton Rouge, LA 70808
Attn: President/Chief Executive Officer

If to **LSU Board or LSUHSC-NO to:**

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
Louisiana State University
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Email: _____
Attn: F. King Alexander, President

With a copy to:

LSU Health Sciences Center New Orleans
433 Bolivar Street
New Orleans, LA 70112
Email: jharman@lsuhsc.edu
Attn: John Harman, Vice Chancellor

b. If to **Foundation to:**

LSU Health Foundation, New Orleans
2000 Tulane Avenue, Fourth Floor
New Orleans, LA 70112
Email: _____
Attn: Matthew Altier President/Chief Executive Officer

With a copy to:

Email:

Attn: _____

10. Trademarks.

Provident acknowledges that the names, logos, service marks, trademarks and trade names, whether or not registered, owned by or licensed to LSUHSC-NO (collectively the “**University Marks**”) are proprietary to LSUHSC-NO, and Provident, PRG and the Manager shall not use University Marks for any purpose except as expressly permitted in writing by LSUHSC-NO and pursuant to a Trademark License Agreement (herein “**Trademark License Agreement**”) to be entered into among LSUHSC-NO, and Provident. LSUHSC-NO acknowledges that the names, logos, service marks, trademarks and trade names, whether or not registered, owned by or licensed to Provident or PRG (collectively the “**Provident Marks**”) are proprietary to Provident or PRG, as applicable, and LSUHSC-NO shall not use the Provident Marks for any purpose except as expressly permitted in writing by Provident or PRG, as applicable.

11. Relationship of Parties.

Nothing herein shall be construed to characterize either Party as a partner, agent, affiliate, or joint venturer of the other.

12. Preservation of Tax Exemption.

No Party shall take any action with respect to the Property, and this Agreement shall not be construed nor amended, in either case in a manner that would adversely affect the tax-exempt status of Provident, PRG, or the Bonds or that would otherwise result in a breach of any representation, condition or covenant of Provident or PRG, as applicable, as set forth in the Bond Documents.

13. Specific Performance.

The Parties and Provident recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any Party who may be injured (in addition to any other remedies which may be available to that Party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach or (ii) compelling the performance of any obligation which, if not performed, would constitute a breach. Notwithstanding anything in this Agreement to the contrary, no Party shall have the right to terminate this Agreement, except as expressly provided in Section 8 above.

14. Indemnification and Hold Harmless.

Provident agrees to protect, defend, indemnify, save, and hold harmless, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Provident, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Provident as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its officers, agents, servants, employees and volunteers.

Provident agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

Provided however, that Contractor and LSU may amend this provision if in the future Contractor provides appropriate and sufficient protection for LSU and acceptable to LSU by other means, persons, or assets.

15. University Liability.

Notwithstanding anything contained herein or in any agreement executed and delivered in connection with the issuance of the Bonds, neither LSUHSC-NO nor Foundation will have any obligation with respect to the payment of the Bonds or the Financing. None of Provident, PRG, the Managers, the owners of the Bonds, nor the Trustee, on behalf of the owners of the Bonds, will have any recourse against any revenues or other assets of the LSUHSC-NO or Foundation or against the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the members of said LSU Board of Supervisors, or any officers, employees and/or agents of any of the above, and of LSUHSC-NO's request, Provident shall cause Manager to acknowledge same.

16. Assignment.

No party may transfer, assign, pledge or hypothecate this Agreement or its rights, duties and obligations under this Agreement without the prior written approval of all other Parties,. Any transfer, assignment, or pledge made in violation of the forgoing shall be null and void. Subject to the foregoing, this Agreement shall be binding upon the Parties and their permitted successors and assigns.

17. Headings.

The headings used in this Agreement are for convenience only and are not to be considered in connection with the interpretation or construction of this Agreement.

18. Severability.

If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. Approvals.

For any item or action requiring the consent or approval of a Party under this Agreement, each Party agrees that it will not unreasonably withhold, delay or condition such approval or consent. Any such consent or approval shall be in writing, signed manually or electronically by the party giving such consent or approval.

20. Governing Law; Venue.

This Agreement shall be governed by and construed, enforced and interpreted in accordance with the laws of the State of Louisiana. Any legal suit, action or proceeding against the Parties arising out of or relating to this Agreement shall be instituted in the state or federal courts located in Baton Rouge, Louisiana and each Party waives any objections which it may now or hereafter have based on venue and/or forum non conveniens of any such suit, action or proceeding, and the Parties hereby irrevocably submit to the exclusive jurisdiction of such court in any suit, action or proceeding.

21. Exculpation.

The officers, directors, members, managers, shareholders, governors, trustees and employees of each of Provident, LSU Board of Supervisors and Agricultural and Mechanical College, LSUHSC-NO Foundation, as applicable, shall have no personal liability for the performance of any of such respective Party's obligations contained in this Agreement.

22. Counterparts.

This Agreement may be executed on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

23. Right to Audit.

The books, accounts and records of Provident, which pertain directly to this Agreement and operations of the Facilities shall be maintained at the principal office of Provident. LSUHSC-NO 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 Provident to the extent necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to Provident's performance of its obligations under this Agreement and/or to verify the correctness of the royalty amounts payable to LSUHSC-NO and to Foundation, to verify the net available annual surplus cash flow. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of LSUHSC-NO, by independent auditors retained by LSUHSC-NO to conduct such audit, or by the Louisiana Legislative Auditor,

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 Provident.

24. LSUHSC-NO Outstanding Bonds.

The Parties hereto recognize that the LSUHSC-NO Bonds are outstanding as of the Effective Date of this Agreement and that nothing in this Agreement is intended to violate LSUHSC-NO's bond covenants or other obligations related to such LSUHSC-NO Bonds.

[Remainder of page intentionally left blank.]

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have each caused this Joint Agreement to be duly executed on its behalf and delivered to the other Parties as of the Effective Date.

**[PROVIDENT GROUP – HSC PROPERTIES
INC.]**

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

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

By: _____
Name: F. King Alexander
Title: President of Louisiana State University

DRAFT

**LSU HEALTH FOUNDATION, NEW
ORLEANS**

By: _____
Name: Matthew Altier
Title: President and Chief Executive Officer

Attachment V

**LSU HEALTH SCIENCE CENTER NEW ORLEANS
REVENUE BONDS, SERIES 2013
DEBT SERVICE SCHEDULE
DATE OF ISSUE: SEPTEMBER 4, 2014**

<u>DATE</u>	<u>BEGINNING</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>ENDING</u>	<u>TOTAL P+I</u>
6/30/2014	12,830,000.00	-	0.00%	334,108.29	12,830,000.00	334,108.29
6/30/2015	12,830,000.00	-	0.00%	507,506.26	12,830,000.00	507,506.26
6/30/2016	12,830,000.00	50,000.00	2.00%	507,506.26	12,780,000.00	557,506.26
6/30/2017	12,780,000.00	665,000.00	3.00%	506,506.26	12,115,000.00	1,171,506.26
6/30/2018	12,115,000.00	680,000.00	3.00%	486,556.26	11,435,000.00	1,166,556.26
6/30/2019	11,435,000.00	705,000.00	3.00%	466,156.26	10,730,000.00	1,171,156.26
6/30/2020	10,730,000.00	720,000.00	3.00%	445,006.26	10,010,000.00	1,165,006.26
6/30/2021	10,010,000.00	740,000.00	3.00%	423,406.26	9,270,000.00	1,163,406.26
6/30/2022	9,270,000.00	770,000.00	4.00%	401,206.26	8,500,000.00	1,171,206.26
6/30/2023	8,500,000.00	800,000.00	3.63%	370,406.26	7,700,000.00	1,170,406.26
6/30/2024	7,700,000.00	830,000.00	4.00%	341,406.26	6,870,000.00	1,171,406.26
6/30/2025	6,870,000.00	860,000.00	4.00%	308,206.26	6,010,000.00	1,168,206.26
6/30/2026	6,010,000.00	890,000.00	4.25%	273,806.26	5,120,000.00	1,163,806.26
6/30/2027	5,120,000.00	935,000.00	4.38%	235,981.26	4,185,000.00	1,170,981.26
6/30/2028	4,185,000.00	975,000.00	4.50%	195,075.00	3,210,000.00	1,170,075.00
6/30/2029	3,210,000.00	1,020,000.00	4.63%	151,200.00	2,190,000.00	1,171,200.00
6/30/2030	2,190,000.00	1,070,000.00	4.75%	104,025.00	1,120,000.00	1,174,025.00
6/30/2031	1,120,000.00	1,120,000.00	4.75%	53,200.00	-	1,173,200.00
Total		12,830,000.00	4.267%	6,111,264.67		18,941,264.67
Premium/(Discount)		(52,413.85)		-		(52,413.85)
Total Bonds Payable		12,777,586.15		6,111,264.67		18,888,850.82

ATTACHMENT VI

ESTIMATED DEVELOPMENT COST SUMMARY - TAX EXEMPT BONDS



LSU - Health Sciences

Estimated Development Cost Summary - Tax Exempt Bonds

S Galvez St & S Jonson St

	Total \$	Percentage	Per Unit	Per Bed	Per RSF	Per Gross SQFT
Totals			619	918	354,782	425,670
Land Acquisition Cost	2,500,000.00	2.2%	\$4,039	\$2,723	\$7.05	\$5.87
Total Building Hard Cost	72,000,000.00	62.3%	116,316.64	78,431.37	202.94	169.15
Developer Soft Costs						
Total Municipal Costs:	2,520,000.00	2.2%	4,071.08	2,745.10	7.10	5.92
Total Land Carry Costs:	-	0.0%	-	-	-	-
Total Architecture & Engineering:	2,880,000.00	2.5%	4,652.67	3,137.25	8.12	6.77
Total Testing / Surveys / Consultants:	315,000.00	0.3%	508.89	343.14	0.89	0.74
Total Inspection Fees:	44,000.00	0.0%	71.08	47.93	0.12	0.10
Total Insurance:	600,000.00	0.5%	969.31	653.59	1.69	1.41
Total Broker Fees:	-	0.0%	-	-	-	-
Total Legal Costs:	591,000.00	0.5%	954.77	643.79	1.67	1.39
Total Furniture & Equipment:	2,194,260.00	1.9%	3,544.85	2,390.26	6.18	5.15
Total Marketing / Start-Up Costs:	804,000.00	0.7%	1,298.87	875.82	2.27	1.89
Total Miscellaneous:	375,000.00	0.3%	605.82	408.50	1.06	0.88
Total Contingency:	4,241,000.00	3.7%	6,851.37	4,619.83	11.95	9.96
Total Developer Soft Costs:	14,564,260.00	12.6%	23,528.69	15,865.21	41.05	34.21
Total Project Costs:	89,064,260.00	77.1%	143,884.10	97,019.89	251.04	209.23
Total Developer Fees:	5,173,000.00	4.5%	8,357.03	5,635.08	14.58	12.15
Debt Service Reserve	7,090,047.90	6.1%	11,454.04	7,723.36	19.98	16.66
Cost of Issuance	2,034,780.00	1.8%	3,287.21	2,216.54	5.74	4.78
Capitalized Interest	12,126,345.00	10.5%	19,590.22	13,209.53	34.18	28.49
Additional Proceeds	-	0.0%	-	-	-	-
Total Financing Cost:	21,251,172.90	18.4%	34,331.46	23,149.43	59.90	49.92
Total Development Cost	115,488,432.90	100.0%	186,572.59	125,804.39	325.52	271.31
Total Development Cost - Rounded	115,489,000.00		186,573.51	125,805.01	325.52	271.31

ATTACHMENT VII

FINANCIAL PROFORMA



LSU - Health Sciences Operating Pro-forma - Tax Exempt Bonds

S Galvez St & S Jonson St

Operations Year #	1 2 3 4 5 6 7 8 9 10												
	Per Bed	Per Unit	Percentage	August-19 July-20	August-20 July-21	August-21 July-22	August-22 July-23	August-23 July-24	August-24 July-25	August-25 July-26	August-26 July-27	August-27 July-28	August-28 July-29
POTENTIAL GROSS REVENUE													
Residential Gross Potential Rent (GPR)	\$ 13,057	\$ 19,365	100.00%	\$ 11,986,728	\$ 12,346,330	\$ 12,716,720	\$ 13,098,221	\$ 13,491,168	\$ 13,895,903	\$ 14,312,780	\$ 14,742,163	\$ 15,184,428	\$ 15,639,961
GPR Increase:					3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Residential Vacancy & Credit Loss	\$ (653)	\$ (968)	-5.00%	\$ (599,336)	\$ (617,316)	\$ (635,836)	\$ (654,911)	\$ (674,558)	\$ (694,795)	\$ (715,639)	\$ (737,108)	\$ (759,221)	\$ (781,998)
Vacancy Percentage of GPR				5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Residential Net Rental Revenue (NRR)	\$ 12,405	\$ 18,396	98.52%	\$ 11,387,392	\$ 11,729,013	\$ 12,080,884	\$ 12,443,310	\$ 12,816,610	\$ 13,201,108	\$ 13,597,141	\$ 14,005,055	\$ 14,425,207	\$ 14,857,963
Other Income @ 1.5%	\$ 186	\$ 277	1.48%	\$ 171,154	\$ 176,289	\$ 181,578	\$ 187,025	\$ 192,636	\$ 198,415	\$ 204,367	\$ 210,498	\$ 216,813	\$ 223,318
Total Other Income	\$ 186	\$ 277	1.48%	\$ 171,154	\$ 176,289	\$ 181,578	\$ 187,025	\$ 192,636	\$ 198,415	\$ 204,367	\$ 210,498	\$ 216,813	\$ 223,318
Residential Effective Gross Revenue	\$ 12,591	\$ 18,673	100.00%	\$ 11,558,546	\$ 11,905,302	\$ 12,262,461	\$ 12,630,335	\$ 13,009,245	\$ 13,399,523	\$ 13,801,508	\$ 14,215,554	\$ 14,642,020	\$ 15,081,281
Commercial Gross Rent				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vacancy Rate				5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Less: Vacancy (5% of PGR)	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Effective Gross Revenue	\$ -	\$ -	0.00%	\$ -									
Project Effective Gross Revenue (EGR)	\$ 12,591	\$ 18,673	100.00%	\$ 11,558,546	\$ 11,905,302	\$ 12,262,461	\$ 12,630,335	\$ 13,009,245	\$ 13,399,523	\$ 13,801,508	\$ 14,215,554	\$ 14,642,020	\$ 15,081,281
OPERATING EXPENSES													
Administration / Residence Life	\$ 175	\$ 260	1.39%	\$ 160,650	\$ 165,470	\$ 170,434	\$ 175,547	\$ 180,813	\$ 186,237	\$ 191,825	\$ 197,579	\$ 203,507	\$ 209,612
Leasing & Marketing	\$ 175	\$ 260	1.39%	\$ 160,650	\$ 165,470	\$ 170,434	\$ 175,547	\$ 180,813	\$ 186,237	\$ 191,825	\$ 197,579	\$ 203,507	\$ 209,612
Employee Expenses	\$ 966	\$ 1,432	7.67%	\$ 886,600	\$ 913,198	\$ 940,594	\$ 968,812	\$ 997,876	\$ 1,027,812	\$ 1,058,647	\$ 1,090,406	\$ 1,123,118	\$ 1,156,812
Repairs & Maintenance	\$ 150	\$ 222	1.19%	\$ 137,700	\$ 141,831	\$ 146,086	\$ 150,469	\$ 154,983	\$ 159,632	\$ 164,421	\$ 169,354	\$ 174,434	\$ 179,667
Grounds & Landscape Expense	\$ 33	\$ 48	0.26%	\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778	\$ 35,822	\$ 36,896	\$ 38,003	\$ 39,143
Common Area Expense	\$ 120	\$ 178	0.95%	\$ 110,000	\$ 113,300	\$ 116,699	\$ 120,200	\$ 123,806	\$ 127,520	\$ 131,346	\$ 135,286	\$ 139,345	\$ 143,525
Turnover Expense	\$ 175	\$ 260	1.39%	\$ 160,650	\$ 165,470	\$ 170,434	\$ 175,547	\$ 180,813	\$ 186,237	\$ 191,825	\$ 197,579	\$ 203,507	\$ 209,612
Controllable Residential Expenses	\$ 1,441	\$ 2,112	14.24%	\$ 1,326,650	\$ 1,377,638	\$ 1,429,166	\$ 1,481,392	\$ 1,534,294	\$ 1,587,702	\$ 1,641,652	\$ 1,696,057	\$ 1,750,912	\$ 1,806,224
Management Fee	\$ 441	\$ 654	3.50%	\$ 404,549	\$ 416,686	\$ 429,186	\$ 442,062	\$ 455,324	\$ 468,983	\$ 483,053	\$ 497,544	\$ 512,471	\$ 527,845
Utility Expense	\$ 1,141	\$ 1,692	9.06%	\$ 1,047,120	\$ 1,078,534	\$ 1,110,890	\$ 1,144,216	\$ 1,178,543	\$ 1,212,899	\$ 1,250,316	\$ 1,287,826	\$ 1,326,460	\$ 1,366,254
501c3 Ownership Fee	\$ 189	\$ 280	1.50%	\$ 173,378	\$ 178,580	\$ 183,937	\$ 189,455	\$ 195,139	\$ 200,993	\$ 207,023	\$ 213,233	\$ 219,630	\$ 226,219
Cable & Internet	\$ 322	\$ 478	2.56%	\$ 295,860	\$ 304,736	\$ 313,878	\$ 323,294	\$ 332,993	\$ 342,983	\$ 353,272	\$ 363,870	\$ 374,787	\$ 386,030
Insurance	\$ 206	\$ 305	1.63%	\$ 188,828	\$ 194,493	\$ 200,328	\$ 206,337	\$ 212,527	\$ 218,903	\$ 225,470	\$ 232,234	\$ 239,202	\$ 246,378
Bond Related Expenses	\$ 35	\$ 53	0.28%	\$ 32,500	\$ 33,475	\$ 34,479	\$ 35,514	\$ 36,579	\$ 37,676	\$ 38,807	\$ 39,971	\$ 41,170	\$ 42,405
Subordinate Operating Expenses	\$ (727)	\$ (1,077)	-5.77%	\$ (666,940)	\$ (666,940)	\$ (431,706)	\$ (189,416)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Controllable Residential Expenses	\$ -	\$ -	0.00%	\$ -									
Total Operating Expenses	\$ 3,400	\$ 5,043	27.01%	\$ 3,121,546	\$ 3,235,200	\$ 3,587,498	\$ 3,950,364	\$ 4,263,973	\$ 4,391,893	\$ 4,523,649	\$ 4,659,359	\$ 4,799,140	\$ 4,943,114
Total Operating Expenses Per Unit	\$5,043	\$7,565		\$5,226	\$5,796	\$6,382	\$6,888	\$7,095	\$7,308	\$7,527	\$7,753	\$7,986	\$8,225
Operating Expenses Per Bed	\$3,400	\$5,043		\$3,400	\$3,524	\$3,908	\$4,303	\$4,645	\$4,784	\$4,928	\$5,076	\$5,228	\$5,385
Operating Expenses Per GSF	\$7.33	\$10.40		\$7.60	\$8.43	\$9.28	\$10.02	\$10.72	\$11.32	\$11.95	\$12.61	\$13.27	\$13.94
Controllable Expenses Per Bed	\$1,793	\$2,617		\$1,677	\$1,747	\$1,903	\$2,060	\$2,188	\$2,279	\$2,371	\$2,464	\$2,558	\$2,652
Non-Controllable Expenses Per Bed	\$1,607	\$2,426		\$1,729	\$1,787	\$1,685	\$1,892	\$2,077	\$2,114	\$2,157	\$2,191	\$2,226	\$2,293
Expense Ratio	27.01%	27.17%		27.01%	27.47%	29.26%	31.28%	32.78%	32.78%	32.78%	32.78%	32.78%	32.78%
NOI, Before Reserves	\$ 9,191	\$ 13,630		\$ 8,437,000	\$ 8,670,102	\$ 8,674,964	\$ 8,679,971	\$ 8,745,272	\$ 9,007,630	\$ 9,277,859	\$ 9,556,195	\$ 9,842,880	\$ 10,138,167
Less: Reserve For Replacement	\$ 175	\$ 254		\$ 157,325	\$ 162,045	\$ 166,906	\$ 171,913	\$ 177,071	\$ 182,383	\$ 187,854	\$ 193,490	\$ 199,295	\$ 205,273
Reserves Per Unit	\$254	\$381		\$254	\$254	\$270	\$278	\$286	\$295	\$303	\$313	\$322	\$332
Reserves Per Bed	\$175	\$254		\$175	\$175	\$182	\$187	\$193	\$199	\$205	\$211	\$217	\$224
NOI After Reserves	\$ 9,019	\$ 13,376		\$ 8,279,675	\$ 8,508,057	\$ 8,508,057	\$ 8,508,057	\$ 8,568,201	\$ 8,825,247	\$ 9,090,005	\$ 9,362,705	\$ 9,643,586	\$ 9,932,893
NON-OPERATING INCOME													
Earnings DSRF				\$6,211	\$15,005	\$15,005	\$15,005	\$15,005	\$15,005	\$15,005	\$15,005	\$15,005	\$15,005
Total Non-Operating Income	\$ -	\$ -		\$6,211	\$15,005								
Cash Flow Before Debt Service	\$ 9,019	\$ 13,376		\$ 8,285,886	\$ 8,523,063	\$ 8,523,063	\$ 8,523,063	\$ 8,583,206	\$ 8,840,252	\$ 9,105,010	\$ 9,377,710	\$ 9,658,591	\$ 9,947,899
DEBT SERVICE													
Interest (6 Mo. Capitalized Interest Offset In Yr1)				\$ 2,598,503	\$ 5,197,005	\$ 5,111,818	\$ 5,022,798	\$ 4,929,771	\$ 4,832,559	\$ 4,730,972	\$ 4,624,814	\$ 4,513,878	\$ 4,397,950
Principal				\$ -	\$ 1,893,043	\$ 1,978,230	\$ 2,067,250	\$ 2,160,276	\$ 2,257,489	\$ 2,359,076	\$ 2,465,234	\$ 2,576,170	\$ 2,692,097
Total Debt Service	\$ 2,598,503	\$ 7,090,048		\$ 2,598,503	\$ 7,090,048								
DSCR w/ Subordinated Expenses				3.19x	1.20x	1.20x	1.20x	1.21x	1.25x	1.28x	1.32x	1.36x	1.40x
Subordinated Expenses	\$ 115,489,000	\$ 113,595,957		\$ 111,617,727	\$ 109,550,477	\$ 107,390,211	\$ 105,132,712	\$ 102,773,636	\$ 100,308,402	\$ 97,732,232	\$ 95,040,134	\$ 92,222,000	\$ 89,277,851
NET CASH FLOW with NO Subordinate Expense	\$ 6,421	\$ 6,286		\$ 6,687,383	\$ 1,433,015	\$ 1,433,015	\$ 1,433,015	\$ 1,493,158	\$ 1,750,205	\$ 2,014,962	\$ 2,287,662	\$ 2,568,543	\$ 2,857,851
Subordinate Expenses - Operating Reserve	\$ 808,800	\$ 24,264		\$ 24,264	\$ 24,992	\$ 25,742	\$ 26,514	\$ 27,309	\$ 28,129	\$ 28,972	\$ 29,842	\$ 30,737	\$ 31,666
Subordinate Operating Expenses	\$ 666,940	\$ 666,940		\$ 666,940	\$ 431,706	\$ 189,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Subordinate Expenses	\$ 1,475,740	\$ 718,204		\$ 1,333,884	\$ 668,702	\$ 418,862	\$ 265,150						
Surplus Cash Flow	\$ 4,945,643	\$ 5,567,882		\$ 5,353,500	\$ 764,313	\$ 1,014,153	\$ 1,167,865	\$ 1,228,058	\$ 1,485,055	\$ 1,749,812	\$ 2,022,512	\$ 2,303,393	\$ 2,592,701
DSCR	2.62x	1.10x		2.62x	1.14x	1.14x	1.17x	1.21x	1.24x	1.28x	1.32x	1.36x	1.40x

ATTACHMENT VIII
LETTER FROM BOND COUNSEL



BREAZEALE, SACHSE & WILSON, L.L.P. | ATTORNEYS AT LAW

C. STOKES MCCONNELL

Partner

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June 18, 2018

Board of Supervisors of Louisiana State University
Agricultural and Mechanical College
204 Thomas Boyd Hall
Baton Rouge, Louisiana 70803

RE: \$12,830,000 Board of Supervisors of Louisiana State University
Agricultural and Mechanical College Revenue Refunding Bonds
(Louisiana State University Health Sciences Center Projects) Series 2013
(the "Series 2013 Bonds")

Ladies and Gentlemen:

We have been requested to render certain advice to the Board of Supervisors of Louisiana State University Agricultural and Mechanical College (the "Board") in connection with the referenced Series 2013 Bonds issued by the Board on September 4, 2013. The Series 2013 Bonds were issued to refund the Board's \$15,910,000 Revenue Bonds (Louisiana Health Sciences Center Projects) Series 2000 (the "Series 2000 Bonds"). The Series 2000 Bonds were issued primarily for the purposes of (a) financing the planning, renovating, constructing of the old Charity Hospital School of Nursing Building for use as a daycare center, wellness center and student dormitory facility and (b) the acquisition of land for use as parking (collectively, the "2000 Project").

In connection with this matter we have reviewed:

- (i) the General Bond Resolution of the Board adopted January 21, 2000 (the "General Bond Resolution"), as supplemented by the First Supplemental Bond Resolution adopted January 21, 2000 (the "First Supplemental Bond Resolution"), and as further supplemented by the Second Supplemental Bond Resolution adopted July 26, 2013 (the "Second Supplemental Resolution") pursuant to which the Series 2013 Bonds were issued. The General Bond Resolution, the First Supplemental Resolution and the Second Supplemental Resolution are collectively referred to herein as the "Bond Resolution."

- (ii) a draft dated June 17, 2018 of a document entitled “The Joint Agreement”, a copy of which is attached hereto and made a part hereof as Exhibit A (herein the “Joint Agreement”) by and among Provident Group – HSC Properties Inc. (“Provident”) the Board, acting on behalf of LSU Health Sciences Center New Orleans (“LSUHSC-NO” or “University”) and LSU Health Foundation, New Orleans (the “Foundation”); and
- (iii) such other documents, instruments and certificates we have deemed necessary for the purpose of this opinion.

The Joint Agreement, as drafted, evidences the intention of the parties thereto to pursue enhanced housing near the campus of the University by developing, financing, constructing, furnishing, equipping and operating an approximately nine hundred (900) bed residential living-learning community and related amenities on a site to be acquired by Provident (the “Project”). We are advised that the site of the Project is not on the campus of the University, but is near the 2000 Project and other facilities located on the campus of the University. It is expected that the University and its students, faculty and staff, as well as the Foundation, will benefit from the development and operation of the Project, which will provide upscale housing and amenities near the University’s campus. The Joint Agreement provides that Provident will purchase the site and donate the site to the Foundation, which will then lease the site to Provident under a long-term ground lease. Provident is expected to then develop, design, construct, own, manage and operate the Project with input from LSUHSC-NO and the Foundation as provided in the Joint Agreement. The Project is expected to be financed through the issuance of revenue bonds (the “Financing”) by or on behalf of Provident, which will be solely responsible for the debt service thereon. The Joint Agreement provides upon that termination of the Financing and payment in full of the revenue bonds, title to the Project will revert to the Foundation.

The Joint Agreement also provides for, among other terms, (i) input by LSUHSC-NO and the Foundation as to the makeup of the board of directors of Provident, (ii) royalty and/or rental payments by Provident to the Foundation and/or LSUHSC-NO, (iii) input and assistance from LSUHSC-NO and the Foundation with the development, marketing, operation and management of the Project; (iv) LSUHSC-NO leasing certain existing surface parking areas to Provident to support the Project; (v) LSUHSC-NO permitting the promotion of the Project to be identified and associated with LSUHSC-NO; and (vi) LSUHSC-NO and the Foundation agreeing not to undertake to construct or operate New Competing Student Housing Facilities, (as defined in the Joint Agreement) until and unless certain occupancy levels and debt service ratios are maintained with respect to the Project within certain designated grids described therein.

Based upon our review of the Bond Resolution and Joint Agreement, solely as it exists in the draft form attached hereto as Exhibit A, we are of the opinion that the execution and delivery of the Joint Agreement and compliance with the provisions thereof by LSUHSC-NO, will not result in a violation of the covenants and agreements of LSUHSC-NO set forth in the Bond Resolution.

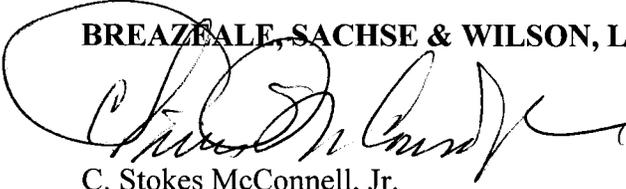
June 18, 2018

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This opinion is strictly limited to the provisions of the draft Joint Agreement attached hereto and cannot be relied upon with respect to the Joint Agreement as the same may be revised in the future. No one other than the addressee hereof is entitled to rely on this opinion without our express written consent. This opinion is not offered, and shall not be construed, as a guaranty or warranty.

Respectfully submitted,

BREAZALE, SACHSE & WILSON, L.L.P.

A handwritten signature in black ink, appearing to read "C. Stokes McConnell, Jr.", is written over the firm name. The signature is fluid and cursive, with a large loop at the beginning.

C. Stokes McConnell, Jr.

JOINT AGREEMENT

THIS JOINT AGREEMENT (this “**Agreement**”) is dated _____, 2018 (the “**Effective Date**”), by and among [PROVIDENT GROUP – HSC PROPERTIES INC.] (“**Provident**”),] a Louisiana nonprofit corporation, the sole member of which is Provident Resources Group Inc., a Georgia nonprofit corporation (“**PRG**”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College herein acting for the benefit of LSU HEALTH SCIENCES CENTER NEW ORLEANS (“**LSUHSC-NO**”), and LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana nonprofit corporation (the “**Foundation**”), acting by and through the undersigned duly authorized representatives. Provident, LSUHSC-NO and Foundation are referred to herein collectively as the “**Parties**” and individually as a “**Party**.”

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College is a public constitutional corporation created under the constitution and laws of the State of Louisiana with supervision and management over LSUHSC-NO, which is a public comprehensive academic health sciences center located in New Orleans, Louisiana, enrolling approximately Two Thousand Eight Hundred (2,800) students and employing more than Two Thousand Three Hundred (2,300) faculty and staff throughout its six (6) professional health schools;

WHEREAS, Foundation is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended, the “**Code**”) as an affiliated supporting organization to LSUHSC-NO and its mission of education, patient care, research, and community outreach;

WHEREAS, the Parties acknowledge that there is a desire for enhanced housing near or adjacent to the LSUHSC-NO campus for Eligible Tenants, as hereinafter defined;

WHEREAS, Provident is a supporting organization of PRG, an organization exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code;

WHEREAS, Provident is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Code, including the advancement of education and lessening the burdens of government;

WHEREAS, Provident desires to address the need for enhanced housing by developing, financing, constructing, furnishing, equipping and operating an approximately Nine Hundred (900) bed residential living-learning community and related amenities (the “**Facility**”) for Eligible Tenants, which Facility will be located adjacent to the LSUHSC-NO campus on property owned by Foundation and situated within a parcel of real property bounded by Perdido Street, South Johnson Street, Poydras Street and South Galvez Street in New Orleans, Louisiana (the “**Land**,” and together with the **Facility**, the “**Property**” or the “**Project**”);

WHEREAS, Provident expects to finance the acquisition of the Land and the development, construction, furnishing and equipping of the Facility through the issuance by the

Louisiana Public Facilities Authority (the “**Authority**”) of one or more series of its tax-exempt and, if necessary taxable, Revenue Bonds (the “**Bonds**” and such transaction referred to as the “**Financing**”), pursuant to one or more Trust Indentures (the “**Trust Indenture**”), by and between the Authority and a national banking association or state banking association, as Trustee, and such other documents, agreements and instruments executed by Provident in connection with the issuance of the Bonds (the “**Bond Documents**”);

WHEREAS, LSUHSC-NO and Foundation will benefit from the development and operation of the Facility, as herein described, which Facility will contribute importantly to the overall educational and cultural function of LSUHSC-NO and the Foundation by fostering interaction among faculty, staff and students in various educational programs at LSUHSC-NO and meeting the desire for additional upgraded housing facilities for students, faculty and staff of LSUHSC-NO; and

WHEREAS, as an inducement for Provident to undertake the development, financing and operation of the Facility LSUHSC-NO and Foundation are each willing to agree to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and subject only to the consummation of the Financing, the Parties agree as follows:

1. Nonprofit Ownership Structure.

a. Provident. Provident has been formed as a Louisiana non-profit corporation of which PRG is the sole member in accordance with applicable federal tax regulations. Provident has been organized as a supporting organization for PRG, exclusively to further the stated charitable purposes of PRG and specifically for the purpose of planning, developing, financing, equipping, operating and maintaining the Facility in furtherance of the mission of LSUHSC-NO and Foundation, all in accordance with this Agreement. Provident’s principal roles in the Project will be as owner of the Facility and borrower under the Financing.

b. Board of Directors. The management of the business and affairs of Provident shall be vested in a Board of Directors (“**Board of Directors**”) which shall consist of up to seven (7) individuals (“**Directors**”) to be appointed by the Governing Board of PRG. The Board of Directors shall include: two (2) Directors selected from a list of candidates submitted by LSUHSC-NO; and one (1) Director selected from a list of candidates submitted by Foundation, each of which has demonstrated a high level of experience and competence in the area of university housing and governance of higher education institutions, and/or community involvement in the New Orleans community (“**LSU Representatives**”). LSUHSC-NO and Foundation agree to submit a list of candidates for these positions upon request of PRG. PRG shall not unreasonably withhold, delay or condition the appointment of the recommended LSU Representatives. The remaining four (4) Directors should have competency in university housing or similar facilities and shall be appointed at the discretion of PRG and may include board members and/or officers of PRG or other members from the New Orleans Community. Specific provisions relating to the terms, duties, responsibilities, meetings and actions of the Board of Directors shall be addressed in the By-laws of Provident, a copy of which shall be provided to LSUHSC-NO and Foundation, including without limitation, the requirement that the Board of

Directors approve the annual operating and capital budgets for the Facility and any material revisions to the annual operating and capital budgets for the Facility that may be submitted to the Board of Directors by the Operations Committee, provided such approval in either case includes the affirmative vote by at least one LSU Representative, such approval not to be unreasonably withheld, delayed or conditioned.

2. Donation of Land; Ground Lease; Compensation.

a. Commensurate with the closing of the Financing, Provident will acquire the Land with proceeds from the Financing and donate the Land to Foundation (the “**Donation**”), subject to approval of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College for “acceptable University purpose.” Prior to donation, Provident will provide good and merchantable title to the Land and will obtain and provide a Phase 1 environmental survey, both of which must be acceptable to LSUHSC-NO and the Foundation. Upon execution of this Agreement, the Parties agree to work in good faith and use their respective best efforts to negotiate and enter into definitive documents to carry out the Donation with customary terms and conditions for a transaction such as this.

b. Immediately after consummation of the Donation, Foundation, as lessor, will enter into a long-term ground lease of the Land to Provident, as lessee (the “**Ground Lease**”). Upon execution of this Agreement, the Foundation, and Provident agree to work in good faith and use their respective best efforts to negotiate a Ground Lease with terms consistent with this Agreement as well as additional customary terms and conditions for a transaction such as this, including the following:

- i. Provident will assume responsibility for developing, designing, financing, constructing, owning, managing and operating the Project on terms acceptable to LSUHSC-NO and Foundation.
- ii. The term of the Ground Lease shall be for a term consistent with the term of the Financing, not to exceed forty (40) years without the prior written approval of Foundation, and the Ground Lease shall terminate at the earlier of: (1) forty (40) years, or (2) when the Financing has been paid in full, or (3) the termination of this Agreement as provided in Section 8.
- iii. Upon termination of the Ground Lease and satisfaction of all obligations of Provident under the Financing, the title to the Facility shall automatically transfer to and be the property of the Foundation and Provident will execute any and all documents to effectuate the transfer.

c. Royalty Payments to LSUHSC-NO and Rental Payments to Foundation. In consideration of the respective promises and covenants made by LSUHSC-NO pursuant to the Trademark License Agreement, hereinafter defined, to be separately negotiated and entered into with Provident, and in consideration of the obligations of Foundation under the Ground Lease, as applicable, Provident shall make the following royalty payments to LSUHSC-NO and rental payments to Foundation commencing 180 days after the end of each calendar year beginning the first full calendar year following the year substantial completion of the Facility is obtained:

i. To LSUHSC-NO, an amount equal to eighty percent (80%) of the net available annual surplus cash flow from the Facility as an annual licensing royalty payment (“**Cash Flow Payment**”), but in no event will the annual Cash Flow Payment to LSUHSC-NO: (i) be less than TWO HUNDRED THOUSAND (\$200,000) DOLLARS, which amount shall increase each year by an annual escalator of one and one half (1.5%) percent (the annually increasing amount shall be referred to herein as, the “**Annual Minimum**”) or (ii) exceed an amount equal to one hundred percent (100%) of the annual escalating debt service on the \$15,166,227 Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Revenue Refunding Bonds, including unamortized bond interest (Louisiana State University Health Sciences Center Project), Series 2013 (the “**LSUHSC-NO Bonds**”), with any Cash Flow Payment in excess of such amount reverting to Foundation as a “**Supplemental Payment**”, until such time as the debt on the LSUHSC-NO Bonds is paid in full. Following payment in full of the LSUHSC-NO Bonds, the greater of: the Annual Minimum (as such amount has increased annually to that point) or (ii) fifty percent (50%) of the net available annual surplus cash flow from the Facility shall be paid to LSUHSC-NO as the Annual Cash Flow Payment.

ii. To Foundation, subject to the Annual Minimum, an amount equal to the remaining twenty percent (20%) of the net available annual surplus cash flow from the Facility as a ground lease rental payment under the Ground Lease plus the Supplemental Payment, if applicable, until such time as the LSUHSC-NO Bonds are paid-in-full, and thereafter fifty percent (50%) of the net available annual surplus cash flow from the Facility shall be paid to Foundation as a ground lease payment.

iii. The calculation and payment of net available annual surplus cash flow from the Facility shall be determined in accordance with the Bond Documents and as approved by the Parties, with the general intent and understanding being that net available annual surplus cash flow means, for each annual period, the excess of gross revenues derived from the operation of the Facility over the sum of (i) all reasonable and customary expenses related to the Facility, (ii) debt service and administrative expenses on the Bonds, and (iii) reasonable and customary reserves.

iv. The Trust Indenture shall establish a fund designated as the “Surplus Fund” to hold all amounts consisting of net available annual surplus cash flow. Failure to pay the Annual Minimum due to insufficient funds being available in the Surplus Fund to make such payment or any portion thereof shall not be deemed a breach or default of this Agreement or the Trademark License Agreement, provided that any amount unpaid shall accrue and continue to be payable subject to the availability of funds in the Surplus Fund.

3. **Development and Construction of the Facility.**

a. **Development of the Property.** Provident agrees to design, acquire, construct, furnish, and equip the Facility to provide affordable, high quality, housing only for Eligible Tenants consistent with the Plans and Specifications (defined below). For purposes of this Agreement, “**Eligible Tenants**” means, in order of priority, students registered in a professional academic health program at LSUHSC-NO; regular full-time and part-time faculty and staff of LSUHSC-NO, visiting faculty serving at LSUHSC-NO on a temporary basis; persons

participating in any LSUHSC-NO sponsored activity or program; and lastly, but only to the extent Facility beds are available, first, to physicians, medical residents and staff of University Medical Center, and second to full-time students attending other accredited public institutions of higher education within the City of New Orleans. Any use of the Facility by persons other than Eligible Tenants is subject to the prior written approval of Provident and the Operations Committee, hereinafter defined, and the receipt by Provident of an opinion of Bond Counsel (as defined in the Bond Documents) that such use will not adversely affect the tax-exempt status of the Financing.

b. Development Parties. Provident will use best practices to select and engage the services of a developer (“Developer”) pursuant to a Development Agreement (the “**Development Agreement**”) to oversee and supervise the design, development, construction and completion of the Facility in accordance with detailed building plans and specifications as approved by Provident, LSUHSC-NO and Foundation (“**Plans and Specifications**”). LSUHSC-NO will have no responsibility or liability with regard to plans or specifications. Pursuant to the Development Agreement, the Developer will engage Architects to design the Facility and a General Contractor to construct, furnish and equip the Facility in accordance with the Plans and Specifications (the “**General Contractor**”). Prior to the closing of the Financing, Provident will cause the Developer to perform certain customary due diligence activities, including a student housing market analysis, environmental site analysis, title and survey reports, and financial feasibility analysis. Provident will share any such reports with LSUHSC-NO and Foundation. Pre-development costs and expenses shall be paid by the Developer and reimbursed from the proceeds of the Financing. Neither Provident, LSUHSC-NO nor Foundation shall have any personal liability for the payment of pre-development costs and expenses.

c. University and Foundation Participation. LSUHSC-NO and Foundation shall have the right to review and approve the final Plans and Specifications and to have a representative present at weekly, or other periodic progress meetings of the Developer and General Contractor. Provident shall inform LSUHSC-NO and Foundation of any modifications to the Plans and Specifications that will materially affect the design of the Facility or any major building components of the Facility, and any such modifications shall be subject to the prior written approval of each of LSUHSC-NO and the Foundation

4. Operation and Management of the Facility.

a. Student Housing Facility. Provident agrees to operate and maintain the Facility for the exclusive use and benefit of the Eligible Tenants. The Facility shall be operated consistent with standards adopted and published from time-to-time by Provident and approved by LSUHSC-NO and Foundation.

b. Facility Manager. Provident agrees to engage the Developer and Provident Resources Management LLC, a wholly owned subsidiary of PRG, as the initial property managers (collectively referred to as the “**Manager**”) to undertake and be responsible for the management and operational activities of the Facility pursuant to the terms and conditions of a written management agreement subject to the prior written approval of LSUHSC-NO and Foundation (the “**Management Agreement**”). The Management Agreement shall require the Manager to operate and maintain the Facility in accordance with the terms of this Agreement and

in accordance with the standards adopted and published from time-to-time by Provident and approved by LSUHSC-NO and Foundation. Provident agrees that it will give prior written notice to LSUHSC-NO and Foundation in the event the appointment of any replacement or substitution of the Manager is deemed necessary by Provident or is otherwise required under the terms of the Bond Documents, and any such replacement or substitution shall be subject to the prior written consent of each of LSUHSC-NO and Foundation. Such contract shall comply with IRS Regulations with respect to qualified management agreements relating to tax exempt bond financed facilities.

c. Project Operations Committee. In addition to the oversight provided by the Board of Directors, Provident shall cause to be established a project operations committee (the “**Operations Committee**”) to provide advice and consultation to Provident and the Manager with respect to the management and operations of the Facility. Specifically, the Operations Committee shall provide advice and consultation to Provident and the Manager on the setting of rental rates at the Facility and shall participate in the development of annual operating budgets and capital plans for the Facility, and any material revisions thereto, for submission to the Board of Directors for final approval as set forth in Section 1(b). The Operations Committee shall be composed of: (a) two members recommended by LSUHSC-NO, (b) one member recommended by Foundation, and (c) two members recommended by PRG.

5. Facility Identification.

a. Marketing. LSUHSC-NO agrees to provide information concerning the Facility to the same extent that LSUHSC-NO provides information with respect to its own residence halls, as an associated housing option for students, faculty and staff of LSUHSC-NO. In fulfillment of this obligation, LSUHSC-NO will identify the Facility as a residential housing option in any mail-outs, catalogues, informational brochures and other literature that LSUHSC-NO uses to identify student housing options, as well as on its official web site. In addition, LSUHSC-NO will include a web-link to the Facility’s website on its web page. Provident shall cause Manager to advertise the Facility subject to any applicable requirements of the Trademark License Agreement hereinafter defined. LSUHSC-NO also agrees to advise its students of available financial aid provided to students to pay eligible housing expenses in the same manner as LSUHSC-NO does for its own housing.

b. Transportation. LSUHSC-NO agrees to publicize available public transportation options between the Facility and LSUHSC-NO campus for the benefit of the Facility’s Eligible Tenants to the same extent as for its existing student housing facilities.

c. Parking. LSUHSC-NO agrees to enter into a long-term lease, at prevailing market rates, with Provident for parking in support of the Facility. To the extent reasonably available, leased parking will be adjacent or close to the Property. Provident may charge residences of the Facility as necessary and will be responsible for parking management, controlling and issuing related resident permits. LSUHSC-NO agrees to provide Provident with any information related to such parking as may be necessary for Provident to evidence its compliance with any zoning or land use requirements.

d. Use of Name. LSUHSC-NO and Provident agree to the limited non-exclusive use of “Louisiana State University Health Sciences Center New Orleans” or “LSU Health Sciences Center New Orleans” or related LSU Health logo in association with promotional materials, signage and general marketing presence, for the sole purpose of appropriately identifying the Facility’s association with LSUHSC-NO. The exact wording and usage shall be determined through good faith discussions between LSUHSC-NO and Provident and will be limited to those permitted expressly in writing.

e. Data. Provident and LSUHSC-NO agree to cooperate to optimize access by LSUHSC-NO residents of the Facility to networks similarly accessed by LSUHSC-NO residents of facilities located on the campus of LSUHSC-NO.

f. Additional Parcels. Subject to approval by Foundation’s Board of Directors, Foundation will use commercially reasonable efforts to acquire two parcels of property immediately adjacent to the property purchased by Provident in association with the Project. The municipal address of the parcels are 2127 Poydras Street and 2133 Poydras Street and are located at the corner of Poydras Street and South Galvez Street. Provident will enter into a long-term ground lease agreement with Foundation for these two additional parcels in order to amalgamate the properties and to support the development of the Project.

6. Covenants of LSUHSC-NO and Foundation.

a. Acknowledgment. LSUHSC-NO and Foundation acknowledge that each shall directly and substantially benefit from the development, operation and management of the Facility by Provident in accordance with this Agreement, and that the Facility will provide a much needed enhancement to the housing supply available to this segment of LSUHSC-NO student body, as well as further LSUHSC-NO’s educational purposes and objectives. Each of LSUHSC-NO and Foundation respectively agree that it shall exercise all reasonable efforts to uphold and preserve its cooperation with Provident and association with the Facility as described herein, subject to the terms and conditions of this Agreement.

b. Competing Projects. During the Term of this Agreement, neither LSUHSC-NO nor Foundation shall undertake to construct or operate any New Competing Student Housing Facilities until such time as the Facility has achieved and sustained residential occupancy of not less than Ninety-Five Percent (95%) and a debt service coverage ratio of not less than 1.20 to 1.00 for two (2) consecutive years, as verified by an independent auditor acceptable to Provident, LSUHSC-NO and Foundation. **“New Competing Student Housing Facility”** as used herein means new residential student housing the commencement of construction of which occurred subsequent to the closing of the Financing and located within the grid bordered by Claiborne, Galvez, Poydras and Canal Streets and marketed primarily to students of LSUHSC-NO, but excludes housing outside of said grid, including but not limited to LSUHSC-NO’s Dental School campus, and excludes the upkeep, maintenance, and renovation of any LSUHSC-NO residence halls existing as of the Effective Date of this Agreement, regardless of the location.

c. Disclaimer of Endorsement. Nothing contained in this Agreement authorizes Provident or PRG to represent in any oral or written form or in any communication medium that any of products or services of Provident or PRG have been endorsed, selected or approved by

LSU or LSUHSC-NO, or any officer, employee or agent of LSU, or LSUHSC-NO and Provident and PRG are hereby specifically prohibited from doing so without the prior written consent of LSU. Any permission granted hereunder to use any name or other mark of LSU or LSUHSC-NO does not expressly, or by implication, connote that LSU or LSUHSC-NO, or any officer, employee or agent of LSU or LSUHSC-NO has made any inquiry to ascertain, by use of standards or other criteria, the relative merits of any Provident or PRG products or services in comparison with competitive products or services.

7. **Covenants of Provident.**

a. **Financing of the Facility.** Provident intends to obtain permanent financing required for acquiring the Land and paying the costs associated with the design, acquisition, development, construction, furnishing and equipping of the Facility, including reimbursement of pre-development costs and expenses and the costs of obtaining such financing, through the issuance of the Financing. The proceeds of the Financing shall be used solely to pay for the costs of the Project and to pay for such other costs and the establishment of such reserve funds as may be contemplated under the Bond Documents and the costs of issuance of the Financing. The documents evidencing the Financing shall contain provisions for reserve accounts to be set up to fund capital improvements, repairs and maintenance of the Facility and the replacement of furniture and furnishings used in the operation of the Facility.

b. **No University Liability for Financing.** None of LSUHSC-NO, Foundation or any of their affiliated entities shall have any obligation with respect to the payment of the Financing. The Trust Indenture and other Bond Documents shall provide for no recourse for the payment of the principal of, or premium, if any, or the interest on, the Financing, or for any claim based thereon or any agreement supplemental or collateral thereto, against LSUHSC-NO or Foundation, any affiliated entity, or any trustee, member, director, officer or employee, past, present or future, thereof, or of any predecessor or successor corporation.

c. **Transfer of Legal Ownership of the Property.** Upon termination of the Ground Lease, the Facility shall be transferred to and be owned by Foundation, and Provident shall confirm and ratify that all right, title, and interest in and to the Facility has been conveyed from Provident to Foundation or at Foundation's option, subject to approval of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, to another similarly situated charitable organization or entity exempt from the payment of federal income tax under Section 501(a) of the Code, as an entity organized under Section 501(c)(3) of the Code, organized and operated exclusively for charitable, educational, or scientific purposes, selected or designated by Foundation (a "**Designated Transferee**"). Nevertheless, if Provident fails to execute the above act of transfer, Foundation or its Designated Transferee, as applicable, shall be the sole and absolute owner of the Property, free of any right, title, interest or estate of Provident, without the execution of any further instrument and without payment of any money or other consideration therefor.

d. **Insurance.** Provident shall deliver to LSUHSC-NO and Foundation certificates evidencing Provident's insurance, or those providing insurance on behalf of Provident, each with limits of liability as currently maintained by Provident in accordance with the requirements of the Bond Documents and naming LSUHSC-NO and Foundation as additional insureds. Said

insurance coverage shall include but not be limited to extended property damage insurance for not less than full replacement value of the cost of the Facility, Commercial General Liability with limits of no less than \$1 million each occurrence, \$2 million general aggregate, and Umbrella Liability with limits of no less than \$10 million, which insurance shall state that it is the primary insurance carried by any other party.

8. Term.

The term of this Agreement (the “**Term**”) shall commence on the Effective Date and continue until and terminate upon the earlier of: (a) issuance of a written notice of termination by any Party if the Financing has not been consummated by the two (2) year anniversary of the Effective Date; or (b) the date the Property has been conveyed to Foundation or a Designated Transferee pursuant to Section 7 above, provided however, that notwithstanding anything to the contrary set forth herein, LSUHSC-NO at its sole option, may terminate this Agreement when the Project Bonds have been paid in full or when the Project Financing has been paid in full.

9. Notices.

All notices and other communications required hereunder shall be in writing. Each such written communication shall be deemed to have been received: (i) upon personal delivery; (ii) on the second business day after its deposit for overnight delivery with a recognized overnight delivery service; (iii) if mailed, three (3) business days after such mailing, or upon actual receipt if sent by registered or certified or U.S. Express mail, with return receipt requested, addressed to the other Party’s address below, with a copy sent by email:

a. If to Provident to:

Provident Resources Group Inc.
5565 Bankers Avenue
Baton Rouge, LA 70808
Attn: President/Chief Executive Officer

If to LSU Board or LSUHSC-NO to:

Board of Supervisors of Louisiana State University and Agricultural and
Mechanical College
Louisiana State University
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Email: _____
Attn: F. King Alexander, President

With a copy to:

LSU Health Sciences Center New Orleans
433 Bolivar Street
New Orleans, LA 70112
Email: jharman@lsuhsc.edu
Attn: John Harman, Vice Chancellor

b. If to Foundation to:

LSU Health Foundation, New Orleans
2000 Tulane Avenue, Fourth Floor
New Orleans, LA 70112
Email: _____
Attn: Matthew Altier President/Chief Executive Officer

With a copy to:

Email: _____
Attn: _____

10. Trademarks.

Provident acknowledges that the names, logos, service marks, trademarks and trade names, whether or not registered, owned by or licensed to LSUHSC-NO (collectively the “**University Marks**”) are proprietary to LSUHSC-NO, and Provident, PRG and the Manager shall not use University Marks for any purpose except as expressly permitted in writing by LSUHSC-NO and pursuant to a Trademark License Agreement (herein “Trademark License Agreement”) to be entered into among LSUHSC-NO, and Provident. LSUHSC-NO acknowledges that the names, logos, service marks, trademarks and trade names, whether or not registered, owned by or licensed to Provident or PRG (collectively the “**Provident Marks**”) are proprietary to Provident or PRG, as applicable, and LSUHSC-NO shall not use the Provident Marks for any purpose except as expressly permitted in writing by Provident or PRG, as applicable.

11. Relationship of Parties.

Nothing herein shall be construed to characterize either Party as a partner, agent, affiliate, or joint venturer of the other.

12. Preservation of Tax Exemption.

No Party shall take any action with respect to the Property, and this Agreement shall not be construed nor amended, in either case in a manner that would adversely affect the tax-exempt status of Provident, PRG, or the Bonds or that would otherwise result in a breach of any representation, condition or covenant of Provident or PRG, as applicable, as set forth in the Bond Documents.

13. Specific Performance.

The Parties and Provident recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any Party who may be injured (in addition to any other remedies which may be available to that Party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act which would constitute a breach or (ii) compelling

the performance of any obligation which, if not performed, would constitute a breach. Notwithstanding anything in this Agreement to the contrary, no Party shall have the right to terminate this Agreement, except as expressly provided in Section 8 above.

14. Indemnification and Hold Harmless.

Provident agrees to protect, defend, indemnify, save, and hold harmless, the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur, or in any way grow out of, any act or omission of Provident, its agents, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by Provident as a result of any claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its officers, agents, servants, employees and volunteers.

Provident agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

Provided however, that Contractor and LSU may amend this provision if in the future Contractor provides appropriate and sufficient protection for LSU and acceptable to LSU by other means, persons, or assets.

15. University Liability.

Notwithstanding anything contained herein or in any agreement executed and delivered in connection with the issuance of the Bonds, neither LSUHSC-NO nor Foundation will have any obligation with respect to the payment of the Bonds or the Financing. None of Provident, PRG, the Managers, the owners of the Bonds, nor the Trustee, on behalf of the owners of the Bonds, will have any recourse against any revenues or other assets of the LSUHSC-NO or Foundation or against the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the members of said LSU Board of Supervisors, or any officers, employees and/or agents of any of the above, and of LSUHSC-NO's request, Provident shall cause Manager to acknowledge same.

16. Assignment.

No party may transfer, assign, pledge or hypothecate this Agreement or its rights, duties and obligations under this Agreement without the prior written approval of all other Parties,. Any transfer, assignment, or pledge made in violation of the forgoing shall be null and void. Subject

to the foregoing, this Agreement shall be binding upon the Parties and their permitted successors and assigns.

17. Headings.

The headings used in this Agreement are for convenience only and are not to be considered in connection with the interpretation or construction of this Agreement.

18. Severability.

If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. Approvals.

For any item or action requiring the consent or approval of a Party under this Agreement, each Party agrees that it will not unreasonably withhold, delay or condition such approval or consent. Any such consent or approval shall be in writing, signed manually or electronically by the party giving such consent or approval.

20. Governing Law; Venue.

This Agreement shall be governed by and construed, enforced and interpreted in accordance with the laws of the State of Louisiana. Any legal suit, action or proceeding against the Parties arising out of or relating to this Agreement shall be instituted in the state or federal courts located in Baton Rouge, Louisiana and each Party waives any objections which it may now or hereafter have based on venue and/or forum non conveniens of any such suit, action or proceeding, and the Parties hereby irrevocably submit to the exclusive jurisdiction of such court in any suit, action or proceeding.

21. Exculpation.

The officers, directors, members, managers, shareholders, governors, trustees and employees of each of Provident, LSU Board of Supervisors and Agricultural and Mechanical College, LSUHSC-NO Foundation, as applicable, shall have no personal liability for the performance of any of such respective Party's obligations contained in this Agreement.

22. Counterparts.

This Agreement may be executed on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

23. Right to Audit.

The books, accounts and records of Provident, which pertain directly to this Agreement and operations of the Facilities shall be maintained at the principal office of Provident. LSUHSC-NO 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 Provident to the extent necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to Provident's performance of its obligations under this Agreement and/or to verify the correctness of the royalty amounts payable to LSUHSC-NO and to Foundation, to verify the net available annual surplus cash flow. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of LSUHSC-NO, by independent auditors retained by LSUHSC-NO to conduct such audit, or by the Louisiana Legislative Auditor, 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 Provident.

24. LSUHSC-NO Outstanding Bonds.

The Parties hereto recognize that the LSUHSC-NO Bonds are outstanding as of the Effective Date of this Agreement and that nothing in this Agreement is intended to violate LSUHSC-NO's bond covenants or other obligations related to such LSUHSC-NO Bonds.

[Remainder of page intentionally left blank.]

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have each caused this Joint Agreement to be duly executed on its behalf and delivered to the other Parties as of the Effective Date.

**[PROVIDENT GROUP – HSC PROPERTIES
INC.]**

By: _____
Name: Steve E. Hicks
Title: Chief Executive Officer

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

By: _____
Name: F. King Alexander
Title: President of Louisiana State University

**LSU HEALTH FOUNDATION, NEW
ORLEANS**

By: _____
Name: Matthew Altier
Title: President and Chief Executive Officer



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS
SCHOOL OF DENTISTRY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF NURSING
SCHOOL OF MEDICINE IN NEW ORLEANS
SCHOOL OF PUBLIC HEALTH

June 6, 2018

Dr. F. King Alexander
LSU President
3810 West Lakeshore Drive
Baton Rouge, LA 70808

RE: Request from LSU Health Sciences Center-New Orleans to Approve a Joint Agreement to develop residential housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans and Approval of Acceptable University Purpose

LSU Health Sciences Center- New Orleans is requesting approval from the Board of Supervisors to enter into a Joint Agreement to develop residential housing with Provident Group- HSC Properties, Inc. and LSU Health Foundation- NO and approval of Acceptable University Purpose for LSU Health Foundation- NO.

It is requested that the resolution and the accompanying documents be forwarded to the Board of Supervisors for placement on their June 29, 2018 meeting agenda.

Please do not hesitate to contact me should you require any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Larry Hollier, M.D.".

Larry, Hollier, M.D.
Chancellor



Request from LSU Health Sciences Center-New Orleans to Revise Prior Approval of a Joint Agreement to Develop Residential Housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans and Determination of Acceptable University Purpose

To: Members of the Board of Supervisors

Date: February 27, 2019

This matter is a significant board matter pursuant to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) Bylaws Art. VII, Section 1:

- A. General Rule.** Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses; and

Under the Uniform Affiliation Agreement between the Board and its affiliate, the LSU Health Foundation (Foundation), Article 6, Disbursements and Other Transactions:

6.3 In light of the purpose of the Affiliate to be in support of the University, and University's responsibility to determine if a significant transactions of the Affiliate affecting or potentially affecting it are in support of University... require a determination of acceptable University purpose by the Board of Supervisors (unless delegated to the President).

LSU Health Science Center-New Orleans (LSUHSCNO) seeks approval to remove LSUHSC-NO as a party to the Joint Agreement previously approved by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in its June 2018 meeting.

1. Summary of the Matter

On June 29, 2018, LSUHSCNO presented the attached Board Resolution and supporting documents to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) for consideration and approval. The essence of the Resolution was to request approval for Board to enter into a Joint Agreement along with LSU Health Foundation (Foundation) and Provident Group-HSC Properties related to building new student housing adjacent to the downtown LSUHSC-NO campus. The Board approved the resolution.

Since June, the parties have continued to work in finalizing the elements of the Joint Agreement. Due to changing market conditions including cost of capital, materials, labor and some difficulty in acquiring property, the parties recognize that the scope of the project requires some revision to remain financially viable. In speaking with the President of the Foundation, the size and scope of the project is being reduced from 900 beds to 600 beds. This reduction in scope will allow the developer to keep student room rates competitive and work within the capital constraints, thus insuring the financial viability of the project. We have received a revised project financial proforma reflecting these changes.

To further reduce operational costs, the Foundation has agreed to purchase a lot for non-LSU student, faculty and staff parking and pursue the usage of the Foundation logo. As a result of these proposed changes, LSUHSCNO does not need to have a role in the partnership and wishes to revise the draft Joint Agreement to withdraw LSUHSCNO as a partner, leaving only two partners, the Foundation and Provident Group-HSC Properties.

Under this approach LSUHSCNO would not receive the projected \$250,000-\$300,000 in parking lease revenues or the 50-80% of annual net annual surplus cash-flow for Trademark licensing fees

estimated to be between \$600,000 and \$1.6 million under the original model.

LSUHSCNO has pledged its annual gross Auxiliary Enterprise revenues, which in FY 2017-18 totaled more than \$8 million (\$2.1 million from student housing fees), in support of the Series 2013 Revenue Bonds set to be retired in 2031. The LSUHSCNO has no other outstanding bonds and the balance of the Series 2013 Revenue Bonds as of June 30, 2018, was \$12.1 million. Since the bonds were refunded in 2013, LSUHSC-NO total revenues have grown by 38.3 percent to \$612 million in FY 2017-18.

The Foundation will receive revenue over the term of the developer's financing during the 30 year term (Term) from surplus cash flow and will receive the building as a donation at the end of the Term. The Foundation projects \$106 million in revenue during the 30 year Term and will receive the building with a projected value of \$100 million at the end of 30 years.

As part of the due diligence, LSUHSCNO sought the opinion of bond counsel Stokes McConnell of Breazeale, Sachse & Wilson, LLP, regarding whether the revised student housing model would be deemed a violation of the existing bond covenants pertaining to the LSUHSCNO outstanding Series 2013 Revenue Bonds. Mr. McConnell has provided a written opinion (attached) that these changes as described in the letter to him, and contingent upon conditions outlined in the opinion, will not result in a violation of the covenants and agreements as set forth in the Bond Resolution.

In view of this, we are requesting approval to move forward with the revised approach whereby only LSU Health Foundation and Provident Group-HSC Properties will enter into a revised Agreement to build and operate the student housing project adjacent to campus. The LSU Board of Supervisors will not be a party to the new Agreement.

2. Review of Business Plan

Not applicable

3. Fiscal Impact

Under this approach LSUHSC-NO would not receive the projected \$250,000-\$300,000 in parking lease revenues or the 50-80% of annual net annual surplus cash-flow for Trademark licensing fees estimated to be between \$600,000 and \$1.6 million under the original model.

LSUHSC-NO has pledged its annual gross Auxiliary Enterprise revenues, which in FY 2017-18 totaled more than \$8 million (\$2.1 million from student housing fees), in support of the Series 2013 Revenue Bonds set to be retired in 2031. The LSUHSC-NO has no other outstanding bonds and the balance of the Series 2013 Revenue Bonds as of June 30, 2018, was \$12.1 million. Since the bonds were refunded in 2013, LSUHSC-NO total revenues have grown by 38.3 percent to \$612 million in FY 2017-18.

4. Description of Competitive Process

Not applicable.

5. Review of Legal Documents

Not applicable

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Foundation, New Orleans, Provident Resources Group, Inc. and Provident Group- HSC Properties, Inc.

7. Related Transactions

None.

8. Conflicts of Interest

None known.

ATTACHMENTS

- I. Board Resolution of June 29, 2018
- II. Opinion of bond counsel Stokes McConnell of Breazeale, Sachse & Wilson, LLP
- III. Letter from Chancellor Larry Hollier, MD

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize removal of the LSU Health Sciences Center – New Orleans from the previously approved Joint Agreement among the Board of Supervisors of LSU, LSU Health Foundation New Orleans, and Provident Group- HSC Properties, Inc.



Request from LSU Health Sciences Center-New Orleans to Approve a Joint Agreement to develop residential housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans and Approval of Acceptable University Purpose

To: Members of the Board of Supervisors

Date: June 29, 2018

This matter is a significant board matter pursuant to the Board's Bylaws Art. VII, Section 9:

A.1 General Rule. Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

LSU Health Science Center-New Orleans seeks the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College approval for the Joint Agreement.

In addition, in accordance with Section 6.3 of the Uniform Affiliation Agreement between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Board and the LSU Health Foundation, New Orleans Foundation, this matter is presented to the Board to determine if the proposal by the Foundation to enter into the Joint Agreement and to accept an onerous donation of land from Provident Group- HSC Properties, Inc. constitute an Acceptable University Purpose.

1. Summary of the Matter

LSUHSC-NO has two residence halls, each constructed more than fifty years ago. Periodic renovations have been completed through the years, but due to the overall design and advanced age of these facilities, further renovations are not cost-effective. While students prefer housing on or adjacent to campus for convenience, increasingly they are opting for modern off-campus solutions. Competitive campus-based student housing is essential to a vibrant and engaging academic community and enriches the student experience.

The prospect for receiving capital outlay for new resident housing through the conventional state process is dismal and in recent years higher education institutions have gone away from conventional bond financing and have turned to private-public affiliations to provide convenient and affordable housing for students. This approach eliminates the need for institutions to incur debt in order to provide modern competitive student housing on or adjacent to campus.

The LSU Health Sciences Center-New Orleans (LSUHSC-NO) was approached by Provident Resources Group, Inc. ("PRG") with a proposal that PRG would create a non-profit Louisiana corporation named Provident Group- HSC Properties, Inc. (Provident), whose only member would be PRG. Provident would purchase property proximate to the Health Sciences Center-New Orleans Campus (see Attachment I) and through an interested developer will construct enhanced housing on the property consisting of a 900-bed residential living-learning community and related amenities (the "Facility") that would be available for students registered in a professional academic health program at LSUHSC-NO, regular, full time and part time faculty and staff of LSUHSC-NO, visiting faculty serving at LSUHSC-NO on a temporary basis, persons participating in any LSUHSC-NO sponsored activity or program, and, to the extent beds are available after giving first choice to the above individuals, to physicians, medical residents and the staff of University Medical Center and to full time students attending other accredited public institutions of higher education within the City of New Orleans. These resident standards will sustain a

professional and educational campus environment. Provident expects to finance the acquisition of the land and the development and construction of the Facility through the issuance of tax-exempt bonds.

It is anticipated that the Foundation would directly purchase two smaller parcels (see Attachment II) needed by Provident for the project. Provident intends to purchase the bulk of the property needed for the construction, donate the property at closing to the Foundation, and then lease from the Foundation the donated property and the two parcels that the Foundation itself acquires for the construction of the Facility. The Foundation plans to finance its acquisition of those two smaller parcels and to utilize rental from Provident of those two parcels to satisfy the Foundation's debt service. In addition, Provident has asked for a license from LSUHSC-NO for a limited non-exclusive use of LSUHSC-NO's name, marks and logo in conjunction with the promotion of the new residential facility and will also enter into a long term lease for parking (between 400 and 500 spaces) with LSUHSC-NO (see Attachment III).

The Foundation is an "Affiliate" of the LSU Board of Supervisors, pursuant to the terms and conditions of the Uniform Affiliation Agreement dated July 1, 2009 between the Foundation and the LSU Board of Supervisors, which describes the Affiliate's purpose and status including the Foundation's obligation to support one or more programs, facilities, research or educational opportunities offered by LSUHSC-NO. Pursuant to the Uniform Affiliation Agreement, Chancellor Hollier recommends approval to the LSU Board based on his determination that LSUHSC-NO would benefit from the development of enhanced housing proximate to the University and from the involvement of the Foundation as a party to that transaction. Furthermore, upon the conclusion of the payment of the debt incurred by Provident, the facility constructed by Provident on the land would become owned by the Foundation. Prior to closing, the Foundation will have purchased the two additional smaller parcels at an estimated combined cost of \$450,000. The Foundation will become the owner of the land donated to it by Provident (estimated value between \$2.0-2.5 million) at the initial closing of Provident's financing, Foundation will then lease all of the parcels back to Provident and Provident will construct the housing facility on the leased land. The plan envisions that the housing will be constructed on property bounded by Johnson Street, Perdido Street, Poydras Street, and Galvez Street in New Orleans, Louisiana. This property is adjacent to the Health Sciences Center- New Orleans Campus. LSUHSC agrees not to build new competing housing on the main campus bounded by Claiborne, Galvez, Poydras and Canal Streets (see Attachment IV). This restriction however excludes the portion of campus east of Claiborne and the Dental School campus.

On June 26, 2017, the Board of Directors of the Foundation approved the participation of the Foundation in this project subject to the approval of the LSU Board of Supervisors.

2. Review of Business Plan

It is proposed that Provident, the Foundation and the LSU Board of Supervisors enter into the Joint Agreement. The Joint Agreement will provide that LSU would receive an annual licensing royalty payment for the limited non-exclusive use of LSUHSC-NO's name, marks and logo in connection with the promotion of the residential housing. LSU would receive 80% of the net available annual surplus cash flow from the housing facility up to the amount each year currently due on the University's previously issued and outstanding bonds. In 2000, the LSU Board of Supervisors issued auxiliary revenue bonds in the amount of \$15,910,000 for the benefit of LSUHSC-NO. Those bonds were refunded in 2013, and the outstanding balance, including unamortized interest, is \$15.2 million as of June 30, 2018 (see Attachment V). The proceeds from the 2000 issuance were used to construct/renovate housing on the Campus of LSUHSC-NO. Once the bonds are retired, LSUHSC-NO will receive 50% of the net available annual surplus thereafter. Under no circumstance will LSUHSC-NO be paid less than \$200,000 in any one year. The Foundation's portion is paid to Foundation as rent for the parcels of land owned by the Foundation including the land donated to the Foundation by Provident at closing.

LSUHSC-NO will continue to operate its existing student housing facilities. It is anticipated that a number of students in these facilities will transfer to the new housing, but it is expected that a greater

number will relocate from various off-campus locations to the new residence hall. The revenues from existing LSUHSC-NO student housing along with all additional auxiliary revenues are pledged to the debt service on the LSU Board's bonds. Auxiliary revenues totaled \$9.4 million in FY 2016-17. The annual debt service is \$1.17 million per year and will be retired in 2031.

Project construction would begin in the fall of 2018 and would require about 18 months to complete. Total development costs are estimated at \$115 million (see Attachment VI).

3. Fiscal Impact

LSUHSC-NO will receive net cash flows as royalty payments from the Joint Agreement related to its share of the annual operating surplus as well as from a long-term Lease Agreement with Provident for parking related to the facility as referenced above. Table-1 below shows new revenue projections over the first six years of the project based on the Project Financial Proforma (see Attachment VII).

Table-1 **Projected New Revenue from Joint Agreement and other Supporting Agreements**

	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Parking	\$ 250,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00
Trademark Licensing Fee	593,448.80	781,053.60	974,286.40	1,173,316.00	1,378,316.00	1,589,466.40
Projected Cash Flow	\$ 843,448.80	\$ 1,081,053.60	\$ 1,274,286.40	\$ 1,473,316.00	\$ 1,678,316.00	\$ 1,889,466.40

Revenues to LSUHSC-NO from the Parking Lease Agreement are expected to range between \$250,000 and \$300,000 annually, based on an estimated prevailing local monthly market rate of \$50 per space and the need for up to 500 spaces.

Existing LSUHSC-NO student housing generates just over \$2 million in revenue annually and covers operating and allocated overhead expenses. Table-2 below shows the trend in revenue and expenditures during the past four years.

Table-2 **Existing Student Housing Financial Summary**

Facility		Estimated			
		<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>FY 2014-15</u>
Staislaus/Residence Hall	Revenue	\$ 2,191,152	\$ 2,132,219	\$ 2,249,234	\$ 2,044,132
Staislaus/Residence Hall	Expenses	2,127,878	1,997,770	2,144,939	1,926,786
	Net Income	\$ 63,274	\$ 134,449	\$ 104,295	\$ 117,346

LSUHSC-NO student housing has averaged 70% occupancy in recent years, see Table-3 below. On average monthly rental costs for a one bed unfurnished unit are just over \$700, while the proposed student housing will average \$1060 for a one bed unit, but will feature upgraded and modern accommodations. Multi-bed units have similar prorated pricing structures.

Table- 3

Existing Student Housing Capacity vs. Occupancy

Facility	Units	Rented	Rented	Rented	Rented
		FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
Dorm Rooms (Stanislaus)	154	79	89	106	96
Dorm Rooms (Res Hall)	37	33	31	30	28
1 Bedroom Apt (Res Hall)	64	62	62	60	55
2 Bedroom Apt (Res Hall)	88	68	69	66	63
3 Bedroom Apt (Res Hall)	14	9	12	9	8
Total	357	251	263	271	250
Occupancy		70%	74%	76%	70%

While LSUHSC-NO stands to lose some revenue from existing students who decide to transfer to the newer student housing project, the additional revenue from trademark licensing and the parking lease are anticipated to offset any net loss in cash-flows. Bond counsel has affirmed his opinion that LSUHSC-NO will not violate its existing covenants on outstanding bonds by entering into the Joint Agreement (see Attachment VIII).

4. Description of Competitive Process

Not applicable.

5. Review of Legal Documents

A draft of the Joint Agreement is attached hereto, and the final Joint Agreement will be reviewed by the Office of General Counsel prior to execution (see Attachment IX).

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Foundation, New Orleans, Provident Resources Group, Inc. and Provident Group- HSC Properties, Inc.

7. Related Transactions

None.

8. Conflicts of Interest

None known.

ATTACHMENTS

- I. Property to be Donated- Map
- II. Downtown Housing Location – Map
- III. Proposed Leased Parking
- IV. Campus Map
- V. Bond Debt Service Schedule
- VI. Estimated Development Cost Summary
- VII. Project Financial Proforma
- VIII. Letter from Bond Counsel
- IX. Draft Joint Agreement

X. Letter from Chancellor Larry Hollier, MD

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of Louisiana State University, or his designee, to execute a Joint Agreement among Board of Supervisors of LSU, LSU Health Foundation, New Orleans and Provident Group- HSC Properties, Inc.

BE IT FURTHER RESOLVED that F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute such other consents, approvals, amendments and agreements as are necessary to effectuate said Joint Agreement and to include in the Joint Agreement and in such other consents, approvals, amendments and agreements those terms and conditions as he deems to be in the best interest of the Board of Supervisors of LSU.

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, pursuant to the Uniform Affiliation Agreement by and between the LSU Board of Supervisors and the LSU Health Foundation, New Orleans finds an Acceptable University Purpose for the LSU Health Foundation, New Orleans to be party to the Joint Agreement and to accept a donation of immovable property as a part of the overall transaction with Provident Group- HSC Properties, Inc.



C. STOKES MCCONNELL

Partner

csm@bswllp.com

DIRECT DIAL: 225-381-8035

CORPORATE PHONE: 225-387-4000

FAX: 225-376-5619

One American Place, 23rd Floor

Post Office Box 3197

Baton Rouge, Louisiana 70821-3197

www.bswllp.com

January 16, 2019

Board of Supervisors of Louisiana State University
Agricultural and Mechanical College
204 Thomas Boyd Hall
Baton Rouge, Louisiana 70803

RE: \$12,830,000 Board of Supervisors of Louisiana State University
Agricultural and Mechanical College Revenue Refunding Bonds
(Louisiana State University Health Sciences Center Projects) Series 2013
(the "Series 2013 Bonds")

Ladies and Gentlemen:

We have been requested to render additional advice to the Board of Supervisors of Louisiana State University Agricultural and Mechanical College (the "Board") in connection with the referenced Series 2013 Bonds issued by the Board on September 4, 2013. The Series 2013 Bonds were issued to refund the Board's \$15,910,000 Revenue Bonds (Louisiana Health Sciences Center Projects) Series 2000 (the "Series 2000 Bonds"). The Series 2000 Bonds were issued primarily for the purposes of (a) financing the planning, renovating, constructing of the old Charity Hospital School of Nursing Building for use as a daycare center, wellness center and student dormitory facility and (b) the acquisition of land for use as parking (collectively, the "2000 Project").

Certain terms used herein and not otherwise defined shall have the meanings assigned thereto in our letter of June 18, 2018, addressed to the Board regarding the 2000 Project (attached hereto as **Exhibit A**) and the Bond Resolution, hereinafter defined.

In connection with this matter we have reviewed:

- (i) the General Bond Resolution of the Board adopted January 21, 2000 (the "General Bond Resolution"), as supplemented by the First Supplemental Bond Resolution adopted January 21, 2000 (the "First Supplemental Bond Resolution"), and as further supplemented by the Second Supplemental Bond Resolution adopted July 26, 2013 (the "Second Supplemental Resolution" and, together with

the General Bond Resolution and the First Supplemental Resolution, the "Bond Resolution") pursuant to which the Series 2013 Bonds were issued.

- (ii) a letter dated January 14, 2019, from John A. Harmon, Vice Chancellor for Administration and Finance at LSUHSC-NO (the "Letter") regarding the current terms relating to the construction and operation of the proposed Project, hereinafter defined, and the revised obligations of LSUHCS-NO, the Board and the Foundation, if any, related thereto; and
- (iii) such other documents, instruments and certificates we have deemed necessary for the purpose of this opinion.

The Letter addresses the intention of Provident (or a special purpose affiliate thereof, referred to herein also as "Provident") and the Foundation to pursue enhanced housing near the campus of the University by developing, financing, constructing, furnishing, equipping and operating an approximately six hundred (600) bed residential living-learning community and related amenities on a site to be acquired by Provident (the "Project") without the involvement of LSUHSC-NO. To summarize our understanding of the present proposal, we are advised that the site of the Project is not located on the campus of the University, but is located near the 2000 Project and other facilities located on the campus of the University. It is expected that the University and its students, faculty and staff, as well as the Foundation, will benefit from the development and operation of the Project, which will provide upscale housing and amenities near the University's campus. We are advised that Provident will purchase the site and donate the site to the Foundation, which will then lease the site to Provident under a long-term ground lease. Provident is expected to then develop, design, construct, own, manage and operate the Project with input from the Foundation which will grant Provident the use of name of the Foundation for marketing purposes with respect to the Project and its operation. The Board will be asked to approve the limited role of the Foundation in the Project. The Project is expected to be financed through the issuance of revenue bonds (the "Financing") by or on behalf of Provident, which will be solely responsible for the debt service thereon. We are advised that, upon that termination of the Financing and payment in full of the revenue bonds, title to the Project will revert to the Foundation.

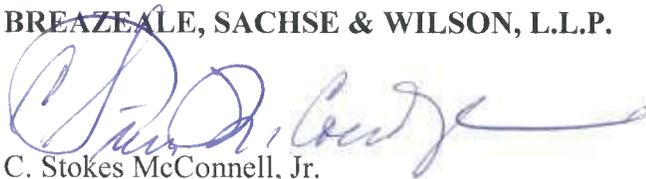
We assume that the agreement between Provident and the Foundation for the development of the Project will continue to provide for, among other terms, (i) input by the Foundation as to the makeup of the board of directors of Provident, (ii) royalty and/or rental payments by Provident to the Foundation, (iii) input and assistance from the Foundation with the development, marketing, operation and management of the Project; (iv) permitting the promotion of the Project to be identified and associated with the Foundation; and (v) the Foundation agreeing not to undertake to construct or operate new competing student housing facilities, until and unless certain occupancy levels and debt service ratios are maintained with respect to the Project within certain designated grids described therein. The Letter advises that LSUHSC-NO will have no obligations with respect to the development, ownership or operation of the Project or the payment of debt service with respect to the Financing.

Based upon our review of the Bond Resolution, the Letter, solely as it exists in the form attached hereto as **Exhibit B**, and the assumptions noted herein, we are of the opinion that the Board's approval of the Foundation's role and obligations with respect to the Project will not result in a violation of the covenants and agreements of LSUHSC-NO set forth in the Bond Resolution.

This opinion is strictly limited to the provisions of the Letter attached hereto and the assumptions set forth hereinabove, and cannot be relied upon with respect to any future material change or revision to the terms of the agreement between Provident and the Foundation with respect to the development, financing, operation and ownership of the Project. No one other than the addressee hereof is entitled to rely on this opinion without our express written consent. This opinion is not offered, and shall not be construed, as a guaranty or warranty.

Respectfully submitted,

BREAZEALE, SACHSE & WILSON, L.L.P.

A handwritten signature in blue ink, appearing to read "C. Stokes McConnell, Jr.", is written over the printed name.

C. Stokes McConnell, Jr.

CSM,jr:mld
Attachments



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS
SCHOOL OF DENTISTRY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF NURSING
SCHOOL OF MEDICINE IN NEW ORLEANS
SCHOOL OF PUBLIC HEALTH

February 27, 2019

Dr. F. King Alexander
President and Chancellor
LSU System Office
381 West Lakeshore Drive, Room 107
Baton Rouge, LA 70808

Dear Dr. Alexander,

This matter is a significant board matter pursuant to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) Bylaws Art. VII, Section 1:

- A. General Rule.** Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses; and

Under the Uniform Affiliation Agreement between the Board and its affiliate, the LSU Health Foundation (Foundation), Article 6, Disbursements and Other Transactions:

6.3 In light of the purpose of the Affiliate to be in support of the University, and University's responsibility to determine if a significant transactions of the Affiliate affecting or potentially affecting it are in support of University... require a determination of acceptable University purpose by the Board of Supervisors (unless delegated to the President).

LSU Health Science Center-New Orleans (LSUHSCNO) seeks approval to remove LSUHSC-NO as a party to the Joint Agreement previously approved by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in its June 2018 meeting.

On June 29, 2018, LSUHSCNO presented the attached Board Resolution and supporting documents to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (Board) for consideration and approval. The essence of the Resolution was to request approval for Board to enter into a Joint Agreement along with LSU Health Foundation (Foundation) and Provident Group-HSC Properties related to building new student housing adjacent to the downtown LSUHSC-NO campus. The Board approved the resolution.

Since June, the parties have continued to work in finalizing the elements of the Joint Agreement. Due to changing market conditions including cost of capital, materials, labor and some difficulty in acquiring property, the parties recognize that the scope of the project requires some revision to remain financially viable. In speaking with the President of the Foundation, the size and scope of the project is being reduced from 900 beds to 600 beds. This reduction in scope will allow the developer to keep student room rates competitive and work within the capital constraints, thus insuring the financial viability of the project. We have received a revised project financial proforma reflecting these changes.

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To further reduce operational costs, the Foundation has agreed to purchase a lot for non-LSU student, faculty and staff parking and pursue the usage of the Foundation logo. As a result of these proposed changes, LSUHSCNO does not need to have a role in the partnership and I wish to revise the draft Joint Agreement to withdraw LSUHSCNO as a partner, leaving only two partners, the Foundation and Provident Group-HSC Properties.

Under this approach LSUHSCNO would not receive the projected \$250,000-\$300,000 in parking lease revenues or the 50-80% of annual net annual surplus cash-flow for Trademark licensing fees, estimated to be between \$600,000 and \$1.6 million anticipated under the original model.

LSUHSCNO has pledged its annual gross Auxiliary Enterprise revenues, which in FY 2017-18 totaled more than \$8 million (\$2.1 million from student housing fees), in support of the Series 2013 Revenue Bonds set to be retired in 2031. The LSUHSCNO has no other outstanding bonds and the balance of the Series 2013 Revenue Bonds as of June 30, 2018, was \$12.1 million. Since the bonds were refunded in 2013, LSUHSC-NO total revenues have grown by 38.3 percent to \$612 million in FY 2017-18.

The Foundation will receive revenue over the term of the developer's financing during the 30 year term (Term) from surplus cash flow and will receive the building as a donation at the end of the Term. The Foundation projects the receipt of \$106,000,000 in cash revenue during the 30 year Term and a building value of approximately \$100,000,000 at the end of 30 years.

As part of our due diligence, LSUHSCNO sought the opinion of bond counsel Stokes McConnell of Breazeale, Sachse & Wilson, LLP, regarding whether the revised student housing model would be deemed a violation of the existing bond covenants pertaining to the LSUHSCNO outstanding Series 2013 Revenue Bonds. Mr. McConnell has provided a written opinion (attached) that these changes as described in the letter to him, and contingent upon conditions outlined in the opinion, will not result in a violation of the covenants and agreements as set forth in the Bond Resolution.

The Health Sciences Center is therefore respectfully requesting your approval to move forward with the revised approach whereby only LSU Health Foundation and Provident Group-HSC Properties will enter into a revised Agreement to build and operate the student housing project adjacent to campus. The LSU Board of Directors will not be a party to the new Agreement.

To the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,



Larry Hollier, MD
Chancellor

Enclosures

**Louisiana Public Facilities Authority
Student Housing Revenue Bonds
(Provident Group – HSC Properties Inc. –
Louisiana Health Sciences Center New Orleans Project)
Series 2019A & Taxable Series 2019B**

Investor Conference Call

December 10, 2019

STRICTLY PRIVATE AND CONFIDENTIAL



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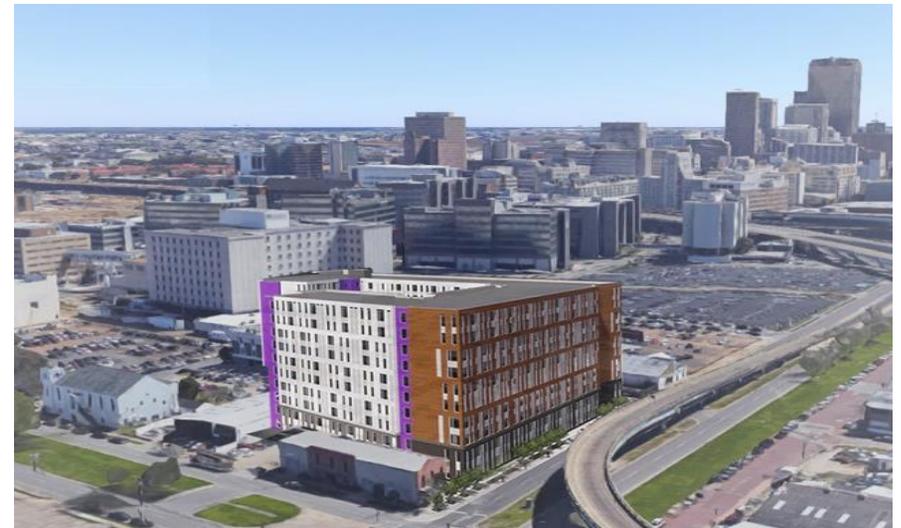
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Section I
Introduction

INTRODUCTION

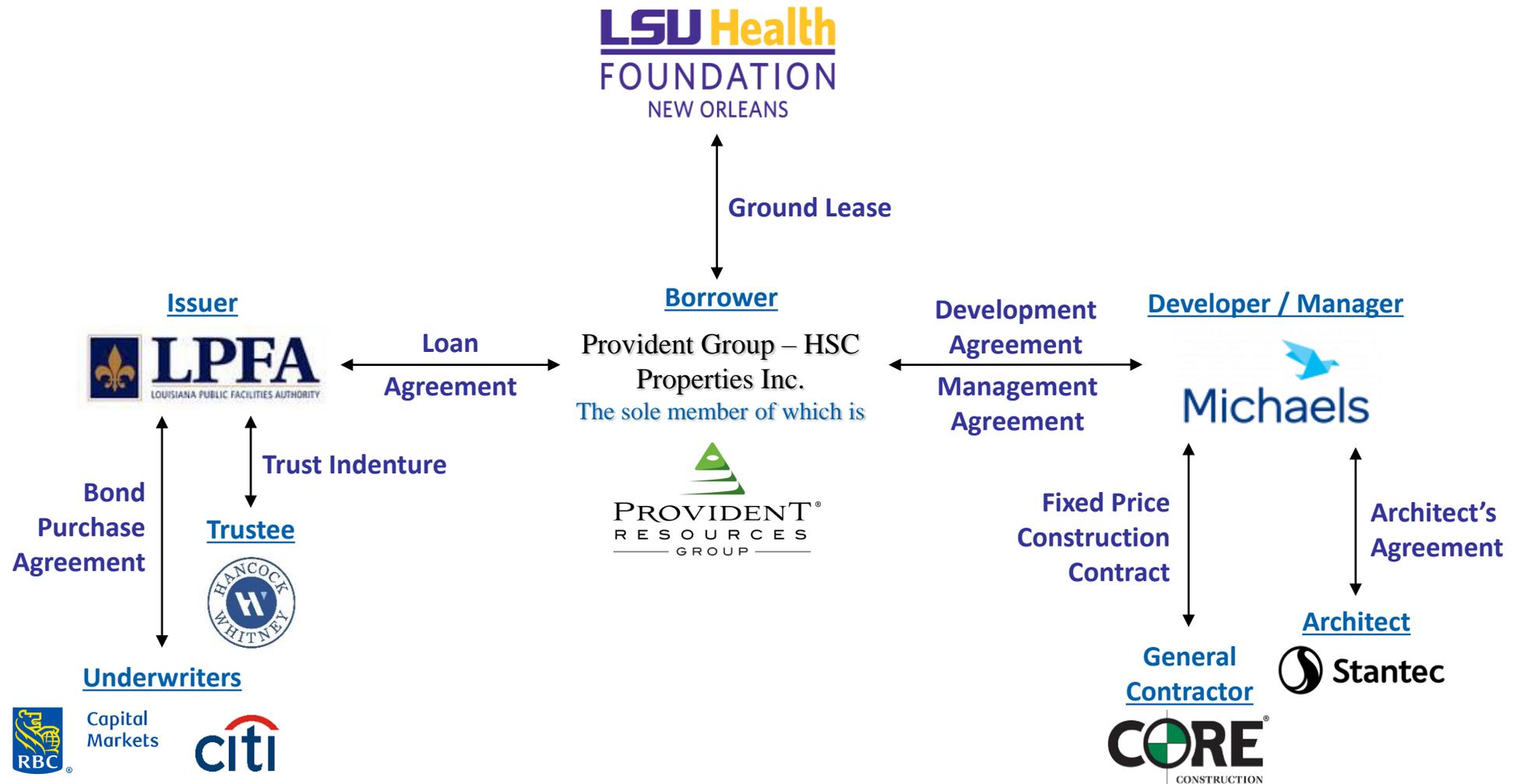
- Pursuant to its mission to help meet the needs of the LSU Health Sciences Center - New Orleans (“LSU Health”), the LSU Health Foundation (the “Foundation”) has entered into a public-private partnership to develop a new, 579-bed housing facility (the “Project”) to serve students, faculty and staff of LSU Health and the Delgado Community College of Nursing (“Delgado”), as well as nurses, residents and other staff of University Medical Center New Orleans (“UMC”) and Tulane Medical Center (“Tulane Medical”) after giving priority to LSU Health and Delgado.
- Louisiana Public Facilities Authority (“LPFA”) plans to issue \$97.5 million* of tax-exempt and taxable bonds, the proceeds of which will be loaned to Provident Group – HSC Properties Inc. (the “Borrower”) to (i) finance the costs of acquiring a parcel of land located in downtown New Orleans adjacent to LSU Health, (ii) finance the development costs of the Project, (iii) fund capitalized interest (iv) fund working capital, start-up, and marketing costs, (v) fund a debt service reserve fund and (vi) pay costs of issuance.
 - The Bonds will be secured solely by Project revenues and assets.
- The Borrower, a supporting organization of Provident Resources Group Inc. (“PRG”), will lease the land for the Project from the Foundation for a term extending beyond the term of the financing and will enter into contracts with the Michaels Organization (the “Developer”) to design, development, construction, and operation of the facilities.
- LSU Health has provided a letter to the Foundation pledging its support for the Project, including treating the Project as an addition to its housing facilities by assisting with the marketing efforts for the Project, providing Project residents the same or similar services and access it provides to those in its own housing facilities, and taking the Project into consideration in planning for any future projects.
- Upon the repayment of all obligations related to the Project, the ground lease will terminate and the facilities will revert to the Foundation.



* Preliminary, subject to change

INTRODUCTION

Financing Structure



Source: RBC Capital Markets

Section II
LSU Health Community



LSU HEALTH COMMUNITY

The Foundation



The Foundation is an institutionally-related 501(c)(3) organization that supports LSU Health and its mission of education, patient care, research, and community outreach. The Foundation was formed in 1988 and organized as a nonprofit, tax-exempt, public charity to support and promote the charitable, scientific and educational mission of LSU Health.

- The Foundation is governed by an elected Board of Directors comprised of members of the community representing different professions. The mission of LSU Health is to provide education, research and public services through direct patient care and community outreach. LSU Health educational programs prepare students for careers as health care professionals and scientists.
- The Foundation transitioned to become a support organization for LSU Health and executed a uniform affiliation agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "LSU Board") which supervises and controls LSU Health, in 1999 defining its role as a recognized LSU affiliated organization.



LSU HEALTH COMMUNITY

LSU Health Sciences Center – New Orleans



LSU Health was founded in 1931 and is a public university focused on the health sciences. LSU Health is home to six schools (including one of two LSU medical schools), twelve (12) Centers of Excellence, and patient care clinics. LSU Health is one of nine institutions managed and supervised by the LSU Board. LSU Health includes educational institutions known as the Schools of Medicine, Dentistry, Nursing, Allied Health Professions, Public Health and Graduate Studies each based in New Orleans, Louisiana. LSU Health is accredited by the Commission of Colleges of the Southern Association of Colleges and Schools.

- LSU Health offers more than 40 degree and certificate programs ranging from associate through doctoral and postdoctoral. The School of Nursing at LSU Health is the only nursing school in Louisiana with an academic health sciences center. The LSU Health School of Dentistry is the only dental school in the nation offering degrees in dentistry, dental hygiene and dental laboratory technology. In total, there are approximately 2,800 students enrolled at LSU Health among its six professional health schools.
- LSU Health employs approximately 2,200 people in full-time positions, with about 900 faculty currently teaching in the LSU Health schools. LSU Health faculty are in the vanguard of biosciences research in a number of areas including cancer, substance abuse, neuroscience and neurodegenerative diseases, eye disorders, genetics, diabetes, hypertension, angiogenesis, cardiovascular disease, epilepsy, asthma and respiratory diseases, infectious diseases, vaccine technology, obesity and weight management, and children's health.



LSU HEALTH COMMUNITY

LSU Health Enrollment

- LSU Health's total headcount enrollment for the fall of 2018 of 2,808 is comprised of 914 (33%) undergraduate students and 1,894 (67%) graduate and professional students.
- For fall of 2019, LSU Health's total headcount enrollment of 2,804 is comprised of 921 (33%) undergraduate students and 1,883 (67%) graduate and professional students.
- Provided in the chart below is a summary of LSU Health's enrollment since fall 2014.

LSU Health Sciences Center Enrollment by Level

Level	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Undergraduate	916	879	874	921	914
Graduate/Professional	1,912	1,912	1,884	1,856	1,894
Total	2,828	2,791	2,758	2,777	2,808

LSU Health Sciences Center Enrollment by Classification

Classification	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Freshman	0	0	0	0	0
Sophomore	268	266	284	293	299
Junior	336	293	264	296	284
Senior	307	318	325	332	331
Other Undergraduate	5	2	1	0	0
Professional	1,032	1,060	1,064	1,055	1,061
Masters	461	385	347	324	314
Doctoral	407	454	462	464	511
Specialist	0	0	0	0	0
Other Graduate	12	13	11	13	8
Total	2,828	2,791	2,758	2,777	2,808

Source: Preliminary Official Statement

LSU HEALTH COMMUNITY

Existing Housing

- LSU Health owns two residence halls located near campus that house LSU Health single students and married couples, Perdido Place Residence Hall and Stanislaus Hall.
- Perdido Place Residence Hall has 208 apartment-style and traditional-style units. One, two, and three-bedroom apartments have full kitchens; single-occupancy traditional rooms share a community kitchen, living room and bathroom.
- Stanislaus Hall has 154 single-bedroom semi-suites with community kitchens and study lounges.
- The most recent LSU Health Master Plan does not indicate any plan to refurbish the two residence halls.
- Provided in the adjacent chart is a summary of the fall 2018 housing rates per month. Additionally, provided below is a summary of the existing student housing occupancy for LSU Health.



LSU Health Sciences Center Fall 2018 Housing Rates⁽¹⁾

	Unit Type	Cost per Mo. Per Unit
Stanislaus Hall	Furnished Single Room	\$622
Perdido Place	Furnished Single Room	\$363
Perdido Place	One BR Unfurnished Apt	\$706
Perdido Place	Two BR Unfurnished Apt	\$968
Perdido Place	Three BR Unfurnished Apt	\$1,053

LSU Health Sciences Center Existing Student Housing Capacity vs. Occupancy⁽²⁾

	Units	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Stanislaus Hall	154	96	106	89	79	68
Perdido Place - Single	37	28	30	31	33	32
Perdido Place - One Bedroom	58	55	60	62	62	50
Perdido Place - Two Bedroom	82	63	66	69	68	70
Perdido Place - Three Bedroom	9	8	9	12	9	9
Total	340	250	271	263	251	229
Occupancy (%)		74%	80%	77%	74%	67%

Source: Preliminary Official Statement as well as (1) Housing Market Study prepared by MGT Consulting Group dated May, 2019 and

(2) <https://www.lsu.edu/bos/docs/agendas/2018/l-su-board-meeting-notice-2018-06-29.pdf> & <https://www.lsuhscc.edu/administration/ae/docs/Resident%20Life%20Housing%20Brochure%20June%202016%20WEB.pdf>

Other Supported Institutions



Delgado Community College is a community college in Louisiana with campuses throughout the New Orleans, which includes the Charity School of Nursing, located adjacent to the LSU Health campus. The mission of the Nursing School is to prepare students of varied backgrounds in a learning centered environment through face-to-face and distance education to provide caring and competent nursing in entry level positions to meet the healthcare needs of a diverse community. The program enrolled over 800 students in the fall of 2019.



University Medical Center New Orleans a Level I trauma center and teaching hospital in New Orleans, Louisiana that gives students a springboard to an ever-widening array of health-related professions. UMC hosts learners from partner institutions, including LSU Health, who are enrolled in a variety of medical training programs, including residencies, internships and fellowships. Through a culture of integrity and academic excellence, trainees emerge with world-class clinical knowledge and experience, prepared to provide exceptional patient-centric care and pursue their professional mission.



Tulane Medical Center is an award-winning hospital and ER in New Orleans and offers advanced medical care in the Jefferson and Orleans parishes. The New Orleans hospital provides expert medical care for children and adults. Its doctors specialize in the routine care of infants, children, adolescents, and adults, providing a wide range of family care services.

Section III
The Borrower

THE BORROWER



- Provident Group – HSC Properties Inc. (“Borrower”) is a Louisiana nonprofit corporation and supporting organization of Provident Resources Group Inc. (“PRG”), a Georgia nonprofit corporation.
- The Borrower is exempt from Federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Section 501(c)(3) of the Code.
- The Borrower is organized for the purpose of advancing and supporting the education and health care mission and functions of the Foundation and LSU Health through planning, developing, financing, equipping, operating and maintaining the facilities for the benefit of the Foundation and LSU Health.
- Organized in 1999, PRG is committed to making a positive impact in communities across the country through the development, ownership and operation of state-of-the-art educational, health care, senior living, and multi-family housing facilities and services.
- Over the past 19 years, PRG has served its missions in 20 states, as well as the District of Columbia, and has accessed approximately \$4.3 billion in capital from the private and public markets.



Source: Preliminary Official Statement and <http://www.provident.org/>

Section IV

Project Overview

PROJECT OVERVIEW

- The Project includes approximately 473 apartment units (579 beds).
- The units will consist of a mix of studio, 1 bedroom, 2 bedroom, and 3 bedroom apartments.

Proposed Unit Mix

Unit Type	# of Units	# of Beds	Unit Size (Sq Ft)*	2021-22 Rent/Bed	
				Monthly	Annual
Studio	80	80	345	\$1,180	\$14,157
Studio B/C	66	66	433	\$1,311	\$15,735
1 BR / 1 BA	240	240	531	\$1,421	\$17,047
2 BR / 2 BA	68	136	814	\$1,159	\$13,902
3 BR / 3 BA	19	57	1,068	\$890	\$10,681
Total Project Units/Beds	473	579			

**Approximate square footages are shown.*

- Plans call for community spaces, lounge, fitness room, study/meeting rooms throughout the building, outdoor BBQ area, an in-ground pool and in-unit laundry.
- The units will be offered unfurnished; however, the Manager will provide information to prospective residents regarding furniture rental packages available from unrelated providers.
- Pursuant to a Parking Support Letter, LSU Health has offered to allocate existing parking spaces located within 300 feet of the Project in excess of the number of spaces expected to be required by City ordinances.



PROJECT OVERVIEW

- The Project will be located in downtown New Orleans, adjacent to LSU Health at Poydras and S. Johnson Streets.



LSUHSC DOWNTOWN CAMPUS MAP NEW ORLEANS, LOUISIANA



BUILDING LIST

- 1 CLINICAL EDUCATION BUILDING
- 2 STUDENT RESIDENCE HALL
- 3 MEDICAL EDUCATION BUILDING
- 4 ALLIED HEALTH/SCHOOL OF NURSING
- 5 HUMAN DEVELOPMENT CENTER
- 6 CENTRAL UTILITY PLANT
- 7 LIBRARY, ADMIN. & RESOURCE CENTER
- 8 LION'S EYE CENTER
- 9 MLT CLINICAL SCIENCES & RESEARCH BUILDING
- 10 SISTER STANISLAUS RESIDENCE HALL
- 11 LSUHSC FOUNDATION BUILDING
- 12 CENTER FOR ADVANCED LEARNING AND SIMULATION
- 13 LOUISIANA CANCER RESEARCH CENTER
- 14 DELGADO BUILDING
- 15 BUTTERWORTH BUILDING
- 16 L&M BUILDING
- 17 DIBERT BUILDING
- 18 SETON BUILDING
- 19 POWER PLANT
- 20 UMC DIAGNOSTICS & TREATMENT BUILDING
- 21 UMC INPATIENT BED TOWER NO. 1
- 22 UMC INPATIENT BED TOWER NO. 2
- 23 UMC INPATIENT BED TOWER NO. 3
- 24 UMC AMBULATORY CARE BUILDING
- 25 UMC CENTRAL PLANT
- 26 LSU HEALTH PERDIDO CLINIC
- 27 STEAM PLANT
- 28 CHARITY HOSPITAL

PARKING FACILITIES

- 29 GRAVIER PARKING GARAGE
- 30 ROMAN PARKING GARAGE
- 31 STUDENT LOT NO. 1
- 32 STUDENT LOT NO. 2
- 33 STUDENT LOT NO. 3
- 34 RESIDENCE HALL LOT
- 35 T LOT
- 36 UMC PARKING GARAGE
- 37 S. JOHNSON ORANGE LOT
- 38 PERDIDO LOT
- 39 BROWN LOT
- 40 PURPLE LOT
- 41 SETON PATIENT LOT
- 42 CLAIBORNE LOT 3
- 43 CLAIBORNE LOT 2
- 44 CLAIBORNE LOT 1
- 45 PERDIDO PATIENT LOT
- 46 1542 GARAGE

LEGEND

- LSUHSC
- UNIVERSITY MEDICAL CENTER
- PARKING

PROJECT OVERVIEW

Studio Apartment



One-Bedroom Apartment



Two-Bedroom Apartment



Three-Bedroom Apartment



PROJECT OVERVIEW

Development Team



The Michaels Organization (Developer and Manager)

- The Michaels Organization (“Michaels”) is a privately-held family of independent but integrated companies dedicated to excellence in affordable, military, student and conventional multifamily housing.
- Serving more than 140,000 residents in 380 communities across 35 states, the District of Columbia, and the U.S. Virgin Islands, The Michaels Organization is a national leader in the residential real estate industry, with full service capabilities in development, property and asset management, construction, and mortgage finance and tax credit syndication.
- Michaels has completed student housing projects for institutions across the county, including University of West Florida, Rowan University, and the University of California Davis, among others.



Source: Preliminary Official Statement and <https://tmo.com/>

PROJECT OVERVIEW

Development Team



CORE Construction Group, Ltd. (General Contractor)

- CORE Construction Group, Ltd. (“Core”) was founded in 1937 and is based in Morton, Illinois. Core operates as a commercial building contractor.
- The company offers pre-construction, construction, post-construction, safety, virtual construction, and sustainability services, as well as delivery methods, such as design-bid-build, design build, construction manager at-risk, and job order contracting services.
- The company serves renewable energy, civil, commercial, education, health care, public/institutional, residential, and sports/special event industries in Arizona, Federal, Florida, Illinois, Louisiana, Missouri, Nevada, and Texas.
- Core has completed student housing projects for institutions including Arizona State University and University of Nevada-Reno, in addition to the LSU Human Development Center on LSU Health’s New Orleans campus.



Source: Preliminary Official Statement and <http://www.coreconstruction.com/>

PROJECT OVERVIEW

Development Team



Stantec Inc. (Architect)

- Stantec Inc. (“Stantec”) was founded in 1954 in Edmonton, Alberta and operates as an international professional services company in the design and consulting industry.
- Stantec provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects.
- The Company provides services on projects around the world through over 22,000 employees in more than 400 locations in North America and across offices in 6 continents.
- The company’s multi-disciplinary education design team delivers on education buildings that serve as creative places where students eat, meet, study, socialize, and continue their learning outside of the classroom. Stantec has institutions across the globe including LSU Health, Texas A&M University and the University of Florida, among others.



Source: Preliminary Official Statement and <https://www.stantec.com/en>

Section V
Market Study

THE MARKET STUDY

Demand Summary

- PRG retained MGT Consulting Group (“MGT”) to conduct a student housing market study for a proposed housing project in partnership with the LSU Health Foundation. MGT’s engagement encompassed two separate phases:
 - Phase I: MGT was contracted from August 2018 to February 2019 to conduct a student housing market study. MGT interviewed key stakeholders, moderated a student focus group, conducted an off-campus market analysis, administered a housing survey, and completed a demand analysis. The report for this initial phase was completed in November 2018.
 - Phase II: In May 2019, MGT administered three additional surveys to LSU Health’s School of Dentistry, Delgado School of Nursing, and to Medical Center Staff to further support MGT’s initial demand analysis.
- The Market Study identified that the combined demand analyses show a total demand for the Project of 721 beds.
 - Phase I: Sufficient demand from full-time students and medical residents to support the Project for LSU Health.
 - Phase II: Additional demand for 147 beds from Delgado, UMC and LSU Health’s School of Dentistry

Total Demand

Unit Type	Phase I		Phase II		Combined Total	
	Total Number of Units	Total Number of Beds	Total Number of Units	Total Number of Beds	Total Number of Units	Total Number of Beds
Studio	79	79	25	25	104	104
1 BR - Apartment	184	184	33	33	217	217
2 BR - Apartment	53	106	15	31	68	137
3 BR - Apartment	68	206	9	28	77	234
4 BR - Apartment	0	0	8	31	8	31
Total	385	574	65	147	450	721

THE MARKET STUDY

Off-Campus Market

- The Market Study identified that New Orleans has a high percentage of renters.
 - New Orleans was considered affordable before 2005 but has become more expensive, especially for renters. By 2007, rents had increased 45% and have been increasing 3% to 4% annually in recent years.
 - Demand is high, with the apartment properties in the MGT sample reporting median occupancy of 99%.
- Student currently rent housing all over the metropolitan area.
 - 82% of survey respondents live off campus, of which 53% are renters
 - 90% rent an unfurnished unit
- MGT collected rent data from apartments in Orleans and Jefferson Parishes. ***(The Project is located in the Orleans Parish)***
 - Apartment rents range broadly with Orleans Parish commanding higher rents and Jefferson Parish offering more affordable options. Median rents are \$907 for a studio, \$1,400 for a one-bedroom, \$1,740 for a two-bedroom, and \$1,943 for a three-bedroom apartment.
 - All properties offer a 12-month lease, but 16 offer other leases between three and 18 months. Half of the properties include water/sewer in the rent, and only one includes electricity and gas. Two properties include internet and one includes cable.

Off-Campus Rental Rates

	Orleans Parish				Jefferson Parish			
	Studio	1 BR	2 BR	3 BR	Studio	1 BR	2 BR	3 BR
Low	\$825	\$700	\$895	\$1,640	\$670	\$700	\$925	\$1,625
Median	\$1,079	\$1,458	\$1,893	\$2,140	\$688	\$940	\$1,245	\$1,700
High	\$1,733	\$2,400	\$3,400	\$2,560	\$1,030	\$2,345	\$2,365	\$1,755

- Multifamily permits for 2018 are on the rise after a dip in previous years.
 - MGT anticipates further development along the Canal Street corridor, which is a priority of the mayor.

Section VI
Financing Summary

FINANCING SUMMARY

Par Amount	\$97,455,000*
Issuer	Louisiana Public Facilities Authority
Borrower	Provident Group – HSC Properties Inc.
Structure	Fully amortizing, tax-exempt and taxable revenue bonds with a 35-year term
Ground Lease	Long-term ground lease for a term extending beyond the final maturity of the bonds
Payment Dates	Interest: Semi-annually on January and July 1 st Principal: Annually on January 1 st
Optional Redemption	On or after July 1, 2029 at a redemption price of par, plus any accrued interest
Security for the Bonds	Security interest in Project revenues & assets, Leasehold mortgage, Capitalized interest during construction and stabilization, Debt Service Reserve Fund funded at maximum annual debt service

Total Sources and Uses*

	Tax-Exempt Series 2019A	Taxable Series 2019B	Total
Sources:			
Par Amount	\$96,245,000.00	\$1,210,000.00	\$97,455,000.00
Net Original Issue Premium (Discount)	1,924,024.30	0.00	\$1,924,024.30
Total Sources:	\$98,169,024.30	\$1,210,000.00	\$99,379,024.30
Uses:			
Deposit to Construction Fund ^{1,2}	\$79,270,142.60	\$0.00	\$79,270,142.60
Deposit to the Capitalized Interest Account ^{2,3}	11,326,766.61	138,702.09	\$11,465,468.70
Deposit to Debt Service Reserve Fund	5,664,475.00	629,275.00	\$6,293,750.00
Deposit to Issuance Cost Fund	1,907,640.09	442,022.91	\$2,349,663.00
Total Uses:	\$98,169,024.30	\$1,210,000.00	\$99,379,024.30

*Preliminary, subject to change.

1 The development budget is shown net of \$1,000,000 of deferred development fee.

2 The Construction Fund and Capitalized Interest Account deposits are net of estimated interest earnings assumed at 1.50%.

3 Represents approximately 30 months of capitalized interest.

Source: Preliminary Official Statement

FINANCING SUMMARY

Cash Flow Forecast

Fiscal Year Ending December 31,	2022	2023	2024	2025	2026
Gross Annual Rental Revenue	\$8,871,193	\$9,137,329	\$9,411,448	\$9,693,792	\$9,984,606
LESS: Vacancies	(3,767,016)	(456,866)	(470,572)	(484,690)	(499,230)
Net Annual Rental Revenue	5,104,177	8,680,462	8,940,876	9,209,102	9,485,375
Other Income	25,521	43,402	44,704	46,046	47,427
Debt Service Reserve Earnings ⁽¹⁾	47,203	94,406	94,406	94,406	94,406
Total Revenues	\$5,176,901	\$8,818,271	\$9,079,987	\$9,349,554	\$9,627,209
Administration	\$73,279	\$75,478	\$77,742	\$80,074	\$82,476
Leasing & Marketing	60,750	62,572	64,449	66,383	68,374
Employee Expenses	571,907	589,064	606,736	624,938	643,686
Repairs & Maintenance	87,935	90,573	93,290	96,089	98,972
Grounds & Landscape Expense	30,375	31,286	32,225	33,191	34,187
Common Area Expense	91,124	93,858	96,674	99,574	102,561
Turnover Expense	111,384	114,726	118,168	121,713	125,364
Utility Expense	601,336	619,376	637,957	657,096	676,809
Cable & Internet	228,090	234,933	241,981	249,241	256,718
Insurance	269,143	277,217	285,533	294,099	302,922
Senior Management Fee	89,770	152,668	157,248	161,965	166,824
Senior Asset Manager Fee	99,957	102,955	106,044	109,225	112,502
Bond Related Fees / Asset Manager Expenses	73,130	75,324	77,584	79,911	82,308
Total Operating Expenses	\$2,388,179	\$2,520,030	\$2,595,630	\$2,673,499	\$2,753,704
Net Operating Income	\$2,788,721	\$6,298,241	\$6,484,356	\$6,676,055	\$6,873,504
Annual Debt Service	2,015,833	5,243,000	5,400,725	5,553,550	5,714,450
Fixed Charges Coverage Ratio	1.38	1.20	1.20	1.20	1.20
Break-Even Occupancy	48.82%	83.45%	83.49%	83.42%	83.39%
Deposit to Repair and Replacement Fund	229,602	236,491	243,585	250,893	258,420
Retainage in Operations Contingency Fund	351,912	345,144	20,912	21,539	22,185
Transfer to the Surplus Fund	191,373	473,606	819,134	850,073	878,449
Deferred Development Fee	0	220,000	560,000	310,000	0
Subordinated Management Fee	89,770	152,668	157,248	161,965	166,824
Subordinated Asset Manager Fee	33,319	34,318	35,348	36,408	37,501
Ground Lease Payment	\$68,285	\$66,620	\$66,539	\$341,699	\$674,125

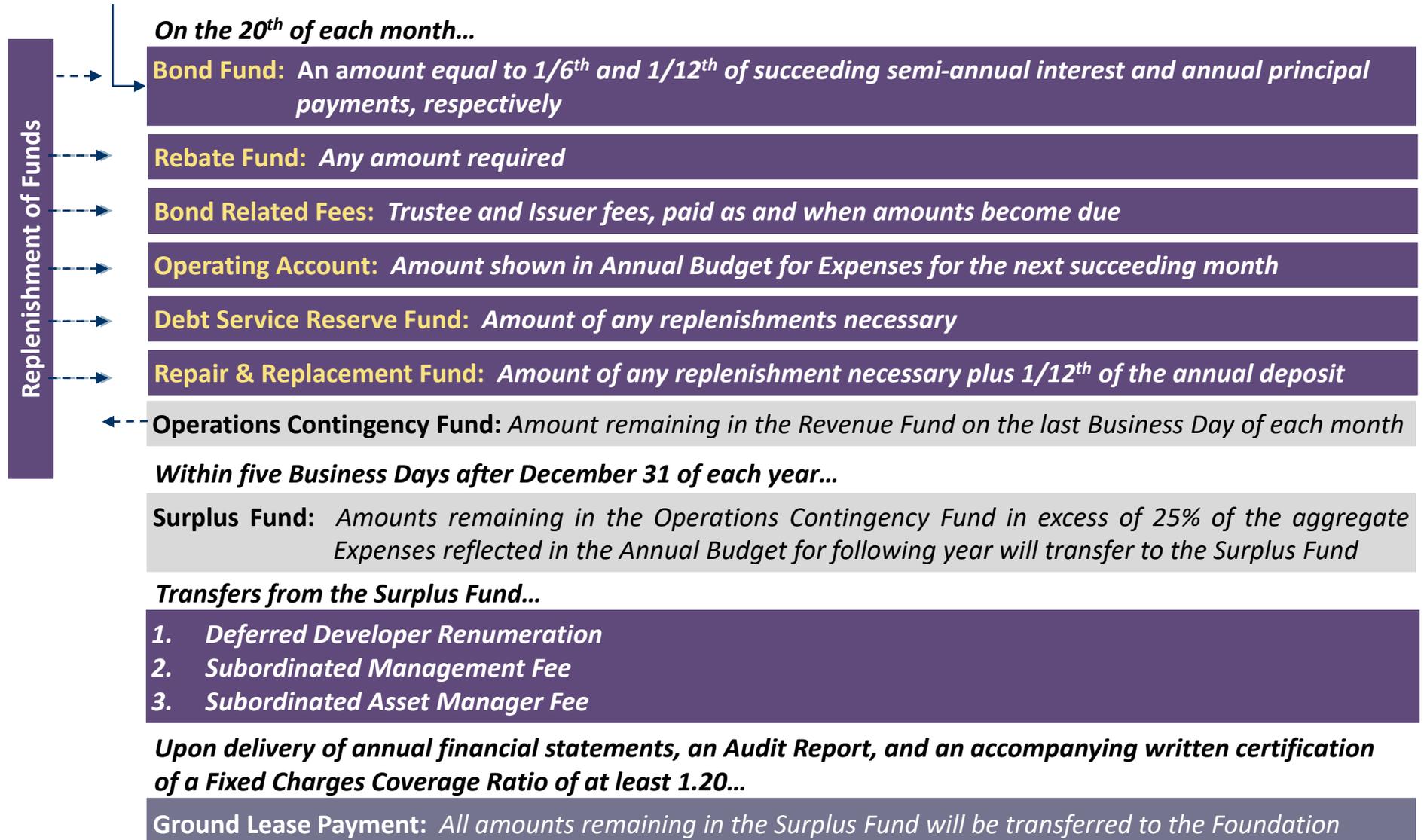
(1) Interest earnings assumed at 1.50% per year.

Source: Preliminary Official Statement

FLOW OF FUNDS

General Revenues Collected by the Manager and deposited with the Trustee in the Revenue Fund

Revenue Fund The Trustee will make transfers or payments from the Revenue Fund as follows



Section VII
Conclusion

CONCLUSION

Highlights of the Transaction



CONCLUSION

Financing Schedule

February 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

Bond Pricing

▪ February 4, 2020

Bond Closing

▪ February 12, 2020

For additional information, please contact:



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LSU Health
FOUNDATION
NEW ORLEANS

ATTACHMENT IV

SITE PLAN

PROPERTY TO BE DONATED

Figure 1. SQ 517 is in the LSUHSC Master Plan Focus Area for Acquisitions

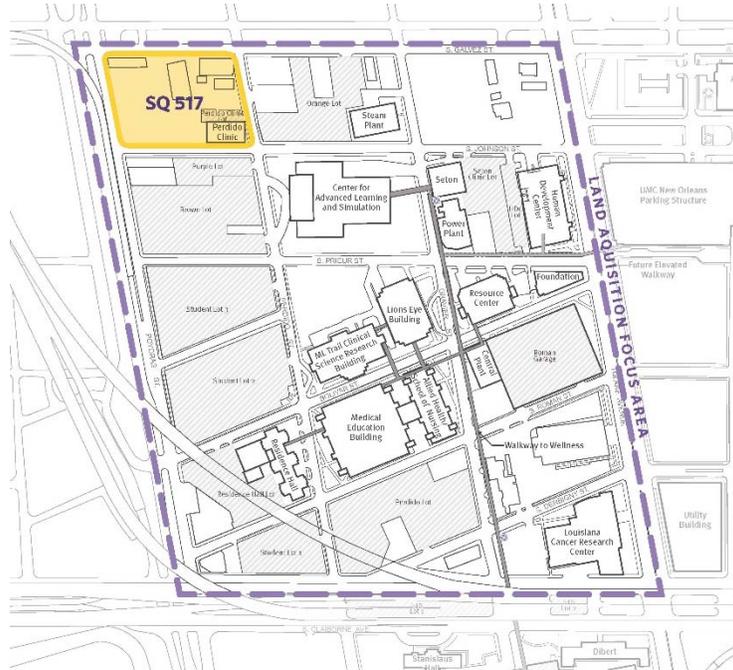


Figure 2. Property to be donated includes Lot 25, Square 517



The property to be donated consists of a single parcel on SQ 517 in the First Municipal District of the City of New Orleans, Parish of Orleans, State of Louisiana. Lot 25 is recognized by the location

address of 2127 Poydras Street by the City of New Orleans and measures 33'1" by 120'0" and is seen in Figure 2 above.

The property to be donated consists of several parcels on SQ 517 in the First Municipal District of the City of New Orleans, Parish of Orleans, State of Louisiana. The total area is 46,297SF or 1.06 acres. This legal description is composed of the legal descriptions of each parcel which are identified by the location address recognized by the City of New Orleans.

Figure 3. Adjacent Property to be Donated



3.1 Location Address: 2123 POYDRAS ST is located on SQ 517 and consists of LOT 6; 31'9" x 120'; LOT 5; 34'5" x 149'; LOT 28; 132' x 74'; in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot "A" on a survey by Adloe Orr, Surveyor, dated July 30, 1938 annexed to an act passed before William J Guste, Notary Public, dated September 19, 1938, according to which survey said portion of ground forms the corner of Poydras Street and South Johnson Street and measures as follows: Commencing at the corner of Poydras Street and South Johnson Streets, said property measures a distance of 74 feet front on South Johnson Street in the direction of Perdido Street; thence on a line parallel with Poydras Street in the direction of South Galvez Street a distance of 132 feet, 3 inches and 5 lines; thence on a line parallel with South Johnson Street in the direction of Perdido Street, a distance of 75 feet; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 34 feet 5 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 29 feet along the rear line of Lot 9; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 31 feet, 9 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 120 feet to the property line of Poydras Street, thence along the property line of Poydras Street, a distance of 198 feet, 5 inches, 5 lines to the corner of South Johnson Street, which is the Point of Beginning. According to said survey by Adloe Orr, dated July 30, 1938, said Lot A is composed of original lots 26, 27 and 28.

According to a plan of survey by Gilbert & Kelly, Surveyors dated September 25, 1945 a copy of which is annexed to a sale by Thomas J. Flanagan, Jr to Crescent Tractor Tractor & Implement Company, passed before Alexis Brian, Notary Public, dated September 26, 1945, said Lot "A" bears the same dimensions and is similarly situated as aforesaid and according to said survey said Lot A is composed of the front portion of Lots 1,2,3 and 4 and the whole of Lots 5 and 6 of Square 517, First District New Orleans, La.

3.2 Location Address: 632 S GALVEZ ST is located on SQ 517 LOT 23; 29'3" x 97' in entirety.

THAT PORTION OF GROUND, situated in the FIRST DISTRICT OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S. Johnson Streets, designated as Lot 9, which said lot, according to a survey by Gilbert & Kelly, Surveyors, dated February 24, 1945, a copy of which is annexed to an act passed before Malcolm deLahoussaye, Notary Public, dated March 15, 1945, commences at a distance of 120 feet from the corner of South Galvez and Poydras Streets and measures thence 29 feet, 3 inches 1 line front of South Galvez Street, same width in the rear, by a depth of 97 feet, 10 inches between equal and parallel lines.

The above description is in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976, with the exception of the particular measurement along the rear of Lot 9, on which survey measurements appears as 29 foot (title) and 29 feet, 3 inches, 1 line (actual)

3.3 Location Address: 635 S JOHNSON ST is located on SQ 517 LOT 5 and PT LOT 6; 52'3" x 132'3"; PT LOT 6 and LOT 7; 52'3" x 132'3".

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO. 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot 26—B on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which is annexed to an act 1949, which lot measures 52 feet, 3 inch and 2 lines actual and plan measurement, feet, (52 feet 3 inches and 5 lines, title measurement) front of South Johnson Street; 52 feet 3 inches and 2 lines in width in the rear, by a depth between equal and parallel lines of 132 feet, 3 inches and 5 lines. Said portion of ground commences at a distance of 74 feet from the corner of South Johnson and Poydras Streets and is composed of the rear of Lots Nos 1, 2, 3, and 4 and the adjoining 6 feet, 3 inches and 2 lines of Lot No 26.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S. Johnson Streets, designated as Lot 25-A on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which lot measures 52 feet, 3 inches and 2 lines actual and plan measurement (52 feet 3 inches and 5 lines, title measurement) front on South Johnson Street, same width in the rear, by 132 feet 3 inches and 5 lines in depth between equal and parallel lines, lying at a distance of 126 feet, 3 inches and 2 lines from the corner of Poydras and South Johnson Streets and 207 feet 9 inches and 3 lines from the corner of Perdido and South Johnson Streets, and is composed of parts of Lot No 26 and the whole of Lot No 25 on a sketch annexed to an act passed before Fred Diebel, Notary Public, in this City on July 25, 1898.

The above descriptions and measurements are also in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976.

3.4 Location Address: 625 S JOHNSON ST is located on SQ 517 LOT 8; 29'3" x 123'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, designated by the NO. 24 in SQUARE NO. 517, bounded by Poydras, Galvez, Perdido and Johnson Streets, on a plan by L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay,

late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by a depth between parallel lines of 132 feet, 3 inches 5 lines, according to survey of Gilbert & Kelly, Surveyors, dated July 29, 1943, said property hereinabove described is situated in the said District and Square, designated by the same lot number and is bounded by Poydras, South Galvez, Perdido and South Johnson Streets, and has the same measurements as hereinabove set forth, said LOT No. 24 commencing at a distance of 178 feet, 6 inches 2 lines from the corner of S. Johnson and Perdido Streets.

3.5 Location Address: 621 S JOHNSON ST is located on SQ 517 LOT9; 29'3" x 132'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S Johnson Streets, designated as LOT NO. 23 on a plan of L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by 132 feet, 3 inches, 5 lines in depth according to survey of Gilbert & Kelly, Surveyors, dated May 8, 1934, redated August 5, 1944, wherein said property has the same measurements and designations and commences 149 feet, 3 inches, 1 line from the corner of Perdido and South Johnson Streets.

3.6 Location Address: 617 S JOHNSON ST is located on SQ 517 LOT 10; 29'3" x 132'3" in entirety.

That portion of ground, situated in the First Municipal District of the City of New Orleans, State of Louisiana, in SQUARE 517, according to which said lot commences at a distance of 120 feet from the corner of S. Johnson and Perdido Streets, and measures thence 29 feet 3 inches 1 line front on S. Johnson Street, the same in width in the rear by a depth of 132 feet 3 inches 5 lines between equal and parallel lines.

Attachment V.

DRAFT - 12/12/2019 10:50 AM

COOPERATIVE ENDEAVOR AND LEASE AGREEMENT

dated as of _____, 2020

By and Between

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

and

LSU HEALTH FOUNDATION, NEW ORLEANS

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COOPERATIVE ENDEAVOR AND LEASE AGREEMENT

This Cooperative Endeavor and Lease Agreement (“Agreement”) is made and entered into as of the Effective Date (as defined herein) by and between

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU” or “Board”), herein represented by F. King Alexander, the duly authorized President of LSU, and

LSU HEALTH FOUNDATION, NEW ORLEANS, a nonprofit corporation which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Section 501(c)(3) of the Code organized and existing under the laws of the State of Louisiana (“Foundation”), herein represented by _____, the duly authorized _____ of the Foundation.

The Board and the Foundation are sometimes referred to individually as a Party and collectively as the Parties.

WITNESSETH

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana (“State”);

WHEREAS, the Louisiana State University Health Sciences Center – New Orleans (“LSUHSC-NO”) is a public institution of higher education under the supervision and management of LSU located in New Orleans, Louisiana;

WHEREAS, the Foundation is a private Louisiana Tax-Exempt Organization (as defined herein) and an LSU-affiliated organization, the charitable purposes of which include: (i) improving and promoting the resources, services, development, and operation of LSUHSC-NO; and (ii) establishing and operating on or near the campus of LSUHSC-NO in downtown New Orleans, Louisiana (“Campus”), student and staff residential housing, retail, office, research, business and real estate services as would aid, assist or supplement the educational and community mission of LSUHSC-NO;

WHEREAS, Article VII, § 14(c) of the Louisiana Constitution of 1974 (La. Const. Art. VII, §14(c)”) provides that, for a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or provide association, corporation or individuals;

WHEREAS, LSU is the owner of certain real property (“Property”), which is a part of its Campus, as more particularly described in **Exhibit A** attached hereto, incorporated in and by reference made a part hereof, which property was donated to LSU for the purposes set forth herein;

WHEREAS, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, and the above

referenced constitutional provision, LSU is authorized to enter into agreements with a nonprofit corporation such as the Foundation to lease any portion of the grounds or campus of any college or university or other immovable property under its supervision and management, under the conditions set forth herein;

WHEREAS, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes, under certain circumstances, agreements to allow for demolition, construction and renovation of buildings, other structures and improvements by a nonprofit corporation on that portion of the grounds or campus of LSUHSC-NO which is the subject of a lease;

WHEREAS, LSUHSC-NO's current on-campus housing program consists solely of two facilities built in the 1960s;

WHEREAS, in order to further the educational mission of LSUHSC-NO and to assist LSUHSC-NO in supplementing its existing housing program, the Foundation desires to lease the Property from LSU and sublease the Property to Provident Group – HSC Properties Inc. (“Provident Group-HSC”), a Louisiana nonprofit corporation and a Tax-Exempt Organization, for the purpose of allowing Provident Group-HSC to acquire, design, develop, construct, furnish, install and equip an approximately 579-bed housing facility and related infrastructure (“Facilities”) on the Property (“Series 2020 Project”) for the benefit of the Foundation and the students, staff and faculty of LSUHSC-NO and other Eligible Residents (as hereinafter defined), and will meet other academic needs of LSUHSC-NO;

WHEREAS, such new Facilities will be of great benefit to LSUHSC-NO and to LSU because such Facilities will attract students to LSUHSC-NO, will provide students of LSUHSC-NO and other Eligible Residents with up-to-date convenient residential housing on Campus, and will allow LSUHSC-NO to utilize the current resident halls for other purposes that will generate additional revenues for LSUHSC-NO;

WHEREAS, LSUHSC-NO will treat the new Facilities as an important and exciting addition to its residential housing program made available to the Eligible Residents by including the Facilities in information and marketing materials regarding available housing that is provided to existing and prospective students of LSUHSC-NO. LSUHSC-NO will also allow the Facilities to be advertised on its website;

WHEREAS, to further facilitate and promote the Facilities, LSUHSC-NO will allow the members of the LSUHSC-NO community residing at the Facilities access to the same or similar services and access it provides to those in its own housing facilities, including, access to parking through its existing vehicle registration process as well as any current future student life programs.

WHEREAS, the Foundation now desires to lease the Property from LSU and sublease the Property to Provident Group-HSC for the purpose of acquiring, designing, developing, constructing, furnishing, installing, equipping, and operating the Facilities thereon solely for the

use and benefit of the Eligible Residents (as defined herein) and in furtherance of the Foundation’s mission to support LSUHSC-NO, and will meet other academic needs of the Campus; and

WHEREAS, the costs of the acquisition, design, development, construction, equipping, furnishing, and installing of the Series 2020 Project is to be financed with the proceeds of: (i) approximately \$97.3 million aggregate principal amount of Louisiana Public Facilities Authority Revenue Bonds (Provident Group – HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020A (“Series 2020A Bonds”) and the (ii) approximately \$1.2 million aggregate principal amount of Louisiana Public Facilities Authority Taxable Revenue Bonds (Provident Group – HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020B (“Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) pursuant to a Trust Indenture dated as of _____ 1, 2020 (“Indenture”) between the Louisiana Public Facilities Authority, as the issuer (“Authority”), and Hancock Whitney Bank, as trustee (“Trustee”), the proceeds of the sale of such Series 2020 Bonds to be loaned by the Authority to Provident Group-HSC pursuant to a Loan Agreement dated as of _____ 1, 2020 (“Loan Agreement”).

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1. DEFINITIONS. In addition to such other defined terms as may be set forth in this Agreement, the following terms shall have the following meanings:

“**Additional Bonds**” - as defined in the Indenture, to the extent the same are issued in accordance with the terms of the Indenture.

“**Annual Rent**” - as defined in Section 4.1.

“**Architect**” - the Facilities’ architect(s) of record selected by the Developer.

“**Architect’s Agreement**” - the agreement(s) between the Architect and the Developer (pursuant to the Development Agreement) for the Design and Development of the Facilities, and any and all amendments, modifications and supplements thereto.

“**Authority**” - the Louisiana Public Facilities Authority, a public trust and public corporation of the State of Louisiana, or any agency, board, commission, body, department or office succeeding to the purpose or functions of the Authority, or to whom the power conferred upon the Authority shall be given by Governmental Regulations.

“**Award**” - payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

“Board” - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and its successors and assigns.

“Bond Counsel” – as defined in the Indenture.

“Bond Documents” - collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident Group-HSC in connection with the issuance, purchase and delivery of the Bonds, and evidencing, governing or securing payment of the Bonds, together with the collateral assignment of any Bond Document by the Authority to the Trustee, and all amendments, modifications and supplements to each such Bond Document in accordance with their terms and the Ground Sublease.

“Bondholder” - as defined in the Indenture.

“Bonds” - collectively, the Series 2020 Bonds and any Additional Bonds.

“Budget” - as defined in the Management Agreement.

“Business Day” or **“business day”** - a day excluding Saturday, Sunday, and any Holiday.

“Campus” - means the LSUHSC-NO campus, located in New Orleans, Orleans Parish, Louisiana.

“Change Order” - as defined in the Development Agreement.

“Code” - the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“Collateral Assignment of Contract Documents” - any collateral assignments, pledge or other instrument, dated on or about the date of the Agreement, given to the Authority, the Trustee or Provident Group-HSC, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident Group-HSC, the Developer, the Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds by Provident Group-HSC, the Developer or the Manager, including, without limitation, any such assignments or pledges set forth in the Mortgage.

“Commencement Date” - the Effective Date.

“Construct,” “Constructed,” or “Construction” - to Develop, improve, renovate, expand, install, construct, demolish, renew, restore, or perform any other work of similar nature in

connection with locating, relocating, placing, replacing, restoring, and installing the improvements, equipment, or furnishings comprising the Facilities.

“Construction Contract” - as defined the Development Agreement.

“Consultant” - as defined in the Development Agreement.

“Contract Documents” - collectively, the Development Agreement, the Management Agreement, the Construction Contract, the Architect’s Agreement, the Construction Documents and any and all contracts entered into by the Developer or Provident Group-HSC for the engagement of contractors, materialmen, and laborers from time to time in connection with the performance of the Series 2020 Project or the provision of materials or labor in respect thereto, and all other contracts and/or agreements from any person or firm rendering services or supplying material in connection with the performance of the Series 2020 Project, as such Contract Documents may be amended, modified or supplemented from time to time. All terms, conditions, and provisions of the Contract Documents require the prior written approval of LSU.

“Construction Documents” - collectively, the Plans and Specifications, Construction drawings and Change Orders prepared by the Developer, the Architect or other Consultants for the performance of the Series 2020 Project and any changes, modifications, or supplements to them, all as approved by Provident Group-HSC, the Foundation and LSU. The Construction Documents, as such may be amended, modified or supplemented from time to time, are attached as Exhibits to the Development Agreement and set forth the Developer’s exclusive Construction obligations relative to the performance of the Series 2020 Project.

“Contractor” - as defined in the Development Agreement.

“Default Rate” - a per annum rate of interest equal to the sum of the Prime Rate plus four (4%) percent.

“Design” - any and all design, planning, architectural, or engineering activity required in connection with and for the performance of the Series 2020 Project.

“Developer” - Michaels Student Living, LLC, Marlton, New Jersey, and its permitted successors and assigns under the Development Agreement or such other entity approved by the Foundation.

“Development” or **“Develop”** - any acts necessary and appropriate to: (a) obtain any required land use, zoning, environmental, building, or other approvals and permits for the Design, acquisition, Construction, operation and use of the Facilities, (b) obtain any required extension of public and private Utility Services for the Facilities, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Facilities (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the Series 2020 Project.

“Development Agreement” - that certain Development Agreement dated as of _____ 1, 2020, between Provident Group-HSC and the Developer, with the Trustee, the Foundation, LSUHSC-NO, and LSU as intended third party beneficiaries, regarding the performance of the Series 2020 Project, and any amendments, modifications and supplements thereto. LSU must consent to any and all provisions that are contained within the Development Agreement.

“Development Costs” - as defined in and determined consistently with the Development Agreement.

“Effective Date” - the date of issuance of the Series 2020 Bonds, which is January __, 2020.

“Eligible Residents” - in order of priority: (i) students registered in a professional academic health program at LSUHSC-NO, including the LSU School of Dentistry; (ii) full-time students registered at the Delgado Charity School of Nursing, (iii) visiting faculty serving at LSUHSC-NO on a temporary basis; (iv) persons participating in any LSUHSC-NO sponsored activity or program; (v) regular full-time faculty and staff of LSUHSC-NO; and (vi) lastly, but only to the extent beds are available: (A) first, to physicians and staff of University Medical Center New Orleans, and (B) second, to full-time students attending other accredited academic health institutions within the City of New Orleans, including Tulane Medical Center.

“Environmental Laws” - all federal, State and local laws and ordinances and common law principles relating to the protection of the environment or the keeping, use, abatement, remediation, disposal, human health or natural resources or the generation, transportation, treatment, storage, disposal, recycling, keeping, use, or disposition of Hazardous Materials, substances, or wastes, presently in effect or adopted after the Effective Date, including, without limitation, all amendments to Environmental Laws and all rules and regulations under any Environmental Laws.

“Equipment” – as defined in the Indenture.

“Event of Default” - any matter identified as an Event of Default under Sections 12.1 or 13.1.

“Expense” - as defined in the Indenture and the Management Agreement.

“Expiration Date” - the date on which this Agreement terminates in accordance with its terms.

“Facilities” - as defined in the Recitals of this Agreement.

“Federal Bankruptcy Code” - 11 U.S.C. §101, *et seq.*, as the same may be amended from time to time.

“Final Completion”, **“Finally Complete”** or **“Finally Completed”** - as defined in the Development Agreement.

“Final Completion Date” - as defined in the Development Agreement.

“Fiscal Year” – the period commencing on July 1 of any calendar year and ending on June 30 of the following calendar year, or such other period for twelve consecutive calendar months as shall be specified by LSU.

“Force Majeure” – any (a) act of God, landslide, lightning, earthquake, named storm, flood, tornado, blizzard, fire, explosion, act of a public enemy, war, rebellion, terror, insurrection, acts of civil or military authorities, riot, or civil disturbance or disorders; (b) labor dispute or lockouts; or (c) order or final non-appealable judgment of any Governmental Authority other than LSU, if not the result of willful or negligence action of the Foundation.

“Foundation” - the LSU Health Foundation, New Orleans, a Louisiana nonprofit corporation and a Tax-Exempt Organization, and its successors and assigns.

“Foundation Representative” - the Person or Persons designated in writing by the Foundation to serve as the Foundation’s representative(s) in connection with this Agreement, initially _____, who is authorized to represent the Foundation, and any other person(s) designated in writing by the Foundation to LSU from time to time as person(s) who is(are) authorized to act on behalf of the Foundation under this Agreement.

“General Contractor” – as defined in the Development Agreement.

“Governmental Authority” - any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Governmental Regulations” - any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, approvals, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, the Foundation, the Property, the Facilities or affecting the Property, the Facilities, and any lease or sublease of the Property and/or the Facilities, including, without limitation, all applicable Environmental Laws, the Americans with Disabilities Act of 1990 and the Occupational Safety and Health Standards of the State and the United States, each as amended; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or third parties.

“Ground Rent” - as defined in Section 3(a) of the Ground Sublease.

“Ground Sublease” - the Ground Sublease Agreement dated as of _____ 1, 2020, by and between the Foundation and Provident Group-HSC, as amended, modified and supplemented from time to time.

“Guaranteed Maximum Price” - as defined in the Development Agreement.

“Hazardous Materials” - pollutants, contaminants, flammables, explosives, radioactive materials, hazardous wastes, substances, chemicals or materials, toxic wastes, substances, chemicals, or materials or other similar substances, petroleum products or derivatives, or any substance subject to regulation by or under Environmental Laws, including asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, polychlorinated biphenyls (“PCBs”), petroleum, petroleum byproducts (including but not limited to, crude oil, diesel, oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, infectious wastes, radioactive materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws.

“Holiday” - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or LSUHSC-NO is required by law to close, or a day on which LSU or LSUHSC-NO is authorized to close or is closed.

“Indenture” - as defined in the Recitals of this Agreement.

“Independent Engineer” - a reputable civil engineering firm qualified to transact business in the State and experienced in facilities similar to the Facilities.

“Lien” - as defined in Section 6.1(h).

“Loan Agreement” - as defined in the Recitals of this Agreement.

“LSU” - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors or assigns.

“LSU Construction Monitor” - one or more persons designated and authorized in writing from time to time by the LSU Representative or his or her designee to monitor the Developer’s Construction progress during the Construction phase of the Facilities, if any.

“LSU Representative” - one or more of the persons designated and authorized in writing from time to time by LSU to represent LSU in exercising its rights and performing LSU’s obligations under this Agreement. From the Effective Date until the Final Completion Date, the LSU Representative shall be the President or the Vice President for Finance or their respective designee(s); thereafter the LSU Representative shall be the Vice President for Finance or his designee(s).

“LSU’s Interest” - the fee simple title to the Property, subject to the Foundation’s rights under this Agreement.

“LSUHSC-NO” means the LSU Health Sciences Center – New Orleans, a campus and academic center of LSU located in New Orleans, Louisiana, focused on health sciences, and housing the LSU School of Medicine, LSU School of Allied Health Professionals, LSU School of Dentistry, the LSU School of Graduate Studies, the LSU School of Nursing, and the School of Public Health.

“Management Agreement” - the Property Management Agreement dated as of _____ 1, 2020 by and among Provident Group-HSC and the Manager regarding the management of the Facilities, and any and all modifications, amendments and supplements thereto. Any and all of the provisions contained within the Management Agreement require the prior written approval of LSU.

“Manager” – a person designated by Provident Group-HSC (and not an employee of the Authority) that is a professional management company having a favorable national reputation for skill and experience in managing facilities similar to the Facilities to be retained by Provident Group-HSC for management of the Facilities. The initial Manager is Michaels Student Living Management, LLC, a company of The Michaels Organization, Camden, New Jersey.

“Mortgage” - that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2020 Bonds by Provident Group-HSC in favor of the Mortgagee, for the benefit of the owners of the Bonds, as amended, modified and supplemented from time to time.

“Mortgagee” - the Trustee, as mortgagee under the Mortgage.

“Net Condemnation Proceeds” - the proceeds received by the Foundation, Provident Group-HSC or the Mortgagee, as applicable, in the event of a Taking of the Property, in whole or in part, from the condemning Governmental Authority, less all reasonable and necessary costs and expenses issued in the connection with the settlement of the claims arising out of the Taking and the Award granted by the condemning Governmental Authority, including reasonable fees and expenses of counsel.

“Net Insurance Proceeds” - the proceeds received by the Foundation, Provident Group-HSC or the Mortgagee, as applicable, in the event of a casualty, damage or destruction to the Property, or any portion thereof, under and pursuant to the insurance policies maintained by Provident Group-HSC with respect to the Property, less all reasonable and necessary costs and expenses insured in connection with the settlement of any insurance claim relative to such proceeds, and the deductible, including reasonable fees and expenses of counsel.

“OFPC” - the Office of Facility Planning and Control, Division of Administration of the State of Louisiana.

“Performance Bond and Payment Bond” - the performance bond and payment bond required by the Development Agreement, the forms of which (AIA Documents A312) are attached thereto.

“Permitted Encumbrances” - as of any particular time, (i) liens for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with the terms of this Agreement or the Ground Sublease, (ii) the Bond Documents, (iii) the memoranda of lease related to each of this Agreement and the Ground Sublease, (iv) utility, access, and other easements and rights of way, restrictions, and exceptions, (v) any mechanics’ and materialmen’s liens which have been bonded or insured over (to the Foundation’s benefit) in accordance with the provisions of this Agreement or the Ground Sublease, (vi) this Agreement, (vii) the Ground Sublease, (viii) statutory restrictions imposed on the improvement or use of the Property, (ix) the effects of any and all laws, ordinances, permits and Governmental Regulations, including zoning, land use, and Construction, with respect to which Foundation, Provident Groups HSC, and Developer, as applicable, have complied and/or will comply, (x) the Mortgage, (xi) those exceptions to title to the Property more fully described in the Title Insurance Policy, and (xii) any additional exceptions or encumbrances created or consented to in writing by LSU.

“Person” - an individual, a trust, an estate or a Governmental Authority, or a partnership, joint venture, corporation, limited liability company, firm or any other legal entity.

“Plans and Specifications” - the plans and specifications for the performance of the Series 2020 Project as implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the Facilities, all in accordance with the Loan Agreement, the Development Agreement, the Ground Sublease and this Agreement, to be approved by the Foundation, Provident Group-HSC and the LSU Representative, as may be amended from time to time as permitted in the Ground Sublease and in the Development Agreement.

“President” - the President of LSU and shall include any permanent or interim officer or any successor office.

“Prime Rate” - the rate designated as the “prime rate” as published each business day in the Wall Street Journal, or, if at any time the Wall Street Journal shall cease to be published, the rate announced from time to time by the largest commercial bank with branches in New York City (as reasonably identified by LSU) as its “prime,” “base” or “reference” rate.

“Project Advisory Committee” - that certain committee established by Provident Group-HSC, which committee shall at all times be composed of six (6) members, with three (3) representatives appointed from names of candidates submitted by the Foundation, two of which must be representatives of LSUHSC-NO appointed by the Chancellor, and three (3) representatives appointed from names of candidates submitted by Provident Group-HSC. Any and all decisions and determinations of the Project Advisory Committee shall be by majority vote of the members, and any such representative may assign his right to vote to another representative by written proxy.

“Project Schedule” - the construction schedule(s) for Substantial Completion of the Facilities and defined as the “Project Schedule” and set forth in the Development Agreement.

“Property” - as defined in the Recitals of this Agreement and more particularly described in **Exhibit A** hereto.

“Provident Group-HSC” - Provident Group – HSC Properties Inc., a Louisiana nonprofit corporation and a Tax-Exempt Organization, whose sole member is Provident Resources, and its permitted successors and assigns.

“Provident Resources” - Provident Resources Group Inc., a non-profit corporation duly organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, and its permitted successors and assigns.

“Redemption Fund” - as defined in the Indenture.

“Remediation” - includes, but is not limited, to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Material; any actions to prevent, cure or mitigate any release of any Hazardous Material; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Materials.

“Resident” - a tenant of the Facilities.

“Series 2020 Bonds” - collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A Bonds” - the revenue bonds designated “Louisiana Public Facilities Authority Revenue Bonds (Provident Group-HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020A” in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

“Series 2020B Bonds” - the revenue bonds designated “Louisiana Public Facilities Authority Taxable Revenue Bonds (Provident Group-HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020B” in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

“Series 2020 Project” - as defined in the Recitals of this Agreement.

“State” - the State of Louisiana.

“Subcontractor” - as defined in the Development Agreement.

“Subordinate Collateral Assignment of Contract Documents” - the Subordinate Assignment of Contract Documents, dated as of _____, 2020, by Provident Group-HSC, as assignor, in favor of the Foundation, as amended, modified or supplemented from time to time.

“Substantial Completion,” “Substantially Complete,” and “Substantially Completed” - as defined in the Development Agreement.

“Substantial Completion Date” - the date set forth in (and as so defined in) the Development Agreement, being the date by which the Developer is committed under the Development Agreement to deliver the Facilities to Provident Group-HSC, Substantially Complete and otherwise in the condition described in the Development Agreement, subject to extension of such date if and to the extent such extension becomes effective pursuant to the express terms of the Development Agreement.

“Taking” - the actual or constructive condemnation, expropriation or the actual or constructive acquisition by condemnation, expropriation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

“Tax-Exempt Organization” - (a) a State or local governmental unit, including a public institution of higher learning organized under the laws of the State, or (b) an entity organized under the laws of the United States of America or any state thereof (i) that is an organization described in §501(c)(3) of the Code, (ii) that is exempt from federal income taxes under §501(a) of the Code, and (iii) that is not a “private foundation” within the meaning of §509(a) of the Code.

“Term” - the time period during which this Agreement shall remain in full force and effect as set forth in Section 3.1 hereof.

“Title Company” - First American Title Insurance Company of Louisiana, and its successors and assigns.

“Title Insurance Policy” - an ALTA Loan Policy of Title Insurance in form and substance satisfactory to the Mortgagee issued by the Title Company in the amount of the title commitment insuring the Mortgage as a first priority lien on the Mortgaged Property and the Improvements (each as defined in the Mortgage), containing such endorsements and with such re-insurance as the Mortgagee may request, excepting only such items as shall be acceptable to Mortgagee.

“Trustee” – Hancock Whitney Bank, a Mississippi state banking corporation, and its successors and assigns, as the trustee under the Indenture.

“Vice Chancellor for Administration and Finance” - the Vice Chancellor for Administration and Finance and CFO of LSUHSC-NO and shall include any permanent or interim officer or any successor office.

ARTICLE II
LEASE OF LAND AND STUDENT HOUSING

Section 2.1. LEASE OF LAND. LSU covenants that, for and in consideration of the Annual Rent to be paid by the Foundation hereunder and other good and valuable consideration, including, without limitation, the obligation of the Foundation to cause Provident Group-HSC to perform or cause to be performed the Series 2020 Project, and of the performance and observance by the Foundation of the covenants, obligations, conditions and stipulations herein expressed on the part of the Foundation to be performed and observed, the receipt and sufficiency of which is hereby acknowledged, LSU does hereby lease unto the Foundation, and the Foundation does hereby lease from LSU, the Property for the duration of the Term under the terms and conditions hereinafter set forth, together with the right of uninterrupted nonexclusive utilities, access, ingress, egress, parking, and passage during the Term to and from all streets, roads, and parking areas now or hereafter adjoining the Property, including vehicular and pedestrian ingress and egress. The Foundation, by execution of this Agreement, accepts the leasehold estate in the Property herein demised. The Foundation acknowledges that it has inspected the Property and agrees to accept the Property in its present condition without warranty, and no repairs, replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the Property.

Section 2.2. SERVITUDES. LSU hereby grants to the Foundation the rights to perform or cause to be performed the Series 2020 Project on the Property and such other areas of Campus as shall be approved in writing by an LSU Representative, and hereby grants to the Foundation for the Term a nonexclusive servitude over, across, and upon that portion of the Campus as is necessary and as is set forth in this Agreement, the Development Agreement and Plans and Specifications, if approved by the LSU Representative, in order to perform the Series 2020 Project in accordance with this Agreement and the Development Agreement. LSU shall grant to the Foundation, Provident Group-HSC and the Developer and its Consultants temporary rights of passage and use over such other areas including “lay down” and “staging” areas as may be reasonably required to perform the Series 2020 Project, the use of which by the Foundation, Provident Group-HSC and the Developer and its Consultants shall require the prior written consent of the LSU Representative. Such rights of passage and use as to the Consultants shall terminate upon Final Completion. None of the rights granted in this Section 2.2 shall be transferred, assigned or encumbered without the prior written consent of the LSU Representative.

Section 2.3. SUBLEASE OF PROPERTY TO PROVIDENT GROUP-HSC. Subject to the requirements of this Agreement, LSU consents to the Foundation’s sublease of the Property to Provident Group-HSC.

Section 2.4. RIGHT OF ACCESS. During the Term, LSU hereby grants to the Foundation the right to access on, over, upon, and across that portion of the Campus as is reasonably necessary or required for the Foundation’s use of such areas. LSU agrees it will not materially or unreasonably interfere with such access during the Term. The Foundation agrees not to materially and adversely interfere with LSU's use of the Campus with respect to the

Foundation's use of the Property or the Campus, where applicable. LSU consents to the Foundation's assignment of rights of access to Provident Group-HSC on, over, upon, and across that portion of the Campus as is necessary or required for Provident Group-HSC's use of such areas, except as specifically set forth herein. None of the rights granted in this Section 2.4 shall be transferred, assigned or encumbered without the prior written consent of the LSU Representative.

ARTICLE III TERM

Section 3.1. AGREEMENT TERM. The Term shall commence on the Effective Date and shall continue and remain in full force and effect a total term of fifty (50) years.

Section 3.2. RESERVED.

Section 3.3. RESERVED.

Section 3.4. EFFECTIVE DATE. This Agreement shall not be effective until the Effective Date.

Section 3.5. PAYMENT OR DEFEASANCE OF BONDS. Notwithstanding anything herein to the contrary, the Parties agree not to terminate this Agreement prior to the time the Bonds are paid in full or legally defeased and all obligations under the Bond Documents are fully discharged, as applicable.

ARTICLE IV RENT

Section 4.1. FOUNDATION RENT. Commencing on the Effective Date and continuing throughout the Term and in addition to other consideration set forth herein, the Foundation shall pay to LSU, at such place as LSU may designate from time to time in writing, as Annual Rent for the Property the sum of One Thousand and 00/100 Dollars (\$1,000.00) (the "Annual Rent"). Annual Rent shall be due and payable annually in advance, with the first such payment of Annual Rent being due on the Effective Date hereof and a like installment due on each anniversary of the Effective Date thereafter during the Term.

ARTICLE V USE OF LAND AND HOUSING FACILITIES

Section 5.1. PURPOSE OF COOPERATIVE ENDEAVOR AND LEASE AGREEMENT. As further consideration for the lease of the Property by LSU to the Foundation, Foundation enters into this Cooperative Endeavor and Lease Agreement for the purpose, and shall have the continuing obligation, of causing Provident Group-HSC to perform (i) the Series 2020 Project in accordance with the Plans and Specifications approved by LSU and as more specifically set forth in the Development Agreement and (ii) the maintenance, operation, management and

replacement of the Facilities, as more particularly set forth in the Management Agreement, both of which agreements require the prior written approval of LSU. The Foundation shall use and operate, or cause the use and operation of (i) the Property for the sole and exclusive purpose of performing the Series 2020 Project and (ii) the Facilities for the sole and exclusive purpose of the maintenance, operation, management and replacement of the Facilities as required under this Agreement and the Management Agreement, with a sublease of the Property to Provident Group-HSC for use by the Eligible Residents, all of which use and operation shall be for the support of the educational, research and public service missions of LSUHSC-NO and to support LSUHSC-NO's faculty and students primarily through the provision of quality housing conveniently located on the Campus.

Section 5.2. TITLE TO FACILITIES. During the Term, title to the Facilities shall be vested in Provident Group-HSC until the expiration date of the Ground Sublease at which time title will transfer to LSU as set forth in Sections 6.1(k) and 14.1(b) hereof. Notwithstanding anything to the contrary contained in this Agreement, LSU does not waive and/or relinquish its lien or claim for lien, whether granted by constitution, statute, rule of law, contract, or otherwise relating to the Equipment, whether located in or about the Property or otherwise, for the purpose of securing the Foundation's obligation to pay Annual Rent; provided, however, until the Bonds have been paid in full or legally defeased, as applicable, and all obligations under the Bond Documents are fully discharged, LSU agrees not to exercise its rights with respect to any such lien or claim.

Section 5.3. COMPLIANCE WITH STATUTORY REQUIREMENTS. Louisiana Revised Statutes 17:3361, *et seq.* prescribes rules and regulations for leases of any portion of the Campus by a college or university. By execution of this Agreement, LSU represents that it has complied with the applicable statutory requirements of Louisiana Revised Statutes 17:3361, *et seq.* by effectuating hereby the following with respect to the Facilities, including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements by LSU relative to the performance of the Series 2020 Project referenced in Louisiana Revised Statute 17:3362A, other than those set forth in this Agreement or specifically referenced in this Agreement;

(b) the waiver by written consent of LSU's right to require removal of the Facilities referenced in Louisiana Revised Statute 17:3362B, except as otherwise set forth in this Agreement, but LSU reserves the right to enforce any and all other remedies allowed by this Agreement in the event of the Foundation's failure or refusal to comply with this Agreement or any rules, regulations or requirements set forth herein; and

(c) the waiver by written consent of LSU's right to immediately terminate this Agreement and cause removal of the Facilities for the Foundation's failure to conform to rules and regulations as referenced in Louisiana Revised Statute 17:3364, except as otherwise set forth in this Agreement, but LSU reserves the right to enforce any and all other remedies allowed by this Agreement for such default.

Section 5.4. COMPLIANCE WITH GOVERNMENTAL REGULATIONS.

Furthermore, Foundation shall comply with all Governmental Regulations and shall obtain any and all applicable approvals and consents as required in order for Foundation to fulfill its obligations as set forth in this Agreement. **NO MERGER OF OBLIGATIONS** No obligation herein between LSU or the Foundation, as obligor, and the Foundation or LSU, as obligee, shall be deemed to be terminated by the doctrine of confusion.

**ARTICLE VI
CONSTRUCTION**

Section 6.1. CONSTRUCTION AND RELATED OBLIGATIONS.

(a) **The Foundation's and LSU's Approval Required for All Construction.**

The Ground Sublease shall provide that: (i) Provident Group-HSC shall not make capital improvements upon the Property necessary to perform the Series 2020 Project, including, but not limited to, the Construction, alteration, repair, abatement, renovation or demolition of any future improvement upon the Property, without the prior written approval of the Foundation, which shall obtain the prior written approval of LSU; (ii) the Foundation shall cause Provident Group-HSC to submit complete Construction Documents, which shall include Plans and Specifications, regarding any work referenced in the preceding sentence to the Foundation and the LSU Representative for review and approval prior to commencement of Construction and in accordance with the Development Agreement; (iii) LSU's approval of Construction Documents is for LSU's own benefit, cannot be relied upon by any Person other than Provident Group-HSC and the Foundation, and does not change the standard of care as to the preparer of the Construction Documents and (iv) the Foundation shall cause Provident Group-HSC to acknowledge and agree in the Ground Sublease that the Construction Documents for the Facilities shall be approved by LSU in accordance with the Development Agreement.

LSU hereby acknowledges that full performance by Provident Group-HSC of all its obligations and duties under the Development Agreement and delivery of the Facilities as Finally Complete pursuant to and in accordance with the terms and provisions of the Development Agreement shall be deemed the satisfaction of Provident Group-HSC's obligations to perform the Series 2020 Project.

(b) **LSU's Approval of Development Agreement.** The Ground Sublease shall provide that Provident Group-HSC shall cause (x) the Developer to achieve Substantial Completion of the Facilities no later than the Substantial Completion Date, and (y) the Final Completion of the Facilities no later than the Final Completion Date, in both cases (x) and (y) in compliance with the Construction Documents and all applicable Governmental Regulations and in accordance with and pursuant to the Development Agreement. The Ground Sublease shall further provide that, in addition, and without limitation to the generality of the foregoing:

(i) Provident Group-HSC shall covenant to the Foundation that Provident Group-HSC shall fully and timely pay and perform, or cause to be paid and performed, all the covenants, indemnities, liabilities, and obligations of Provident Group-HSC under the Development Agreement and all other Contract Documents if any, in which Provident Group-HSC is a party.

(ii) Provident Group-HSC shall represent, warrant and covenant, and Provident Group-HSC shall cause the Developer to represent, warrant and covenant, that all representations, warranties, and covenants made by Provident Group-HSC and the Developer, respectively, under the Development Agreement and the other Contract Documents are true, correct and complete in all material respects as of the respective dates thereof and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Development Agreement or such other Contract Documents.

(iii) Provident Group-HSC shall timely and diligently exercise and enforce all of its rights and remedies under the Development Agreement and the other Contract Documents, and Provident Group-HSC shall cause the Developer to diligently exercise and enforce all its rights and remedies under the Development Agreement and the other Contract Documents (i) so as to require the Developer and all other parties thereto to fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of the Developer or such other parties thereunder, or (ii) in connection with any breach by the Developer or any parties thereunder. The Ground Sublease shall further provide that Provident Group-HSC shall not, without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, (A) waive, forgive or agree to forbear, or allow the Developer to forgive or agree to forebear, from exercising or enforcing any such rights and remedies, (B) consent to the continuation of any such breach, or (C) release the Developer or any party to such Contract Documents from any of the Developer's or such party's obligations under the Development Agreement or any such other Contract Documents, as applicable.

(iv) The Ground Sublease shall provide that Provident Group-HSC shall: (A) agree that it shall not, without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance: (1) assign, transfer, terminate or suspend the Development Agreement or any Contract Document or any of Provident Group-HSC's rights thereunder, (2) extend any time periods or deadlines set forth therein (except only as required by the express terms thereof), (3) modify or permit the modification of the Development Agreement or any other Contract Document or (4) change the Guaranteed Maximum Price for performance of the Series 2020 Project or reduce the retainage held by Provident Group-HSC under the Development Agreement without prior written approval by the Foundation after having obtained the prior written consent of LSU; and (B) in addition, the Foundation shall cause Provident Group-HSC to agree that it shall not,

without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, consent to any assignment or transfer by the Developer or any other party to the Contract Documents of all or any part of the Developer's or such party's right, title or interest in or to the Development Agreement or any Contract Document or the proceeds thereof (whether directly or indirectly via an assignment or transfer of any direct or indirect ownership or management interest in the Developer, the Manager or such party), to the extent Provident Group-HSC's consent is required therefor.

(v) Notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement (including the provisions of this Section 6.1(b)) shall be deemed to require LSU to pay or perform any of the covenants, indemnities, liabilities and obligations of Provident Group-HSC under the Development Agreement or of Provident Group-HSC (if any) or the Developer under the Development Agreement or other Contract Documents or under any Bond Documents.

(vi) The Ground Sublease shall provide that Provident Group-HSC shall agree to provide or cause other Persons to provide to the Foundation, and the Foundation shall in turn provide to LSU, copies of each notice, correspondence, report or other information received or given by Provident Group-HSC, or the Developer under each of the Contract Documents, Bond Documents or Governmental Regulations: (A) within three (3) Business Days after each receipt of same and (B) simultaneously with each giving of same.

(vii) The Ground Sublease shall provide that: (A) if, before Final Completion of the Facilities, the Development Agreement is terminated or the Developer is dismissed or suspended or withdraws from its capacity as the developer under the Development Agreement, whether due to a default under the Development Agreement or otherwise, that Provident Group-HSC shall agree not to enter into any replacement development agreement and/or retain any replacement developer without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance; (B) if, before the Final Completion of the Facilities, any other Contract Document to which Provident Group-HSC or the Developer is party is terminated or a party to any such other Contract Document is dismissed or suspended or withdraws from such capacity, whether due to a default under such other Contract Document or otherwise under such Contract Document, Provident Group-HSC shall not enter into any replacement of such Contract Document and/or retain any replacement party to such other Contract Document without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, such consent to be given in the Foundation's and LSU's sole and unfettered discretion (except to the extent, if any, required otherwise in the Development Agreement).

(viii) In addition to the foregoing and without limitation to any of the Foundation's obligations in this Section 6.1(b) or elsewhere in this Agreement, the Foundation hereby agrees that, to the extent the Development Agreement and/or other Contract Documents are enforceable directly by the Foundation, and if an event of default or an event that, with the passage of time or giving notice, would constitute an event of default by Provident Group-HSC under the Development Agreement, the Foundation will provide in the Ground Sublease that Provident Group-HSC shall irrevocably consent to the Foundation's full or partial enforcement or forbearance from enforcement thereof at any time and from time to time in accordance with the Development Agreement and Subordinated Collateral Assignment of Contract Documents, which rights are subordinate to the rights of the Trustee with respect thereto.

(ix) For the avoidance of doubt and notwithstanding anything to the contrary herein, the Ground Sublease shall provide that any Design as to the Facilities shall be subject to the approval of the Foundation and LSU.

(c) **Default in Construction.** The Ground Sublease shall provide that: (i) if there shall be a default by the Developer, the General Contractor or the Architect in connection with the performance of the Series 2020 Project (after expiration of any applicable notice and cure periods contained therein), Provident Group-HSC shall exercise or cause to be exercised all of the rights and remedies available: (A) to Provident Group-HSC under the Development Agreement, subject to the terms and conditions thereof, or (B) to Provident Group-HSC (if any) under the relevant Contract Documents; (ii) without limiting any other rights of the Foundation under this Agreement, if an Event of Default shall occur and be continuing, or if Provident Group-HSC shall be in default under the Development Agreement beyond any applicable grace or cure period, or if (for more than thirty (30) days after notice to Provident Group-HSC) Provident Group-HSC shall fail to exercise its rights and remedies under the Development Agreement in the event of a default by the Developer thereunder, subject to the terms and conditions thereof, the Foundation may, but shall not be obligated to, subject to the rights of the Trustee, exercise its rights under, or assert the rights of Provident Group-HSC pursuant to, the Subordinated Assignment of Contract Documents and the Development Agreement; and (iii) all such rights and remedies of the Foundation are in addition to and shall not be deemed to limit or restrict any rights or remedies of the Foundation under the Development Agreement.

(d) **Commencement of Construction.** The Ground Sublease shall provide that Provident Group-HSC shall commence and pursue to Final Completion the Facilities on the Property and associated site development within the boundaries of the Property in accordance with the Contract Documents and in accordance with the Project Schedule (subject to adjustment if and to the extent provided in the Development Agreement). LSU hereby acknowledges receipt of a copy of the Construction Contract, including the Project Schedule, from the Foundation.

(e) **Construction Approvals by LSU.** The Ground Sublease shall provide that: (i) prior to commencing any excavation, demolition, Construction, paving, or any other work associated with the Property or the Facilities, Provident Group-HSC shall deliver or cause to be delivered one (1) set of Construction Documents to the Foundation and two (2) sets of Construction Documents to the LSU Representative for approval, which Construction Documents shall be 100% complete, (ii) the right of approval of the Foundation and the LSU Representative with respect to the Construction Documents shall include, but not be limited to, the compatibility of the exterior appearance of any improvement with the adjacent portions of the Campus and LSUHSC-NO's activities therein, (iii) the Foundation and LSU shall have such period of time as is allowed under the Development Agreement to approve or reject such submissions, but in no event less than 30 days from receipt of any such submission with any rejection being accompanied with a description of measures to be taken by Provident Group-HSC that will result in approval on resubmission (or why resubmission of any similar proposal would be rejected), (iv) failure to approve or reject any submissions within such time period shall be deemed approval by the Foundation and LSU, (v) approval of submissions by the Foundation shall not relieve Provident Group-HSC from the obligation to obtain all other necessary approvals and permits required by various Governmental Authorities or from complying in all material respects with the Contract Documents and all applicable Governmental Regulations, and (vi) notwithstanding the foregoing, Provident Group-HSC may request of the Foundation and, in turn, LSU, in writing, that Provident Group-HSC be permitted to commence excavation, demolition, Construction, paving, or any other work associated with the Property and the Facilities prior to delivery of complete Construction Documents and LSU's and the Foundation's approval thereof in accordance with the Ground Sublease. LSU agrees it will not unreasonably withhold or delay such consent set for in item (vi) above, provided that, such request for consent must include reasonable detail as to the work to be done as well as an explanation of the need to begin such work prior to approval of complete Construction Documents in accordance with the Development Agreement. LSU agrees not to unreasonably withhold the approval required by this Section 6.1(e).

(f) **Change Orders.** The Foundation shall provide in the Ground Sublease that Provident Group-HSC shall not order, authorize, permit, consent to, suffer or perform any Change Orders except as expressly permitted and on the terms and conditions provided in the Development Agreement, and except as approved by the LSU Representative.

(g) **Construction According to Approved Construction Documents.** The Ground Sublease shall provide that: (i) all building materials for the Facilities must be new and of good quality in accordance with the Construction Documents; (ii) that the Foundation and the LSU Representative reserve the right to monitor (through their respective employees, construction consultant or the LSU Construction Monitor) Provident Group-HSC's performance of the Series 2020 Project from its inception to Final Completion thereof, including participation in all meetings contemplated by the Development Agreement and/or the Construction Contract; (ii) at a minimum, the following restrictions shall be placed upon Construction activities, and the Foundation shall

cause Provident Group-HSC to provide for the incorporation of all the following restrictions to be contained in the Development Agreement:

- (A) access to the Property as shall be necessary for the performance of the Series 2020 Project will be limited to those involved with the performance of the Series 2020 Project and the employees or agents of the Foundation, Provident Group-HSC and LSU employees or the LSU Construction Monitor monitoring same;
- (B) Provident Group-HSC must notify the Foundation and the LSU Representative in writing at least seventy-two (72) hours in advance of coordination meetings requiring the participation of the Foundation Representative and the LSU Representative;
- (C) Signage shall be in conformity with LSU's rules and regulations and the Development Agreement; and
- (D) Construction activities will comply with all applicable Governmental Regulations.

LSU hereby agrees to not interfere with the orderly progression of the Series 2020 Project, shall conduct any inspections consistently with the provisions in the Development Agreement (if any) for such inspections, shall observe all safety procedures reasonably imposed by Provident Group-HSC or the Developer and shall provide reasonable notice of all site visits.

(h) **All Liens and Rights are Subordinate to LSU and the Foundation.** The Foundation shall provide in the Ground Sublease that: (i) the rights of the Architect, the General Contractor and each other architect, Contractor, assignee, sublessee, Subcontractor, supplier, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to LSU's and the Foundation's title, interest, and estate in the Property, (ii) other than Permitted Encumbrances, Provident Group-HSC shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise (a "Lien") arising from the performance of the Series 2020 Project that might or does constitute a Lien, encumbrance or charge upon the Property or the Facilities, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of LSU or the Foundation in the Property or any part thereof, or the proceeds therefrom, (iii) Provident Group-HSC shall cause any Lien or to be discharged (including by bond) or insured over (to LSU's and the Foundation's benefit) within fifteen (15) Business Days after receiving notice or knowledge thereof from any source or any shorter period of time as may be imposed by Governmental Regulations for discharge by bond, and (iv)

notwithstanding the foregoing, Provident Group-HSC shall be entitled to contest any such Lien or encumbrance, in good faith and by appropriate proceedings, as long as Provident Group-HSC bonds or insures over in favor of LSU, the Foundation, the Authority and the Trustee such Lien in an amount not less than 125% of the amount of the Lien or encumbrance, and the execution of any such Lien is stayed such that the Property or the Facilities are not placed in imminent danger of being seized or forfeited, without being deemed to be in default hereunder. The Ground Sublease shall further provide that nothing in the Ground Sublease shall be deemed or construed in any way as constituting the consent or request of LSU, express or implied, by inference or otherwise, to the filing of any Lien or other encumbrance (other than Permitted Encumbrances) against the Property or the Facilities, or LSU's interest in any of the foregoing, by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Property or the Facilities or any part thereof.

(i) **Payment of Bills for Construction.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall covenant and agree to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Contract Documents and the Bond Documents, but solely from the proceeds of the Bonds, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, Contractors, and Subcontractors and all other costs and expenses incident to the performance of the Series 2020 Project; provided, however, that Provident Group-HSC may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, in accordance with Section 6.1(h), and on condition that such contest will not adversely affect Provident Group-HSC's or the Developer's ability to perform the Series 2020 Project for a cost not exceeding the Guaranteed Maximum Price or to achieve Final Completion by the Final Completion Date and, in such event, any such item need not be paid until adjudged to be valid; and (ii) unless so contested by Provident Group-HSC, all such items listed above shall be paid by Provident Group-HSC within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto.

(j) **Completion of Construction by the Foundation.** The Ground Sublease shall provide that: (i) the Foundation acknowledges that Provident Group-HSC will assign (or cause the assignment of) all of Provident Group-HSC's right, title, interest, and remedies in and to the Contract Documents: (A) to the Trustee pursuant to the Collateral Assignment of Contract Documents and (B) to the Foundation pursuant to the Subordinated Collateral Assignment of Contract Documents; (ii) Provident Group-HSC shall covenant and agree that, in the event Provident Group-HSC shall abandon or fail to commence, continue or complete the performance of the Series 2020 Project in accordance with the requirements of the Ground Sublease, the Foundation may, after providing written notice of such failure to Provident Group-HSC and Provident Group-HSC fails to cure the same within ten (10) Business Days thereof (provided that no such notice shall be required in the case of an Event of Default), at its option (but without any obligation to do so and without prejudice to any other rights the Foundation may have under the Ground Sublease) exercise

its rights under the Subordinated Assignment of Contract Documents to exercise Provident Group-HSC's rights and remedies under the Contract Documents against the Developer, including the right to complete (or to cause to be completed) the performance of the Series 2020 Project; (iii) if the Foundation shall not elect to exercise the option set forth above, the Trustee may elect to complete performance of the Series 2020 Project pursuant to the terms of the Collateral Assignment of Contract Documents; and (iv) the Foundation and Provident Group-HSC shall acknowledge that the Authority has no obligation, right or option to complete the performance of the Series 2020 Project or to assume any obligations under the Contract Documents.

(k) ***Title to the Facilities.*** The Ground Sublease shall provide that title to the Facilities and all other improvements hereafter Constructed on the Property in accordance with the Construction Documents and the Contract Documents shall be vested in Provident Group-HSC until the expiration date of the Ground Sublease, at which time all title to and ownership of the Facilities shall automatically and immediately vest (without the necessity of any further action being taken by Provident Group-HSC or the Foundation or any instrument being executed and delivered by Provident Group-HSC to the Foundation) in LSU.

The Ground Sublease shall provide that: (i) Provident Group-HSC shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by the Foundation and/or LSU: (A) to acknowledge the date of termination of the Ground Sublease, all in recordable form, or (B) to convey title to LSU, by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses, but only to the extent owned by Provident Group-HSC, to the Facilities and all other improvements to or upon the Property or related to the Facilities, provided, however, that such transfer shall be by deed with covenants against grantor's acts (and equivalent assignment) only as to claims arising by, through or under Provident Group-HSC, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by the Foundation or its agents, contractors or employees or LSU; and (ii) if the Facilities are not free from all Liens or encumbrances other than Permitted Encumbrances and any liens or encumbrances caused by the Foundation or its agents, contractors or employees including LSU on the expiration date of the Ground Sublease, the Foundation and/or LSU may (A) direct Provident Group-HSC to correct or discharge such Liens or encumbrances within a reasonable time period; (B) elect to discharge such Liens or encumbrances and seek reimbursement from Provident Group-HSC for the costs of same, along with interest at the Default Rate and reasonable attorneys' fees; or (C) require Provident Group-HSC to remove such Liens or encumbrances before such title shall transfer to LSU.

(l) ***Permits, Laws, and Ordinances.*** The Ground Sublease shall provide that: (i) Provident Group-HSC shall comply and cause the Developer and its Contractors and Subcontractors to comply in all material respects with all building, zoning, life safety and other codes, ordinances, rules, regulations, orders, directives, and all Governmental

Regulations and LSU or LSUHSC-NO requirements which may now or hereafter, from time to time, be established and which are or shall be applicable to Provident Group-HSC as they relate to the Series 2020 Project and shall take, as otherwise provided herein, all action necessary to cause the Series 2020 Project to comply in all material respects with all provisions of the Contract Documents, the Bond Documents, the Ground Sublease and this Agreement applicable to Provident Group-HSC; and (ii) Provident Group-HSC shall cause all work to occur only at such times as are permitted by Governmental Regulations and in compliance with any restrictions in the Development Agreement.

(m) **Construction Site.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall confine its operations and cause the Developer to confine the Developer's operations to the Property and shall not store, or permit the Developer to store, any material or equipment or conduct any construction work, preparation or staging on property of LSU, the Foundation or other Persons outside the boundaries of the Property, except as approved in writing and subject to such conditions as may be reasonably specified and approved in writing by the Foundation, which shall obtain the prior written approval of LSU, provided that Provident Group-HSC shall be deemed to comply with the foregoing sentence as to materials stored offsite provided the offsite storage location is secure, bonded and insured and title to the stored materials has not passed to Provident Group-HSC until installed on the Property, (ii) Provident Group-HSC shall protect all work and shall at all times keep and cause the Developer and all Contractors to keep the Property reasonably clean and free from waste materials and rubbish, (iii) to the extent reasonably possible, the Series 2020 Project shall be performed so as to minimize disruption of LSUHSC-NO operations, (iv) all construction activities shall be coordinated with the appropriate departments of LSUHSC-NO (such departments and representatives of those departments shall be identified in the pre-construction meeting) and (v) a mandatory pre-construction meeting shall be conducted by Provident Group-HSC and/or the Developer prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Property and Construction coordination issues, and (vi) the meeting shall be attended, at a minimum, by the LSU Representative, the Foundation Representative, the Provident Group-HSC Representative, the Developer Representative, the General Contractor and key Subcontractors through their respective project managers and superintendents.

(n) **Payment and Performance Bonds.** The Ground Sublease shall provide that Provident Group-HSC shall provide or cause to be provided to the Foundation the Performance Bond and Payment Bond, which shall name the General Contractor as principal and shall include a multiple rider naming LSU, the Foundation, the Developer, Provident Group-HSC and the Trustee as obligees.

(o) **Reports and Information.** The Ground Sublease shall require the following: (i) that Provident Group-HSC shall: (A) provide the Foundation and LSU with copies of all documents and correspondence provided to or generated by or for Provident Group-HSC, either as described in the Development Agreement or in connection with the

performance of the Construction Contract, including those related to the satisfaction of the items in the Project Schedule, and (B) provide (or cause the Developer to provide) the Foundation with Monthly Progress Reports (as defined in the Development Agreement), in form and detail reasonably satisfactory to the Foundation, demonstrating compliance with the Contract Documents and the Ground Sublease for the previous month, (ii) that, in addition to the requirements set forth in Section 6.1(o)(i) above, Provident Group-HSC shall provide reports as to compliance or noncompliance with the Project Schedule, which shall be updated at least monthly to assure the Foundation that performance of the Series 2020 Project will be Finally Complete in sufficient time to allow for occupancy by the Residents of the Facilities on or before the Final Completion Date, (iii) that Provident Group-HSC shall deliver or cause to be delivered to the Foundation, and the Foundation shall provide to LSU, copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for or delivered to Provident Group-HSC pursuant to the Contract Documents with respect to the Property and the Facilities within ten (10) days after receipt by Provident Group-HSC, (iv) that the Foundation, in turn, shall provide the LSU Representative with copies of all documents received by the Foundation pursuant to this Section 6.1(o), if same have not already been delivered as set forth above, and (v) all correspondence and documents related to the performance of the Series 2020 Project shall be available for review and inspection by the Foundation and LSU at the Developer's construction office on or near the Campus.

(p) **Final Completion of Facilities.** The Ground Sublease shall provide that, as soon as practicable after Substantial Completion of the Facilities (but in all events no later than the deadline in the Development Agreement for Final Completion of the Facilities, which is the Final Completion Date), Provident Group-HSC shall furnish to the Foundation and the LSU Representative:

(i) two (2) complete sets of final record Construction Documents of the completed improvements as required by the Development Agreement;

(ii) a current, accurate, properly labeled and certified (by the hereafter stated surveyor or engineer) "as-built" plat of survey prepared by a registered land surveyor or professional engineer depicting to scale the location of the completed improvements, as the same have been Constructed;

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the completed Facilities; and

(iv) copies of all other documents required in the Development Agreement for Final Completion.

(q) **Provident Group-HSC Access.** The Ground Sublease shall provide that, during performance of the Series 2020 Project, Provident Group-HSC shall have access to

the Property and the Facilities twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

(r) **Failure to Perform Series 2020 Project.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall cause the performance of the Series 2020 Project to be Finally Complete in accordance with the Development Agreement and all Governmental Regulations, with all costs thereof fully paid (including any and all costs in excess of the Bond proceeds), and all Liens fully paid or bonded, no later than the Final Completion Date or bonded, within the time period required by Section 6.1(b) of this Agreement, (ii) that if the Facilities have not achieved Final Completion on or before the Final Completion Date, then Provident Group-HSC, at its cost and expense, shall use its commercially reasonable efforts to enforce the provisions of Section XVI(D) set forth in the Development Agreement, and (iii) so long as Provident Group-HSC enforces the provisions of Section XVI(D) of the Development Agreement in accordance with the terms thereof, the Foundation shall not have the right to place Provident Group-HSC in default of its obligations under the Ground Sublease for failure to achieve Final Completion of the Facilities and, which respect to such event, Provident Group-HSC shall not be liable for any damages incurred by the Foundation.

(s) **Assignment by Provident Group-HSC and the Developer.** The Ground Sublease shall provide that, as security for Provident Group-HSC's performance under the Ground Sublease as it relates to the performance of the Series 2020 Project and maintenance and operation of the Facilities, Provident Group-HSC, the Developer and Manager shall execute and deliver the Subordinate Collateral Assignment of Contract Documents as provided in the Ground Sublease.

The Ground Sublease shall further provide that: (i) Provident Group-HSC and the Developer shall execute, simultaneously with the execution of the Ground Sublease, the Subordinate Assignment of Contract Documents, as well as any assignments and assurances as LSU and the Foundation may request to perfect the subordinate collateral assignment of the Contract Documents to the Foundation; (ii) to the extent the Developer receives funds from Provident Group-HSC or the Trustee to pay all costs of Construction Documents, the Ground Sublease shall require the Developer to indemnify, defend and hold harmless the Foundation and LSU from and against any and all costs, claims or liabilities, including mechanic's and materialmen's liens, caused by the failure of the Developer to fully pay for all Contract Documents and any adverse claim to or Lien upon the Contract Documents and (iii) Provident Group-HSC's obligations set forth in Section 10(r) of the Ground Sublease shall survive termination of the Ground Sublease.

(t) **Architects, Engineers, Contractors, Specialists and Consultants.** The Ground Sublease shall provide that Provident Group-HSC shall require and cause the Developer to require: (i) any architects, engineers, Contractors, Subcontractors, specialists, and consultants engaged by the Developer or the General Contractor in connection with the performance of the Series 2020 Project to perform their respective obligations under

the terms of the Construction Documents and to be licensed in accordance with State law; (ii) any architects and engineers engaged by the Developer or the General Contractor to obtain and maintain errors and omissions insurance in accordance with the terms of the Ground Sublease and the Development Agreement; and (iii) the General Contractor to obtain and maintain commercial payment and performance bonds pursuant to Section 6.1(n) of this Agreement and the Development Agreement.

(u) **No Discriminatory Practices.** The Ground Sublease shall provide that:

(i) Provident Group-HSC shall require and cause the General Contractor to agree to abide by: (A) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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; (B) the requirements of the Americans with Disabilities Act of 1990; and (C) any executive order by the governor of the State;

(ii) Provident Group-HSC shall additionally require and cause the General Contractor to agree: (A) not to discriminate in its employment practices; and (B) to render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities; and

(v) Any act of discrimination committed by General Contractor or failure to comply with these statutory obligations, when applicable, shall be grounds for termination of the Ground Sublease. The Ground Sublease shall further provide, if the General Contractor does not comply with the applicable provisions of the Ground Sublease, Provident Group-HSC shall cause the Developer to terminate the General Contractor.

(v) **Selection of Construction Professionals.** Subject to LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract and Change Orders, LSU agrees that the Developer shall have the right to control the selection of construction professionals (all of whom shall comply with all applicable licensing requirements of Governmental Regulations) as provided in the Development Agreement, provided that the Ground Sublease shall provide that Provident Group-HSC shall include the following provisions in the Development Agreement with the Developer and shall exercise its rights under these provisions where necessary, only after consultation with, and obtaining approval from, the Foundation and LSU: (i) the Developer shall contract with qualified Consultants and Subcontractors (as defined in the Development Agreement) to perform any one or more of the Services set forth on Exhibit 4 of the Development Agreement, unless Provident Group-HSC reasonably objects in writing thereto, (ii) the Developer shall furnish to Provident Group-HSC and the LSU Representative a list of

Consultants and Subcontractors to be utilized in connection with the Facilities and the Developer shall be required to replace any Consultant or Subcontractor to which the LSU Representative may at any time reasonably object, (iii) the Developer shall supply qualified staff and employ qualified and appropriately licensed Consultants to perform the Developer's responsibilities and obligations under the Development Agreement in a prompt and timely manner, and (iv) Provident Group-HSC may require removal of any individual whose conduct is reasonably deemed inappropriate or inconsistent with LSUHSC-NO policies or applicable law and regulations. The Ground Sublease shall further provide that (x) Construction, alteration, renovation or additions to the Property and the Facilities undertaken or caused to be undertaken by Provident Group-HSC shall be in conformance with all Governmental Regulations; (y) the Plans and Specifications shall comply with all applicable LSUHSC-NO design standards; and (z) written approval by the LSU Representative of the Plans and Specifications shall be conclusive evidence that the applicable LSUHSC-NO design standards have been met.

(w) **Payment of Moneys Received under Development Agreement.** The Ground Sublease shall provide that, as soon as practicable after Final Completion of the Facilities, all moneys received by Provident Group-HSC pursuant to the Development Agreement, including, without limitation, any unused or unapplied funds held outside the Indenture, including without limitation, in the Developer's Project Contingency and the Excess Contingency (as such terms are defined in the Development Agreement), shall be used in accordance with the provisions of the Indenture.

(x) **Reserved.**

(y) **Draw Request Approvals.** The Ground Sublease shall provide that: (i) as more particularly set forth in Section IX of the Development Agreement, Provident Group-HSC shall cause the Developer to submit each Draw Request to Provident Group-HSC, the Foundation and LSU within sufficient time to permit Provident Group-HSC, the Foundation and LSU to approve or disapprove each Draw Request within ten (10) Business Days after receipt thereof by Provident Group-HSC, the Foundation and LSU and, if such Draw Request is not approved or disapproved by any such party within ten business days after receipt by Provident Group-HSC, the Foundation and LSU, such Draw Request shall be deemed to be approved by such party, and (ii) promptly upon receipt of approval of Provident Group-HSC, the Foundation and LSU of any Draw Request, but in no event more than twenty-one (21) days after receipt by each of Provident Group-HSC, the Foundation and LSU of such Draw Request, Provident Group-HSC shall submit such Draw Request to the Trustee, together with a request for payment thereof to the extent of the approval of such Draw Request in accordance with the provisions of the Indenture.

(z) **Assignment of Instruments of Service.** The Ground Sublease shall provide that: (i) upon payment by Provident Group-HSC of the Developer's first Draw Request, the Developer shall require all Design Professionals to grant to Provident Group-HSC and its affiliates and assigns an irrevocable license permitting Provident Group-HSC and its

affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all construction plans, specifications and other design documents and Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Facilities, whether or not such activities are performed pursuant to this Agreement or in the future and regardless of whether this Agreement is subsequently terminated before Final Completion of the Facilities; (ii) upon payment by Provident Group-HSC of the Developer's first Draw Request, Provident Group-HSC shall cause the Developer to require all Design Professionals to grant to Provident Group-HSC and its affiliates and assigns ("Licensee") an irrevocable license permitting Provident Group-HSC and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Facilities, whether or not such activities are performed pursuant to this Agreement or in the future and regardless of whether this Agreement is subsequently terminated before Final Completion of the Facilities; and (iii) Provident Group-HSC shall cause the Developer to further require the Design Professionals to covenant with Licensee that the Design Professionals shall not utilize their Instruments of Service to create Facilities having similar exterior design elevations to those of the Facilities within the State of Louisiana without Licensee's prior written consent, which consent shall not be unreasonably withheld.

(aa) **Cost Savings.** The Guaranteed Maximum Price is set forth in the Development Agreement. Notwithstanding same, the Ground Sublease shall provide that Provident Group-HSC shall cause the Parties (as defined in the Development Agreement) to continue working together after the execution of the Development Agreement to reduce development expenses below the Guaranteed Maximum Price by cooperating in value engineering.

(bb) **Diverse Suppliers.** The Foundation understands that LSU is committed to promoting the growth and development of minority- and women-owned and small and historically underutilized businesses (collectively, "Diverse Businesses") by providing opportunities to participate in LSU agreements. In support of this commitment, the Foundation shall cause the Ground Sublease to provide that: (i) Provident Group-HSC shall, and shall cause the Developer and its contractors to, use good faith and commercially reasonable efforts to provide opportunities to Diverse Businesses that are either certified by the State or another certifying entity in a diverse category as a subcontractor or supplier under the Development Agreement and (ii) Provident Group-HSC shall cause the Developer and its contractors to provide to LSU a list of Diverse Businesses during each Fiscal Year, which list shall identify as to each Diversity Business contained thereon: (A) the legal name thereof, (B) the principal office or address, (C) ownership and (D) the services or good that it may provide or supply and the value of the goods or services procured therefrom. To the extent that any Governmental Regulations would require that this Section 6.1(bb) or comparable language in the Ground Sublease or the Development

Agreement be modified or voided, the parties agree that such provision can be amended or severed from any such agreement without affecting any of the other terms thereof.

ARTICLE VII ENCUMBRANCES

Section 7.1 ENCUMBRANCES. The Foundation shall not, without the prior written consent of the LSU Representative, mortgage, lien or otherwise encumber, or allow any mortgage, Lien or encumbrance, on the Property, or on the Foundation's interest in the Property, or on the Foundation's rights acquired pursuant to the Ground Sublease other than Permitted Encumbrances.

ARTICLE VIII UTILITIES AND MAINTENANCE AND REPAIR

Section 8.1. UTILITIES; SEWER.

(a) The Ground Sublease shall provide that Provident Group-HSC is to provide for the provision of all utilities to the Property and the Facilities in a timely manner as provided for in the Development Agreement for the performance of the Series 2020 Project and as needed for utilities to be available at the Property permanently after Final Completion of the Facilities. The Ground Sublease shall further provide that Provident Group-HSC shall make or cause to be made application for, obtain and pay for, and be solely responsible for, all utilities required at the Facilities, as applicable, including, but not limited to, gas, water (including water for domestic uses and for fire protection), electricity, sewerage, garbage or trash removal, light cable, heat, telephone, power, computer data and other utilities (hereinafter sometimes collectively referred to as "Utility Services") necessary for the operation of the Facilities. After Final Completion of the Facilities, Provident Group-HSC shall pay for, and be solely responsible for, all Utility Services used or consumed at the Facilities; provided, however, the Ground Sublease shall provide that: (i) notwithstanding the foregoing, LSU, in its sole and unfettered discretion, may provide or cause to be provided some or all of the Utilities Services used or consumed at the Facilities during the term of the Ground Sublease, all as more particularly set forth and defined in the Management Agreement or the Ground Sublease, (ii) in accordance with the Contract Documents, Provident Group-HSC shall be solely responsible for installing or causing to be installed all infrastructure required to provide Utility Services to the Property or, prior to Final Completion of the Facilities, the Facilities, as applicable; (iii) after the infrastructure associated with Utility Services is completed or caused to be completed by Provident Group-HSC, the costs of Utility Services to the Facilities shall be paid as Expenses; (iv) in the event that any charge for any Utility Service supplied to the Facilities or, prior to Final Completion of the Facilities, the Facilities, as applicable, is not paid by Provident Group-HSC to the utility supplier when due (subject to Section 8.1(b)), then the Foundation may (but shall not be obligated to) provide Provident Group-HSC written notice of such failure and, if Provident Group-HSC fails to pay the same within thirty (30) days after receipt of such notice, the Foundation may pay such charge for and

on behalf of Provident Group-HSC, in which event Provident Group-HSC shall pay such amount, together with interest thereon at the Default Rate, to the Foundation as Additional Rent (as defined in the Ground Sublease) within thirty (30) days after demand by the Foundation, provided that the initial thirty (30) day period in this sentence shall be reduced to the period that ends three (3) business days before the day that the provider of the Utility Service shall be entitled to (or shall) terminate or suspend its provision of the Utility Service in question; and (v) Provident Group-HSC shall also install or, under the Development Agreement, cause the Developer to install, all connections and wiring for fully servicing the Property, the Property, and, prior to Final Completion of the Facilities, the Facilities, as applicable, in accordance with the Construction Documents as part of Substantial Completion.

(b) The Ground Sublease shall provide that, if the amount billed for any Utility Service shall be deemed by Provident Group-HSC or the Foundation to be improper, illegal or excessive, Provident Group-HSC may, in its own name, dispute and contest the same and, in such event and to the extent permitted by law and the applicable contract for the Utility Service, any such bill need not be paid until adjudged to be valid; provided, however, Provident Group-HSC shall in writing first notify the Foundation of such dispute and contest, and then in good faith and by appropriate proceedings in accordance with Governmental Regulations and such contract contest the same; provided further that: (i) such contest does not place the Property in danger of being seized or forfeited, (ii) the Utility Service shall not be terminated or suspended, and (iii) Provident Group-HSC provides adequate reserves and/or security for the payment of such bill being contested. Unless so contested, any such bill shall be paid by Provident Group-HSC within the time provided by law and such contract, and if contested, any such bill shall be paid before the imposition of a lien on the Property with respect thereto, unless (within thirty (30) days after the imposition or occurrence of any such lien) such lien is bonded or insured over (to the Foundation) in accordance with Governmental Regulations and (if applicable) such contract.

(c) The Ground Sublease shall provide that: (i) as part of the Facilities, Provident Group-HSC shall construct or install, or cause the construction or installation of, at Provident Group-HSC's cost and expense, all sewer facilities within and outside the Property and the Facilities (and within and outside the Campus as designated by LSU) that are required or contemplated by the City of New Orleans/Orleans Parish in its approval of the sewer facilities for the Property, including all new and replacement sewer lines, expansions and connections within and outside the Property and/or the Campus; (ii) Provident Group-HSC shall dedicate and cause the Developer and all other parties to (x) dedicate (and the Foundation and LSU shall cooperate in the dedication of) ownership of such sewer facilities to the Foundation and/or LSU, respectively, to the extent such sewer facilities are located on the Campus or (y) to the City of New Orleans/Orleans Parish to the extent such sewer facilities are outside the Campus, provided however, that Provident Group-HSC shall confirm, and shall cause the Developer to confirm, that all warranties to the Foundation's benefit related to performance of the Series 2020 Project also apply to

such sewer facilities (including the portions of such sewer facilities outside the Property but on the Campus) and shall continue for at least one (1) year (and such longer periods as may apply by law or any agreements) after the Final Completion Date. The Ground Sublease shall further provide that, notwithstanding and without limiting the generality of the foregoing, with respect to any and all warranties as to any component or system in the sewer system on which punch list, repair or similar corrective work is being performed after Final Completion, such warranties as to such component or system shall commence upon completion of such corrective work.

(e) The Ground Sublease shall provide that, without in any manner limiting the Foundation's obligations under this Agreement or Provident Group-HSC's obligations under the Ground Sublease, each of the Foundation and LSU shall reserve the right, easement and privilege (but has no obligation) to enter (and to have its agents and employees enter) on the Property or the Facilities in order to install, at its own cost and expense, any storm drains and sewers and/or utility lines in connection therewith as may be required or desired by the Foundation and LSU to service the Property or any other real property owned by the Foundation and affiliates or LSU or located on the Campus, provided LSU coordinates such work with the Developer so as not to interfere with or delay the performance of the Series 2020 Project; however, if any such delays occur, the Final Completion Date shall be extended one day for each day of such delays.

(f) LSU acknowledges and agrees that, if all obligations as to Utility Services are fully performed by the Manager and the Developer pursuant to and accordance with agreements, reviewed and approved by the LSU Representative, between the Foundation and the Manager or Developer, the Foundation's obligations in connection with any Utilities Services shall be deemed satisfied in accordance with the terms of this Agreement.

Section 8.2. MAINTENANCE AND REPAIRS.

(a) The Ground Sublease shall provide that Provident Group-HSC shall, at all times during the term of the Ground Sublease, keep and maintain, or cause to be kept and maintained, the Facilities in good and clean condition and repair and in working order in accordance with the Management Agreement in order to maintain the Facilities in condition and order at least equal to the condition and order maintained by the LSUHSC-NO for its own facilities. Pursuant to the Ground Sublease, the Foundation and LSU shall have the right to review and approve any material changes to the exterior landscaping and façade and interior of the Facilities and shall obtain the prior written consent of the LSU Representative thereto. The Ground Sublease shall provide that: (i) the Foundation shall have the right to review and approve, after obtaining approval from LSUHSC-NO, any material changes to the exterior landscaping and façade and integrity of the Facilities, (ii) in the event Provident Group-HSC fails to perform any of its obligations as required under the Ground Sublease within thirty (30) days after receipt of written notice to Provident Group-HSC from the Foundation of such failure to comply (or without notice if such failure jeopardizes the health, safety or welfare of Residents or other Persons), the Foundation

may (but shall not be required to) perform and satisfy same, and Provident Group-HSC shall agree in the Ground Sublease to reimburse the Foundation, as an Expense, for the reasonable cost thereof, within ten (10) days of receiving an invoice therefor, together with interest at the Default Rate, which amounts shall constitute Additional Rent (as defined in the Ground Sublease), (iii) if Provident Group-HSC fails to so reimburse the Foundation, then such amounts, together with interest at the Default Rate, shall be due and owing to the Foundation by Provident Group-HSC as Additional Rent (as defined in the Ground Sublease) until paid, and (iv) that the parties shall agree that it shall be Provident Group-HSC's responsibility at all times during the term of the Ground Sublease to maintain or cause to be maintained the Facilities pursuant to the Management Agreement consistent with the maintenance standards for the other premises located on the Campus. LSU acknowledges and agrees that if all obligations as to the operation and maintenance of the Facilities are fully performed by the Manager, pursuant to and accordance with the Management Agreement, Provident Group-HSC's obligation to maintain the Property shall be deemed satisfied in accordance to the terms of the Ground Sublease.

(b) The Ground Sublease shall provide the following: (i) Provident Group-HSC shall not commit or permit waste of the Facilities, (ii) except in the event of a casualty, condemnation or partial condemnation, Provident Group-HSC shall not raze or demolish any Facilities and (iii) Provident Group-HSC shall keep and maintain the Facilities in accordance with the terms of its contract(s) with the Foundation, including but not limited to, the Development Agreement and the Management Agreement.

Section 8.3. DAMAGE TO PROPERTY.

(a) The Ground Sublease shall provide that, after Final Completion of the Facilities: (i) in the event all or substantially all of the Property or any component thereof shall be damaged or destroyed, Provident Group-HSC shall promptly notify the Trustee, the Foundation, and LSU, and the Net Insurance Proceeds shall be applied and paid *first* pursuant to the terms of the Indenture and *second*, to the extent of any Net Insurance Proceeds remaining after such application, to the Foundation, (ii) immediately after such distribution of Net Insurance Proceeds, any funds remaining in the funds and accounts described in the Indenture shall be distributed as provided therein and, additionally, all funds remaining in any reserve accounts, being held pursuant to the Development Agreement and the Management Agreement, if any, shall be distributed as provided therein, upon which: (A) the Ground Sublease shall terminate and Provident Group-HSC shall be released from all of its obligations under the Bond Documents and Contract Documents, except for any such obligations of Provident Group-HSC which shall survive the Bond Documents and Contract Documents; and (B) this Agreement shall terminate.

(b) The Ground Sublease shall provide that, after Final Completion of the Facilities, in the event the Property or any component thereof is only partially damaged or destroyed, the Net Insurance Proceeds shall first be applied to the redemption of the Bonds pursuant to the terms of the Indenture and any balance shall be applied in accordance with

Section 8.3(f) (or some combination of the above); provided, however, that if the Indenture and Trustee permit the Net Insurance Proceeds to be used for the reconstruction of the affected Property, the Ground Sublease may continue at the election of the Foundation, which shall obtain the prior written consent of LSU, pursuant to Section 8.3(d), and Provident Group-HSC shall repair, replace, rebuild, restore, and/or re-equip the affected Property promptly to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations, and modifications (including the substitution and addition of other property) as the Foundation shall approve in writing (if any) as will not impair the value or the character of the affected Property (the “Restoration”) or the Net Insurance Proceeds shall be applied to the redemption of the Bonds pursuant to the terms of the Indenture and any balance shall be applied in accordance with Section 8.3(g) (or some combination of the above). Notwithstanding the foregoing, in no event shall Provident Group-HSC be required to expend any funds beyond the Net Insurance Proceeds it actually receives following any payments due under the Indenture for the Restoration and, if such Net Insurance Proceeds are inadequate, the Foundation, after obtaining the prior written approvals of LSU, which approvals are in LSU’s sole and unfettered discretion, to contribute the additional funds necessary to complete the Restoration or its remedy shall be to terminate this Agreement.

(c) The Ground Sublease shall provide that: (i) any and all Restoration by Provident Group-HSC under the Ground Sublease shall be performed in accordance with all Governmental Regulations, and (ii) if not theretofore delivered to the Foundation and LSU, Provident Group-HSC shall deliver to the Foundation and LSU, within one hundred twenty (120) days of the completion of such Restoration, a complete set of “as built” record exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

(d) The Ground Sublease shall provide that all Net Insurance Proceeds shall be paid to the Trustee and deposited and held in accordance with the terms of the Indenture to hold the proceeds of insurance or condemnation Awards (including the Replacement Fund if so used) (the “Restoration Fund”) to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Foundation, which shall obtain the prior written approval of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 8.3(g), such Net Insurance Proceeds shall be applied to the Restoration; or

(ii) such Net Insurance Proceeds shall be transferred to the Redemption Fund to be applied to the redemption of the Bonds; or

(iii) such Net Insurance Proceeds shall be applied in some combination permitted by the foregoing clauses (i) and (ii);

provided that, if LSU does not, within such sixty (60) day period, direct the Foundation as to the application of the Net Insurance Proceeds pursuant to the preceding clauses (ii) or (iii), then the Net Insurance Proceeds shall be applied pursuant to the preceding clause (i).

(e) The Ground Sublease shall provide that, after completion (and payment in full of the costs) of the Restoration (pursuant to Section 8.3(d)(i)), all remaining Net Insurance Proceeds (if any) shall be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(f) The Ground Sublease shall provide that, in the event of the termination of this Agreement before the expenditure of the full amount of such Net Insurance Proceeds in the Restoration of such damaged or destroyed buildings, other structures or improvements, any unapplied balance of the Net Insurance Proceeds, including any interest previously earned by such balance, shall, subject to Section 8.3(h), inure to and become the sole property of the Foundation.

(g) The Ground Sublease shall provide that, before the Trustee may apply any Net Insurance Proceeds pursuant to Section 8.3(d)(i), Provident Group-HSC shall have furnished to the Foundation and the Trustee: (i) with respect to proposed Restorations in excess of \$500,000, a certificate of an Independent Engineer: (A) to the effect that the affected Property can reasonably be expected to be restored, within a period of twenty-four (24) months from the receipt of such Net Insurance Proceeds, to substantially the condition thereof immediately preceding such damage or destruction and in a condition that constitutes Restoration, (B) setting forth the estimated cost of the proposed Restoration, including an allowance for contingencies, and the estimated date of completion of such Restoration and (C) to the effect that all amounts necessary to accomplish the proposed Restoration are on deposit in the Restoration Fund; and (ii) a certificate of Provident Group-HSC, the Foundation or, if applicable, the Independent Engineer to the effect that all permits, licenses, accreditations and other Governmental Authority approvals necessary for Restoration are in full force and effect. The Ground Sublease shall provide that, if the Independent Engineer advises that he or she cannot give the certificate described in the preceding clause (i), then, before the Net Insurance Proceeds are applied pursuant to Section 8.3(d)(ii), the Foundation shall have sixty (60) days after such advice, at the Foundation's option, after obtaining prior written approvals from LSU, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to give such certificate, in which case the Net Insurance Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 8.3(d)(i).

(h) The Ground Sublease shall provide that Provident Group-HSC shall cause any balance of such Net Insurance Proceeds remaining after application pursuant to this Section 8.3 to be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture and then applied in accordance with Section 8.3(f).

(i) Except as otherwise expressly contemplated hereby, this Agreement shall not terminate or be forfeited by reason of damage to or total, substantial or partial destruction of the Property or any part thereof or by reason of the untenability of the same or any part thereof resulting from fire or other casualty. The Foundation shall agree or cause Provident Group-HSC to agree that, except: (i) to the extent otherwise expressly provided in this Section 8.3, or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, Provident Group-HSC's obligations under the Ground Sublease, the Foundation's obligations under this Agreement, including the payment of Base Rent thereunder, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

ARTICLE IX CERTAIN LIENS PROHIBITED

Section 9.1. RELEASE OF RECORDED LIENS. If any mechanics' liens or materialmen's liens shall be recorded against the Property or, prior to Final Completion, the Facilities, the Foundation shall cause the same to be bonded over or released of record within thirty (30) days of filing, or, in the alternative, if Provident Group-HSC in good faith desires to contest the same, the Foundation shall agree to allowing Provident Group-HSC to do so, but in such case Provident Group-HSC must agree to indemnify and save the Foundation and LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment. If LSU, in its sole and unfettered judgment, should consider LSU's Interest endangered by any such liens and shall so notify the Foundation, and the Foundation shall fail to cause Provident Group-HSC to provide adequate security for the payment of such liens in the form of a surety bond, cash deposit or cash equivalent or indemnity agreement reasonably satisfactory to LSU within thirty (30) days after such notice, then LSU, at LSU's sole and unfettered discretion, may discharge such liens and the Foundation shall recover from Provident Group-HSC immediately as Additional Rent (as defined in the Ground Sublease) the amounts paid by LSU. If such amounts remain unpaid by the Foundation to LSU within thirty (30) days of written demand by LSU to the Foundation, and the Foundation shall fail or fail to cause Provident Group-HSC to make such payment for said amount, interest, at the rate of ten percent (10%) per annum, shall be due and owing thereon by the Foundation to LSU from the date paid by LSU until repaid by the Foundation or if the

Foundation shall cause repayment by Provident Group-HSC at the rate set forth in the Ground Sublease.

**ARTICLE X
OPERATION AND MANAGEMENT OF FACILITIES**

Section 10.1. OPERATIONS OF FACILITIES; PROVIDENT-GROUP HSC'S OBLIGATION TO OPERATE.

(a) The Ground Sublease shall provide that: (i) upon Final Completion of the Facilities Provident Group-HSC shall procure and maintain, or cause to be procured and maintained, all services necessary or required to adequately operate, manage and maintain, or cause to be operated, managed and maintained, the Facilities in accordance with the Permitted Use, including, but not limited to, administrative support, all as more particularly set forth in the Management Agreement; and (ii) Provident Group-HSC shall continuously operate and maintain, or cause to be operated and maintained, the Facilities from the Final Completion Date and shall continue for the remainder of the term of the Ground Sublease, all in accordance with all Governmental Regulations and the terms of the Management Agreement. LSU hereby acknowledges that full performance by the Manager of all its obligations and duties under the Management Agreement shall be deemed the satisfaction of all of Provident Group-HSC's obligations to operate and maintain the Facilities.

(b) The Project Advisory Committee shall be created by Provident Group-HSC pursuant to the Bylaws of Provident Group-HSC to advise Provident Group-HSC and Manager with respect to the management, maintenance and operations of the Facilities. The Project Advisory Committee shall render non-binding advice to Provident Group-HSC and the Manager so that Provident Group-HSC and Manager may fulfill their obligations under the Ground Sublease and the Management Agreement, as applicable. Without limiting the generality of the foregoing, the Project Advisory Committee shall render advice to Provident Group-HSC and the Manager with respect to matters pertaining to the Ground Sublease and the Management Agreement and with respect to: (i) the approved Budget as same are created for each Fiscal Year in accordance with the Management Agreement; (ii) the Management Agreement and Manager; and (iii) any other matters agreed upon by the Foundation, LSU and Provident Group-HSC.

The Project Advisory Committee shall be composed of six (6) members, with three (3) representatives appointed from names of candidates submitted by the Foundation, two (2) of which must be representatives of LSUHSC-NO appointed by the Chancellor, and three (3) representatives appointed from names of candidates submitted by Provident Group-HSC. Any and all decisions and determinations of the Project Advisory Committee shall be by majority vote of the members, and any such representative may assign his right to vote to another representative by written proxy. All actions of the Project Advisory Committee shall be by majority of vote.

Section 10.2. CRIMINAL HISTORY CHECKS. The Ground Sublease shall require that any employees, personnel, architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants engaged by Provident Group-HSC, the Developer, the General Contractor or the Manager in connection with the performance of the Series 2020 Project or the management, maintenance and operations of the Facilities shall provide to the LSU Representative a letter certifying that criminal background checks (but no fingerprint checks required) have been conducted on all personnel providing a service on the Campus in connection with the Facilities or the management, maintenance and operations of the Facilities, which letter: (i) must be provided within fifteen (15) days of engagement (ii) must be updated as new personnel are added, (iii) must be updated annually for all personnel, (iv) kept on file at the office of such employees, personnel, architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants and (v) must be made available to LSU or LSUHSC-NO upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Provident Group-HSC and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants.

Section 10.3. BOOKS AND RECORDS. The books, accounts and records of the Foundation which pertain to this Agreement, the Ground Sublease and the Facilities shall be maintained at the principal office of the Foundation.

Section 10.4. LSUHSC-NO MARKS. The Ground Sublease shall provide that Provident Group-HSC shall not use or allow any of its affiliates, agents, vendors, contractors or employees to use the name of LSUHSC-NO or any of its symbols, logos, trademarks or other representations of those of its affiliated organizations ("LSUHSC-NO Marks") without the express prior written consent of the LSU Representative and the applicable affiliated organizations. The LSU Representative's consent may be granted or withheld in the LSU Representative's sole and unfettered discretion.

Section 10.5. AUDITS. LSU may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of the Foundation directly relating to the Property, the Facilities or the Bonds, to the extent necessary to verify compliance with this Agreement, the Ground Sublease, or any other agreements it enters into pursuant to the authority of this Agreement. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU, by independent auditors retained by LSU, by the Louisiana Legislative Auditor or by the Office of the Governor or Division of Administration of the State of Louisiana, but any and all such audits shall be conducted without materially, unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation. LSU covenants with the Foundation to keep all work papers, including all books and records of the Foundation, its agents, employees, consultants, contractors, and vendors, confidential and to further keep the results of any such audits confidential except as required by rules and regulations of LSU and by Governmental Regulations. The Foundation shall cause the Ground Sublease to require Provident Group-HSC to grant LSU similar audit rights with respect to its books, bank accounts, records and accounts directly relating

to the Property, the Facilities or the Bonds to the extent necessary to verify compliance with this Agreement, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Agreement or the Ground Sublease.

The Foundation shall cause the Ground Sublease to require Provident Group-HSC, the Developer and the Manager to grant LSU similar audit rights with respect to their respective books, bank accounts, records and accounts directly relating to the Property, the Facilities or the Bonds to the extent necessary to verify compliance with this Agreement, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Agreement or the Ground Sublease.

Section 10.6. ANNUAL AUDITED FINANCIAL STATEMENTS. The Ground Sublease shall require Provident Group-HSC to agree that annually, but no later than one hundred twenty (120) days following the close of Provident Group-HSC's fiscal year, Provident Group-HSC shall provide to the LSU Representative a copy of Provident Group-HSC's annual audited financial statement(s) prepared in accordance with generally accepted accounting principles consistently applied and audited by an independent certified public accountant and acceptable to LSU, which audit shall reflect all revenues credited to the immediately preceding year and all payments on any debt or obligations of the Foundation for the period.

ARTICLE XI INDEMNITY AND INSURANCE

Section 11.1 INDEMNITY.

(a) ***Indemnification by the Foundation.*** Subject to the limitations provided in Sections 11.2(f)(vi) and 11.6 of this Agreement, the Foundation shall and will indemnify, defend, and save harmless LSU and its board members, authorized agents, affiliates, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Facilities, the Property and any servitudes, rights of attachment and air rights by the Foundation, its officers, employees, agents, contractors, guests, members, or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, the Foundation and LSU may use the same counsel if such counsel is approved by LSU. It is expressly understood and agreed that the Foundation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LSU shall in no way be responsible for the acts or omissions of the Foundation. The Foundation's obligation to indemnify LSU in accordance with the terms of this Section 11.1(a) shall be limited to the extent of its proportionate share of fault.

Section 11.2. REQUIRED INSURANCE.

(a) **Insurance required of Provident Group-HSC and the Developer.** Unless otherwise approved in writing by the LSU Representative, the Foundation shall, for the duration of the Ground Sublease, require Provident Group-HSC to require the Developer to maintain the insurance coverage required by the Development Agreement and the Management Agreement.

(b) **General.** It is the intent of the Parties to this Agreement that risk of loss for the Property and/or the Facilities be shifted to insurance to the maximum extent practicable.

(i) The Foundation shall be required to procure and maintain its own insurance coverage for the duration of this Agreement and the Ground Sublease in minimum limits as set forth below and with insurers financially acceptable and lawfully authorized to do business in Louisiana rated at least "A" by S&P or "Excellent (A/A)" by A.M. Best Company, Inc.

(iii) Insurance required for the construction and operations phases of the Facilities are as set forth in the Development Agreement and in the Management Agreement, respectively.

(c) **Minimum Scope of Insurance.** The Foundation and Provident Group-HSC shall maintain insurance coverage written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

(i) Workers' Compensation Insurance as is required by Louisiana law, or as may be available on a voluntary basis. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless the insured party can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. If the Foundation or Provident Group-HSC exempts its officers and directors from such Workers' Compensation insurance, such officers and directors shall not be allowed in those Facilities or Property areas to which Workers' Compensation coverage would apply.

(ii) Employers Liability Insurance which will include bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

(iii) Automobile Liability Insurance covering liability arising from the use or operation of any auto, including those owned and non-owned (Symbol 1), operated or used by or on behalf of the insured Party under this Agreement.

(iv) Commercial General Liability Insurance on an occurrence coverage basis against claims for bodily injury, death and property damage (including loss of use), products completed operations, personal injury and advertising injury, at least as broad as the 1993-Insurance Services Office Commercial General Liability Policy form CG 0001©, as respects Blanket Contractual Liability, XCU, and Broad

Form Property Damage or its equivalent. Unacceptable exclusions include exclusions for damage to work performed by contractors (e.g., CG 22 94 or CG 22 95); for equipment under their care, custody, and control; for contractual liability (e.g., CG 21 39); employee versus employee; explosion, collapse and underground; and for known loss. In addition to procuring and maintaining this insurance during the duration of the Agreement, each Party to this Agreement agrees to continue to procure and maintain, or to cause its third-party consultants, contractors, vendors, and their respective subcontractors to procure and maintain, products and completed operations liability insurance coverage through the applicable statute of repose period.

(v) Umbrella Liability Insurance, occurrence-based follow form, providing additional limits in excess of the Commercial General Liability, Automobile Liability and Employer’s Liability policy limits. Endorsements shall include Pay on Behalf of Wording; Concurrency of Effective Dates with Primary; Aggregates; Follow Form Primary; and Drop-Down Feature.

(d) **Minimum Limits of Insurance.** The limits below constitute minimum limits. Nothing in this Agreement shall be construed to limit a Party to this Agreement from maintaining insurance with higher limits.

<u>Type of Insurance</u>	<u>Minimum Limits Required (Per Claim/Occurrence)</u>	<u>Minimum Limits Required (Aggregate Policy Limits)</u>
1. Workers’ Compensation	Statutory Limits	Statutory Limits
2. Employer Liability (bodily injury by accident)	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
3. Commercial Auto Liability (Symbol 1) (no deductible in	Combined single limit/each accident	N/A

excess of \$25,000)

4. Commercial General Liability	\$2,000,000	\$5,000,000
a. Bodily Injury/Property Damage	\$2,000,000	\$5,000,000
b. Products/Completed Operation	\$2,000,000	\$5,000,000
c. Personal and Advertising Injury	\$1,000,000	\$2,000,000
d. Medical Expense limit (any one person)	\$10,000	
e. Loss of Use Insurance	\$1,000,000	\$2,000,000
5. Umbrella Liability Insurance (no deductible in excess of \$25,000)	\$10,000,000	\$10,000,000

(e) **Deductibles and Self-insured Retentions.** The funding of deductibles and self-insured retentions for insurance maintained pursuant to the requirements of this Agreements shall be the sole responsibility of the Foundation and Provident Group-HSC, including any amounts applicable to deductibles or self-insured retentions applicable to claims involving any additional insured entity. Any self-insured retentions in excess of \$25,000.00 must be declared to and approved in advance in writing by the other Party. Any self-insured retention endorsement that would limit the right of LSU, the Foundation, Provident Group-HSC, the Trustee or their successors and assigns to make such payment shall be rejected. The Party to this Agreement paying such deductible or self-insured retention shall be entitled to all rights and remedies under this Agreement and Governmental Regulations.

(f) **Additional Insurance Policy Requirements.** The required insurance shall contain the following additional provisions:

(i) **Additional Insured** - Each policy shall name Provident Group-HSC, LSU, the Foundation, the Trustee, Provident Resources Group Inc., the State of Louisiana, the Authority and their respective officers and directors as additional insureds on the above-referenced Commercial General Liability and Automobile Liability policies. The additional insured endorsements shall be at least as broad as the Insurance Services Office, Inc.'s forms CG 20 10 and CG 20 37, 07/04 edition forms.

(ii) **Loss Payee** - All policies shall name the Trustee as a loss payee

under the Standard 438BFU Lender's Loss Payable Endorsement for the Trustee to deposit such net proceeds in accordance with the Bond Documents for all property policies.

(iii) Severability of Interest - Except with respect to the limits of insurance, insurance required to be procured and maintained by each Party to this Agreement pursuant to the requirements of this Agreement shall apply separately to each insured or additional insured.

(iv) Primary Coverage - The insurance required in this Agreement to be maintained by the Foundation and Provident Group-HSC shall be primary insurance, and any insurance or self-insurance maintained by the other Party hereto.

(v) Notice of Cancellation - All policies required herein shall provide for thirty (30) days' written notice of cancellation or material change to be sent to the LSU Representative.

(vi) Waiver of Subrogation - All insurance policies required of the Foundation, Provident Group-HSC and the Trustee, as well as any other insurance carried by the Foundation, Provident Group-HSC and/or the Trustee for its protection or the protection of its Facilities on the Property, shall provide that the insurers waive in favor of LSU any rights of subrogation.

(g) **Verification of Contractor-Provided Insurance.**

(i) The Foundation, Provident Group HSC, and the Trustee shall furnish to LSU, a certificate of insurance on the most current version of the ACORD form evidencing the required coverage prior to the commencement of work or Manager Duties at or on the Facilities or the Property, as applicable. The Foundation, Provident Group HSC and the Trustee shall provide renewal certificates to LSU. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a thirty (30) day written notification to the LSU Representative prior to the cancellation thereof. Failure of the Foundation and/or Provident Group HSC and/or the Trustee to purchase and/or maintain either itself or through its contractor(s), any required insurance, shall not relieve the Foundation and/or Provident Group HSC from any liability or indemnification hereunder.

(ii) Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. Each Party to this Agreement shall promptly deliver to the other party to this Agreement, Provident

Group-HSC, the Foundation and the Trustee copies of written endorsements that are subsequently issued amending coverage or limits upon receipt or upon written demand by the other.

(iii) Failure of either party to this Ground Sublease, Provident Group-HSC, the Foundation or the Trustee to request certificates or identify deficiencies shall in no way limit or relieve the other of its obligations to maintain such insurance. Failure of a party to this Agreement to maintain the required insurance or to require its third party consultants, contractors, vendors, and their respective subcontractors to maintain the required insurance shall constitute a default under this Agreement and, at the option of the non-failing party, shall allow the non-failing party to withhold payment and/or purchase the required insurance at the failing party's expense.

(h) **No Representation of Coverage Adequacy.** LSU makes no representation or warranty that the insurance set forth in this Section will be sufficient to protect the Foundation's or Provident-Group-HSC's interest.

(i) Term. All insurance required in this Section shall remain in effect during the Term of this Agreement.

Section 11.3. NO RELEASE. Neither the acceptance of the completed Facilities nor the payment therefor shall release the Foundation or Provident Group-HSC, the Developer Development, the Developer Tigers, or their third party-consultants, contractors, vendors, or their subcontractors or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein, including as required under the Development Agreement and the Management Agreement, as applicable.

Section 11.4. INTENTIONALLY LEFT BLANK.

Section 11.5. CONTRIBUTORY ACTS. Whenever in this Agreement any Party is obligated to pay an amount or perform an act because of its negligence, willful misconduct or other legal fault (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or other willful misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence, willful misconduct or other legal fault as determined by a court of law.

Section 11.6. LIMITATION ON LIABILITY. The provisions of this Agreement do not waive or abrogate, nor are they intended to waive or abrogate, the limitation on liability established under La. R.S. 13:5106 for LSU.

**ARTICLE XII
DEFAULT AND REMEDIES**

Section 12.1. EVENTS OF DEFAULT BY THE FOUNDATION. Any one of the following events shall be deemed to be an “Event of Default” by the Foundation under this Agreement.

(a) The Foundation shall fail to pay any sum required to be paid to LSU under the terms and provisions of this Agreement and such failure shall not be cured within thirty (30) days after the Foundation’s receipt of written notice from LSU of such failure, provided that on the third such failure, no notice of default shall be required.

(b) The Taking by execution of the Foundation’s leasehold estate or the Property for the benefit of any Person.

(c) The Foundation shall fail to perform or cause to be performed any term, covenant, condition or provision hereof, other than the payment of money, subject to Force Majeure, to be performed by the Foundation under the terms and provisions of this Agreement and such failure shall not be cured within thirty (30) days after receipt of written notice from LSU of such failure; provided that if, during such thirty (30)-day period, the Foundation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of sixty (60) days after such thirty (30)-day period to cure such failure.

(d) A court having jurisdiction shall enter an order for relief in any involuntary case commenced against the Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation or ordering the winding up or liquidation of the affairs of the Foundation, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.

(c) The commencement by the Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Foundation to the commencement of a case under the Federal Bankruptcy Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation.

(d) the Foundation, after commencement of Construction but prior to Final Completion of the Facilities, abandons (with no intent to continue) performance of the

Series 2020 Project for a period of forty-five (45) consecutive days, excluding delays caused by Force Majeure.

Section 12.2. LSU'S RIGHTS UPON DEFAULT BY THE FOUNDATION. Upon the occurrence and during the continuance of an Event of Default, LSU may seek any and all damages occasioned by the Event of Default, or may seek any other remedies available at law or in equity; provided, however, LSU may not terminate this Agreement due to the default of the Foundation unless the Bonds are paid in full or legally defeased, as applicable, and all obligations under the Bond Documents are discharged, except with the prior written consent of the Trustee, which may be granted or withheld in its sole discretion.

Section 12.3. THE FOUNDATION'S OBLIGATIONS UPON DEFAULT. Any termination of this Agreement as herein provided shall not relieve the Foundation from the payment of any sum or sums that shall then be due and payable to LSU hereunder, or any claim for damages then or theretofore accruing against the Foundation hereunder, and any such termination shall not prevent LSU from enforcing the payment of any such sum or sums or from claiming damages by any remedy provided for by law, or from recovering damages from the Foundation for any Event of Default.

Section 12.4. RIGHTS OF LSU CUMULATIVE. All rights and remedies of LSU provided for in this Agreement 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. LSU shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by LSU of a breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of LSU to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option. A receipt by LSU or acceptance of payment by LSU of Annual Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by LSU or the Foundation of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties.

ARTICLE XIII DEFAULT BY LSU

Section 13.1. LSU DEFAULTS. LSU shall be in default under this Agreement if LSU shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within ninety (90) days or if unable to remedy such breach within said ninety (90) days, LSU fails to take actions necessary to remedy such breach within said ninety (90) days and is not diligently pursuing same, (or such longer period as the Trustee may approve) after written notice thereof from the Foundation, to LSU, then and in any such event LSU

shall be deemed to be in default hereunder. Subject to the preceding sentence, the Foundation shall be entitled to enforce any one or more of the following rights and remedies in the event of a default by LSU under this Agreement:

- (i) Require LSU to specifically perform its obligations under this Agreement or restrain or enjoin LSU from continuing the activities that constitute the default; and
- (ii) Exercise all other rights and remedies available to the Foundation under this Agreement or otherwise available to the Foundation at law or in equity as a consequence of the default.

Section 13.2. RIGHTS OF THE FOUNDATION CUMULATIVE. All rights and remedies of the Foundation provided for in this Agreement 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. The Foundation shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by the Foundation of a breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of the Foundation to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE XIV IMPROVEMENTS; LSU'S OPTION

Section 14.1. TITLE TO IMPROVEMENTS.

- (a) At all times during the term of the Ground Sublease, title to the Facilities and all other improvements hereafter Constructed in accordance with the Construction Documents and the Contract Documents shall be vested in Provident Group-HSC (or vested in the Foundation, if the Ground Sublease is terminated and this Agreement is not terminated).
- (b) Pursuant to and under the terms of the Ground Sublease, title to the Facilities shall automatically be transferred to LSU upon the termination of the Ground Sublease.
- (c) At such termination of this Agreement, the Foundation may be required by LSU at LSU's sole option to remove any and all Improvements including any and all facilities, buildings or structures in place on the Property at the sole expense of the Foundation.

**ARTICLE XV
CONDEMNATION**

Section 15.1. CONDEMNATION.

(a) In the event all or substantially all of the Property and the Facilities shall be subject to a Taking, or if so much of the Property and the Facilities or any component thereof shall be so taken so that the remainder of the affected Property and Facilities shall not reasonably be capable of being used for its intended purpose, as reasonably determined by LSU, the Foundation shall cause Provident Group-HSC to promptly notify the Trustee, LSU and the Foundation, and the Net Condemnation Proceeds shall be applied and paid *first* pursuant to the terms of the Indenture and *second* (to the extent of any Net Condemnation Proceeds remaining after such application) to the Foundation. Immediately after such distribution of Net Condemnation Proceeds, any funds remaining in the funds and accounts described in the Indenture shall be distributed as provided therein, and additionally all funds remaining in any reserve accounts being held pursuant to the Development Agreement and the Management Agreement, if any, shall be distributed to the Foundation, or if the Bonds have been fully paid and all obligations under the Bond Documents have been discharged, to LSU, subject to the Ground Sublease, upon which, (i) the Ground Sublease shall terminate and Provident Group-HSC shall be released from all of its obligations under the Bond Documents and Contract Documents, except for any such obligations of Provident Group-HSC which shall survive the Bond Documents and Contract Documents; and (ii) this Agreement shall terminate.

(b) The Ground Sublease shall provide that, in the event less than all or substantially all of the Property and the Facilities or any component thereof shall be subject to a Taking, Provident Group-HSC and the Trustee shall cause the Net Condemnation Proceeds received by them or any of them from any Award made in such eminent domain proceedings to be paid to the Trustee and deposited and held in the Condemnation Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Foundation, with the prior written consent of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 15.1(e), such Net Condemnation Proceeds shall be applied to the Restoration (provided that in this Section 15.1, the “value or character of the Property” in the definition of “Restoration” shall take into account the portion of the Property so taken); or

(ii) such Net Condemnation Proceeds shall be transferred to the Redemption Fund to be applied to the redemption of the Bonds; or

(iii) such Net Condemnation Proceeds shall be applied in some combination permitted by the foregoing clauses (i) and (ii);

provided that, if the Foundation does not, within such sixty (60) day period, direct the application of the Net Condemnation Proceeds pursuant to the preceding clauses (ii) or (iii), then the Net Condemnation Proceeds shall be applied pursuant to the preceding clause (i).

(c) After completion (and payment in full of the costs) of the Restoration (pursuant to Section 15.1(b)(i)), all remaining Net Condemnation Proceeds (if any) shall be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(d) [Reserved.]

(e) Before the Trustee may apply any Net Condemnation Proceeds pursuant to Section 15.1(b)(i), Provident Group-HSC shall have furnished to the Foundation and the Trustee (i) with respect to proposed Restorations in excess of \$500,000, a certificate of an Independent Engineer (A) to the effect that the affected Property can reasonably be expected to be restored, within a period of twenty-four (24) months from the receipt of such Net Condemnation Proceeds, to substantially the condition thereof immediately preceding such damage or destruction and in a condition that constitutes Restoration, (B) setting forth the estimated cost of the Restoration, including an allowance for contingencies, and the estimated date of completion of such Restoration, and (C) to the effect that all amounts necessary to accomplish the Restoration are on deposit in the Restoration Fund and (ii) a certificate of Provident Group-HSC, the Foundation or, if applicable, the Independent Engineer to the effect that all permits, licenses, accreditations, and other governmental approvals necessary for Restoration are in full force and effect. If the Independent Engineer advises that he or she cannot give the certificate described in the preceding clause (i), then, before the Net Condemnation Proceeds are applied pursuant to Section 15.1(b)(ii), LSU shall have sixty (60) days after such advice, at the LSU's option, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to give such certificate, in which case the Net Condemnation Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 15.1(b)(i).

(f) Any balance of such Net Condemnation Proceeds remaining after application pursuant to this Section 15.1 shall be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(g) Except as otherwise expressly contemplated hereby, the Ground Sublease shall not terminate or be forfeited by reason of a partial Taking of less than substantially all of the Property by reason of the untenability of the same or any part thereof resulting from any such Taking. The Ground Sublease shall provide that Provident Group-HSC shall agree that, except (i) to the extent otherwise expressly provided in this Section 15.1, or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, the Foundation's obligations hereunder, including the

payment of Annual Rent, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

**ARTICLE XVI
ASSIGNMENT, SUBLETTING, AND TRANSFERS OF
THE FOUNDATION'S INTEREST**

Section 16.1. ASSIGNMENT OF LEASEHOLD INTEREST. Except as specifically set forth herein, the Foundation shall not assign, transfer, convey, grant rights of use or otherwise sublet, nor shall it permit the assignment, transfer, conveyance, grants of rights of use or otherwise sublet, its leasehold estate or any rights therein, in its entirety or for any portion of the unexpired Term and may not assign any interest in this Agreement without the prior written consent of LSU, and any such assignment, transfer, conveyance or sublease made or given without first obtaining LSU's prior written consent shall be null and void; provided, however, that the Foundation may, without LSU's prior written consent, grant rights pursuant to and in accordance with the Ground Sublease. Notice of any such assignment or transfer shall be furnished promptly to LSU.

Section 16.2. REORGANIZATION BY THE FOUNDATION OR SUBLESSEE. The provisions of Section 16.1 shall not prevent the Foundation from changing its name or reorganizing its operations provided such change or reorganization does not adversely impact LSU or adversely impact the Foundation's ability to fulfill its obligations under this Agreement.

Section 16.3. TRANSFERS OF THE FOUNDATION'S INTEREST. The obligation of the Foundation under this Agreement shall survive any conveyance, assignment or other transfer of the Foundation's interest, and the Foundation shall not be relieved of such obligation as a consequence of such transfer. Furthermore, any Person succeeding to the Foundation's interest as a consequence of any such conveyance or other transfer shall succeed to all of the obligations of the Foundation hereunder and shall be subject to the terms and provisions of this Agreement and the Ground Sublease.

Section 16.4. INCURRENCE OF DEBT. The Ground Sublease shall provide that the Foundation shall not permit Provident Group-HSC to issue the Bonds (other than the Series 2020 Bonds), increase the amount of the Bonds, refinance the Bonds or extend the due dates of payments on the Bonds without the prior written consent of LSU.

**ARTICLE XVII
COMPLIANCE CERTIFICATES**

Section 17.1. FOUNDATION COMPLIANCE. The Foundation agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by LSU, to execute, acknowledge and deliver to LSU or to such other party as LSU shall request, a statement in writing certifying (a) that this Agreement and the Ground Sublease are unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and

stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of LSU to be performed (and if so specifying the same), (c) the dates to which the Annual Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this Section 17.1 may be relied upon by any Person.

Section 17.2. LSU COMPLIANCE. LSU agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Foundation, to execute, acknowledge and deliver to the Foundation a statement in writing, addressed to the Foundation or to such other party as the Foundation shall request, certifying, to the best of its knowledge, (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Annual Rent and other charges have been paid; (c) whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this may be relied upon by any assignee or sublessee pursuant to this Agreement.

ARTICLE XVIII TAXES, FEES, AND LICENSES

Section 18.1. PAYMENT OF TAXES. The Foundation shall pay or cause to be paid, and, upon request by LSU, shall provide evidence of payment to the appropriate collecting authorities, all federal, State and local taxes and fees, which are now or may hereafter be levied upon the Foundation's interest in the Facilities or the Property, or upon the Foundation, or upon the business conducted on the Facilities or the Property or imposed in connection with the construction, maintenance, alteration, or improvement of the Facilities or the Property, as applicable, or upon any of the Foundation's property used in connection therewith; and shall maintain in current status all federal, State and local licenses and permits required for the operation of the business conducted by the Foundation. LSU shall pay, and, upon request by the Foundation, shall provide evidence of payment to the appropriate collecting authorities, all federal, State and local taxes and fees, which are now or may hereafter be levied upon LSU or LSU's Interest. The Foundation and LSU may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of LSU and the Foundation to pay taxes and fees under this Section 18.1 shall apply only to the extent that LSU or the Foundation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Foundation's payment of taxes shall be identified under Federal Tax Identification Number _____.

Section 18.2. CONTESTED TAX PAYMENTS. The Foundation shall not be required to pay, discharge or remove any such taxes or assessments so long as the Foundation is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Foundation hereby agrees to indemnify and save LSU

harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on any lien arising in respect to such contested amounts, cause the same to be discharged and removed prior to the execution of such judgment. Upon the termination of such proceeding, the Foundation shall deliver to LSU proof of the amount due as finally determined and proof of payment thereof. LSU, at the Foundation's expense, shall join in any such proceeding if any law shall so require.

**ARTICLE XIX
FORCE MAJEURE**

Section 19.1. DISCONTINUANCE BY THE FOUNDATION DURING FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by the Foundation, the Foundation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. However, LSU shall not be obligated to recognize any delay caused by Force Majeure unless the Foundation shall, within ten (10) Business Days after the Foundation is aware of the existence of an event of Force Majeure, notify LSU in writing thereof.

Section 19.2. DISCONTINUANCE BY LSU DURING FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by LSU, LSU shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. However, the Foundation shall not be obligated to recognize any delay caused by Force Majeure unless LSU shall, within ten (10) Business Days after LSU is aware of the existence of an event of Force Majeure, notify the Foundation thereof.

**ARTICLE XX
ENVIRONMENTAL CONDITION OF THE PROPERTY**

Section 20.1. ENVIRONMENTAL CONDITION OF THE PROPERTY. The Ground Sublease shall provide that:

- (a) Provident Group-HSC shall not:
 - (i) Direct, suffer, or permit the Developer, the Manager, LSU, LSUHSC-NO or any of their respective employees or any other Person or entity under their respective control to handle, transport, use, manufacture or store any Hazardous Materials in or about the Property, except as provided in Section 20.1(b) below; or
 - (ii) Suffer or permit (with or without negligence):
 - (A) Any Hazardous Materials to be used by any employee, officers, agents, contractors or third party directed or controlled by Provident Group-HSC in any manner not fully in compliance with all Environmental Laws; or

(B) The Property or adjoining areas and, prior to Final Completion only, the Facilities to become contaminated with any Hazardous Materials generated by Provident Group-HSC; or

(C) The escape, disposal or release of any Hazardous Materials generated by Provident Group-HSC.

(b) Provident Group-HSC may permit the Developer and the Manager to handle, store, use, or dispose of Hazardous Materials to the extent customary and necessary for the performance of the Developer's and the Manager's duties under the Development Agreement and the Management Agreement, respectively, provided same does not violate Environmental Laws and all disposal occurs offsite. Provident Group-HSC shall cause the Developer to pay and perform the Developer's obligations regarding Environmental Laws, Hazardous Materials and Remediation as set forth in the Development Agreement and the Management Agreement.

(c) Provident Group-HSC shall promptly provide the Foundation with complete and accurate copies of all disposal tickets for materials (hazardous or not) from the Property and, prior to Final Completion only, the Facilities that are disposed of off the Property.

(d) in the event that Provident Group-HSC, its affiliates, contractors, employees, officers or agents generate any Hazardous Materials that are required by any Environmental Law to be Remediated, and specifically excluding any Hazardous Materials that are generated by the Foundation, LSU, their affiliates, employees, officers or agents, Provident Group-HSC shall, at its sole cost and expense, promptly effectuate Remediation of any condition, including but not limited to a release of a Hazardous Material in, on, above, under or from the Property and, prior to Final Completion only, the Facilities, ("Hazardous Site Condition") as necessary to comply with any Environmental Law or any breach of this Section 20.1. In the event that any Hazardous Materials currently exist within the Property or the Facilities or any Hazardous Materials that are required by any Environmental Law to be Remediated and were generated by the Foundation, LSU their affiliates, employees, officers or agents or any third party, the Foundation shall, at its sole cost and expense, promptly effectuate Remediation of any condition in, on, above, under or from the Property and the Facilities as necessary. In the event that Provident Group-HSC fails to perform said work after notice from the Foundation or the State Department of Environmental Quality, the Foundation may, as agent of Provident Group-HSC, perform same, and Provident Group-HSC agrees to reimburse the Foundation for the entire cost of such Remediation, together with interest at the Default Rate, as Additional Rent (as defined in the Ground Sublease).

(e) to the extent Provident Group-HSC has knowledge, Provident Group-HSC shall immediately notify the Foundation in writing of (A) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Property, (B) any

non-compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential environmental lien; (D) any required or proposed Remediation of Hazardous Site Condition relating to the Property; and (E) any written or oral notice or other communication of which Provident Group-HSC becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials or Remediation thereof, or the possible liability of any person or entity pursuant to any Environmental Law in connection with the Property.

(f) notwithstanding anything contained in Section 30 of the Ground Sublease or any other provision of the Ground Sublease to the contrary, Provident Group-HSC shall acknowledge and agree that the Developer or the Manager, as applicable, and not the Foundation, shall be responsible for Remediation of any and all Hazard Site Conditions, as necessary to comply with any Environmental Law or any breach of the Management Agreement or the Development Agreement. To the extent set forth in the Development Agreement and the Management Agreement, Provident Group-HSC shall promptly effectuate or cause the Developer or the Manager, as applicable, to effectuate, Remediation of any Hazardous Site Condition as necessary to comply with any Environmental Law or any other Governmental Regulations, subject to the Development Agreement.

(g) The foregoing provisions of this Section 20.1 notwithstanding, Provident Group-HSC shall have no responsibility for the environmental condition or the Remediation of the Facilities following Final Completion and, following Final Completion of the Facilities, the Foundation or LSU, as applicable, shall be responsible for the environmental condition or the Remediation of the Facilities.

ARTICLE XXI MISCELLANEOUS

Section 21.1. NONDISCRIMINATION, EMPLOYMENT AND WAGES. Any discrimination by the Foundation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Agreement, is prohibited.

Section 21.2. NOTICES AND CONSENTS. Notices or communications to LSU or the Foundation, and all necessary written consents required or appropriate under this Agreement shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, return receipt requested, or (d) sent via Facsimile, provided that acknowledgment of receipt thereof is received by the sending party from the receiving party, addressed as follows:

if to LSU:	President of LSU Louisiana State University 3810 West Lakeshore Drive Baton Rouge, Louisiana 70803
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Telephone: (225) 578-_____
Facsimile: (225) 578-4749

with copies to: Executive Vice President for Finance and Administration
and CFO
Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, Louisiana 70803
Telephone: (225) 933-3108
Facsimile: (225) 578-5403

if to the Foundation: President/Chief Executive Officer
LSU Health Foundation, New Orleans
2000 Tulane Avenue, 4th Floor
New Orleans, Louisiana 70112
Telephone: 504-568-3712
Facsimile: 504-568-3460

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Every notice, demand, request or other communication sent in the manner aforesaid shall be deemed to have been given, made or communicated, as the case may be, on the third business day after the same has been deposited, registered or certified, properly addressed as aforesaid, proper postage prepaid, in the United States mail, except that any notice, demand, request, or other communication, to the Foundation or LSU may be personally delivered, and in such event shall be deemed to have been given on the date the same shall have been personally delivered to the Party to whom such notice, demand, request or other communication is addressed, or to an officer of such Party, as provided by law.

Section 21.3. RELATIONSHIP OF 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 ventures, or any other similar such relationship, between the Parties hereto. It is understood and agreed that no provision contained herein nor any acts of the Parties hereto creates a relationship other than the relationship of LSU and the Foundation. In no event shall the Foundation's officers, directors, employees or agents be liable for any of the obligations of the Foundation hereunder. Furthermore, LSU and the Foundation agree to execute any and all documents necessary upon the termination of this Agreement, including but not limited to any notices or consents required pursuant to the provisions of Louisiana Civil Code Article 493.

Section 21.4. ATTORNEYS' FEES. To the extent allowed by law, if either party is required to commence legal proceedings relating to this Agreement, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 21.5. LOUISIANA LAW TO APPLY. This is a Louisiana Agreement and shall be governed, interpreted and enforced in accordance with the laws of the State of Louisiana without

giving effect to any conflict of law provisions. Venue of any action arising from this Agreement shall be exclusively in the Civil District Court, Parish of Orleans, State of Louisiana or the United States District Court for the Eastern District of Louisiana. The Parties irrevocably waive any objection which they may have now or hereafter to the venue of any proceedings brought in such court, or that such proceedings have been brought in a non-convenient forum when brought in such court. The Parties irrevocably agree that any final judgment (after appeal or expiration of time for appeal) entered by such court shall be conclusive and binding upon the Parties and may be enforced in the courts of any other jurisdiction to the fullest extent permitted by law.

Section 21.6. WARRANTY OF PEACEABLE POSSESSION. LSU covenants that the Foundation, on paying the Annual Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Foundation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Property and the improvements existing thereon as of the Effective Date of this Agreement, and may exercise all of its rights hereunder; and LSU agrees to forever defend the Foundation's right to such occupancy, use, and enjoyment of the Property and the improvements existing thereon as of the Effective Date of this Agreement against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Agreement.

Section 21.7. CURATIVE MATTERS. Except for the express representations of LSU set forth in this Agreement, any additional matters necessary or desirable to make the Property and such other areas of Campus as shall be necessary for the performance of the Series 2020 Project useable for the Foundation's purpose shall be undertaken, in the Foundation's sole discretion, at no expense to LSU and only with LSU's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 21.8. TERMINOLOGY. Unless the context of this Agreement clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof" "herein," "hereunder," and similar terms in this Agreement shall refer to this Agreement as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Agreement are for reference purposes, and shall not control or affect the construction of this Agreement or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Agreement unless otherwise specified. All exhibits attached to this Agreement constitute a part of this Agreement and are incorporated herein. All references to a specific time of day in this Agreement shall be based upon Central Time.

Section 21.9. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be declared an original, but all of which shall constitute one and the same document. For purposes of this section, facsimile and PDF signatures are acceptable; however, the original signature pages shall be substituted as soon as practicable.

Section 21.10. SEVERABILITY. If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intention of the Parties hereto that the remainder of this Agreement shall not be affected thereby.

Section 21.11. AUTHORIZATION. By execution of this Agreement, the Foundation and LSU each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed; and that the persons signing this Agreement on their behalf have due authorization to do so. Each Party shall provide to the other evidence of proper authorization.

Section 21.12. AMENDMENT. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated on or subsequent to the date hereof and duly executed by the Parties hereto.

Section 21.13. SUCCESSORS AND ASSIGNS. All of the covenants, agreements, terms and conditions to be observed and performed by the Parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSU into another educational institution.

Section 21.14. OWNERSHIP. All records, reports, documents, and other material delivered or transmitted to the Foundation by LSU shall remain the property of LSU, and shall be returned by the Foundation to LSU, at the Foundation's expense, at termination or expiration of this Agreement. All records, reports, documents, or other material related to this Agreement and/or obtained or prepared by the Foundation in connection with the performance of the services contracted for herein shall become the property of LSU, and shall, upon request, be tendered by the Foundation to LSU, at the Foundation's expense, at termination or expiration of this Agreement.

Section 21.15. ABSENCE OF DEBT. Notwithstanding anything to the contrary contained herein, during any time in which no Bonds are unpaid and outstanding and no debt is owed by the Foundation with respect to the Bonds, no party other than LSU and the Foundation shall have rights with respect to this Agreement.

Section 21.16. DISCRIMINATION CLAUSE. The Foundation shall agree to abide by and the Ground Sublease shall provide that Provident Group-HSC shall agree and abide by: (a) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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; (b) the requirements of the Americans with Disabilities Act of 1990 and (c) any executive order by the governor of the State.

(i) The Ground Sublease shall provide that: Provident Group-HSC shall additionally require and cause the General Contractor to agree: (A) not to discriminate in its employment practices; and (B) to render services under any contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities and in compliance with any executive orders.

(ii) Any act of discrimination committed by General Contractor, or failure to comply with these statutory or regulatory obligations when applicable shall be grounds for termination of the General Contractor. If the General Contractor does not comply with the provisions of Section 6.1(u) of this Agreement, the Foundation shall require Provident Group-HSC to cause the Developer to terminate the General Contractor.

Section 21.17. ENTIRE AGREEMENT. This Agreement, together with the exhibit attached hereto, contains the entire agreement between the Parties hereto with respect to the matters set forth herein and contains all of the terms and conditions agreed upon with respect to such matters, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties hereto; it being the intent of the Parties that neither shall be bound by any term, condition, or representations not herein written.

Section 21.18. CONSENTS. Any provision of this Agreement to the contrary notwithstanding, all provisions of the Agreement, the Ground Sublease, Contract Documents and/or the Bond Documents requiring the approval or prior written consent of the Foundation or Provident Group-HSC shall be deemed to also require the approval or prior written consent of LSU, through the LSU Representative.

Section 21.19. DRAFTING OF AGREEMENT. The Parties agree that the terms and conditions of this Agreement are the result of arm's length negotiations between the Parties and/or their counsel. Neither Party shall be considered the drafter of the Agreement or any provision hereof for the purpose of any statute, jurisprudential rule, or rule of contractual interpretation or construction that might cause any provision to be construed against the drafter.

Section 21.20 NO EXPENDITURE OF PUBLIC FUNDS. The parties hereto agree that this Agreement shall not require the expenditure of any public funds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page for Cooperative Endeavor and Lease Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Cooperative Endeavor and Lease Agreement on behalf of LSU on the ____ day of _____, 20__, to be effective on the ____ day of _____, 20__, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

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

Printed Name: _____

Printed Name: _____

By: _____
Name: F. King Alexander
Title: President, Louisiana State University

Notary Public

Printed Name

LSBA Roll No. _____

My Commission is for life.

[Signature page for Cooperative Endeavor and Lease Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Cooperative Endeavor and Lease Agreement on behalf of the Foundation on the ____ day of _____, 20__, to be effective on the ____ day of _____, 20__, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana nonprofit corporation,

Printed Name: _____

By: _____

Name:

Title:

Printed Name: _____

Notary Public

Printed Name

LSBA Roll No. _____

My Commission is for life.

EXHIBIT A

PROPERTY

LEGAL DESCRIPTION OF PROPERTY

DRAFT



BREAZEALE, SACHSE & WILSON, L.L.P.
ATTORNEYS AT LAW

December 12, 2019

Board of Supervisors of Louisiana State University
and Agricultural and Mechanical College
Baton Rouge, Louisiana 70803

RE: \$12,830,000 Board of Supervisors of Louisiana State University
Agricultural and Mechanical College Revenue Refunding Bonds
(Louisiana State University Health Sciences Center Projects) Series 2013
(the "*Series 2013 Bonds*")

Ladies and Gentlemen:

We have been requested to render certain advice to the Board of Supervisors of Louisiana State University Agricultural and Mechanical College (the "*Board*") in connection with the referenced Series 2013 Bonds issued by the Board on September 4, 2013. The Series 2013 Bonds were issued to refund the Board's outstanding Revenue Bonds (Louisiana State University Health Sciences Center Projects) Series 2000 (the "*Series 2000 Bonds*"). The Series 2000 Bonds were issued primarily for the purposes of (a) financing the planning, renovating, constructing of the old Charity Hospital School of Nursing Building for use as a daycare center, wellness center and student dormitory facility and (b) the acquisition of land for use as parking (collectively, the "*2000 Project*").

In connection with this matter we have reviewed:

- (i) The General Bond Resolution of the Board adopted January 21, 2000 (the "*General Bond Resolution*"), as supplemented by the First Supplemental Bond Resolution adopted January 21, 2000 (the "*First Supplemental Bond Resolution*"), and as further supplemented by the Second Supplemental Bond Resolution adopted July 26, 2013 (the "*Second Supplemental Resolution*" and, together with the General Bond Resolution and the First Supplemental Resolution, the "*Bond Resolution*") pursuant to which the Series 2013 Bonds were issued.
- (ii) A draft of a Cooperative Endeavor and Lease Agreement dated December 10, 2019 (the "*Cooperative Endeavor*"), by and between Louisiana State University and Agricultural and Mechanical College ("*LSU*" or the "*University*") and LSU Health Foundation, New Orleans, a Louisiana nonprofit corporation (the "*Foundation*"), providing for the lease of the site by the University to the Foundation which will sublease the site to Provident (hereinafter defined). The

Cooperative Endeavor also sets forth certain agreements of the parties thereto with respect to the construction, operation and management of the Project (as defined hereinbelow). A copy of the Cooperative Endeavor is attached hereto as **Exhibit A** and made a part hereof.

- (iii) Such other documents, instruments and certificates we have deemed necessary for the purpose of this opinion.

The University and the Foundation are aware that Provident Group-HSC Properties Inc. ("*Provident*"), a Louisiana nonprofit corporation, is undertaking the development, financing, construction, furnishing, equipping and operation of an approximately 579-bed residential living-learning community and related amenities (the "*Project*") on a site currently adjacent to the University's campus to be acquired by Provident (the "*Site to be Acquired*"). Since our advice letter to you of June 18, 2018, relating to this matter, we have been advised that Provident intends to purchase the Site to be Acquired and donate the Site to be Acquired to the Foundation, which will, in turn, donate the Site to be Acquired, together with an adjacent parcel currently owned by the Foundation (collectively, the "*Project Site*"), to the Board. The Board will then lease the Project Site to the Foundation pursuant to the Cooperative Endeavor (the "*Primary Ground Lease*") and the Foundation will, in turn, sublease the Project Site to Provident under a long-term Ground Sublease Agreement (the "*Ground Sublease*"). Provident will be required by the Ground Sublease to develop, design, construct, own, manage and operate the Project with input from the University and the Foundation as provided in the Cooperative Endeavor. The Project is expected to be financed through the issuance of revenue bonds (the "*Financing*") by or on behalf of Provident, which will be solely responsible for the debt service thereon. It is expected that the University and its students, faculty and staff, as well as the Foundation, will benefit from the development and operation of the Project, which will provide upscale housing and amenities on the University's campus. The Cooperative Endeavor provides that, upon termination of the Financing and payment in full of the revenue bonds issued to finance the Project, title to the Project will devolve to the University.

Based upon our review of the Bond Resolution and Cooperative Endeavor, solely as it exists in the draft form attached hereto as **Exhibit A**, we are of the opinion that the ownership of the Project Site by the Board and compliance with the provisions of the Cooperative Endeavor by the University, will not result in a violation of the covenants and agreements of the Board set forth in the Bond Resolution.

This opinion is strictly limited to the provisions of the draft Cooperative Endeavor attached as **Exhibit A** hereto and may not be relied upon with respect to any subsequent material revisions thereto. No one other than the addressee hereof is entitled to rely on this opinion without our express written consent. This opinion is not offered, and shall not be construed, as a guaranty or warranty.

Respectfully submitted,

Breazeale, Sachse & Wilson, L.L.P.

EXHIBIT A

DRAFT – 12/10/19

COOPERATIVE ENDEAVOR AND LEASE AGREEMENT

dated as of _____, 2020

By and Between

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

and

LSU HEALTH FOUNDATION, NEW ORLEANS

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EXHIBIT A - DESCRIPTION OF PROPERTY

A-1

COOPERATIVE ENDEAVOR AND LEASE AGREEMENT

This Cooperative Endeavor and Lease Agreement ("Agreement") is made and entered into as of the Effective Date (as defined herein) by and between

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU" or "Board"), herein represented by F. King Alexander, the duly authorized President of LSU, and

LSU HEALTH FOUNDATION, NEW ORLEANS, a nonprofit corporation which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), as an organization described in Section 501(c)(3) of the Code organized and existing under the laws of the State of Louisiana ("Foundation"), herein represented by _____, the duly authorized _____ of the Foundation.

The Board and the Foundation are sometimes referred to individually as a Party and collectively as the Parties.

WITNESSETH

WHEREAS, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana ("State");

WHEREAS, the Louisiana State University Health Sciences Center – New Orleans ("LSUHSC-NO") is a public institution of higher education under the supervision and management of LSU located in New Orleans, Louisiana;

WHEREAS, the Foundation is a private Louisiana Tax-Exempt Organization (as defined herein) and an LSU-affiliated organization, the charitable purposes of which include: (i) improving and promoting the resources, services, development, and operation of LSUHSC-NO; and (ii) establishing and operating on or near the campus of LSUHSC-NO in downtown New Orleans, Louisiana ("Campus"), student and staff residential housing, retail, office, research, business and real estate services as would aid, assist or supplement the educational and community mission of LSUHSC-NO;

WHEREAS, Article VII, § 14(c) of the Louisiana Constitution of 1974 (La. Const. Art. VII, §14(c)) provides that, for a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or provide association, corporation or individuals;

WHEREAS, LSU is the owner of certain real property ("Property"), which is a part of its Campus, as more particularly described in **Exhibit A** attached hereto, incorporated in and by reference made a part hereof, which property was donated to LSU for the purposes set forth herein;

WHEREAS, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, and the above referenced constitutional provision, LSU is authorized to enter into agreements with a nonprofit corporation such as the Foundation to lease any portion of the grounds or campus of any college or university or other immovable property under its supervision and management, under the conditions set forth herein;

WHEREAS, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes, under certain circumstances, agreements to allow for demolition, construction and renovation of buildings, other structures and improvements by a nonprofit corporation on that portion of the grounds or campus of LSUHSC-NO which is the subject of a lease;

WHEREAS, LSUHSC-NO's current on-campus housing program consists solely of two facilities built in the 1960s;

WHEREAS, in order to further the educational mission of LSUHSC-NO and to assist LSUHSC-NO in supplementing its existing housing program, the Foundation desires to lease the Property from LSU and sublease the Property to Provident Group – HSC Properties Inc. (“Provident Group-HSC”), a Louisiana nonprofit corporation and a Tax-Exempt Organization, for the purpose of allowing Provident Group-HSC to acquire, design, develop, construct, furnish, install and equip an approximately 579-bed housing facility and related infrastructure (“Facilities”) on the Property (“Series 2020 Project”) for the benefit of the Foundation and the students, staff and faculty of LSUHSC-NO and other Eligible Residents (as hereinafter defined), and will meet other academic needs of LSUHSC-NO;

WHEREAS, such new Facilities will be of great benefit to LSUHSC-NO and to LSU because such Facilities will attract students to LSUHSC-NO, will provide students of LSUHSC-NO and other Eligible Residents with up-to-date convenient residential housing on Campus, and will allow LSUHSC-NO to utilize the current resident halls for other purposes that will generate additional revenues for LSUHSC-NO;

WHEREAS, LSUHSC-NO will treat the new Facilities as an important and exciting addition to its residential housing program made available to the Eligible Residents by including the Facilities in information and marketing materials regarding available housing that is provided to existing and prospective students of LSUHSC-NO. LSUHSC-NO will also allow the Facilities to be advertised on its website;

WHEREAS, to further facilitate and promote the Facilities, LSUHSC-NO will allow the members of the LSUHSC-NO community residing at the Facilities access to the same or similar services and access it provides to those in its own housing facilities, including, access to parking through its existing vehicle registration process as well as any current future student life programs.

WHEREAS, the Foundation now desires to lease the Property from LSU and sublease the Property to Provident Group-HSC for the purpose of acquiring, designing, developing,

constructing, furnishing, installing, equipping, and operating the Facilities thereon solely for the use and benefit of the Eligible Residents (as defined herein) and in furtherance of the Foundation’s mission to support LSUHSC-NO, and will meet other academic needs of the Campus; and

WHEREAS, the costs of the acquisition, design, development, construction, equipping, furnishing, and installing of the Series 2020 Project is to be financed with the proceeds of: (i) approximately \$97.3 million aggregate principal amount of Louisiana Public Facilities Authority Revenue Bonds (Provident Group – HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020A (“Series 2020A Bonds”) and the (ii) approximately \$1.2 million aggregate principal amount of Louisiana Public Facilities Authority Taxable Revenue Bonds (Provident Group – HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020B (“Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) pursuant to a Trust Indenture dated as of _____ 1, 2020 (“Indenture”) between the Louisiana Public Facilities Authority, as the issuer (“Authority”), and Hancock Whitney Bank, as trustee (“Trustee”), the proceeds of the sale of such Series 2020 Bonds to be loaned by the Authority to Provident Group-HSC pursuant to a Loan Agreement dated as of _____ 1, 2020 (“Loan Agreement”).

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements which follow, the parties hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1. DEFINITIONS. In addition to such other defined terms as may be set forth in this Agreement, the following terms shall have the following meanings:

“**Additional Bonds**” - as defined in the Indenture, to the extent the same are issued in accordance with the terms of the Indenture.

“**Annual Rent**” - as defined in Section 4.1.

“**Architect**” - the Facilities’ architect(s) of record selected by the Developer.

“**Architect’s Agreement**” - the agreement(s) between the Architect and the Developer (pursuant to the Development Agreement) for the Design and Development of the Facilities, and any and all amendments, modifications and supplements thereto.

“**Authority**” - the Louisiana Public Facilities Authority, a public trust and public corporation of the State of Louisiana, or any agency, board, commission, body, department or office succeeding to the purpose or functions of the Authority, or to whom the power conferred upon the Authority shall be given by Governmental Regulations.

“Award” - payment or other compensation received or receivable as a consequence of a Taking from or on behalf of any Governmental Authority or any other Person vested with the power of eminent domain.

“Board” - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and its successors and assigns.

“Bond Counsel” – as defined in the Indenture.

“Bond Documents” - collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident Group-HSC in connection with the issuance, purchase and delivery of the Bonds, and evidencing, governing or securing payment of the Bonds, together with the collateral assignment of any Bond Document by the Authority to the Trustee, and all amendments, modifications and supplements to each such Bond Document in accordance with their terms and the Ground Sublease.

“Bondholder” - as defined in the Indenture.

“Bonds” - collectively, the Series 2020 Bonds and any Additional Bonds.

“Budget” - as defined in the Management Agreement.

“Business Day” or **“business day”** - a day excluding Saturday, Sunday, and any Holiday.

“Campus” - means the LSUHSC-NO campus, located in New Orleans, Orleans Parish, Louisiana.

“Change Order” - as defined in the Development Agreement.

“Code” - the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“Collateral Assignment of Contract Documents” - any collateral assignments, pledge or other instrument, dated on or about the date of the Agreement, given to the Authority, the Trustee or Provident Group-HSC, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident Group-HSC, the Developer, the Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds by Provident Group-HSC, the Developer or the Manager, including, without limitation, any such assignments or pledges set forth in the Mortgage.

“Commencement Date” - the Effective Date.

“Construct,” “Constructed,” or “Construction” - to Develop, improve, renovate, expand, install, construct, demolish, renew, restore, or perform any other work of similar nature in connection with locating, relocating, placing, replacing, restoring, and installing the improvements, equipment, or furnishings comprising the Facilities.

“Construction Contract” - as defined the Development Agreement.

“Consultant” - as defined in the Development Agreement.

“Contract Documents” - collectively, the Development Agreement, the Management Agreement, the Construction Contract, the Architect’s Agreement, the Construction Documents and any and all contracts entered into by the Developer or Provident Group-HSC for the engagement of contractors, materialmen, and laborers from time to time in connection with the performance of the Series 2020 Project or the provision of materials or labor in respect thereto, and all other contracts and/or agreements from any person or firm rendering services or supplying material in connection with the performance of the Series 2020 Project, as such Contract Documents may be amended, modified or supplemented from time to time. All terms, conditions, and provisions of the Contract Documents require the prior written approval of LSU.

“Construction Documents” - collectively, the Plans and Specifications, Construction drawings and Change Orders prepared by the Developer, the Architect or other Consultants for the performance of the Series 2020 Project and any changes, modifications, or supplements to them, all as approved by Provident Group-HSC, the Foundation and LSU. The Construction Documents, as such may be amended, modified or supplemented from time to time, are attached as Exhibits to the Development Agreement and set forth the Developer’s exclusive Construction obligations relative to the performance of the Series 2020 Project.

“Contractor” - as defined in the Development Agreement.

“Default Rate” - a per annum rate of interest equal to the sum of the Prime Rate plus four (4%) percent.

“Design” - any and all design, planning, architectural, or engineering activity required in connection with and for the performance of the Series 2020 Project.

“Developer” - Michaels Student Living, LLC, Marlton, New Jersey, and its permitted successors and assigns under the Development Agreement or such other entity approved by the Foundation.

“Development” or “Develop” - any acts necessary and appropriate to: (a) obtain any required land use, zoning, environmental, building, or other approvals and permits for the Design, acquisition, Construction, operation and use of the Facilities, (b) obtain any required extension of public and private Utility Services for the Facilities, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Facilities (including such rights

granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the Series 2020 Project.

“Development Agreement” - that certain Development Agreement dated as of _____ 1, 2020, between Provident Group-HSC and the Developer, with the Trustee, the Foundation, LSUHSC-NO, and LSU as intended third party beneficiaries, regarding the performance of the Series 2020 Project, and any amendments, modifications and supplements thereto. LSU must consent to any and all provisions that are contained within the Development Agreement.

“Development Costs” - as defined in and determined consistently with the Development Agreement.

“Effective Date” - the date of issuance of the Series 2020 Bonds, which is January __, 2020.

“Eligible Residents” - in order of priority: (i) students registered in a professional academic health program at LSUHSC-NO, including the LSU School of Dentistry; (ii) full-time students registered at the Delgado Charity School of Nursing, (iii) visiting faculty serving at LSUHSC-NO on a temporary basis; (iv) persons participating in any LSUHSC-NO sponsored activity or program; (v) regular full-time faculty and staff of LSUHSC-NO; and (vi) lastly, but only to the extent beds are available: (A) first, to physicians and staff of University Medical Center New Orleans, and (B) second, to full-time students attending other accredited academic health institutions within the City of New Orleans, including Tulane Medical Center.

“Environmental Laws” - all federal, State and local laws and ordinances and common law principles relating to the protection of the environment or the keeping, use, abatement, remediation, disposal, human health or natural resources or the generation, transportation, treatment, storage, disposal, recycling, keeping, use, or disposition of Hazardous Materials, substances, or wastes, presently in effect or adopted after the Effective Date, including, without limitation, all amendments to Environmental Laws and all rules and regulations under any Environmental Laws.

“Equipment” – as defined in the Indenture.

“Event of Default” - any matter identified as an Event of Default under Sections 12.1 or 13.1.

“Expense” - as defined in the Indenture and the Management Agreement.

“Expiration Date” - the date on which this Agreement terminates in accordance with its terms.

“Facilities” - as defined in the Recitals of this Agreement.

“Federal Bankruptcy Code” - 11 U.S.C. §101, *et seq.*, as the same may be amended from time to time.

“Final Completion”, **“Finally Complete”** or **“Finally Completed”** - as defined in the Development Agreement.

“Final Completion Date” - as defined in the Development Agreement.

“Fiscal Year” – the period commencing on July 1 of any calendar year and ending on June 30 of the following calendar year, or such other period for twelve consecutive calendar months as shall be specified by LSU.

“Force Majeure” – any (a) act of God, landslide, lightning, earthquake, named storm, flood, tornado, blizzard, fire, explosion, act of a public enemy, war, rebellion, terror, insurrection, acts of civil or military authorities, riot, or civil disturbance or disorders; (b) labor dispute or lockouts; or (c) order or final non-appealable judgment of any Governmental Authority other than LSU, if not the result of willful or negligence action of the Foundation.

“Foundation” - the LSU Health Foundation, New Orleans, a Louisiana nonprofit corporation and a Tax-Exempt Organization, and its successors and assigns.

“Foundation Representative” - the Person or Persons designated in writing by the Foundation to serve as the Foundation’s representative(s) in connection with this Agreement, initially _____, who is authorized to represent the Foundation, and any other person(s) designated in writing by the Foundation to LSU from time to time as person(s) who is(are) authorized to act on behalf of the Foundation under this Agreement.

“General Contractor” – as defined in the Development Agreement.

“Governmental Authority” - any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

“Governmental Regulations” - any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, approvals, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, the Foundation, the Property, the Facilities or affecting the Property, the Facilities, and any lease or sublease of the Property and/or the Facilities, including, without limitation, all applicable Environmental Laws, the Americans with Disabilities Act of 1990 and the Occupational Safety and Health Standards of the State and the United States, each as amended; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or third parties.

“Ground Rent” - as defined in Section 3(a) of the Ground Sublease.

“Ground Sublease” - the Ground Sublease Agreement dated as of _____ 1, 2020, by and between the Foundation and Provident Group-HSC, as amended, modified and supplemented from time to time.

“Guaranteed Maximum Price” - as defined in the Development Agreement.

“Hazardous Materials” - pollutants, contaminants, flammables, explosives, radioactive materials, hazardous wastes, substances, chemicals or materials, toxic wastes, substances, chemicals, or materials or other similar substances, petroleum products or derivatives, or any substance subject to regulation by or under Environmental Laws, including asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, polychlorinated biphenyls (“PCBs”), petroleum, petroleum byproducts (including but not limited to, crude oil, diesel, oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, infectious wastes, radioactive materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws.

“Holiday” - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or LSUHSC-NO is required by law to close, or a day on which LSU or LSUHSC-NO is authorized to close or is closed.

“Indenture” - as defined in the Recitals of this Agreement.

“Independent Engineer” - a reputable civil engineering firm qualified to transact business in the State and experienced in facilities similar to the Facilities.

“Lien” - as defined in Section 6.1(h).

“Loan Agreement” - as defined in the Recitals of this Agreement.

“LSU” - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors or assigns.

“LSU Construction Monitor” - one or more persons designated and authorized in writing from time to time by the LSU Representative or his or her designee to monitor the Developer’s Construction progress during the Construction phase of the Facilities, if any.

“LSU Representative” - one or more of the persons designated and authorized in writing from time to time by LSU to represent LSU in exercising its rights and performing LSU’s obligations under this Agreement. From the Effective Date until the Final Completion Date, the LSU Representative shall be the President or the Vice President for Finance or their respective

designee(s); thereafter the LSU Representative shall be the Vice President for Finance or his designee(s).

“LSU’s Interest” - the fee simple title to the Property, subject to the Foundation’s rights under this Agreement.

“LSUHSC-NO” means the LSU Health Sciences Center – New Orleans, a campus and academic center of LSU located in New Orleans, Louisiana, focused on health sciences, and housing the LSU School of Medicine, LSU School of Allied Health Professionals, LSU School of Dentistry, the LSU School of Graduate Studies, the LSU School of Nursing, and the School of Public Health.

“Management Agreement” - the Property Management Agreement dated as of _____ 1, 2020 by and among Provident Group-HSC and the Manager regarding the management of the Facilities, and any and all modifications, amendments and supplements thereto. Any and all of the provisions contained within the Management Agreement require the prior written approval of LSU.

“Manager” – a person designated by Provident Group-HSC (and not an employee of the Authority) that is a professional management company having a favorable national reputation for skill and experience in managing facilities similar to the Facilities to be retained by Provident Group-HSC for management of the Facilities. The initial Manager is Michaels Student Living Management, LLC, a company of The Michaels Organization, Camden, New Jersey.

“Mortgage” - that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2020 Bonds by Provident Group-HSC in favor of the Mortgagee, for the benefit of the owners of the Bonds, as amended, modified and supplemented from time to time.

“Mortgagee” - the Trustee, as mortgagee under the Mortgage.

“Net Condemnation Proceeds” - the proceeds received by the Foundation, Provident Group-HSC or the Mortgagee, as applicable, in the event of a Taking of the Property, in whole or in part, from the condemning Governmental Authority, less all reasonable and necessary costs and expenses issued in the connection with the settlement of the claims arising out of the Taking and the Award granted by the condemning Governmental Authority, including reasonable fees and expenses of counsel.

“Net Insurance Proceeds” - the proceeds received by the Foundation, Provident Group-HSC or the Mortgagee, as applicable, in the event of a casualty, damage or destruction to the Property, or any portion thereof, under and pursuant to the insurance policies maintained by Provident Group-HSC with respect to the Property, less all reasonable and necessary costs and expenses insured in connection with the settlement of any insurance claim relative to such proceeds, and the deductible, including reasonable fees and expenses of counsel.

“**OFPC**” - the Office of Facility Planning and Control, Division of Administration of the State of Louisiana.

“**Performance Bond and Payment Bond**” - the performance bond and payment bond required by the Development Agreement, the forms of which (AIA Documents A312) are attached thereto.

“**Permitted Encumbrances**” - as of any particular time, (i) liens for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with the terms of this Agreement or the Ground Sublease, (ii) the Bond Documents, (iii) the memoranda of lease related to each of this Agreement and the Ground Sublease, (iv) utility, access, and other easements and rights of way, restrictions, and exceptions, (v) any mechanics’ and materialmen’s liens which have been bonded or insured over (to the Foundation’s benefit) in accordance with the provisions of this Agreement or the Ground Sublease, (vi) this Agreement, (vii) the Ground Sublease, (viii) statutory restrictions imposed on the improvement or use of the Property, (ix) the effects of any and all laws, ordinances, permits and Governmental Regulations, including zoning, land use, and Construction, with respect to which Foundation, Provident Groups HSC, and Developer, as applicable, have complied and/or will comply, (x) the Mortgage, (xi) those exceptions to title to the Property more fully described in the Title Insurance Policy, and (xii) any additional exceptions or encumbrances created or consented to in writing by LSU.

“**Person**” - an individual, a trust, an estate or a Governmental Authority, or a partnership, joint venture, corporation, limited liability company, firm or any other legal entity.

“**Plans and Specifications**” - the plans and specifications for the performance of the Series 2020 Project as implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the Facilities, all in accordance with the Loan Agreement, the Development Agreement, the Ground Sublease and this Agreement, to be approved by the Foundation, Provident Group-HSC and the LSU Representative, as may be amended from time to time as permitted in the Ground Sublease and in the Development Agreement.

“**President**” - the President of LSU and shall include any permanent or interim officer or any successor office.

“**Prime Rate**” - the rate designated as the “prime rate” as published each business day in the Wall Street Journal, or, if at any time the Wall Street Journal shall cease to be published, the rate announced from time to time by the largest commercial bank with branches in New York City (as reasonably identified by LSU) as its “prime,” “base” or “reference” rate.

“**Project Advisory Committee**” - that certain committee established by Provident Group-HSC, which committee shall at all times be composed of six (6) members, with three (3) representatives appointed from names of candidates submitted by the Foundation, two of which

must be representatives of LSUHSC-NO appointed by the Chancellor, and three (3) representatives appointed from names of candidates submitted by Provident Group-HSC. Any and all decisions and determinations of the Project Advisory Committee shall be by majority vote of the members, and any such representative may assign his right to vote to another representative by written proxy.

“Project Schedule” - the construction schedule(s) for Substantial Completion of the Facilities and defined as the “Project Schedule” and set forth in the Development Agreement.

“Property” - as defined in the Recitals of this Agreement and more particularly described in **Exhibit A** hereto.

“Provident Group-HSC” - Provident Group – HSC Properties Inc., a Louisiana nonprofit corporation and a Tax-Exempt Organization, whose sole member is Provident Resources, and its permitted successors and assigns.

“Provident Resources” - Provident Resources Group Inc., a non-profit corporation duly organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, and its permitted successors and assigns.

“Redemption Fund” - as defined in the Indenture.

“Remediation” - includes, but is not limited, to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Material; any actions to prevent, cure or mitigate any release of any Hazardous Material; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Materials.

“Resident” - a tenant of the Facilities.

“Series 2020 Bonds” - collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A Bonds” - the revenue bonds designated “Louisiana Public Facilities Authority Revenue Bonds (Provident Group-HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020A” in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

“Series 2020B Bonds” - the revenue bonds designated “Louisiana Public Facilities Authority Taxable Revenue Bonds (Provident Group-HSC Properties Inc. – LSU Health Foundation, New Orleans Project) Series 2020B” in the aggregate principal amount of \$_____ to be issued pursuant to the Indenture.

“Series 2020 Project” - as defined in the Recitals of this Agreement.

“State” - the State of Louisiana.

“Subcontractor” - as defined in the Development Agreement.

“Subordinate Collateral Assignment of Contract Documents” - the Subordinate Assignment of Contract Documents, dated as of _____, 2020, by Provident Group-HSC, as assignor, in favor of the Foundation, as amended, modified or supplemented from time to time.

“Substantial Completion,” “Substantially Complete,” and “Substantially Completed” - as defined in the Development Agreement.

“Substantial Completion Date” - the date set forth in (and as so defined in) the Development Agreement, being the date by which the Developer is committed under the Development Agreement to deliver the Facilities to Provident Group-HSC, Substantially Complete and otherwise in the condition described in the Development Agreement, subject to extension of such date if and to the extent such extension becomes effective pursuant to the express terms of the Development Agreement.

“Taking” - the actual or constructive condemnation, expropriation or the actual or constructive acquisition by condemnation, expropriation, eminent domain or similar proceeding by or at the direction of any Governmental Authority or other Person with the power of eminent domain.

“Tax-Exempt Organization” - (a) a State or local governmental unit, including a public institution of higher learning organized under the laws of the State, or (b) an entity organized under the laws of the United States of America or any state thereof (i) that is an organization described in §501(c)(3) of the Code, (ii) that is exempt from federal income taxes under §501(a) of the Code, and (iii) that is not a “private foundation” within the meaning of §509(a) of the Code.

“Term” - the time period during which this Agreement shall remain in full force and effect as set forth in Section 3.1 hereof.

“Title Company” - First American Title Insurance Company of Louisiana, and its successors and assigns.

“Title Insurance Policy” - an ALTA Loan Policy of Title Insurance in form and substance satisfactory to the Mortgagee issued by the Title Company in the amount of the title commitment insuring the Mortgage as a first priority lien on the Mortgaged Property and the Improvements (each as defined in the Mortgage), containing such endorsements and with such re-insurance as the Mortgagee may request, excepting only such items as shall be acceptable to Mortgagee.

“Trustee” – Hancock Whitney Bank, a Mississippi state banking corporation, and its successors and assigns, as the trustee under the Indenture.

“Vice Chancellor for Administration and Finance” - the Vice Chancellor for Administration and Finance and CFO of LSUHSC-NO and shall include any permanent or interim officer or any successor office.

ARTICLE II LEASE OF LAND AND STUDENT HOUSING

Section 2.1. LEASE OF LAND. LSU covenants that, for and in consideration of the Annual Rent to be paid by the Foundation hereunder and other good and valuable consideration, including, without limitation, the obligation of the Foundation to cause Provident Group-HSC to perform or cause to be performed the Series 2020 Project, and of the performance and observance by the Foundation of the covenants, obligations, conditions and stipulations herein expressed on the part of the Foundation to be performed and observed, the receipt and sufficiency of which is hereby acknowledged, LSU does hereby lease unto the Foundation, and the Foundation does hereby lease from LSU, the Property for the duration of the Term under the terms and conditions hereinafter set forth, together with the right of uninterrupted nonexclusive utilities, access, ingress, egress, parking, and passage during the Term to and from all streets, roads, and parking areas now or hereafter adjoining the Property, including vehicular and pedestrian ingress and egress. The Foundation, by execution of this Agreement, accepts the leasehold estate in the Property herein demised. The Foundation acknowledges that it has inspected the Property and agrees to accept the Property in its present condition without warranty, and no repairs, replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the Property.

Section 2.2. SERVITUDES. LSU hereby grants to the Foundation the rights to perform or cause to be performed the Series 2020 Project on the Property and such other areas of Campus as shall be approved in writing by an LSU Representative, and hereby grants to the Foundation for the Term a nonexclusive servitude over, across, and upon that portion of the Campus as is necessary and as is set forth in this Agreement, the Development Agreement and Plans and Specifications, if approved by the LSU Representative, in order to perform the Series 2020 Project in accordance with this Agreement and the Development Agreement. LSU shall grant to the Foundation, Provident Group-HSC and the Developer and its Consultants temporary rights of passage and use over such other areas including “lay down” and “staging” areas as may be reasonably required to perform the Series 2020 Project, the use of which by the Foundation, Provident Group-HSC and the Developer and its Consultants shall require the prior written consent of the LSU Representative. Such rights of passage and use as to the Consultants shall terminate upon Final Completion. None of the rights granted in this Section 2.2 shall be transferred, assigned or encumbered without the prior written consent of the LSU Representative.

Section 2.3. SUBLEASE OF PROPERTY TO PROVIDENT GROUP-HSC. Subject to the requirements of this Agreement, LSU consents to the Foundation's sublease of the Property to Provident Group-HSC.

Section 2.4. RIGHT OF ACCESS. During the Term, LSU hereby grants to the Foundation the right to access on, over, upon, and across that portion of the Campus as is reasonably necessary or required for the Foundation's use of such areas. LSU agrees it will not materially or unreasonably interfere with such access during the Term. The Foundation agrees not to materially and adversely interfere with LSU's use of the Campus with respect to the Foundation's use of the Property or the Campus, where applicable. LSU consents to the Foundation's assignment of rights of access to Provident Group-HSC on, over, upon, and across that portion of the Campus as is necessary or required for Provident Group-HSC's use of such areas, except as specifically set forth herein. None of the rights granted in this Section 2.4 shall be transferred, assigned or encumbered without the prior written consent of the LSU Representative.

ARTICLE III TERM

Section 3.1. AGREEMENT TERM. The Term shall commence on the Effective Date and shall continue and remain in full force and effect a total term of fifty (50) years.

Section 3.2. RESERVED.

Section 3.3. RESERVED.

Section 3.4. EFFECTIVE DATE. This Agreement shall not be effective until the Effective Date.

Section 3.5. PAYMENT OR DEFEASANCE OF BONDS. Notwithstanding anything herein to the contrary, the Parties agree not to terminate this Agreement prior to the time the Bonds are paid in full or legally defeased and all obligations under the Bond Documents are fully discharged, as applicable.

ARTICLE IV RENT

Section 4.1. FOUNDATION RENT. Commencing on the Effective Date and continuing throughout the Term and in addition to other consideration set forth herein, the Foundation shall pay to LSU, at such place as LSU may designate from time to time in writing, as Annual Rent for the Property the sum of One Thousand and 00/100 Dollars (\$1,000.00) (the “*Annual Rent*”). Annual Rent shall be due and payable annually in advance, with the first such payment of Annual Rent being due on the Effective Date hereof and a like installment due on each anniversary of the Effective Date thereafter during the Term.

ARTICLE V USE OF LAND AND HOUSING FACILITIES

Section 5.1. PURPOSE OF COOPERATIVE ENDEAVOR AND LEASE AGREEMENT. As further consideration for the lease of the Property by LSU to the Foundation, Foundation enters into this Cooperative Endeavor and Lease Agreement for the purpose, and shall have the continuing obligation, of causing Provident Group-HSC to perform (i) the Series 2020 Project in accordance with the Plans and Specifications approved by LSU and as more specifically set forth in the Development Agreement and (ii) the maintenance, operation, management and replacement of the Facilities, as more particularly set forth in the Management Agreement, both of which agreements require the prior written approval of LSU. The Foundation shall use and operate, or cause the use and operation of (i) the Property for the sole and exclusive purpose of performing the Series 2020 Project and (ii) the Facilities for the sole and exclusive purpose of the maintenance, operation, management and replacement of the Facilities as required under this Agreement and the Management Agreement, with a sublease of the Property to Provident Group-HSC for use by the Eligible Residents, all of which use and operation shall be for the support of the educational, research and public service missions of LSUHSC-NO and to support LSUHSC-NO’s faculty and students primarily through the provision of quality housing conveniently located on the Campus.

Section 5.2. TITLE TO FACILITIES. During the Term, title to the Facilities shall be vested in Provident Group-HSC until the expiration date of the Ground Sublease at which time title will transfer to LSU as set forth in Sections 6.1(k) and 14.1(b) hereof. Notwithstanding anything to the contrary contained in this Agreement, LSU does not waive and/or relinquish its lien or claim for lien, whether granted by constitution, statute, rule of law, contract, or otherwise relating to the Equipment, whether located in or about the Property or otherwise, for the purpose of securing the Foundation’s obligation to pay Annual Rent; provided, however, until the Bonds have been paid in full or legally defeased, as applicable, and all obligations under the Bond Documents are fully discharged, LSU agrees not to exercise its rights with respect to any such lien or claim.

Section 5.3. COMPLIANCE WITH STATUTORY REQUIREMENTS. Louisiana Revised Statutes 17:3361, *et seq.* prescribes rules and regulations for leases of any portion of the

Campus by a college or university. By execution of this Agreement, LSU represents that it has complied with the applicable statutory requirements of Louisiana Revised Statutes 17:3361, *et seq.* by effectuating hereby the following with respect to the Facilities, including, without limitation:

(a) the waiver by written consent of the formulation and adoption of rules, regulations and requirements by LSU relative to the performance of the Series 2020 Project referenced in Louisiana Revised Statute 17:3362A, other than those set forth in this Agreement or specifically referenced in this Agreement;

(b) the waiver by written consent of LSU's right to require removal of the Facilities referenced in Louisiana Revised Statute 17:3362B, except as otherwise set forth in this Agreement, but LSU reserves the right to enforce any and all other remedies allowed by this Agreement in the event of the Foundation's failure or refusal to comply with this Agreement or any rules, regulations or requirements set forth herein; and

(c) the waiver by written consent of LSU's right to immediately terminate this Agreement and cause removal of the Facilities for the Foundation's failure to conform to rules and regulations as referenced in Louisiana Revised Statute 17:3364, except as otherwise set forth in this Agreement, but LSU reserves the right to enforce any and all other remedies allowed by this Agreement for such default.

Section 5.4. COMPLIANCE WITH GOVERNMENTAL REGULATIONS.

Furthermore, Foundation shall comply with all Governmental Regulations and shall obtain any and all applicable approvals and consents as required in order for Foundation to fulfill its obligations as set forth in this Agreement. **NO MERGER OF OBLIGATIONS** No obligation herein between LSU or the Foundation, as obligor, and the Foundation or LSU, as obligee, shall be deemed to be terminated by the doctrine of confusion.

**ARTICLE VI
CONSTRUCTION**

Section 6.1. CONSTRUCTION AND RELATED OBLIGATIONS.

(a) **The Foundation's and LSU's Approval Required for All Construction.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall not make capital improvements upon the Property necessary to perform the Series 2020 Project, including, but not limited to, the Construction, alteration, repair, abatement, renovation or demolition of any future improvement upon the Property, without the prior written approval of the Foundation, which shall obtain the prior written approval of LSU; (ii) the Foundation shall cause Provident Group-HSC to submit complete Construction Documents, which shall include Plans and Specifications, regarding any work referenced in the preceding sentence to the Foundation and the LSU Representative for review and approval prior to commencement of Construction and in accordance with the

Development Agreement; (iii) LSU's approval of Construction Documents is for LSU's own benefit, cannot be relied upon by any Person other than Provident Group-HSC and the Foundation, and does not change the standard of care as to the preparer of the Construction Documents and (iv) the Foundation shall cause Provident Group-HSC to acknowledge and agree in the Ground Sublease that the Construction Documents for the Facilities shall be approved by LSU in accordance with the Development Agreement.

LSU hereby acknowledges that full performance by Provident Group-HSC of all its obligations and duties under the Development Agreement and delivery of the Facilities as Finally Complete pursuant to and in accordance with the terms and provisions of the Development Agreement shall be deemed the satisfaction of Provident Group-HSC's obligations to perform the Series 2020 Project.

(b) **LSU's Approval of Development Agreement.** The Ground Sublease shall provide that Provident Group-HSC shall cause (x) the Developer to achieve Substantial Completion of the Facilities no later than the Substantial Completion Date, and (y) the Final Completion of the Facilities no later than the Final Completion Date, in both cases (x) and (y) in compliance with the Construction Documents and all applicable Governmental Regulations and in accordance with and pursuant to the Development Agreement. The Ground Sublease shall further provide that, in addition, and without limitation to the generality of the foregoing:

(i) Provident Group-HSC shall covenant to the Foundation that Provident Group-HSC shall fully and timely pay and perform, or cause to be paid and performed, all the covenants, indemnities, liabilities, and obligations of Provident Group-HSC under the Development Agreement and all other Contract Documents if any, in which Provident Group-HSC is a party.

(ii) Provident Group-HSC shall represent, warrant and covenant, and Provident Group-HSC shall cause the Developer to represent, warrant and covenant, that all representations, warranties, and covenants made by Provident Group-HSC and the Developer, respectively, under the Development Agreement and the other Contract Documents are true, correct and complete in all material respects as of the respective dates thereof and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Development Agreement or such other Contract Documents.

(iii) Provident Group-HSC shall timely and diligently exercise and enforce all of its rights and remedies under the Development Agreement and the other Contract Documents, and Provident Group-HSC shall cause the Developer to diligently exercise and enforce all its rights and remedies under the Development Agreement and the other Contract Documents (i) so as to require the Developer and all other parties thereto to fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of the Developer or such

other parties thereunder, or (ii) in connection with any breach by the Developer or any parties thereunder. The Ground Sublease shall further provide that Provident Group-HSC shall not, without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, (A) waive, forgive or agree to forbear, or allow the Developer to forgive or agree to forebear, from exercising or enforcing any such rights and remedies, (B) consent to the continuation of any such breach, or (C) release the Developer or any party to such Contract Documents from any of the Developer's or such party's obligations under the Development Agreement or any such other Contract Documents, as applicable.

(iv) The Ground Sublease shall provide that Provident Group-HSC shall: (A) agree that it shall not, without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance: (1) assign, transfer, terminate or suspend the Development Agreement or any Contract Document or any of Provident Group-HSC's rights thereunder, (2) extend any time periods or deadlines set forth therein (except only as required by the express terms thereof), (3) modify or permit the modification of the Development Agreement or any other Contract Document or (4) change the Guaranteed Maximum Price for performance of the Series 2020 Project or reduce the retainage held by Provident Group-HSC under the Development Agreement without prior written approval by the Foundation after having obtained the prior written consent of LSU; and (B) in addition, the Foundation shall cause Provident Group-HSC to agree that it shall not, without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, consent to any assignment or transfer by the Developer or any other party to the Contract Documents of all or any part of the Developer's or such party's right, title or interest in or to the Development Agreement or any Contract Document or the proceeds thereof (whether directly or indirectly via an assignment or transfer of any direct or indirect ownership or management interest in the Developer, the Manager or such party), to the extent Provident Group-HSC's consent is required therefor.

(v) Notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement (including the provisions of this Section 6.1(b)) shall be deemed to require LSU to pay or perform any of the covenants, indemnities, liabilities and obligations of Provident Group-HSC under the Development Agreement or of Provident Group-HSC (if any) or the Developer under the Development Agreement or other Contract Documents or under any Bond Documents.

(vi) The Ground Sublease shall provide that Provident Group-HSC shall agree to provide or cause other Persons to provide to the Foundation, and the Foundation shall in turn provide to LSU, copies of each notice, correspondence,

report or other information received or given by Provident Group-HSC, or the Developer under each of the Contract Documents, Bond Documents or Governmental Regulations: (A) within three (3) Business Days after each receipt of same and (B) simultaneously with each giving of same.

(vii) The Ground Sublease shall provide that: (A) if, before Final Completion of the Facilities, the Development Agreement is terminated or the Developer is dismissed or suspended or withdraws from its capacity as the developer under the Development Agreement, whether due to a default under the Development Agreement or otherwise, that Provident Group-HSC shall agree not to enter into any replacement development agreement and/or retain any replacement developer without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance; (B) if, before the Final Completion of the Facilities, any other Contract Document to which Provident Group-HSC or the Developer is party is terminated or a party to any such other Contract Document is dismissed or suspended or withdraws from such capacity, whether due to a default under such other Contract Document or otherwise under such Contract Document, Provident Group-HSC shall not enter into any replacement of such Contract Document and/or retain any replacement party to such other Contract Document without the prior written consent of the Foundation, which shall obtain the prior written consent of LSU, in each instance, such consent to be given in the Foundation's and LSU's sole and unfettered discretion (except to the extent, if any, required otherwise in the Development Agreement).

(viii) In addition to the foregoing and without limitation to any of the Foundation's obligations in this Section 6.1(b) or elsewhere in this Agreement, the Foundation hereby agrees that, to the extent the Development Agreement and/or other Contract Documents are enforceable directly by the Foundation, and if an event of default or an event that, with the passage of time or giving notice, would constitute an event of default by Provident Group-HSC under the Development Agreement, the Foundation will provide in the Ground Sublease that Provident Group-HSC shall irrevocably consent to the Foundation's full or partial enforcement or forbearance from enforcement thereof at any time and from time to time in accordance with the Development Agreement and Subordinated Collateral Assignment of Contract Documents, which rights are subordinate to the rights of the Trustee with respect thereto.

(ix) For the avoidance of doubt and notwithstanding anything to the contrary herein, the Ground Sublease shall provide that any Design as to the Facilities shall be subject to the approval of the Foundation and LSU.

(c) **Default in Construction.** The Ground Sublease shall provide that: (i) if there shall be a default by the Developer, the General Contractor or the Architect in

connection with the performance of the Series 2020 Project (after expiration of any applicable notice and cure periods contained therein), Provident Group-HSC shall exercise or cause to be exercised all of the rights and remedies available: (A) to Provident Group-HSC under the Development Agreement, subject to the terms and conditions thereof, or (B) to Provident Group-HSC (if any) under the relevant Contract Documents; (ii) without limiting any other rights of the Foundation under this Agreement, if an Event of Default shall occur and be continuing, or if Provident Group-HSC shall be in default under the Development Agreement beyond any applicable grace or cure period, or if (for more than thirty (30) days after notice to Provident Group-HSC) Provident Group-HSC shall fail to exercise its rights and remedies under the Development Agreement in the event of a default by the Developer thereunder, subject to the terms and conditions thereof, the Foundation may, but shall not be obligated to, subject to the rights of the Trustee, exercise its rights under, or assert the rights of Provident Group-HSC pursuant to, the Subordinated Assignment of Contract Documents and the Development Agreement; and (iii) all such rights and remedies of the Foundation are in addition to and shall not be deemed to limit or restrict any rights or remedies of the Foundation under the Development Agreement.

(d) **Commencement of Construction.** The Ground Sublease shall provide that Provident Group-HSC shall commence and pursue to Final Completion the Facilities on the Property and associated site development within the boundaries of the Property in accordance with the Contract Documents and in accordance with the Project Schedule (subject to adjustment if and to the extent provided in the Development Agreement). LSU hereby acknowledges receipt of a copy of the Construction Contract, including the Project Schedule, from the Foundation.

(e) **Construction Approvals by LSU.** The Ground Sublease shall provide that: (i) prior to commencing any excavation, demolition, Construction, paving, or any other work associated with the Property or the Facilities, Provident Group-HSC shall deliver or cause to be delivered one (1) set of Construction Documents to the Foundation and two (2) sets of Construction Documents to the LSU Representative for approval, which Construction Documents shall be 100% complete, (ii) the right of approval of the Foundation and the LSU Representative with respect to the Construction Documents shall include, but not be limited to, the compatibility of the exterior appearance of any improvement with the adjacent portions of the Campus and LSUHSC-NO's activities therein, (iii) the Foundation and LSU shall have such period of time as is allowed under the Development Agreement to approve or reject such submissions, but in no event less than 30 days from receipt of any such submission with any rejection being accompanied with a description of measures to be taken by Provident Group-HSC that will result in approval on resubmission (or why resubmission of any similar proposal would be rejected), (iv) failure to approve or reject any submissions within such time period shall be deemed approval by the Foundation and LSU, (v) approval of submissions by the Foundation shall not relieve Provident Group-HSC from the obligation to obtain all other necessary approvals and permits required by various Governmental Authorities or from

complying in all material respects with the Contract Documents and all applicable Governmental Regulations, and (vi) notwithstanding the foregoing, Provident Group-HSC may request of the Foundation and, in turn, LSU, in writing, that Provident Group-HSC be permitted to commence excavation, demolition, Construction, paving, or any other work associated with the Property and the Facilities prior to delivery of complete Construction Documents and LSU's and the Foundation's approval thereof in accordance with the Ground Sublease. LSU agrees it will not unreasonably withhold or delay such consent set for in item (vi) above, provided that, such request for consent must include reasonable detail as to the work to be done as well as an explanation of the need to begin such work prior to approval of complete Construction Documents in accordance with the Development Agreement. LSU agrees not to unreasonably withhold the approval required by this Section 6.1(e).

(f) **Change Orders.** The Foundation shall provide in the Ground Sublease that Provident Group-HSC shall not order, authorize, permit, consent to, suffer or perform any Change Orders except as expressly permitted and on the terms and conditions provided in the Development Agreement, and except as approved by the LSU Representative.

(g) **Construction According to Approved Construction Documents.** The Ground Sublease shall provide that: (i) all building materials for the Facilities must be new and of good quality in accordance with the Construction Documents; (ii) that the Foundation and the LSU Representative reserve the right to monitor (through their respective employees, construction consultant or the LSU Construction Monitor) Provident Group-HSC's performance of the Series 2020 Project from its inception to Final Completion thereof, including participation in all meetings contemplated by the Development Agreement and/or the Construction Contract; (ii) at a minimum, the following restrictions shall be placed upon Construction activities, and the Foundation shall cause Provident Group-HSC to provide for the incorporation of all the following restrictions to be contained in the Development Agreement:

(A) access to the Property as shall be necessary for the performance of the Series 2020 Project will be limited to those involved with the performance of the Series 2020 Project and the employees or agents of the Foundation, Provident Group-HSC and LSU employees or the LSU Construction Monitor monitoring same;

(B) Provident Group-HSC must notify the Foundation and the LSU Representative in writing at least seventy-two (72) hours in advance of coordination meetings requiring the participation of the Foundation Representative and the LSU Representative;

(C) Signage shall be in conformity with LSU's rules and regulations and the Development Agreement; and

(D) Construction activities will comply with all applicable Governmental Regulations.

LSU hereby agrees to not interfere with the orderly progression of the Series 2020 Project, shall conduct any inspections consistently with the provisions in the Development Agreement (if any) for such inspections, shall observe all safety procedures reasonably imposed by Provident Group-HSC or the Developer and shall provide reasonable notice of all site visits.

(h) **All Liens and Rights are Subordinate to LSU and the Foundation.** The Foundation shall provide in the Ground Sublease that: (i) the rights of the Architect, the General Contractor and each other architect, Contractor, assignee, sublessee, Subcontractor, supplier, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to LSU's and the Foundation's title, interest, and estate in the Property, (ii) other than Permitted Encumbrances, Provident Group-HSC shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise (a "Lien") arising from the performance of the Series 2020 Project that might or does constitute a Lien, encumbrance or charge upon the Property or the Facilities, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of LSU or the Foundation in the Property or any part thereof, or the proceeds therefrom, (iii) Provident Group-HSC shall cause any Lien or to be discharged (including by bond) or insured over (to LSU's and the Foundation's benefit) within fifteen (15) Business Days after receiving notice or knowledge thereof from any source or any shorter period of time as may be imposed by Governmental Regulations for discharge by bond, and (iv) notwithstanding the foregoing, Provident Group-HSC shall be entitled to contest any such Lien or encumbrance, in good faith and by appropriate proceedings, as long as Provident Group-HSC bonds or insures over in favor of LSU, the Foundation, the Authority and the Trustee such Lien in an amount not less than 125% of the amount of the Lien or encumbrance, and the execution of any such Lien is stayed such that the Property or the Facilities are not placed in imminent danger of being seized or forfeited, without being deemed to be in default hereunder. The Ground Sublease shall further provide that nothing in the Ground Sublease shall be deemed or construed in any way as constituting the consent or request of LSU, express or implied, by inference or otherwise, to the filing of any Lien or other encumbrance (other than Permitted Encumbrances) against the Property or the Facilities, or LSU's interest in any of the foregoing, by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Property or the Facilities or any part thereof.

(i) **Payment of Bills for Construction.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall covenant and agree to pay or cause to be paid,

currently as they become due and payable in accordance with the terms of the Contract Documents and the Bond Documents, but solely from the proceeds of the Bonds, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, Contractors, and Subcontractors and all other costs and expenses incident to the performance of the Series 2020 Project; provided, however, that Provident Group-HSC may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, in accordance with Section 6.1(h), and on condition that such contest will not adversely affect Provident Group-HSC's or the Developer's ability to perform the Series 2020 Project for a cost not exceeding the Guaranteed Maximum Price or to achieve Final Completion by the Final Completion Date and, in such event, any such item need not be paid until adjudged to be valid; and (ii) unless so contested by Provident Group-HSC, all such items listed above shall be paid by Provident Group-HSC within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto.

(j) **Completion of Construction by the Foundation.** The Ground Sublease shall provide that: (i) the Foundation acknowledges that Provident Group-HSC will assign (or cause the assignment of) all of Provident Group-HSC's right, title, interest, and remedies in and to the Contract Documents: (A) to the Trustee pursuant to the Collateral Assignment of Contract Documents and (B) to the Foundation pursuant to the Subordinated Collateral Assignment of Contract Documents; (ii) Provident Group-HSC shall covenant and agree that, in the event Provident Group-HSC shall abandon or fail to commence, continue or complete the performance of the Series 2020 Project in accordance with the requirements of the Ground Sublease, the Foundation may, after providing written notice of such failure to Provident Group-HSC and Provident Group-HSC fails to cure the same within ten (10) Business Days thereof (provided that no such notice shall be required in the case of an Event of Default), at its option (but without any obligation to do so and without prejudice to any other rights the Foundation may have under the Ground Sublease) exercise its rights under the Subordinated Assignment of Contract Documents to exercise Provident Group-HSC's rights and remedies under the Contract Documents against the Developer, including the right to complete (or to cause to be completed) the performance of the Series 2020 Project; (iii) if the Foundation shall not elect to exercise the option set forth above, the Trustee may elect to complete performance of the Series 2020 Project pursuant to the terms of the Collateral Assignment of Contract Documents; and (iv) the Foundation and Provident Group-HSC shall acknowledge that the Authority has no obligation, right or option to complete the performance of the Series 2020 Project or to assume any obligations under the Contract Documents.

(k) **Title to the Facilities.** The Ground Sublease shall provide that title to the Facilities and all other improvements hereafter Constructed on the Property in accordance with the Construction Documents and the Contract Documents shall be vested in Provident Group-HSC until the expiration date of the Ground Sublease, at which time all title to and ownership of the Facilities shall automatically and immediately vest (without

the necessity of any further action being taken by Provident Group-HSC or the Foundation or any instrument being executed and delivered by Provident Group-HSC to the Foundation) in LSU.

The Ground Sublease shall provide that: (i) Provident Group-HSC shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by the Foundation and/or LSU: (A) to acknowledge the date of termination of the Ground Sublease, all in recordable form, or (B) to convey title to LSU, by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses, but only to the extent owned by Provident Group-HSC, to the Facilities and all other improvements to or upon the Property or related to the Facilities, provided, however, that such transfer shall be by deed with covenants against grantor's acts (and equivalent assignment) only as to claims arising by, through or under Provident Group-HSC, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by the Foundation or its agents, contractors or employees or LSU; and (ii) if the Facilities are not free from all Liens or encumbrances other than Permitted Encumbrances and any liens or encumbrances caused by the Foundation or its agents, contractors or employees including LSU on the expiration date of the Ground Sublease, the Foundation and/or LSU may (A) direct Provident Group-HSC to correct or discharge such Liens or encumbrances within a reasonable time period; (B) elect to discharge such Liens or encumbrances and seek reimbursement from Provident Group-HSC for the costs of same, along with interest at the Default Rate and reasonable attorneys' fees; or (C) require Provident Group-HSC to remove such Liens or encumbrances before such title shall transfer to LSU.

(l) **Permits, Laws, and Ordinances.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall comply and cause the Developer and its Contractors and Subcontractors to comply in all material respects with all building, zoning, life safety and other codes, ordinances, rules, regulations, orders, directives, and all Governmental Regulations and LSU or LSUHSC-NO requirements which may now or hereafter, from time to time, be established and which are or shall be applicable to Provident Group-HSC as they relate to the Series 2020 Project and shall take, as otherwise provided herein, all action necessary to cause the Series 2020 Project to comply in all material respects with all provisions of the Contract Documents, the Bond Documents, the Ground Sublease and this Agreement applicable to Provident Group-HSC; and (ii) Provident Group-HSC shall cause all work to occur only at such times as are permitted by Governmental Regulations and in compliance with any restrictions in the Development Agreement.

(m) **Construction Site.** The Ground Sublease shall provide that: (i) Provident Group-HSC shall confine its operations and cause the Developer to confine the Developer's operations to the Property and shall not store, or permit the Developer to store, any material or equipment or conduct any construction work, preparation or staging on property of LSU, the Foundation or other Persons outside the boundaries of the Property, except as approved in writing and subject to such conditions as may be

reasonably specified and approved in writing by the Foundation, which shall obtain the prior written approval of LSU, provided that Provident Group-HSC shall be deemed to comply with the foregoing sentence as to materials stored offsite provided the offsite storage location is secure, bonded and insured and title to the stored materials has not passed to Provident Group-HSC until installed on the Property, (ii) Provident Group-HSC shall protect all work and shall at all times keep and cause the Developer and all Contractors to keep the Property reasonably clean and free from waste materials and rubbish, (iii) to the extent reasonably possible, the Series 2020 Project shall be performed so as to minimize disruption of LSUHSC-NO operations, (iv) all construction activities shall be coordinated with the appropriate departments of LSUHSC-NO (such departments and representatives of those departments shall be identified in the pre-construction meeting) and (v) a mandatory pre-construction meeting shall be conducted by Provident Group-HSC and/or the Developer prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Property and Construction coordination issues, and (vi) the meeting shall be attended, at a minimum, by the LSU Representative, the Foundation Representative, the Provident Group-HSC Representative, the Developer Representative, the General Contractor and key Subcontractors through their respective project managers and superintendents.

(n) **Payment and Performance Bonds.** The Ground Sublease shall provide that Provident Group-HSC shall provide or cause to be provided to the Foundation the Performance Bond and Payment Bond, which shall name the General Contractor as principal and shall include a multiple rider naming LSU, the Foundation, the Developer, Provident Group-HSC and the Trustee as obligees.

(o) **Reports and Information.** The Ground Sublease shall require the following: (i) that Provident Group-HSC shall: (A) provide the Foundation and LSU with copies of all documents and correspondence provided to or generated by or for Provident Group-HSC, either as described in the Development Agreement or in connection with the performance of the Construction Contract, including those related to the satisfaction of the items in the Project Schedule, and (B) provide (or cause the Developer to provide) the Foundation with Monthly Progress Reports (as defined in the Development Agreement), in form and detail reasonably satisfactory to the Foundation, demonstrating compliance with the Contract Documents and the Ground Sublease for the previous month, (ii) that, in addition to the requirements set forth in Section 6.1(o)(i) above, Provident Group-HSC shall provide reports as to compliance or noncompliance with the Project Schedule, which shall be updated at least monthly to assure the Foundation that performance of the Series 2020 Project will be Finally Complete in sufficient time to allow for occupancy by the Residents of the Facilities on or before the Final Completion Date, (iii) that Provident Group-HSC shall deliver or cause to be delivered to the Foundation, and the Foundation shall provide to LSU, copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for or delivered to Provident Group-HSC pursuant to the Contract Documents with respect to the Property and the Facilities within ten (10)

days after receipt by Provident Group-HSC, (iv) that the Foundation, in turn, shall provide the LSU Representative with copies of all documents received by the Foundation pursuant to this Section 6.1(o), if same have not already been delivered as set forth above, and (v) all correspondence and documents related to the performance of the Series 2020 Project shall be available for review and inspection by the Foundation and LSU at the Developer's construction office on or near the Campus.

(p) ***Final Completion of Facilities.*** The Ground Sublease shall provide that, as soon as practicable after Substantial Completion of the Facilities (but in all events no later than the deadline in the Development Agreement for Final Completion of the Facilities, which is the Final Completion Date), Provident Group-HSC shall furnish to the Foundation and the LSU Representative:

(i) two (2) complete sets of final record Construction Documents of the completed improvements as required by the Development Agreement;

(ii) a current, accurate, properly labeled and certified (by the hereafter stated surveyor or engineer) "as-built" plat of survey prepared by a registered land surveyor or professional engineer depicting to scale the location of the completed improvements, as the same have been Constructed;

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the completed Facilities; and

(iv) copies of all other documents required in the Development Agreement for Final Completion.

(q) ***Provident Group-HSC Access.*** The Ground Sublease shall provide that, during performance of the Series 2020 Project, Provident Group-HSC shall have access to the Property and the Facilities twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

(r) ***Failure to Perform Series 2020 Project.*** The Ground Sublease shall provide that: (i) Provident Group-HSC shall cause the performance of the Series 2020 Project to be Finally Complete in accordance with the Development Agreement and all Governmental Regulations, with all costs thereof fully paid (including any and all costs in excess of the Bond proceeds), and all Liens fully paid or bonded, no later than the Final Completion Date or bonded, within the time period required by Section 6.1(b) of this Agreement, (ii) that if the Facilities have not achieved Final Completion on or before the Final Completion Date, then Provident Group-HSC, at its cost and expense, shall use its commercially reasonable efforts to enforce the provisions of Section XVI(D) set forth in the Development Agreement, and (iii) so long as Provident Group-HSC enforces the provisions of Section XVI(D) of the Development Agreement in accordance with the

terms thereof, the Foundation shall not have the right to place Provident Group-HSC in default of its obligations under the Ground Sublease for failure to achieve Final Completion of the Facilities and, which respect to such event, Provident Group-HSC shall not be liable for any damages incurred by the Foundation.

(s) **Assignment by Provident Group-HSC and the Developer.** The Ground Sublease shall provide that, as security for Provident Group-HSC's performance under the Ground Sublease as it relates to the performance of the Series 2020 Project and maintenance and operation of the Facilities, Provident Group-HSC, the Developer and Manager shall execute and deliver the Subordinate Collateral Assignment of Contract Documents as provided in the Ground Sublease.

The Ground Sublease shall further provide that: (i) Provident Group-HSC and the Developer shall execute, simultaneously with the execution of the Ground Sublease, the Subordinate Assignment of Contract Documents, as well as any assignments and assurances as LSU and the Foundation may request to perfect the subordinate collateral assignment of the Contract Documents to the Foundation; (ii) to the extent the Developer receives funds from Provident Group-HSC or the Trustee to pay all costs of Construction Documents, the Ground Sublease shall require the Developer to indemnify, defend and hold harmless the Foundation and LSU from and against any and all costs, claims or liabilities, including mechanic's and materialmen's liens, caused by the failure of the Developer to fully pay for all Contract Documents and any adverse claim to or Lien upon the Contract Documents and (iii) Provident Group-HSC's obligations set forth in Section 10(r) of the Ground Sublease shall survive termination of the Ground Sublease.

(t) **Architects, Engineers, Contractors, Specialists and Consultants.** The Ground Sublease shall provide that Provident Group-HSC shall require and cause the Developer to require: (i) any architects, engineers, Contractors, Subcontractors, specialists, and consultants engaged by the Developer or the General Contractor in connection with the performance of the Series 2020 Project to perform their respective obligations under the terms of the Construction Documents and to be licensed in accordance with State law; (ii) any architects and engineers engaged by the Developer or the General Contractor to obtain and maintain errors and omissions insurance in accordance with the terms of the Ground Sublease and the Development Agreement; and (iii) the General Contractor to obtain and maintain commercial payment and performance bonds pursuant to Section 6.1(n) of this Agreement and the Development Agreement.

(u) **No Discriminatory Practices.** The Ground Sublease shall provide that:

(i) Provident Group-HSC shall require and cause the General Contractor to agree to abide by: (A) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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; (B) the requirements of the Americans with Disabilities Act of 1990; and (C) any executive order by the governor of the State;

(ii) Provident Group-HSC shall additionally require and cause the General Contractor to agree: (A) not to discriminate in its employment practices; and (B) to render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities; and

(v) Any act of discrimination committed by General Contractor or failure to comply with these statutory obligations, when applicable, shall be grounds for termination of the Ground Sublease. The Ground Sublease shall further provide, if the General Contractor does not comply with the applicable provisions of the Ground Sublease, Provident Group-HSC shall cause the Developer to terminate the General Contractor.

(v) **Selection of Construction Professionals.** Subject to LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract and Change Orders, LSU agrees that the Developer shall have the right to control the selection of construction professionals (all of whom shall comply with all applicable licensing requirements of Governmental Regulations) as provided in the Development Agreement, provided that the Ground Sublease shall provide that Provident Group-HSC shall include the following provisions in the Development Agreement with the Developer and shall exercise its rights under these provisions where necessary, only after consultation with, and obtaining approval from, the Foundation and LSU: (i) the Developer shall contract with qualified Consultants and Subcontractors (as defined in the Development Agreement) to perform any one or more of the Services set forth on Exhibit 4 of the Development Agreement, unless Provident Group-HSC reasonably objects in writing thereto, (ii) the Developer shall furnish to Provident Group-HSC and the LSU Representative a list of Consultants and Subcontractors to be utilized in connection with the Facilities and the Developer shall be required to replace any Consultant or Subcontractor to which the LSU Representative may at any time reasonably object, (iii) the Developer shall supply qualified staff and employ qualified and appropriately licensed Consultants to perform the Developer's responsibilities and obligations under the Development Agreement in a prompt and timely manner, and (iv) Provident Group-HSC may require removal of any individual whose conduct is reasonably deemed inappropriate or inconsistent with LSUHSC-NO policies or applicable law and regulations. The Ground Sublease shall further provide that (x) Construction, alteration, renovation or additions to the Property and the Facilities undertaken or caused to be undertaken by Provident Group-HSC shall be in conformance with all Governmental Regulations; (y) the Plans and Specifications shall comply with all applicable LSUHSC-

NO design standards; and (z) written approval by the LSU Representative of the Plans and Specifications shall be conclusive evidence that the applicable LSUHSC-NO design standards have been met.

(w) **Payment of Moneys Received under Development Agreement.** The Ground Sublease shall provide that, as soon as practicable after Final Completion of the Facilities, all moneys received by Provident Group-HSC pursuant to the Development Agreement, including, without limitation, any unused or unapplied funds held outside the Indenture, including without limitation, in the Developer's Project Contingency and the Excess Contingency (as such terms are defined in the Development Agreement), shall be used in accordance with the provisions of the Indenture.

(x) **Reserved.**

(y) **Draw Request Approvals.** The Ground Sublease shall provide that: (i) as more particularly set forth in Section IX of the Development Agreement, Provident Group-HSC shall cause the Developer to submit each Draw Request to Provident Group-HSC, the Foundation and LSU within sufficient time to permit Provident Group-HSC, the Foundation and LSU to approve or disapprove each Draw Request within ten (10) Business Days after receipt thereof by Provident Group-HSC, the Foundation and LSU and, if such Draw Request is not approved or disapproved by any such party within ten business days after receipt by Provident Group-HSC, the Foundation and LSU, such Draw Request shall be deemed to be approved by such party, and (ii) promptly upon receipt of approval of Provident Group-HSC, the Foundation and LSU of any Draw Request, but in no event more than twenty-one (21) days after receipt by each of Provident Group-HSC, the Foundation and LSU of such Draw Request, Provident Group-HSC shall submit such Draw Request to the Trustee, together with a request for payment thereof to the extent of the approval of such Draw Request in accordance with the provisions of the Indenture.

(z) **Assignment of Instruments of Service.** The Ground Sublease shall provide that: (i) upon payment by Provident Group-HSC of the Developer's first Draw Request, the Developer shall require all Design Professionals to grant to Provident Group-HSC and its affiliates and assigns an irrevocable license permitting Provident Group-HSC and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all construction plans, specifications and other design documents and Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Facilities, whether or not such activities are performed pursuant to this Agreement or in the future and regardless of whether this Agreement is subsequently terminated before Final Completion of the Facilities; (ii) upon payment by Provident Group-HSC of the Developer's first Draw Request, Provident Group-HSC shall cause the Developer to require all Design Professionals to grant to Provident Group-HSC and its affiliates and

assigns (“Licensee”) an irrevocable license permitting Provident Group-HSC and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Facilities, whether or not such activities are performed pursuant to this Agreement or in the future and regardless of whether this Agreement is subsequently terminated before Final Completion of the Facilities; and (iii) Provident Group-HSC shall cause the Developer to further require the Design Professionals to covenant with Licensee that the Design Professionals shall not utilize their Instruments of Service to create Facilities having similar exterior design elevations to those of the Facilities within the State of Louisiana without Licensee’s prior written consent, which consent shall not be unreasonably withheld.

(aa) **Cost Savings.** The Guaranteed Maximum Price is set forth in the Development Agreement. Notwithstanding same, the Ground Sublease shall provide that Provident Group-HSC shall cause the Parties (as defined in the Development Agreement) to continue working together after the execution of the Development Agreement to reduce development expenses below the Guaranteed Maximum Price by cooperating in value engineering.

(bb) **Diverse Suppliers.** The Foundation understands that LSU is committed to promoting the growth and development of minority- and women-owned and small and historically underutilized businesses (collectively, “Diverse Businesses”) by providing opportunities to participate in LSU agreements. In support of this commitment, the Foundation shall cause the Ground Sublease to provide that: (i) Provident Group-HSC shall, and shall cause the Developer and its contractors to, use good faith and commercially reasonable efforts to provide opportunities to Diverse Businesses that are either certified by the State or another certifying entity in a diverse category as a subcontractor or supplier under the Development Agreement and (ii) Provident Group-HSC shall cause the Developer and its contractors to provide to LSU a list of Diverse Businesses during each Fiscal Year, which list shall identify as to each Diversity Business contained thereon: (A) the legal name thereof, (B) the principal office or address, (C) ownership and (D) the services or good that it may provide or supply and the value of the goods or services procured therefrom. To the extent that any Governmental Regulations would require that this Section 6.1(bb) or comparable language in the Ground Sublease or the Development Agreement be modified or voided, the parties agree that such provision can be amended or severed from any such agreement without affecting any of the other terms thereof.

ARTICLE VII ENCUMBRANCES

Section 7.1 ENCUMBRANCES. The Foundation shall not, without the prior written consent of the LSU Representative, mortgage, lien or otherwise encumber, or allow any

mortgage, Lien or encumbrance, on the Property, or on the Foundation's interest in the Property, or on the Foundation's rights acquired pursuant to the Ground Sublease other than Permitted Encumbrances.

**ARTICLE VIII
UTILITIES AND MAINTENANCE AND REPAIR**

Section 8.1. UTILITIES; SEWER.

(a) The Ground Sublease shall provide that Provident Group-HSC is to provide for the provision of all utilities to the Property and the Facilities in a timely manner as provided for in the Development Agreement for the performance of the Series 2020 Project and as needed for utilities to be available at the Property permanently after Final Completion of the Facilities. The Ground Sublease shall further provide that Provident Group-HSC shall make or cause to be made application for, obtain and pay for, and be solely responsible for, all utilities required at the Facilities, as applicable, including, but not limited to, gas, water (including water for domestic uses and for fire protection), electricity, sewerage, garbage or trash removal, light cable, heat, telephone, power, computer data and other utilities (hereinafter sometimes collectively referred to as "Utility Services") necessary for the operation of the Facilities. After Final Completion of the Facilities, Provident Group-HSC shall pay for, and be solely responsible for, all Utility Services used or consumed at the Facilities; provided, however, the Ground Sublease shall provide that: (i) notwithstanding the foregoing, LSU, in its sole and unfettered discretion, may provide or cause to be provided some or all of the Utilities Services used or consumed at the Facilities during the term of the Ground Sublease, all as more particularly set forth and defined in the Management Agreement or the Ground Sublease, (ii) in accordance with the Contract Documents, Provident Group-HSC shall be solely responsible for installing or causing to be installed all infrastructure required to provide Utility Services to the Property or, prior to Final Completion of the Facilities, the Facilities, as applicable; (iii) after the infrastructure associated with Utility Services is completed or caused to be completed by Provident Group-HSC, the costs of Utility Services to the Facilities shall be paid as Expenses; (iv) in the event that any charge for any Utility Service supplied to the Facilities or, prior to Final Completion of the Facilities, the Facilities, as applicable, is not paid by Provident Group-HSC to the utility supplier when due (subject to Section 8.1(b)), then the Foundation may (but shall not be obligated to) provide Provident Group-HSC written notice of such failure and, if Provident Group-HSC fails to pay the same within thirty (30) days after receipt of such notice, the Foundation may pay such charge for and on behalf of Provident Group-HSC, in which event Provident Group-HSC shall pay such amount, together with interest thereon at the Default Rate, to the Foundation as Additional Rent (as defined in the Ground Sublease) within thirty (30) days after demand by the Foundation, provided that the initial thirty (30) day period in this sentence shall be reduced to the period that ends three (3) business days before the day that the provider of the Utility Service shall be entitled to (or shall) terminate or suspend its provision of the Utility Service in question;

and (v) Provident Group-HSC shall also install or, under the Development Agreement, cause the Developer to install, all connections and wiring for fully servicing the Property, the Property, and, prior to Final Completion of the Facilities, the Facilities, as applicable, in accordance with the Construction Documents as part of Substantial Completion.

(b) The Ground Sublease shall provide that, if the amount billed for any Utility Service shall be deemed by Provident Group-HSC or the Foundation to be improper, illegal or excessive, Provident Group-HSC may, in its own name, dispute and contest the same and, in such event and to the extent permitted by law and the applicable contract for the Utility Service, any such bill need not be paid until adjudged to be valid; provided, however, Provident Group-HSC shall in writing first notify the Foundation of such dispute and contest, and then in good faith and by appropriate proceedings in accordance with Governmental Regulations and such contract contest the same; provided further that: (i) such contest does not place the Property in danger of being seized or forfeited, (ii) the Utility Service shall not be terminated or suspended, and (iii) Provident Group-HSC provides adequate reserves and/or security for the payment of such bill being contested. Unless so contested, any such bill shall be paid by Provident Group-HSC within the time provided by law and such contract, and if contested, any such bill shall be paid before the imposition of a lien on the Property with respect thereto, unless (within thirty (30) days after the imposition or occurrence of any such lien) such lien is bonded or insured over (to the Foundation) in accordance with Governmental Regulations and (if applicable) such contract.

(c) The Ground Sublease shall provide that: (i) as part of the Facilities, Provident Group-HSC shall construct or install, or cause the construction or installation of, at Provident Group-HSC's cost and expense, all sewer facilities within and outside the Property and the Facilities (and within and outside the Campus as designated by LSU) that are required or contemplated by the City of New Orleans/Orleans Parish in its approval of the sewer facilities for the Property, including all new and replacement sewer lines, expansions and connections within and outside the Property and/or the Campus; (ii) Provident Group-HSC shall dedicate and cause the Developer and all other parties to (x) dedicate (and the Foundation and LSU shall cooperate in the dedication of) ownership of such sewer facilities to the Foundation and/or LSU, respectively, to the extent such sewer facilities are located on the Campus or (y) to the City of New Orleans/Orleans Parish to the extent such sewer facilities are outside the Campus, provided however, that Provident Group-HSC shall confirm, and shall cause the Developer to confirm, that all warranties to the Foundation's benefit related to performance of the Series 2020 Project also apply to such sewer facilities (including the portions of such sewer facilities outside the Property but on the Campus) and shall continue for at least one (1) year (and such longer periods as may apply by law or any agreements) after the Final Completion Date. The Ground Sublease shall further provide that, notwithstanding and without limiting the generality of the foregoing, with respect to any and all warranties as to any component or system in the sewer system on which punch list, repair or similar corrective work is being performed

after Final Completion, such warranties as to such component or system shall commence upon completion of such corrective work.

(e) The Ground Sublease shall provide that, without in any manner limiting the Foundation's obligations under this Agreement or Provident Group-HSC's obligations under the Ground Sublease, each of the Foundation and LSU shall reserve the right, easement and privilege (but has no obligation) to enter (and to have its agents and employees enter) on the Property or the Facilities in order to install, at its own cost and expense, any storm drains and sewers and/or utility lines in connection therewith as may be required or desired by the Foundation and LSU to service the Property or any other real property owned by the Foundation and affiliates or LSU or located on the Campus, provided LSU coordinates such work with the Developer so as not to interfere with or delay the performance of the Series 2020 Project; however, if any such delays occur, the Final Completion Date shall be extended one day for each day of such delays.

(f) LSU acknowledges and agrees that, if all obligations as to Utility Services are fully performed by the Manager and the Developer pursuant to and accordance with agreements, reviewed and approved by the LSU Representative, between the Foundation and the Manager or Developer, the Foundation's obligations in connection with any Utilities Services shall be deemed satisfied in accordance with the terms of this Agreement.

Section 8.2. MAINTENANCE AND REPAIRS.

(a) The Ground Sublease shall provide that Provident Group-HSC shall, at all times during the term of the Ground Sublease, keep and maintain, or cause to be kept and maintained, the Facilities in good and clean condition and repair and in working order in accordance with the Management Agreement in order to maintain the Facilities in condition and order at least equal to the condition and order maintained by the LSUHSC-NO for its own facilities. Pursuant to the Ground Sublease, the Foundation and LSU shall have the right to review and approve any material changes to the exterior landscaping and façade and interior of the Facilities and shall obtain the prior written consent of the LSU Representative thereto. The Ground Sublease shall provide that: (i) the Foundation shall have the right to review and approve, after obtaining approval from LSUHSC-NO, any material changes to the exterior landscaping and façade and integrity of the Facilities, (ii) in the event Provident Group-HSC fails to perform any of its obligations as required under the Ground Sublease within thirty (30) days after receipt of written notice to Provident Group-HSC from the Foundation of such failure to comply (or without notice if such failure jeopardizes the health, safety or welfare of Residents or other Persons), the Foundation may (but shall not be required to) perform and satisfy same, and Provident Group-HSC shall agree in the Ground Sublease to reimburse the Foundation, as an Expense, for the reasonable cost thereof, within ten (10) days of receiving an invoice therefor, together with interest at the Default Rate, which amounts shall constitute Additional Rent (as defined in the Ground Sublease), (iii) if Provident

Group-HSC fails to so reimburse the Foundation, then such amounts, together with interest at the Default Rate, shall be due and owing to the Foundation by Provident Group-HSC as Additional Rent (as defined in the Ground Sublease) until paid, and (iv) that the parties shall agree that it shall be Provident Group-HSC's responsibility at all times during the term of the Ground Sublease to maintain or cause to be maintained the Facilities pursuant to the Management Agreement consistent with the maintenance standards for the other premises located on the Campus. LSU acknowledges and agrees that if all obligations as to the operation and maintenance of the Facilities are fully performed by the Manager, pursuant to and accordance with the Management Agreement, Provident Group-HSC's obligation to maintain the Property shall be deemed satisfied in accordance to the terms of the Ground Sublease.

(b) The Ground Sublease shall provide the following: (i) Provident Group-HSC shall not commit or permit waste of the Facilities, (ii) except in the event of a casualty, condemnation or partial condemnation, Provident Group-HSC shall not raze or demolish any Facilities and (iii) Provident Group-HSC shall keep and maintain the Facilities in accordance with the terms of its contract(s) with the Foundation, including but not limited to, the Development Agreement and the Management Agreement.

Section 8.3. DAMAGE TO PROPERTY.

(a) The Ground Sublease shall provide that, after Final Completion of the Facilities: (i) in the event all or substantially all of the Property or any component thereof shall be damaged or destroyed, Provident Group-HSC shall promptly notify the Trustee, the Foundation, and LSU, and the Net Insurance Proceeds shall be applied and paid *first* pursuant to the terms of the Indenture and *second*, to the extent of any Net Insurance Proceeds remaining after such application, to the Foundation, (ii) immediately after such distribution of Net Insurance Proceeds, any funds remaining in the funds and accounts described in the Indenture shall be distributed as provided therein and, additionally, all funds remaining in any reserve accounts, being held pursuant to the Development Agreement and the Management Agreement, if any, shall be distributed as provided therein, upon which: (A) the Ground Sublease shall terminate and Provident Group-HSC shall be released from all of its obligations under the Bond Documents and Contract Documents, except for any such obligations of Provident Group-HSC which shall survive the Bond Documents and Contract Documents; and (B) this Agreement shall terminate.

(b) The Ground Sublease shall provide that, after Final Completion of the Facilities, in the event the Property or any component thereof is only partially damaged or destroyed, the Net Insurance Proceeds shall first be applied to the redemption of the Bonds pursuant to the terms of the Indenture and any balance shall be applied in accordance with Section 8.3(f) (or some combination of the above); provided, however, that if the Indenture and Trustee permit the Net Insurance Proceeds to be used for the reconstruction of the affected Property, the Ground Sublease may continue at the election of the Foundation, which shall obtain the prior written consent of LSU, pursuant to

Section 8.3(d), and Provident Group-HSC shall repair, replace, rebuild, restore, and/or re-equip the affected Property promptly to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations, and modifications (including the substitution and addition of other property) as the Foundation shall approve in writing (if any) as will not impair the value or the character of the affected Property (the “Restoration”) or the Net Insurance Proceeds shall be applied to the redemption of the Bonds pursuant to the terms of the Indenture and any balance shall be applied in accordance with Section 8.3(g) (or some combination of the above). Notwithstanding the foregoing, in no event shall Provident Group-HSC be required to expend any funds beyond the Net Insurance Proceeds it actually receives following any payments due under the Indenture for the Restoration and, if such Net Insurance Proceeds are inadequate, the Foundation, after obtaining the prior written approvals of LSU, which approvals are in LSU’s sole and unfettered discretion, to contribute the additional funds necessary to complete the Restoration or its remedy shall be to terminate this Agreement.

(c) The Ground Sublease shall provide that: (i) any and all Restoration by Provident Group-HSC under the Ground Sublease shall be performed in accordance with all Governmental Regulations, and (ii) if not theretofore delivered to the Foundation and LSU, Provident Group-HSC shall deliver to the Foundation and LSU, within one hundred twenty (120) days of the completion of such Restoration, a complete set of “as built” record exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

(d) The Ground Sublease shall provide that all Net Insurance Proceeds shall be paid to the Trustee and deposited and held in accordance with the terms of the Indenture to hold the proceeds of insurance or condemnation Awards (including the Replacement Fund if so used) (the “Restoration Fund”) to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Foundation, which shall obtain the prior written approval of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 8.3(g), such Net Insurance Proceeds shall be applied to the Restoration; or

(ii) such Net Insurance Proceeds shall be transferred to the Redemption Fund to be applied to the redemption of the Bonds; or

(iii) such Net Insurance Proceeds shall be applied in some combination permitted by the foregoing clauses (i) and (ii);

provided that, if LSU does not, within such sixty (60) day period, direct the Foundation as to the application of the Net Insurance Proceeds pursuant to the preceding clauses (ii)

or (iii), then the Net Insurance Proceeds shall be applied pursuant to the preceding clause (i).

(e) The Ground Sublease shall provide that, after completion (and payment in full of the costs) of the Restoration (pursuant to Section 8.3(d)(i)), all remaining Net Insurance Proceeds (if any) shall be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(f) The Ground Sublease shall provide that, in the event of the termination of this Agreement before the expenditure of the full amount of such Net Insurance Proceeds in the Restoration of such damaged or destroyed buildings, other structures or improvements, any unapplied balance of the Net Insurance Proceeds, including any interest previously earned by such balance, shall, subject to Section 8.3(h), inure to and become the sole property of the Foundation.

(g) The Ground Sublease shall provide that, before the Trustee may apply any Net Insurance Proceeds pursuant to Section 8.3(d)(i), Provident Group-HSC shall have furnished to the Foundation and the Trustee: (i) with respect to proposed Restorations in excess of \$500,000, a certificate of an Independent Engineer: (A) to the effect that the affected Property can reasonably be expected to be restored, within a period of twenty-four (24) months from the receipt of such Net Insurance Proceeds, to substantially the condition thereof immediately preceding such damage or destruction and in a condition that constitutes Restoration, (B) setting forth the estimated cost of the proposed Restoration, including an allowance for contingencies, and the estimated date of completion of such Restoration and (C) to the effect that all amounts necessary to accomplish the proposed Restoration are on deposit in the Restoration Fund; and (ii) a certificate of Provident Group-HSC, the Foundation or, if applicable, the Independent Engineer to the effect that all permits, licenses, accreditations and other Governmental Authority approvals necessary for Restoration are in full force and effect. The Ground Sublease shall provide that, if the Independent Engineer advises that he or she cannot give the certificate described in the preceding clause (i), then, before the Net Insurance Proceeds are applied pursuant to Section 8.3(d)(ii), the Foundation shall have sixty (60) days after such advice, at the Foundation's option, after obtaining prior written approvals from LSU, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to give such certificate, in which case the Net Insurance Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 8.3(d)(i).

(h) The Ground Sublease shall provide that Provident Group-HSC shall cause any balance of such Net Insurance Proceeds remaining after application pursuant to this Section 8.3 to be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture and then applied in accordance with Section 8.3(f).

(i) Except as otherwise expressly contemplated hereby, this Agreement shall

not terminate or be forfeited by reason of damage to or total, substantial or partial destruction of the Property or any part thereof or by reason of the untenability of the same or any part thereof resulting from fire or other casualty. The Foundation shall agree or cause Provident Group-HSC to agree that, except: (i) to the extent otherwise expressly provided in this Section 8.3, or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, Provident Group-HSC's obligations under the Ground Sublease, the Foundation's obligations under this Agreement, including the payment of Base Rent thereunder, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

ARTICLE IX CERTAIN LIENS PROHIBITED

Section 9.1. RELEASE OF RECORDED LIENS. If any mechanics' liens or materialmen's liens shall be recorded against the Property or, prior to Final Completion, the Facilities, the Foundation shall cause the same to be bonded over or released of record within thirty (30) days of filing, or, in the alternative, if Provident Group-HSC in good faith desires to contest the same, the Foundation shall agree to allowing Provident Group-HSC to do so, but in such case Provident Group-HSC must agree to indemnify and save the Foundation and LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment. If LSU, in its sole and unfettered judgment, should consider LSU's Interest endangered by any such liens and shall so notify the Foundation, and the Foundation shall fail to cause Provident Group-HSC to provide adequate security for the payment of such liens in the form of a surety bond, cash deposit or cash equivalent or indemnity agreement reasonably satisfactory to LSU within thirty (30) days after such notice, then LSU, at LSU's sole and unfettered discretion, may discharge such liens and the Foundation shall recover from Provident Group-HSC immediately as Additional Rent (as defined in the Ground Sublease) the amounts paid by LSU. If such amounts remain unpaid by the Foundation to LSU within thirty (30) days of written demand by LSU to the Foundation, and the Foundation shall fail or fail to cause Provident Group-HSC to make such payment for said amount, interest, at the rate of ten percent (10%) per annum, shall be due and owing thereon by the Foundation to LSU from the date paid by LSU until repaid by the Foundation or if the Foundation shall cause repayment by Provident Group-HSC at the rate set forth in the Ground Sublease.

ARTICLE X OPERATION AND MANAGEMENT OF FACILITIES

Section 10.1. OPERATIONS OF FACILITIES; PROVIDENT-GROUP HSC'S OBLIGATION TO OPERATE.

(a) The Ground Sublease shall provide that: (i) upon Final Completion of the Facilities Provident Group-HSC shall procure and maintain, or cause to be procured and

maintained, all services necessary or required to adequately operate, manage and maintain, or cause to be operated, managed and maintained, the Facilities in accordance with the Permitted Use, including, but not limited to, administrative support, all as more particularly set forth in the Management Agreement; and (ii) Provident Group-HSC shall continuously operate and maintain, or cause to be operated and maintained, the Facilities from the Final Completion Date and shall continue for the remainder of the term of the Ground Sublease, all in accordance with all Governmental Regulations and the terms of the Management Agreement. LSU hereby acknowledges that full performance by the Manager of all its obligations and duties under the Management Agreement shall be deemed the satisfaction of all of Provident Group-HSC's obligations to operate and maintain the Facilities.

(b) The Project Advisory Committee shall be created by Provident Group-HSC pursuant to the Bylaws of Provident Group-HSC to advise Provident Group-HSC and Manager with respect to the management, maintenance and operations of the Facilities. The Project Advisory Committee shall render non-binding advice to Provident Group-HSC and the Manager so that Provident Group-HSC and Manager may fulfill their obligations under the Ground Sublease and the Management Agreement, as applicable. Without limiting the generality of the foregoing, the Project Advisory Committee shall render advice to Provident Group-HSC and the Manager with respect to matters pertaining to the Ground Sublease and the Management Agreement and with respect to: (i) the approved Budget as same are created for each Fiscal Year in accordance with the Management Agreement; (ii) the Management Agreement and Manager; and (iii) any other matters agreed upon by the Foundation, LSU and Provident Group-HSC.

The Project Advisory Committee shall be composed of six (6) members, with three (3) representatives appointed from names of candidates submitted by the Foundation, two (2) of which must be representatives of LSUHSC-NO appointed by the Chancellor, and three (3) representatives appointed from names of candidates submitted by Provident Group-HSC. Any and all decisions and determinations of the Project Advisory Committee shall be by majority vote of the members, and any such representative may assign his right to vote to another representative by written proxy. All actions of the Project Advisory Committee shall be by majority of vote.

Section 10.2. CRIMINAL HISTORY CHECKS. The Ground Sublease shall require that any employees, personnel, architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants engaged by Provident Group-HSC, the Developer, the General Contractor or the Manager in connection with the performance of the Series 2020 Project or the management, maintenance and operations of the Facilities shall provide to the LSU Representative a letter certifying that criminal background checks (but no fingerprint checks required) have been conducted on all personnel providing a service on the Campus in connection with the Facilities or the management, maintenance and operations of the Facilities, which letter: (i) must be provided within fifteen (15) days of engagement (ii) must be updated as new personnel are added, (iii) must be updated annually for all personnel, (iv) kept on file at the

office of such employees, personnel, architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants and (v) must be made available to LSU or LSUHSC-NO upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Provident Group-HSC and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants.

Section 10.3. BOOKS AND RECORDS. The books, accounts and records of the Foundation which pertain to this Agreement, the Ground Sublease and the Facilities shall be maintained at the principal office of the Foundation.

Section 10.4. LSUHSC-NO MARKS. The Ground Sublease shall provide that Provident Group-HSC shall not use or allow any of its affiliates, agents, vendors, contractors or employees to use the name of LSUHSC-NO or any of its symbols, logos, trademarks or other representations of those of its affiliated organizations (“LSUHSC-NO Marks”) without the express prior written consent of the LSU Representative and the applicable affiliated organizations. The LSU Representative’s consent may be granted or withheld in the LSU Representative’s sole and unfettered discretion.

Section 10.5. AUDITS. LSU may, at its option and at its own expense, and during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of the Foundation directly relating to the Property, the Facilities or the Bonds, to the extent necessary to verify compliance with this Agreement, the Ground Sublease, or any other agreements it enters into pursuant to the authority of this Agreement. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU, by independent auditors retained by LSU, by the Louisiana Legislative Auditor or by the Office of the Governor or Division of Administration of the State of Louisiana, but any and all such audits shall be conducted without materially, unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation. LSU covenants with the Foundation to keep all work papers, including all books and records of the Foundation, its agents, employees, consultants, contractors, and vendors, confidential and to further keep the results of any such audits confidential except as required by rules and regulations of LSU and by Governmental Regulations. The Foundation shall cause the Ground Sublease to require Provident Group-HSC to grant LSU similar audit rights with respect to its books, bank accounts, records and accounts directly relating to the Property, the Facilities or the Bonds to the extent necessary to verify compliance with this Agreement, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Agreement or the Ground Sublease.

The Foundation shall cause the Ground Sublease to require Provident Group-HSC, the Developer and the Manager to grant LSU similar audit rights with respect to their respective books, bank accounts, records and accounts directly relating to the Property, the Facilities or the Bonds to the extent necessary to verify compliance with this Agreement, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Agreement or the Ground Sublease.

Section 10.6. ANNUAL AUDITED FINANCIAL STATEMENTS. The Ground Sublease shall require Provident Group-HSC to agree that annually, but no later than one hundred twenty (120) days following the close of Provident Group-HSC's fiscal year, Provident Group-HSC shall provide to the LSU Representative a copy of Provident Group-HSC's annual audited financial statement(s) prepared in accordance with generally accepted accounting principles consistently applied and audited by an independent certified public accountant and acceptable to LSU, which audit shall reflect all revenues credited to the immediately preceding year and all payments on any debt or obligations of the Foundation for the period.

ARTICLE XI INDEMNITY AND INSURANCE

Section 11.1 INDEMNITY.

(a) **Indemnification by the Foundation.** Subject to the limitations provided in Sections 11.2(f)(vi) and 11.6 of this Agreement, the Foundation shall and will indemnify, defend, and save harmless LSU and its board members, authorized agents, affiliates, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Facilities, the Property and any servitudes, rights of attachment and air rights by the Foundation, its officers, employees, agents, contractors, guests, members, or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, the Foundation and LSU may use the same counsel if such counsel is approved by LSU. It is expressly understood and agreed that the Foundation is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that LSU shall in no way be responsible for the acts or omissions of the Foundation. The Foundation's obligation to indemnify LSU in accordance with the terms of this Section 11.1(a) shall be limited to the extent of its proportionate share of fault.

Section 11.2. REQUIRED INSURANCE.

(a) **Insurance required of Provident Group-HSC and the Developer.** Unless otherwise approved in writing by the LSU Representative, the Foundation shall, for the duration of the Ground Sublease, require Provident Group-HSC to require the Developer to maintain the insurance coverage required by the Development Agreement and the Management Agreement.

(b) **General.** It is the intent of the Parties to this Agreement that risk of loss for the Property and/or the Facilities be shifted to insurance to the maximum extent practicable.

(i) The Foundation shall be required to procure and maintain its own insurance coverage for the duration of this Agreement and the Ground Sublease in minimum limits as set forth below and with insurers financially acceptable and lawfully authorized to do business in Louisiana rated at least "A" by S&P or "Excellent (A/A)" by A.M. Best Company, Inc.

(iii) Insurance required for the construction and operations phases of the Facilities are as set forth in the Development Agreement and in the Management Agreement, respectively.

(c) **Minimum Scope of Insurance**. The Foundation and Provident Group-HSC shall maintain insurance coverage written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

(i) Workers' Compensation Insurance as is required by Louisiana law, or as may be available on a voluntary basis. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless the insured party can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. If the Foundation or Provident Group-HSC exempts its officers and directors from such Workers' Compensation insurance, such officers and directors shall not be allowed in those Facilities or Property areas to which Workers' Compensation coverage would apply.

(ii) Employers Liability Insurance which will include bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

(iii) Automobile Liability Insurance covering liability arising from the use or operation of any auto, including those owned and non-owned (Symbol 1), operated or used by or on behalf of the insured Party under this Agreement.

(iv) Commercial General Liability Insurance on an occurrence coverage basis against claims for bodily injury, death and property damage (including loss of use), products completed operations, personal injury and advertising injury, at least as broad as the 1993-Insurance Services Office Commercial General Liability Policy form CG 0001©, as respects Blanket Contractual Liability, XCU, and Broad Form Property Damage or its equivalent. Unacceptable exclusions include exclusions for damage to work performed by contractors (e.g., CG 22 94 or CG 22 95); for equipment under their care, custody, and control; for contractual liability (e.g., CG 21 39); employee versus employee; explosion, collapse and underground; and for known loss. In addition to procuring and maintaining this insurance during the duration of the Agreement, each Party to this Agreement agrees to continue to procure and maintain, or to cause its third-party consultants, contractors, vendors, and their respective

subcontractors to procure and maintain, products and completed operations liability insurance coverage through the applicable statute of repose period.

(v) Umbrella Liability Insurance, occurrence-based follow form, providing additional limits in excess of the Commercial General Liability, Automobile Liability and Employer’s Liability policy limits. Endorsements shall include Pay on Behalf of Wording; Concurrency of Effective Dates with Primary; Aggregates; Follow Form Primary; and Drop-Down Feature.

(d) **Minimum Limits of Insurance.** The limits below constitute minimum limits. Nothing in this Agreement shall be construed to limit a Party to this Agreement from maintaining insurance with higher limits.

<u>Type of Insurance</u>	<u>Minimum Limits Required (Per Claim/Occurrence)</u>	<u>Minimum Limits Required (Aggregate Policy Limits)</u>
1. Workers’ Compensation	Statutory Limits	Statutory Limits
2. Employer Liability (bodily injury by accident)	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
3. Commercial Auto Liability (Symbol 1) (no deductible in excess of \$25,000)	Combined single limit/each accident	N/A
4. Commercial General Liability	\$2,000,000	\$5,000,000
a. Bodily Injury/Property Damage	\$2,000,000	\$5,000,000
b. Products/Completed Operation	\$2,000,000	\$5,000,000

c. Personal and Advertising Injury	\$1,000,000	\$2,000,000
d. Medical Expense limit (any one person)	\$10,000	
e. Loss of Use Insurance	\$1,000,000	\$2,000,000
5. Umbrella Liability Insurance (no deductible in excess of \$25,000)	\$10,000,000	\$10,000,000

(e) **Deductibles and Self-insured Retentions.** The funding of deductibles and self-insured retentions for insurance maintained pursuant to the requirements of this Agreements shall be the sole responsibility of the Foundation and Provident Group-HSC, including any amounts applicable to deductibles or self-insured retentions applicable to claims involving any additional insured entity. Any self-insured retentions in excess of \$25,000.00 must be declared to and approved in advance in writing by the other Party. Any self-insured retention endorsement that would limit the right of LSU, the Foundation, Provident Group-HSC, the Trustee or their successors and assigns to make such payment shall be rejected. The Party to this Agreement paying such deductible or self-insured retention shall be entitled to all rights and remedies under this Agreement and Governmental Regulations.

(f) **Additional Insurance Policy Requirements.** The required insurance shall contain the following additional provisions:

(i) **Additional Insured** - Each policy shall name Provident Group-HSC, LSU, the Foundation, the Trustee, Provident Resources Group Inc., the State of Louisiana, the Authority and their respective officers and directors as additional insureds on the above-referenced Commercial General Liability and Automobile Liability policies. The additional insured endorsements shall be at least as broad as the Insurance Services Office, Inc.'s forms CG 20 10 and CG 20 37, 07/04 edition forms.

(ii) **Loss Payee** - All policies shall name the Trustee as a loss payee under the Standard 438BFU Lender's Loss Payable Endorsement for the Trustee to deposit such net proceeds in accordance with the Bond Documents for all property policies.

(iii) **Severability of Interest** - Except with respect to the limits of insurance, insurance required to be procured and maintained by each Party to this Agreement pursuant to the requirements of this Agreement shall apply separately to each insured or additional insured.

(iv) Primary Coverage - The insurance required in this Agreement to be maintained by the Foundation and Provident Group-HSC shall be primary insurance, and any insurance or self-insurance maintained by the other Party hereto.

(v) Notice of Cancellation - All policies required herein shall provide for thirty (30) days' written notice of cancellation or material change to be sent to the LSU Representative.

(vi) Waiver of Subrogation - All insurance policies required of the Foundation, Provident Group-HSC and the Trustee, as well as any other insurance carried by the Foundation, Provident Group-HSC and/or the Trustee for its protection or the protection of its Facilities on the Property, shall provide that the insurers waive in favor of LSU any rights of subrogation.

(g) **Verification of Contractor-Provided Insurance.**

(i) The Foundation, Provident Group HSC, and the Trustee shall furnish to LSU, a certificate of insurance on the most current version of the ACORD form evidencing the required coverage prior to the commencement of work or Manager Duties at or on the Facilities or the Property, as applicable. The Foundation, Provident Group HSC and the Trustee shall provide renewal certificates to LSU. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a thirty (30) day written notification to the LSU Representative prior to the cancellation thereof. Failure of the Foundation and/or Provident Group HSC and/or the Trustee to purchase and/or maintain either itself or through its contractor(s), any required insurance, shall not relieve the Foundation and/or Provident Group HSC from any liability or indemnification hereunder.

(ii) Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. Each Party to this Agreement shall promptly deliver to the other party to this Agreement, Provident Group-HSC, the Foundation and the Trustee copies of written endorsements that are subsequently issued amending coverage or limits upon receipt or upon written demand by the other.

(iii) Failure of either party to this Ground Sublease, Provident Group-HSC, the Foundation or the Trustee to request certificates or identify deficiencies shall in no way limit or relieve the other of its obligations to maintain such insurance. Failure of a party to this Agreement to maintain the required insurance

or to require its third party consultants, contractors, vendors, and their respective subcontractors to maintain the required insurance shall constitute a default under this Agreement and, at the option of the non-failing party, shall allow the non-failing party to withhold payment and/or purchase the required insurance at the failing party's expense.

(h) **No Representation of Coverage Adequacy.** LSU makes no representation or warranty that the insurance set forth in this Section will be sufficient to protect the Foundation's or Provident-Group-HSC's interest.

(i) Term. All insurance required in this Section shall remain in effect during the Term of this Agreement.

Section 11.3. NO RELEASE. Neither the acceptance of the completed Facilities nor the payment therefor shall release the Foundation or Provident Group-HSC, the Developer Development, the Developer Tigers, or their third party-consultants, contractors, vendors, or their subcontractors or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein, including as required under the Development Agreement and the Management Agreement, as applicable.

Section 11.4. INTENTIONALLY LEFT BLANK.

Section 11.5. CONTRIBUTORY ACTS. Whenever in this Agreement any Party is obligated to pay an amount or perform an act because of its negligence, willful misconduct or other legal fault (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or other willful misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence, willful misconduct or other legal fault as determined by a court of law.

Section 11.6. LIMITATION ON LIABILITY. The provisions of this Agreement do not waive or abrogate, nor are they intended to waive or abrogate, the limitation on liability established under La. R.S. 13:5106 for LSU.

**ARTICLE XII
DEFAULT AND REMEDIES**

Section 12.1. EVENTS OF DEFAULT BY THE FOUNDATION. Any one of the following events shall be deemed to be an "Event of Default" by the Foundation under this Agreement.

(a) The Foundation shall fail to pay any sum required to be paid to LSU under the terms and provisions of this Agreement and such failure shall not be cured within

thirty (30) days after the Foundation's receipt of written notice from LSU of such failure, provided that on the third such failure, no notice of default shall be required.

(b) The Taking by execution of the Foundation's leasehold estate or the Property for the benefit of any Person.

(c) The Foundation shall fail to perform or cause to be performed any term, covenant, condition or provision hereof, other than the payment of money, subject to Force Majeure, to be performed by the Foundation under the terms and provisions of this Agreement and such failure shall not be cured within thirty (30) days after receipt of written notice from LSU of such failure; provided that if, during such thirty (30)-day period, the Foundation takes action to cure such failure but is unable, by reason of the nature of the work involved, to cure such failure within such period and continues such work thereafter diligently and without unnecessary delays, such failure shall not constitute an Event of Default hereunder until the expiration of sixty (60) days after such thirty (30)-day period to cure such failure.

(d) A court having jurisdiction shall enter an order for relief in any involuntary case commenced against the Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation or ordering the winding up or liquidation of the affairs of the Foundation, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.

(c) The commencement by the Foundation of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Foundation to the commencement of a case under the Federal Bankruptcy Code or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for the Foundation or any substantial part of the properties of the Foundation.

(d) the Foundation, after commencement of Construction but prior to Final Completion of the Facilities, abandons (with no intent to continue) performance of the Series 2020 Project for a period of forty-five (45) consecutive days, excluding delays caused by Force Majeure.

Section 12.2. LSU'S RIGHTS UPON DEFAULT BY THE FOUNDATION. Upon the occurrence and during the continuance of an Event of Default, LSU may seek any and all damages occasioned by the Event of Default, or may seek any other remedies available at law or in equity; provided, however, LSU may not terminate this Agreement due to the default of the Foundation unless the Bonds are paid in full or legally defeased, as applicable, and all

obligations under the Bond Documents are discharged, except with the prior written consent of the Trustee, which may be granted or withheld in its sole discretion.

Section 12.3. THE FOUNDATION'S OBLIGATIONS UPON DEFAULT. Any termination of this Agreement as herein provided shall not relieve the Foundation from the payment of any sum or sums that shall then be due and payable to LSU hereunder, or any claim for damages then or theretofore accruing against the Foundation hereunder, and any such termination shall not prevent LSU from enforcing the payment of any such sum or sums or from claiming damages by any remedy provided for by law, or from recovering damages from the Foundation for any Event of Default.

Section 12.4. RIGHTS OF LSU CUMULATIVE. All rights and remedies of LSU provided for in this Agreement 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. LSU shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by LSU of a breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of LSU to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option. A receipt by LSU or acceptance of payment by LSU of Annual Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach. No waiver, change, modification or discharge by LSU or the Foundation of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties.

ARTICLE XIII DEFAULT BY LSU

Section 13.1. LSU DEFAULTS. LSU shall be in default under this Agreement if LSU shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within ninety (90) days or if unable to remedy such breach within said ninety (90) days, LSU fails to take actions necessary to remedy such breach within said ninety (90) days and is not diligently pursuing same, (or such longer period as the Trustee may approve) after written notice thereof from the Foundation, to LSU, then and in any such event LSU shall be deemed to be in default hereunder. Subject to the preceding sentence, the Foundation shall be entitled to enforce any one or more of the following rights and remedies in the event of a default by LSU under this Agreement:

- (i) Require LSU to specifically perform its obligations under this Agreement or restrain or enjoin LSU from continuing the activities that constitute the default; and

(ii) Exercise all other rights and remedies available to the Foundation under this Agreement or otherwise available to the Foundation at law or in equity as a consequence of the default.

Section 13.2. RIGHTS OF THE FOUNDATION CUMULATIVE. All rights and remedies of the Foundation provided for in this Agreement 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. The Foundation shall have the right to pursue any or all of the rights or remedies set forth herein, as well as any other consistent remedy or relief which may be available at law or in equity, but which is not set forth herein. No waiver by the Foundation of a breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or of any other covenant, condition or restriction herein contained. The failure of the Foundation to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option.

ARTICLE XIV IMPROVEMENTS; LSU'S OPTION

Section 14.1. TITLE TO IMPROVEMENTS.

(a) At all times during the term of the Ground Sublease, title to the Facilities and all other improvements hereafter Constructed in accordance with the Construction Documents and the Contract Documents shall be vested in Provident Group-HSC (or vested in the Foundation, if the Ground Sublease is terminated and this Agreement is not terminated).

(b) Pursuant to and under the terms of the Ground Sublease, title to the Facilities shall automatically be transferred to LSU upon the termination of the Ground Sublease.

(c) At such termination of this Agreement, the Foundation may be required by LSU at LSU's sole option to remove any and all Improvements including any and all facilities, buildings or structures in place on the Property at the sole expense of the Foundation.

ARTICLE XV CONDEMNATION

Section 15.1. CONDEMNATION.

(a) In the event all or substantially all of the Property and the Facilities shall be subject to a Taking, or if so much of the Property and the Facilities or any component thereof shall be so taken so that the remainder of the affected Property and Facilities shall

not reasonably be capable of being used for its intended purpose, as reasonably determined by LSU, the Foundation shall cause Provident Group-HSC to promptly notify the Trustee, LSU and the Foundation, and the Net Condemnation Proceeds shall be applied and paid *first* pursuant to the terms of the Indenture and *second* (to the extent of any Net Condemnation Proceeds remaining after such application) to the Foundation. Immediately after such distribution of Net Condemnation Proceeds, any funds remaining in the funds and accounts described in the Indenture shall be distributed as provided therein, and additionally all funds remaining in any reserve accounts being held pursuant to the Development Agreement and the Management Agreement, if any, shall be distributed to the Foundation, or if the Bonds have been fully paid and all obligations under the Bond Documents have been discharged, to LSU, subject to the Ground Sublease, upon which, (i) the Ground Sublease shall terminate and Provident Group-HSC shall be released from all of its obligations under the Bond Documents and Contract Documents, except for any such obligations of Provident Group-HSC which shall survive the Bond Documents and Contract Documents; and (ii) this Agreement shall terminate.

(b) The Ground Sublease shall provide that, in the event less than all or substantially all of the Property and the Facilities or any component thereof shall be subject to a Taking, Provident Group-HSC and the Trustee shall cause the Net Condemnation Proceeds received by them or any of them from any Award made in such eminent domain proceedings to be paid to the Trustee and deposited and held in the Condemnation Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by the Foundation, with the prior written consent of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 15.1(e), such Net Condemnation Proceeds shall be applied to the Restoration (provided that in this Section 15.1, the “value or character of the Property” in the definition of “Restoration” shall take into account the portion of the Property so taken); or

(ii) such Net Condemnation Proceeds shall be transferred to the Redemption Fund to be applied to the redemption of the Bonds; or

(iii) such Net Condemnation Proceeds shall be applied in some combination permitted by the foregoing clauses (i) and (ii);

provided that, if the Foundation does not, within such sixty (60) day period, direct the application of the Net Condemnation Proceeds pursuant to the preceding clauses (ii) or (iii), then the Net Condemnation Proceeds shall be applied pursuant to the preceding clause (i).

(c) After completion (and payment in full of the costs) of the Restoration (pursuant to Section 15.1(b)(i)), all remaining Net Condemnation Proceeds (if any) shall

be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(d) [Reserved.]

(e) Before the Trustee may apply any Net Condemnation Proceeds pursuant to Section 15.1(b)(i), Provident Group-HSC shall have furnished to the Foundation and the Trustee (i) with respect to proposed Restorations in excess of \$500,000, a certificate of an Independent Engineer (A) to the effect that the affected Property can reasonably be expected to be restored, within a period of twenty-four (24) months from the receipt of such Net Condemnation Proceeds, to substantially the condition thereof immediately preceding such damage or destruction and in a condition that constitutes Restoration, (B) setting forth the estimated cost of the Restoration, including an allowance for contingencies, and the estimated date of completion of such Restoration, and (C) to the effect that all amounts necessary to accomplish the Restoration are on deposit in the Restoration Fund and (ii) a certificate of Provident Group-HSC, the Foundation or, if applicable, the Independent Engineer to the effect that all permits, licenses, accreditations, and other governmental approvals necessary for Restoration are in full force and effect. If the Independent Engineer advises that he or she cannot give the certificate described in the preceding clause (i), then, before the Net Condemnation Proceeds are applied pursuant to Section 15.1(b)(ii), LSU shall have sixty (60) days after such advice, at the LSU's option, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to give such certificate, in which case the Net Condemnation Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 15.1(b)(i).

(f) Any balance of such Net Condemnation Proceeds remaining after application pursuant to this Section 15.1 shall be transferred to the Redemption Fund to be applied in redemption of the Bonds pursuant to the Indenture.

(g) Except as otherwise expressly contemplated hereby, the Ground Sublease shall not terminate or be forfeited by reason of a partial Taking of less than substantially all of the Property by reason of the untenability of the same or any part thereof resulting from any such Taking. The Ground Sublease shall provide that Provident Group-HSC shall agree that, except (i) to the extent otherwise expressly provided in this Section 15.1, or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, the Foundation's obligations hereunder, including the payment of Annual Rent, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

ARTICLE XVI
ASSIGNMENT, SUBLETTING, AND TRANSFERS OF
THE FOUNDATION'S INTEREST

Section 16.1. ASSIGNMENT OF LEASEHOLD INTEREST. Except as specifically set forth herein, the Foundation shall not assign, transfer, convey, grant rights of use or otherwise sublet, nor shall it permit the assignment, transfer, conveyance, grants of rights of use or otherwise sublet, its leasehold estate or any rights therein, in its entirety or for any portion of the unexpired Term and may not assign any interest in this Agreement without the prior written consent of LSU, and any such assignment, transfer, conveyance or sublease made or given without first obtaining LSU's prior written consent shall be null and void; provided, however, that the Foundation may, without LSU's prior written consent, grant rights pursuant to and in accordance with the Ground Sublease. Notice of any such assignment or transfer shall be furnished promptly to LSU.

Section 16.2. REORGANIZATION BY THE FOUNDATION OR SUBLESSEE. The provisions of Section 16.1 shall not prevent the Foundation from changing its name or reorganizing its operations provided such change or reorganization does not adversely impact LSU or adversely impact the Foundation's ability to fulfill its obligations under this Agreement.

Section 16.3. TRANSFERS OF THE FOUNDATION'S INTEREST. The obligation of the Foundation under this Agreement shall survive any conveyance, assignment or other transfer of the Foundation's interest, and the Foundation shall not be relieved of such obligation as a consequence of such transfer. Furthermore, any Person succeeding to the Foundation's interest as a consequence of any such conveyance or other transfer shall succeed to all of the obligations of the Foundation hereunder and shall be subject to the terms and provisions of this Agreement and the Ground Sublease.

Section 16.4. INCURRENCE OF DEBT. The Ground Sublease shall provide that the Foundation shall not permit Provident Group-HSC to issue the Bonds (other than the Series 2020 Bonds), increase the amount of the Bonds, refinance the Bonds or extend the due dates of payments on the Bonds without the prior written consent of LSU.

ARTICLE XVII
COMPLIANCE CERTIFICATES

Section 17.1. FOUNDATION COMPLIANCE. The Foundation agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by LSU, to execute, acknowledge and deliver to LSU or to such other party as LSU shall request, a statement in writing certifying (a) that this Agreement and the Ground Sublease are unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of LSU to be performed (and if so specifying the

same), (c) the dates to which the Annual Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this Section 17.1 may be relied upon by any Person.

Section 17.2. LSU COMPLIANCE. LSU agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by the Foundation, to execute, acknowledge and deliver to the Foundation a statement in writing, addressed to the Foundation or to such other party as the Foundation shall request, certifying, to the best of its knowledge, (a) that this Agreement is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Annual Rent and other charges have been paid; (c) whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this may be relied upon by any assignee or sublessee pursuant to this Agreement.

ARTICLE XVIII TAXES, FEES, AND LICENSES

Section 18.1. PAYMENT OF TAXES. The Foundation shall pay or cause to be paid, and, upon request by LSU, shall provide evidence of payment to the appropriate collecting authorities, all federal, State and local taxes and fees, which are now or may hereafter be levied upon the Foundation's interest in the Facilities or the Property, or upon the Foundation, or upon the business conducted on the Facilities or the Property or imposed in connection with the construction, maintenance, alteration, or improvement of the Facilities or the Property, as applicable, or upon any of the Foundation's property used in connection therewith; and shall maintain in current status all federal, State and local licenses and permits required for the operation of the business conducted by the Foundation. LSU shall pay, and, upon request by the Foundation, shall provide evidence of payment to the appropriate collecting authorities, all federal, State and local taxes and fees, which are now or may hereafter be levied upon LSU or LSU's Interest. The Foundation and LSU may pay any of the above items in installments if payment may be so made without penalty other than the payment of interest. The obligations of LSU and the Foundation to pay taxes and fees under this Section 18.1 shall apply only to the extent that LSU or the Foundation are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. The Foundation's payment of taxes shall be identified under Federal Tax Identification Number _____.

Section 18.2. CONTESTED TAX PAYMENTS. The Foundation shall not be required to pay, discharge or remove any such taxes or assessments so long as the Foundation is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. The Foundation hereby agrees to indemnify and save LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on any lien arising in respect to such contested amounts,

cause the same to be discharged and removed prior to the execution of such judgment. Upon the termination of such proceeding, the Foundation shall deliver to LSU proof of the amount due as finally determined and proof of payment thereof. LSU, at the Foundation's expense, shall join in any such proceeding if any law shall so require.

ARTICLE XIX FORCE MAJEURE

Section 19.1. DISCONTINUANCE BY THE FOUNDATION DURING FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by the Foundation, the Foundation shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. However, LSU shall not be obligated to recognize any delay caused by Force Majeure unless the Foundation shall, within ten (10) Business Days after the Foundation is aware of the existence of an event of Force Majeure, notify LSU in writing thereof.

Section 19.2. DISCONTINUANCE BY LSU DURING FORCE MAJEURE. Whenever a period of time is herein prescribed for action to be taken by LSU, LSU shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to Force Majeure. However, the Foundation shall not be obligated to recognize any delay caused by Force Majeure unless LSU shall, within ten (10) Business Days after LSU is aware of the existence of an event of Force Majeure, notify the Foundation thereof.

ARTICLE XX ENVIRONMENTAL CONDITION OF THE PROPERTY

Section 20.1. ENVIRONMENTAL CONDITION OF THE PROPERTY. The Ground Sublease shall provide that:

- (a) Provident Group-HSC shall not:
 - (i) Direct, suffer, or permit the Developer, the Manager, LSU, LSUHSC-NO or any of their respective employees or any other Person or entity under their respective control to handle, transport, use, manufacture or store any Hazardous Materials in or about the Property, except as provided in Section 20.1(b) below; or
 - (ii) Suffer or permit (with or without negligence):
 - (A) Any Hazardous Materials to be used by any employee, officers, agents, contractors or third party directed or controlled by Provident Group-HSC in any manner not fully in compliance with all Environmental Laws; or

(B) The Property or adjoining areas and, prior to Final Completion only, the Facilities to become contaminated with any Hazardous Materials generated by Provident Group-HSC; or

(C) The escape, disposal or release of any Hazardous Materials generated by Provident Group-HSC.

(b) Provident Group-HSC may permit the Developer and the Manager to handle, store, use, or dispose of Hazardous Materials to the extent customary and necessary for the performance of the Developer's and the Manager's duties under the Development Agreement and the Management Agreement, respectively, provided same does not violate Environmental Laws and all disposal occurs offsite. Provident Group-HSC shall cause the Developer to pay and perform the Developer's obligations regarding Environmental Laws, Hazardous Materials and Remediation as set forth in the Development Agreement and the Management Agreement.

(c) Provident Group-HSC shall promptly provide the Foundation with complete and accurate copies of all disposal tickets for materials (hazardous or not) from the Property and, prior to Final Completion only, the Facilities that are disposed of off the Property.

(d) in the event that Provident Group-HSC, its affiliates, contractors, employees, officers or agents generate any Hazardous Materials that are required by any Environmental Law to be Remediated, and specifically excluding any Hazardous Materials that are generated by the Foundation, LSU, their affiliates, employees, officers or agents, Provident Group-HSC shall, at its sole cost and expense, promptly effectuate Remediation of any condition, including but not limited to a release of a Hazardous Material in, on, above, under or from the Property and, prior to Final Completion only, the Facilities, ("Hazardous Site Condition") as necessary to comply with any Environmental Law or any breach of this Section 20.1. In the event that any Hazardous Materials currently exist within the Property or the Facilities or any Hazardous Materials that are required by any Environmental Law to be Remediated and were generated by the Foundation, LSU their affiliates, employees, officers or agents or any third party, the Foundation shall, at its sole cost and expense, promptly effectuate Remediation of any condition in, on, above, under or from the Property and the Facilities as necessary. In the event that Provident Group-HSC fails to perform said work after notice from the Foundation or the State Department of Environmental Quality, the Foundation may, as agent of Provident Group-HSC, perform same, and Provident Group-HSC agrees to reimburse the Foundation for the entire cost of such Remediation, together with interest at the Default Rate, as Additional Rent (as defined in the Ground Sublease).

(e) to the extent Provident Group-HSC has knowledge, Provident Group-HSC shall immediately notify the Foundation in writing of (A) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Property, (B)

any non-compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential environmental lien; (D) any required or proposed Remediation of Hazardous Site Condition relating to the Property; and (E) any written or oral notice or other communication of which Provident Group-HSC becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials or Remediation thereof, or the possible liability of any person or entity pursuant to any Environmental Law in connection with the Property.

(f) notwithstanding anything contained in Section 30 of the Ground Sublease or any other provision of the Ground Sublease to the contrary, Provident Group-HSC shall acknowledge and agree that the Developer or the Manager, as applicable, and not the Foundation, shall be responsible for Remediation of any and all Hazard Site Conditions, as necessary to comply with any Environmental Law or any breach of the Management Agreement or the Development Agreement. To the extent set forth in the Development Agreement and the Management Agreement, Provident Group-HSC shall promptly effectuate or cause the Developer or the Manager, as applicable, to effectuate, Remediation of any Hazardous Site Condition as necessary to comply with any Environmental Law or any other Governmental Regulations, subject to the Development Agreement.

(g) The foregoing provisions of this Section 20.1 notwithstanding, Provident Group-HSC shall have no responsibility for the environmental condition or the Remediation of the Facilities following Final Completion and, following Final Completion of the Facilities, the Foundation or LSU, as applicable, shall be responsible for the environmental condition or the Remediation of the Facilities.

ARTICLE XXI MISCELLANEOUS

Section 21.1. NONDISCRIMINATION, EMPLOYMENT AND WAGES. Any discrimination by the Foundation or its agents or employees on account of race, color, sex, age, religion, national origin or handicap, in employment practices or in the performance of the terms, conditions, covenants and obligations of this Agreement, is prohibited.

Section 21.2. NOTICES AND CONSENTS. Notices or communications to LSU or the Foundation, and all necessary written consents required or appropriate under this Agreement shall be in writing, sent by (a) personal delivery, or (b) expedited delivery service with proof of delivery, or (c) registered or certified United States mail, postage prepaid, return receipt requested, or (d) sent via Facsimile, provided that acknowledgment of receipt thereof is received by the sending party from the receiving party, addressed as follows:

if to LSU:	President of LSU Louisiana State University 3810 West Lakeshore Drive
------------	---

Baton Rouge, Louisiana 70803
Telephone: (225) 578-____
Facsimile: (225) 578-4749

with copies to: Executive Vice President for Finance and Administration
and CFO
Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, Louisiana 70803
Telephone: (225) 933-3108
Facsimile: (225) 578-5403

if to the Foundation: President/Chief Executive Officer
LSU Health Foundation, New Orleans
2000 Tulane Avenue, 4th Floor
New Orleans, Louisiana 70112
Telephone: 504-568-3712
Facsimile: 504-568-3460

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Every notice, demand, request or other communication sent in the manner aforesaid shall be deemed to have been given, made or communicated, as the case may be, on the third business day after the same has been deposited, registered or certified, properly addressed as aforesaid, proper postage prepaid, in the United States mail, except that any notice, demand, request, or other communication, to the Foundation or LSU may be personally delivered, and in such event shall be deemed to have been given on the date the same shall have been personally delivered to the Party to whom such notice, demand, request or other communication is addressed, or to an officer of such Party, as provided by law.

Section 21.3. RELATIONSHIP OF 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 ventures, or any other similar such relationship, between the Parties hereto. It is understood and agreed that no provision contained herein nor any acts of the Parties hereto creates a relationship other than the relationship of LSU and the Foundation. In no event shall the Foundation's officers, directors, employees or agents be liable for any of the obligations of the Foundation hereunder. Furthermore, LSU and the Foundation agree to execute any and all documents necessary upon the termination of this Agreement, including but not limited to any notices or consents required pursuant to the provisions of Louisiana Civil Code Article 493.

Section 21.4. ATTORNEYS' FEES. To the extent allowed by law, if either party is required to commence legal proceedings relating to this Agreement, the prevailing party shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

Section 21.5. LOUISIANA LAW TO APPLY. This is a Louisiana Agreement and shall be governed, interpreted and enforced in accordance with the laws of the State of Louisiana without giving effect to any conflict of law provisions. Venue of any action arising from this Agreement shall be exclusively in the Civil District Court, Parish of Orleans, State of Louisiana or the United States District Court for the Eastern District of Louisiana. The Parties irrevocably waive any objection which they may have now or hereafter to the venue of any proceedings brought in such court, or that such proceedings have been brought in a non-convenient forum when brought in such court. The Parties irrevocably agree that any final judgment (after appeal or expiration of time for appeal) entered by such court shall be conclusive and binding upon the Parties and may be enforced in the courts of any other jurisdiction to the fullest extent permitted by law.

Section 21.6. WARRANTY OF PEACEABLE POSSESSION. LSU covenants that the Foundation, on paying the Annual Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Foundation, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Property and the improvements existing thereon as of the Effective Date of this Agreement, and may exercise all of its rights hereunder; and LSU agrees to forever defend the Foundation's right to such occupancy, use, and enjoyment of the Property and the improvements existing thereon as of the Effective Date of this Agreement against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Agreement.

Section 21.7. CURATIVE MATTERS. Except for the express representations of LSU set forth in this Agreement, any additional matters necessary or desirable to make the Property and such other areas of Campus as shall be necessary for the performance of the Series 2020 Project useable for the Foundation's purpose shall be undertaken, in the Foundation's sole discretion, at no expense to LSU and only with LSU's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 21.8. TERMINOLOGY. Unless the context of this Agreement clearly requires otherwise, (a) pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character; (b) the singular shall include the plural wherever and as often as may be appropriate; (c) the word "includes" or "including" shall mean "including without limitation"; (d) the word "or" shall have the inclusive meaning represented by the phrase "and/or"; (e) the words "hereof" "herein," "hereunder," and similar terms in this Agreement shall refer to this Agreement as a whole and not to any particular section or article in which such words appear. The section, article and other headings in this Agreement are for reference purposes, and shall not control or affect the construction of this Agreement or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Agreement unless otherwise specified. All exhibits attached to this Agreement constitute a part of this Agreement and are incorporated herein. All references to a specific time of day in this Agreement shall be based upon Central Time.

Section 21.9. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be declared an original, but all of which shall constitute one and the same document. For purposes of this section, facsimile and PDF signatures are acceptable; however, the original signature pages shall be substituted as soon as practicable.

Section 21.10. SEVERABILITY. If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intention of the Parties hereto that the remainder of this Agreement shall not be affected thereby.

Section 21.11. AUTHORIZATION. By execution of this Agreement, the Foundation and LSU each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed; and that the persons signing this Agreement on their behalf have due authorization to do so. Each Party shall provide to the other evidence of proper authorization.

Section 21.12. AMENDMENT. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated on or subsequent to the date hereof and duly executed by the Parties hereto.

Section 21.13. SUCCESSORS AND ASSIGNS. All of the covenants, agreements, terms and conditions to be observed and performed by the Parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSU into another educational institution.

Section 21.14. OWNERSHIP. All records, reports, documents, and other material delivered or transmitted to the Foundation by LSU shall remain the property of LSU, and shall be returned by the Foundation to LSU, at the Foundation's expense, at termination or expiration of this Agreement. All records, reports, documents, or other material related to this Agreement and/or obtained or prepared by the Foundation in connection with the performance of the services contracted for herein shall become the property of LSU, and shall, upon request, be tendered by the Foundation to LSU, at the Foundation's expense, at termination or expiration of this Agreement.

Section 21.15. ABSENCE OF DEBT. Notwithstanding anything to the contrary contained herein, during any time in which no Bonds are unpaid and outstanding and no debt is owed by the Foundation with respect to the Bonds, no party other than LSU and the Foundation shall have rights with respect to this Agreement.

Section 21.16. DISCRIMINATION CLAUSE. The Foundation shall agree to abide by and the Ground Sublease shall provide that Provident Group-HSC shall agree and abide by: (a) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment 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; (b) the requirements of the Americans with Disabilities Act of 1990 and (c) any executive order by the governor of the State.

(i) The Ground Sublease shall provide that: Provident Group-HSC shall additionally require and cause the General Contractor to agree: (A) not to discriminate in its employment practices; and (B) to render services under any contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities and in compliance with any executive orders.

(ii) Any act of discrimination committed by General Contractor, or failure to comply with these statutory or regulatory obligations when applicable shall be grounds for termination of the General Contractor. If the General Contractor does not comply with the provisions of Section 6.1(u) of this Agreement, the Foundation shall require Provident Group-HSC to cause the Developer to terminate the General Contractor.

Section 21.17. ENTIRE AGREEMENT. This Agreement, together with the exhibit attached hereto, contains the entire agreement between the Parties hereto with respect to the matters set forth herein and contains all of the terms and conditions agreed upon with respect to such matters, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties hereto; it being the intent of the Parties that neither shall be bound by any term, condition, or representations not herein written.

Section 21.18. CONSENTS. Any provision of this Agreement to the contrary notwithstanding, all provisions of the Agreement, the Ground Sublease, Contract Documents and/or the Bond Documents requiring the approval or prior written consent of the Foundation or Provident Group-HSC shall be deemed to also require the approval or prior written consent of LSU, through the LSU Representative.

Section 21.19. DRAFTING OF AGREEMENT. The Parties agree that the terms and conditions of this Agreement are the result of arm's length negotiations between the Parties and/or their counsel. Neither Party shall be considered the drafter of the Agreement or any provision hereof for the purpose of any statute, jurisprudential rule, or rule of contractual interpretation or construction that might cause any provision to be construed against the drafter.

Section 21.20 NO EXPENDITURE OF PUBLIC FUNDS. The parties hereto agree that this Agreement shall not require the expenditure of any public funds.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page for Cooperative Endeavor and Lease Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Cooperative Endeavor and Lease Agreement on behalf of LSU on the ____ day of _____, 20__, to be effective on the ____ day of _____, 20__, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

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

Printed Name: _____

Printed Name: _____

By: _____
Name: F. King Alexander
Title: President, Louisiana State University

Notary Public

Printed Name

LSBA Roll No. _____

My Commission is for life.

[Signature page for Cooperative Endeavor and Lease Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Cooperative Endeavor and Lease Agreement on behalf of the Foundation on the ____ day of _____, 20__, to be effective on the ____ day of _____, 20__, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

WITNESSES

LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana nonprofit corporation,

Printed Name: _____

By: _____

Name:

Title:

Printed Name: _____

Notary Public

Printed Name

LSBA Roll No. _____

My Commission is for life.

EXHIBIT A
PROPERTY

LEGAL DESCRIPTION OF PROPERTY

ATTACHMENT VIII



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS
SCHOOL OF DENTISTRY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF NURSING
SCHOOL OF MEDICINE IN NEW ORLEANS
SCHOOL OF PUBLIC HEALTH

December 12, 2019

Dr. F. King Alexander
President and Chancellor
LSU System Office
3810 West Lakeshore Drive, Room 107
Baton Rouge, LA 70808

Dear Dr. Alexander,

Pursuant to the following clause within Article VII, Section 1 (A), General Rule, of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter:"

Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.

LSU Health Science Center-New Orleans (LSUHSC-NO) seeks approval by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU Board) to enter into a 50 year Cooperative Endeavor Agreement (CEA) and ground lease with the LSU Health Foundation (Foundation) who will partner with Provident Group- HSC Properties (Provident), a not-for-profit corporation headquartered in Baton Rouge, Louisiana for construction of a new 579 bed student housing facility. The facility will be built on property donated to the LSU Board for the benefit of LSUHSC-NO by the Foundation.

The Foundation is an "Affiliate" of the LSU Board, pursuant to the terms and conditions of the Uniform Affiliation Agreement dated July 1, 2009 between the Foundation and the LSU Board, which describes the Affiliate's purpose and status including the Foundation's obligation to support one or more programs, facilities, research or educational opportunities offered by LSUHSC-NO.

With the ground lease and CEA in place with LSUHSC-NO, the Foundation would then enter into a multi-year sub-lease with Provident of the parcels donated to LSUHSC-NO. Provident would construct the housing facility on the sub-leased land. The donated property is bounded by Johnson Street, Perdido Street, Poydras Street, and Galvez Street in New Orleans, Louisiana (see Attachment IV).

It is proposed that LSUHSC-NO and the Foundation enter into a 50 year CEA and corresponding ground lease (see Attachment V). The Foundation will pay \$1000 in annual ground lease payments to LSUHSC-NO in return for partnering with Provident to development and operate a 579 bed student housing facility at no expense to LSUHSC-NO. LSUHSC-NO will receive land donations with a cumulative value of \$2.7 million from the Foundation where the facility will be built.

LOUISIANA STATE UNIVERSITY HEALTH SCIENCES CENTER • 433 BOLIVAR STREET • SUITE 815 • NEW ORLEANS, LOUISIANA 70112-2223

PHONE (504) 568-4800 • FAX (504) 568-5177 • WWW.LSUHSC.EDU

LSUHSC-NO will continue to operate its existing student housing facilities. It is anticipated that a number of students in these facilities will transfer to the new housing, but it is expected that a greater number will relocate from various off-campus locations to the new housing facility. Project construction would begin in the winter of 2019 and would require about 18 months to complete. Total development costs are estimated at \$99.3 million.

LSUHSC-NO will not receive cash-flows from the CEA or corresponding lease agreement, but will receive new student housing at no cost to the University in addition to combined property donations valued at \$2.7 million. Once the 40 year tax-exempt bonds are retired, and at the sole option of the LSU Board, the building will be either transferred to the LSU Board or demolished and disposed of by the Foundation at no expense to the LSU Board.

Revenues from existing LSUHSC-NO student housing along with all additional auxiliary revenues are pledged to the debt service on the outstanding Series 2013 Revenue Bonds, set to be retired in 2031. The annual debt service on the bonds is \$1.17 million in FY 2019-20, the remaining balance at FYE 2019 was \$10.7 million and the bonds will be retired in 2031. The LSUHSC-NO has no other outstanding bonds.

As part of its due diligence, LSUHSCNO sought the opinion of bond counsel Stokes McConnell of Breazeale, Sachse & Wilson, LLP, regarding whether the revised student housing model would be deemed a violation of the existing bond covenants. Mr. McConnell has provided a written opinion (see Attachment VI) that these changes as described in the letter to him, and contingent upon conditions outlined in the opinion, will not result in a violation of the covenants and agreements as set forth in the Bond Resolution.

The Health Sciences Center is respectfully requesting approval of this Cooperative Endeavor Agreement. I certify to the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,



Larry Hollier, MD
Chancellor



Request from LSU Health Foundation New Orleans to Authorize the President to Determine an Acceptable University Purpose for the Donation to the LSU Health Foundation New Orleans of Property within One-Half Mile of the Campus Boundaries

To: Members of the Board of Supervisors

Date: January 10, 2020

This is a significant board matter pursuant to the Uniform Affiliation Agreement between the LSU Board of Supervisors (Board) and its Affiliate, The LSU Health Foundation New Orleans (“LSUHF-NO”), Article

6.31: Acceptance of an “onerous donation”; and

6.3.5: Entering into any cooperative endeavor or similar agreement with any public or quasi-public entity

1. Summary of the Matter

Provident Group – HSC Properties, Inc., (Provident) a Louisiana nonprofit corporations, would like to donate three parcels of property to LSU Health Foundation, New Orleans . The properties are located in New Orleans, within one-half mile of the boundaries of the campus of the LSU Health Sciences Center-New Orleans (LSUHSC-NO). The properties are valued at approximately \$2.7 million.

Although LSUHF-NO has not finalized plans for utilization of the property at this time, its intent is to enter into an agreement with Provident to develop housing for the use of LSUHSC-NO students. It is the intent of LSUHF-NO to donate the developed property to the Board.

2. Review of Business Plan

Not Applicable.

3. Fiscal Impact

No significant fiscal impact is expected for LSU based on acceptance of this donation. The donation is being made free and clear of all encumbrances.

4. Description of Competitive Process

Not Applicable

5. Review of Legal Documents

The Act of Donation, legal survey and Phase I environmental study are underway. The donation will not be formally accepted until these documents have been prepared and/or reviewed by LSU’s outside counsel. Additionally, the University’s Office of General Counsel will review the final act of donation.

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
LSU Health Sciences Center – New Orleans
The LSU Health Foundation New Orleans
Provident Group – HSC Properties, Inc

7. Related Transactions

None

8. Conflicts of Interest

None.

ATTACHMENTS

- I. Site Map of Location with description of property
- II. Draft Act of Donation
- III. Cover Letter

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes Thomas Galligan, in his capacity as Interim President of Louisiana State University, or his designee, to determine if an Acceptable University Purpose exists, for purposes of the Uniform Affiliation Agreement, for the LSU Health Foundation, New Orleans to Accept the donation of three parcels of immovable property located in In Block 517, First District, Orleans Parish.

SITE PLAN

PROPERTY TO BE DONATED

Figure 1. SQ 517 is in the LSUHSC Master Plan Focus Area for Acquisitions

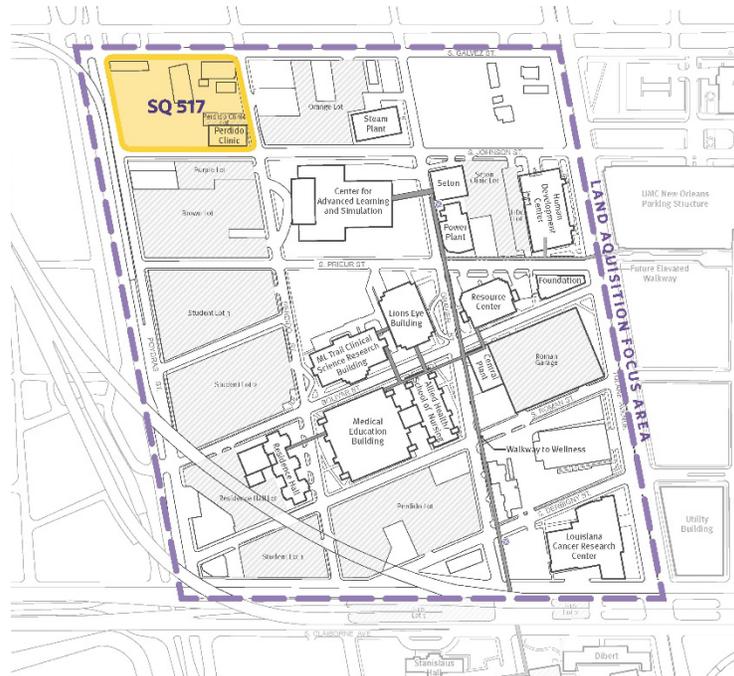


Figure 2. Property to be donated includes Lot 25, Square 517

The property to be donated consists of several parcels on SQ 517 in the First Municipal District of the City of New Orleans, Parish of Orleans, State of Louisiana. The total area is 46,297SF or 1.06 acres. This legal description is composed of the legal descriptions of each parcel which are identified by the location address recognized by the City of New Orleans.

1. Location Address: 2123 POYDRAS ST is located on SQ 517 and consists of LOT 6; 31'9" x 120'; LOT 5; 34'5" x 149'; LOT 28; 132' x 74'; in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot "A" on a survey by Adloe Orr, Surveyor, dated July 30, 1938 annexed to an act passed before William J Guste, Notary Public, dated September 19, 1938, according to which survey said portion of ground forms the corner of Poydras Street and South Johnson Street and measures as follows: Commencing at the corner of Poydras and South Johnson Streets, said property measures a distance of 74 feet front on South Johnson Street in the direction of Perdido Street; thence on a line parallel with Poydras Street in the direction of South Galvez Street a distance of 132 feet, 3 inches and 5 lines; thence on a line parallel with South Johnson Street in the direction of Perdido Street, a distance of 75 feet; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 34 feet 5 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 29 feet along the rear line of Lot 9; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 31 feet, 9 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 120 feet to the property line of Poydras Street, thence along the property line of Poydras Street, a distance of 198 feet, 5 inches, 5 lines to the corner of South Johnson Street, which is the Point of Beginning. According to said survey by Adloe Orr, dated July 30, 1938, said Lot A is composed of original lots 26, 27 and 28.

According to a plan of survey by Gilbert & Kelly, Surveyors dated September 25, 1945 a copy of which is annexed to a sale by Thomas J. Flanagan, Jr to Crescent Tractor Tractor & Implement Company, passed before Alexis Brian, Notary Public, dated September 26, 1945, said Lot "A" bears the same dimensions and is similarly situated as aforesaid and according to said survey said Lot A is composed of the front portion of Lots 1,2,3 and 4 and the whole of Lots 5 and 6 of Square 517, First District New Orleans, La.

2. Location Address: 632 S GALVEZ ST is located on SQ 517 LOT 23; 29'3" x 97' in entirety.

THAT PORTION OF GROUND, situated in the FIRST DISTRICT OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S. Johnson Streets, designated as Lot 9, which said lot, according to a survey by Gilbert & Kelly, Surveyors, dated February 24, 1945, a copy of which is annexed to an act passed before Malcolm deLahoussaye, Notary Public, dated March 15, 1945, commences at a distance of 120 feet from the corner of South Galvez and Poydras Streets and measures thence 29 feet, 3 inches 1 line front of South Galvez Street, same width in the rear, by a depth of 97 feet, 10 inches between equal and parallel lines.

The above description is in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976, with the exception of the particular measurement along the rear of Lot 9, on which survey measurements appears as 29 foot (title) and 29 feet, 3 inches, 1 line (actual)

3. Location Address: 635 S JOHNSON ST is located on SQ 517 LOT 5 and PT LOT 6; 52'3" x 132'3"; PT LOT 6 and LOT 7; 52'3" x 132'3".

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO. 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot 26—B on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which is annexed to an act 1949, which lot measures 52 feet, 3 inch and 2 lines actual and plan measurement, feet, (52 feet 3 inches

and 5 lines, title measurement) front of South Johnson Street; 52 feet 3 inches and 2 lines in width in the rear, by a depth between equal and parallel lines of 132 feet, 3 inches and 5 lines. Said portion of ground commences at a distance of 74 feet from the corner of South Johnson and Poydras Streets and is composed of the rear of Lots Nos 1, 2, 3, and 4 and the adjoining 6 feet, 3 inches and 2 lines of Lot No 26.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S. Johnson Streets, designated as Lot 25-A on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which lot measures 52 feet, 3 inches and 2 lines actual and plan measurement (52 feet 3 inches and 5 lines, title measurement) front on South Johnson Street, same width in the rear, by 132 feet 3 inches and 5 lines in depth between equal and parallel lines, lying at a distance of 126 feet, 3 inches and 2 lines from the corner of Poydras and South Johnson Streets and 207 feet 9 inches and 3 lines from the corner of Perdido and South Johnson Streets, and is composed of parts of Lot No 26 and the whole of Lot No 25 on a sketch annexed to an act passed before Fred Diebel, Notary Public, in this City on July 25, 1898.

The above descriptions and measurements are also in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennesy, Notary Public, dated June 14, 1976.

4. Location Address: 625 S JOHNSON ST is located on SQ 517 LOT 8; 29'3" x 123'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, designated by the NO. 24 in SQUARE NO. 517, bounded by Poydras, Galvez, Perdido and Johnson Streets, on a plan by L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by a depth between parallel lines of 132 feet, 3 inches 5 lines, according to survey of Gilbert & Kelly, Surveyors, dated July 29, 1943, said property hereinabove described is situated in the said District and Square, designated by the same lot number and is bounded by Poydras, South Galvez, Perdido and South Johnson Streets, and has the same measurements as hereinabove set forth, said LOT No. 24 commencing at a distance of 178 feet, 6 inches 2 lines from the corner of S. Johnson and Perdido Streets.

5. Location Address: 621 S JOHNSON ST is located on SQ 517 LOT9; 29'3" x 132'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S Johnson Streets, designated as LOT NO. 23 on a plan of L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by 132 feet, 3 inches, 5 lines in depth according to survey of Gilbert & Kelly, Surveyors, dated May 8, 1934, redated August 5, 1944, wherein said property has the same measurements and designations and commences 149 feet, 3 inches, 1 line from the corner of Perdido and South Johnson Streets.

6. Location Address: 617 S JOHNSON ST is located on SQ 517 LOT 10; 29'3" x 132'3" in entirety.

That portion of ground, situated in the First Municipal District of the City of New Orleans, State of Louisiana, in SQUARE 517, according to which said lot commences at a distance of 120 feet from the corner of S. Johnson and Perdido Streets, and measures thence 29 feet 3 inches 1 line front on S. Johnson Street, the same in width in the rear by a depth of 132 feet 3 inches 5 lines between equal and parallel lines.

Act of Donation

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LSU Health
FOUNDATION
NEW ORLEANS

November 15, 2019

Dr. F. King Alexander
President and Chancellor
LSU System Office
381 West Lakeshore Drive, Room 107
Baton Rouge, LA 70808

Dear Dr. Alexander,

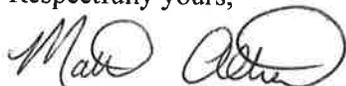
This is a Significant Board Matter, pursuant to the following clauses within Uniform Affiliation Agreement between the LSU Board of Supervisors (Board) and its Affiliate, The LSU Health Foundation New Orleans (“LSUHF-NO”), Articles:

- 6.31: Acceptance of an “onerous donation”; and
- 6.3.5: Entering into any cooperative endeavor or similar agreement with any public or quasi-public entity

The Foundation proposes that the Board of Supervisors of the University of Louisiana System determine an Acceptable University Purpose for the Foundation to accept a donation from Provident Group – HSC Properties, Inc., (Provident) a Louisiana nonprofit corporation, of property valued at approximately \$2.5 million. Although LSUHF-NO has not finalized plans for utilization of the property at this time, its intent is to enter into an agreement with Provident to develop housing for the use of LSUHSC-NO students. It is the intent of LSUHF-NO to donate the developed property to the Board.

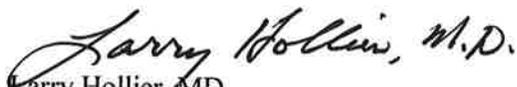
The Health Sciences Center is respectfully requesting approval of this donation. I certify to the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,



Matt Altier
President and CEO

Recommended by:



Larry Hollier, MD
Chancellor, LSU Health New Orleans



**Request from LSU Health Sciences Center- New Orleans to
Authorize the President to Accept a Donation of Property by the
LSU Health Foundation-New Orleans in Square 517, First District,
New Orleans**

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article VI, Section 1 (d) of the Bylaws of the Louisiana State University Board of Supervisors (Board), this matter is a significant board matter.

Conditions of Acceptance: Other gifts for special purposes (e.g. library) which will enrich the life of the University and its students.

1. Summary of the Matter

The LSU Health Sciences Center – New Orleans wishes, in support of its mission, to accept donation of property being offered by the LSU Health Foundation (Foundation). This transaction is part of LSUHSC-NO’s effort to construct future student housing.

The property is adjacent to the LSU Health New Orleans campus, within the area of its Master Plan, and is located in Square 517, First District, New Orleans,, with street addresses of **2127 Poydras Street, 621-23 S. Johnson Street; 617-619 S. Johnson Street; 625 S. Johnson Street; and certain lots or portions of ground within Square 517 designated as Lot A, Lot 9, Lot 26-B, and Lot 25-A.**

The Foundation is the current owner of the portion of the property at 2127 Poydras. The remainder of the above properties are currently owned by Provident Group – HSC Properties, Inc. (Provident), a Louisiana non-profit corporation. Provident wishes to donate said properties to the Foundation, pending approval by the Board of a separately submitted Determination of Acceptable University Purpose. Should the Board approve, the Foundation will accept donation of the property and, in turn, donate it to the Board.

2. Review of Business Plan

N/A

3. Fiscal Impact

The acceptance of this donation will increase the property holdings of the Board of Supervisors in the LSHSC-NO downtown campus area at no cost to the State. The property is appraised at Two Million Six Hundred Seventy-Five Thousand Dollars (\$2,675,000).

4. Description of Competitive Process

N/A

5. Review of Legal Documents

Appropriate legal documents are attached and have been presented for review by the Office of the General Counsel.

6. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Sciences Center – New Orleans, the LSU Health Foundation – New Orleans, and Provident Group – HSC Properties, Inc.

7. Related Transactions

Attached are copies of the Document Recordation Information for the purchase of the 2127 Poydras Street by property by the LSU Health Foundation – New Orleans; and Document Recordation Information for the purchase of the remainder of the properties by the Provident Group – HSC Properties, Inc.

8. Conflicts of Interest

None

ATTACHMENTS

- I. Act of Donation and Acceptance
- II. Document Recordation Information with Parish of Orleans Clerk of Court of Sale of Property from previous owner to the LSU Health Foundation-New Orleans
- III. Site Plan and Description
- IV. Plat of Square 517 and area
- V. Cover Letter

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Thomas Galligan, Interim President of Louisiana State University, or his designee, to execute an Act of Donation and Acceptance between the Board of Supervisors of LSU and the LSU Health Foundation – New Orleans for property located at Square 517, First District, New Orleans, LA 70112.

BE IT FURTHER RESOLVED that Thomas Galligan, Interim President of Louisiana State University, or his designee, is authorized to include in said Act of Donation and Acceptance such terms and conditions as he deems in the best interest of the Board of Supervisors of LSU.

Attachment I

ACT OF DONATION AND ACCEPTANCE

STATE OF LOUISIANA
PARISH OF ORLEANS

Before me, the undersigned Notary Public, personally came and appeared:

LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana non-profit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of Orleans, herein appearing through and represented by Matt Altier, President (hereinafer referred to as "Foundation"), who declared that:

WHEREAS, pursuant to the mission of the Foundation to support the six Professional Schools and eight Centers of Excellence comprising the LSU Board of Supervisors, on behalf of the LSU Health Sciences Center - New Orleans (LSUHSCNO), Foundation wishes to donate to LSUHSCNO A CERTAIN LOT OF GROUND, together with all the buildings and improvements, appurtenances, and advantages thereto belonging or in anywise appertaining, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS in SQUARE NO. 517, as further described in Exhibit A, attached.

NOW THEREFORE, Foundation does hereby donate and transfer to LSU all of its right, title and interest in and to the Certain Lot of Ground in Exhibit A, including, without limitation, all rights, ways, privileges, servitudes, appurtenances, and advantages, whether legal or contractual, express or implied relating to the Certain Lot of Ground, to have and to hold unto LSU, its successors and assigns forever.

Foundation declares that the value of the donated property is approximately TWO MILLION SIX HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$2,675,000.00).

AND NOW INTO THESE PRESENTS, comes Dr. F. King Alexander, President of the Louisiana State University and A & M College, who with gratitude accepts this donation on behalf of LSU.

Signature page follows

THUS DONE AND PASSED, in the presence of the undersigned witnesses, who have hereto signed their names, with DONOR, LSU HEALTH FOUNDATION, NEW ORLEANS, and me, Notary Public, on the ____ day of ____, 2019.

WITNESSES:

LSU HEALTH FOUNDATION, NEW ORLEANS

By: _____

Matt Altier, President and CEO

Notary Public

Print Name and Notary/Bar Number

THUS DONE AND PASSED, in the presence of the undersigned witnesses, who have hereto signed their names, with DONEE, LOUISIANA STATE UNIVERSITY AND A & M COLLEGE, and me, Notary Public, on the ____ day of ____, 2019.

WITNESSES:

LOUISIANA STATE UNIVERSITY AND A & M COLLEGE

By: _____

F. King Alexander, President

Notary Public

Print Name and Notary No./Bar Number

Exhibit A

Tract I

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, designated by the NO. 24 in SQUARE NO. 517, bounded by Poydras, Galvez, Perdido and Johnson Streets, on a plan by L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by a depth between parallel lines of 132 feet, 3 inches 5 lines, according to survey of Gilbert & Kelly, Surveyors, dated July 29, 1943, said property hereinabove described is situated in the said District and Square, designated by the same lot number and is bounded by Poydras, South Galvez, Perdido and South Johnson Streets, and has the same measurements as hereinabove set forth, said LOT No. 24 commencing at a distance of 178 feet, 6 inches 2 lines from the corner of S. Johnson and Perdido Streets.

Improvements bear the Municipal No. 625 S. Johnson Street (for informational purposes only).

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S Johnson Streets, designated as LOT NO. 23 on a plan of L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by 132 feet, 3 inches, 5 lines in depth according to survey of Gilbert & Kelly, Surveyors, dated May 8, 1934, redated August 5, 1944, wherein said property has the same measurements and designations and commences 149 feet, 3 inches, 1 line from the corner of Perdido and South Johnson Streets.

Improvements bear the Municipal No 621-23 S. Johnson Street (for informational purposes only).

Tract II

That portion of ground, situated in the First Municipal District of the City of New Orleans, State of Louisiana, in SQUARE 517, according to which said lot commences at a distance of 120 feet from the corner of S. Johnson and Perdido Streets, and measures thence 29 feet 3 inches 1 line front on S. Johnson Street, the same in width in the rear by a depth of 132 feet 3 inches 5 lines between equal and parallel lines.

The improvements thereon bear Municipal Numbers 617-619 South Johnson Street, New Orleans, Louisiana (for informational purposes only).

Tract III

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot "A" on a survey by Adloe Orr, Surveyor, dated July 30, 1938 annexed to an act passed before William J Guste, Notary Public, dated September 19, 1938, according to which survey said

portion of ground forms the corner of Poydras Street and South Johnson Street and measures as follows: Commencing at the corner of Poydras and South Johnson Streets, said property measures a distance of 74 feet front on South Johnson Street in the direction of Perdido Street; thence on a line parallel with Poydras Street in the direction of South Galvez Street a distance of 132 feet, 3 inches and 5 lines; thence on a line parallel with South Johnson Street in the direction of Perdido Street, a distance of 75 feet; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 34 feet 5 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 29 feet along the rear line of Lot 9; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 31 feet, 9 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 120 feet to the property line of Poydras Street, thence along the property line of Poydras Street, a distance of 198 feet, 5 inches, 5 lines to the corner of South Johnson Street, which is the Point of Beginning. According to said survey by Adloe Orr, dated July 30, 1938, said Lot A is composed of original lots 26, 27 and 28.

According to a plan of survey by Gilbert & Kelly, Surveyors dated September 25, 1945 a copy of which is annexed to a sale by Thomas J. Flanagan, Jr to Crescent Tractor & Implement Company, passed before Alexis Brian, Notary Public, dated September 26, 1945, said Lot "A" bears the same dimensions and is similarly situated as aforesaid and according to said survey said Lot A is composed of the front portion of Lots 1,2,3 and 4 and the whole of Lots 5 and 6 of Square 517, First District New Orleans, La.

THAT PORTION OF GROUND, situated in the FIRST DISTRICT OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S. Johnson Streets, designated as Lot 9, which said lot, according to a survey by Gilbert & Kelly, Surveyors, dated February 24, 1945, a copy of which is annexed to an act passed before Malcolm deLahoussaye, Notary Public, dated March 15, 1945, commences at a distance of 120 feet from the corner of South Galvez and Poydras Streets and measures thence 29 feet, 3 inches 1 line front of South Galvez Street, same width in the rear, by a depth of 97 feet, 10 inches between equal and parallel lines.

The above description is in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976, with the exception of the particular measurement along the rear of Lot 9, on which survey measurements appears as 29 foot (title) and 29 feet, 3 inches, 1 line (actual)

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO. 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot 26—B on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which is annexed to an act 1949, which lot measures 52 feet, 3 inch and 2 lines actual and plan measurement, feet, (52 feet 3 inches and 5 lines, title measurement) front of South Johnson Street; 52 feet 3 inches and 2 lines in width in the rear, by a depth between equal and parallel lines of 132 feet, 3 inches and 5 lines. Said portion of ground commences at a distance of 74 feet from the corner of South Johnson and Poydras Streets and is composed of the rear of Lots Nos 1, 2, 3, and 4 and the adjoining 6 feet, 3 inches and 2 lines of Lot No 26.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S. Johnson Streets,

designated as Lot 25-A on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which lot measures 52 feet, 3 inches and 2 lines actual and plan measurement (52 feet 3 inches and 5 lines, title measurement) front on South Johnson Street, same width in the rear, by 132 feet 3 inches and 5 lines in depth between equal and parallel lines, lying at a distance of 126 feet, 3 inches and 2 lines from the corner of Poydras and South Johnson Streets and 207 feet 9 inches and 3 lines from the corner of Perdido and South Johnson Streets, and is composed of parts of Lot No 26 and the whole of Lot No 25 on a sketch annexed to an act passed before Fred Diebel, Notary Public, in this City on July 25, 1898.

The above descriptions and measurements are also in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennesy, Notary Public, dated June 14, 1976.

According to a plan of survey by Coleman Kuhn, Surveyor, dated December 12, 1985, said property commences at the corner of Poydras Street and South Johnson Street and measures 178'6"5" front on South Johnson Street; thence on a line toward South Galvez Street a distance of 132'3"5", thence on a line toward Poydras Street a distance of 29'3"4", thence on a line towards South Galvez Street a distance of 132'3", thence with a front on South Galvez Street of 29'3"1", thence on a line toward South Johnson Street, a distance of 66'1", thence on a line toward Poydras Street 120' and thence along Poydras Street a distance of 198'5"5" to the point of beginning.

Tract IV

A LOT OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, servitudes privileges, appurtenances and advantages thereunto belonging or in anywise appertaining situated in the First District of the City of New Orleans, Square 517, bounded by Poydras, South Galvez, Perdido and South Johnson Streets, designated as Lot No. 7, as per title, and designated as Lot No. 25 on City assessment roll, and measures 33 feet, 1 inch front on Poydras Street by a depth of 120 feet according to a plan deposited in the office of A.J. Villere, Notary Public, as plan No. One, a sketch of which is annexed to an act in the office of O. Morel, Notary Public, dated May 1, 1878, R. Gardner.

Improvements thereon bear the Municipal No. 2127-29 Poydras Street.

Being the same property acquired by Daniel Jackson by act dated 6/23/95, registered as CIN 106562 and act dated 2/23/05, registered at CIN 309624, Parish of Orleans, State of Louisiana.

Attachment II

1340 Poydras Street, 4th Floor
New Orleans, Louisiana 70112



Land Records Division
Telephone (504) 407-0005

Chelsey Richard Napoleon
Clerk of Court and Ex-Officio Recorder
Parish of Orleans

DOCUMENT RECORDATION INFORMATION

Instrument Number: 2018-26867

Recording Date: 7/17/2018 09:26:06 AM

Document Type: SALE

Addtl Titles Doc Types:

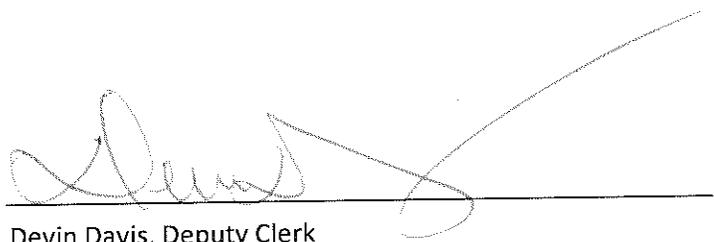
Conveyance Instrument Number: 641292

Filed by: CRESCENT TITLE
831 ELYSIAN FIELDS

NEW ORLEANS, LA 70117

THIS PAGE IS RECORDED AS PART OF YOUR DOCUMENT AND
SHOULD BE RETAINED WITH ANY COPIES.





Devin Davis, Deputy Clerk
A True and Correct Copy
Chelsey Richard Napoleon, Clerk, Civil District Court

Crescent Title, LLC
831 Elysian Fields Avenue
New Orleans, LA 70117
File No.: 182485

CASH SALE

Sale of Property

by:

Daniel Jackson, Jr.

to:

LSU Health Foundation, New Orleans

*United States of America
State of Louisiana
Parish of Orleans*

BE IT KNOWN That on these days of July,
2018

BEFORE ME, the undersigned notaries public,
duly commissioned and qualified, and in the
presence of the witnesses hereinafter named and
undersigned.

*Personally Came and Appeared,
In Counter Parts,*

Daniel Jackson, Jr. (SS# XXX-XX-6540), a person of the full age of majority and domiciled in the Parish of Orleans, State of Louisiana, who declared before me, Notary, that he has been married three times; first to Marie Burns from whom he was divorced; second to Emelda Riddle from whom he was divorced; third to Claylee Williams, now deceased, and he has not since remarried.

MAILING ADDRESS: PO Box 58522, New Orleans, LA 70126

Who declare that they do by these presents, grant, bargain, sell, convey, transfer, assign, setover, abandon and deliver, with all legal warranties as to title only, but with full substitution and subrogation in and to all the rights and actions of warranty which they have or may have against all preceding owners and vendors, unto,

LSU Health Foundation, New Orleans (Tax ID# XX-XXX5391), a private Louisiana non-profit organization herein represented and appearing through Matt Altier, its President and Chief Executive Officer, duly authorized by a resolution of its Board of Directors

MAILING ADDRESS: 2000 Tulane Ave., New Orleans, LA 70112

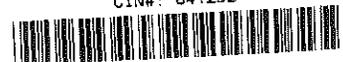
here present, accepting and purchasing for themselves, their heirs and assigns, and acknowledging due delivery and possession thereof, all and singular the following described property, to-wit:

"Description of Property"

A LOT OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, servitudes, privileges, appurtenances and advantages thereunto belonging or in anywise appertaining situated in the First District of the City of New Orleans, Square No. 517, bounded by Poydras, South Galvez, Perdido and South Johnson Streets, designated as Lot No. 7, as per title, and designated as Lot No. 25 on City assessment roll, and measures 33 feet, 1 inch front on Poydras Street by a depth of 120 feet according to a plan deposited in the office of A.J. Villere, Notary Public, as plan No. One, a sketch of which is annexed to an act in the office of O.

Chelsey Richard Napoleon
CLERK OF CIVIL DISTRICT COURT
INST #: 2018-26867 - 07/17/2018 09:26:06 AM
TYPE: S 6 PG(S)

CIN#: 641292



**LSU HEALTH FOUNDATION, NEW ORLEANS
RESOLUTION TO PURCHASE IMMOVABLE PROPERTY**

BE IT RESOLVED, that on the 5 day of JULY, 20 18, the Board of Directors of LSU Health Foundation, New Orleans, agreed and consented to purchase the property located at 2127 Poydras St., New Orleans, LA 70112, for such amount and on such terms and conditions and with such clauses and stipulations contained in the Act of Sale and related documents as it thinks proper and advisable.

BE IT RESOLVED, that on the 5 day of JULY, 20 18, the Board of Directors LSU Health Foundation, New Orleans, authorized Matt Altier, to execute all documents for the purchase of the property located at 2127 Poydras St., New Orleans, LA 70112, in the name and on behalf of LSU Health Foundation, New Orleans, for such amount and on such terms and conditions and with such clauses and stipulations contained in the Act of Sale and related documents, which they think proper and advisable, and with further authority to do anything within the premises which may be necessary or advisable to carry out fully all or any of the purposes of this resolution.

I hereby certify that I am the Chairman of the Board of LSU Health Foundation, New Orleans and that the above Resolution is a true and correct copy of a resolution/motion adopted by the Board of Directors conducted on the 5 day of JULY, 20 18, and that same has not been rescinded or revoked or modified in any manner.


Chairman of the Board
Carroll W. Suggs

Morel, Notary Public, dated May 1, 1878, R.Gardner.

Improvements thereon bear the Municipal No. 2127-29 Poydras Street.

Being the same property acquired by Daniel Jackson by act dated 6/23/95, registered at CIN 106562 and act dated 2/23/05, registered at CIN 309624, Parish of Orleans, State of Louisiana.

PURCHASER(S) herein declared that all future notices of ad valorem tax bills and special assessments for the above described property presently for the tax year of 2019 bearing Tax Assessment No. 104104818 are to be forwarded to:

LSU Health Foundation, New Orleans
2127 Poydras St., New Orleans, LA 70112

THIS ACT IS MADE, EXECUTED AND ACCEPTED SUBJECT TO THE FOLLOWING:

1. Any and all restrictions, overlaps, overhangs, servitudes and/or easements, rights of ways and outstanding rights of record which might be shown on a current survey of the property.

THE PARTIES HERETO TAKE COGNIZANCE THAT NO SURVEY ON THE HEREIN DESCRIBED PROPERTY IN CONNECTION WITH THE ACT OF SALE HAS BEEN MADE NOR HAS ONE BEEN PRODUCED OR ATTACHED AND THE PARTIES DO HEREBY RELIEVE AND RELEASE ME, NOTARY, FROM ANY AND ALL LIABILITY, RESPONSIBILITY OR DAMAGE INCLUDING COURT COSTS AND ATTORNEYS FEES IN CONNECTION THEREWITH.

See WAIVER OF WARRANTY and REDHIBITION RIGHTS ADDENDUM attached hereto and made a part hereof.

To have and to hold the above described property unto the said purchaser(s) themselves, their heirs and assigns forever.

This sale is made and accepted for and in consideration of the price and sum of One Hundred Seventy-Five Thousand And No/100 Dollars (\$175,000.00) which the said purchaser(s) have well and truly paid, in ready and current money to the said vendors who hereby acknowledge the receipt thereof and grant full acquittance and discharge therefore.

All State and City taxes up to and including the taxes due and exigible for the current tax year are paid as per a research of the tax rolls for the year 2018. The 2018 taxes have been prorated to the date of this act of sale. Payment for all future taxes is assumed by purchaser herein.

By reference to the certificates of the Conveyance and Mortgage records in and for the Parish of Orleans, it does not appear that said property has been heretofore alienated by the Vendor or that it is subject to any unpaid encumbrances whatsoever.

Vendor is bound and obligated to have cancelled and erased immediately any inscriptions that may appear that would adversely affect the title to the herein described property.



WAIVER OF WARRANTY AND REDHIBITION RIGHTS ADDENDUM

It is expressly agreed that the immovable property herein conveyed and all improvements and component parts, plumbing, electrical systems, mechanical equipment, heating and air conditioning systems, built-in appliances, and all other items located hereon are conveyed by Seller and accepted by Purchaser "AS IS, WHERE IS," without any warranties of any kind whatsoever, even as to the metes and bounds, zoning, operation, or suitability of the property for the use intended by the Purchaser, without regard to the presence of apparent or hidden defects and with the Purchaser's full and complete waiver of any and all rights for the return of all or any part of the purchase price by reason of any such defects.

Purchaser acknowledges and declares that neither the Seller nor any party, whomsoever, acting or purporting to act in any capacity whatsoever on behalf of the Seller has made any direct, indirect, explicit or implicit statement, representation or declaration, whether by written or oral statement or otherwise, and upon which the Purchaser has relied, concerning the existence or non-existence of any quality, characteristic or condition of the property herein conveyed. Purchaser has had full, complete and unlimited access to the property herein conveyed for all tests and inspections which Purchaser, in Purchaser's sole discretion, deems sufficiently diligent for the protection of Purchaser's interests.

Purchaser expressly waives the warranty of fitness and the warranty against redhibitory vices and defects, whether apparent or latent, imposed by Louisiana Civil Code Articles 2520 through 2548, inclusive, and any other applicable state or federal law and the jurisprudence thereunder.

Purchaser also waives any rights Purchaser may have in redhibition to a return of the purchase price or to a reduction of the purchase price paid pursuant to Louisiana Civil Code Articles 2520 to 2548, inclusive, in connection with the property hereby conveyed to Purchaser by Seller. By Purchaser's signature, Purchaser expressly acknowledges all such waivers and Purchaser's exercise of Purchaser's right to waive warranty pursuant to Louisiana Civil Code Article 2520 and 2548, inclusive.


Daniel Jackson, Jr.

LSU Health Foundation, New Orleans

BY: 
Matt Altier
President and Chief Executive Officer

Thus Done and Passed, on July 10, 2018 in my office in New Orleans, Louisiana in the presence of the competent witnesses, who hereunto sign their names with the said appearers, and me, Notary, after reading the whole.

WITNESSES:

SIGN [Signature]
PRINT Joseph Harness

SIGN [Signature]
PRINT JOHN D. LANDRY

PURCHASER(S):

LSU Health Foundation, New Orleans

BY: [Signature]
Matt Altier
President and Chief Executive Officer

[Signature]
Amy G. Smith
Bar Roll/ID No.: 093826
Notary Public

My commission is for life.



Title Ins. Prod.: Crescent Title, LLC
Address: 831 Elysian Fields Avenue, New Orleans, LA 70117
Prod. Lic #: 300974
Title Ins. Underwriter: First American Title Insurance Company of Louisiana
Title Opinion by: Jean Norton
La Bar Roll #: 1831

Thus Done and Passed, on July 13, 2018 in my office in New Orleans, Louisiana in the presence of the competent witnesses, who hereunto sign their names with the said appearers, and me, Notary, after reading the whole.

WITNESSES:

SIGN Toni P. Rizzuto
PRINT Toni P. Rizzuto

SIGN Belle Richoux
PRINT Belle Richoux

SELLER(S):

Daniel Jackson Jr.
Daniel Jackson, Jr.

Jean Norton
Jean Norton
Bar Roll/ID No.: 01831
Notary Public



ATTACHMENT III

SITE PLAN

PROPERTY TO BE DONATED

Figure 1. SQ 517 is in the LSUHSC Master Plan Focus Area for Acquisitions

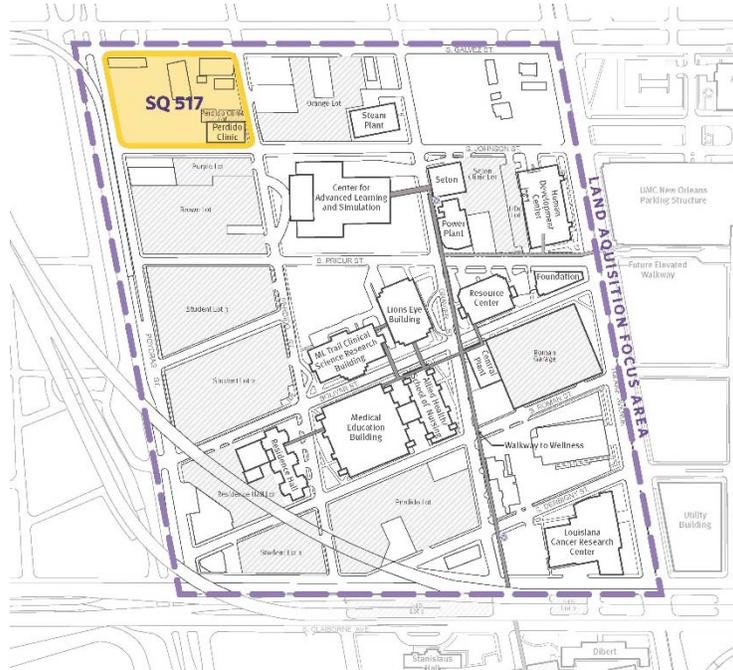


Figure 2. Property to be donated includes Lot 25, Square 517



The property to be donated consists of a single parcel on SQ 517 in the First Municipal District of the City of New Orleans, Parish of Orleans, State of Louisiana. Lot 25 is recognized by the location

address of 2127 Poydras Street by the City of New Orleans and measures 33'1" by 120'0" and is seen in Figure 2 above.

The property to be donated consists of several parcels on SQ 517 in the First Municipal District of the City of New Orleans, Parish of Orleans, State of Louisiana. The total area is 46,297SF or 1.06 acres. This legal description is composed of the legal descriptions of each parcel which are identified by the location address recognized by the City of New Orleans.

Figure 3. Adjacent Property to be Donated



3.1 Location Address: 2123 POYDRAS ST is located on SQ 517 and consists of LOT 6; 31'9" x 120'; LOT 5; 34'5" x 149'; LOT 28; 132' x 74'; in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot "A" on a survey by Adloe Orr, Surveyor, dated July 30, 1938 annexed to an act passed before William J Guste, Notary Public, dated September 19, 1938, according to which survey said portion of ground forms the corner of Poydras Street and South Johnson Street and measures as follows: Commencing at the corner of Poydras Street and South Johnson Streets, said property measures a distance of 74 feet front on South Johnson Street in the direction of Perdido Street; thence on a line parallel with Poydras Street in the direction of South Galvez Street a distance of 132 feet, 3 inches and 5 lines; thence on a line parallel with South Johnson Street in the direction of Perdido Street, a distance of 75 feet; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 34 feet 5 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 29 feet along the rear line of Lot 9; thence on a line parallel with Poydras Street in the direction of South Galvez Street, a distance of 31 feet, 9 inches; thence on a line parallel with South Johnson Street in the direction of Poydras Street, a distance of 120 feet to the property line of Poydras Street, thence along the property line of Poydras Street, a distance of 198 feet, 5 inches, 5 lines to the corner of South Johnson Street, which is the Point of Beginning. According to said survey by Adloe Orr, dated July 30, 1938, said Lot A is composed of original lots 26, 27 and 28.

According to a plan of survey by Gilbert & Kelly, Surveyors dated September 25, 1945 a copy of which is annexed to a sale by Thomas J. Flanagan, Jr to Crescent Tractor Tractor & Implement Company, passed before Alexis Brian, Notary Public, dated September 26, 1945, said Lot "A" bears the same dimensions and is similarly situated as aforesaid and according to said survey said Lot A is composed of the front portion of Lots 1,2,3 and 4 and the whole of Lots 5 and 6 of Square 517, First District New Orleans, La.

3.2 Location Address: 632 S GALVEZ ST is located on SQ 517 LOT 23; 29'3" x 97' in entirety.

THAT PORTION OF GROUND, situated in the FIRST DISTRICT OF NEW ORLEANS, LOUISIANA, in SQUARE 517, bounded by Poydras, S Galvez, Perdido and S. Johnson Streets, designated as Lot 9, which said lot, according to a survey by Gilbert & Kelly, Surveyors, dated February 24, 1945, a copy of which is annexed to an act passed before Malcolm deLahoussaye, Notary Public, dated March 15, 1945, commences at a distance of 120 feet from the corner of South Galvez and Poydras Streets and measures thence 29 feet, 3 inches 1 line front of South Galvez Street, same width in the rear, by a depth of 97 feet, 10 inches between equal and parallel lines.

The above description is in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976, with the exception of the particular measurement along the rear of Lot 9, on which survey measurements appears as 29 foot (title) and 29 feet, 3 inches, 1 line (actual)

3.3 Location Address: 635 S JOHNSON ST is located on SQ 517 LOT 5 and PT LOT 6; 52'3" x 132'3"; PT LOT 6 and LOT 7; 52'3" x 132'3".

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO. 517, bounded by Poydras, S Galvez, Perdido and S Johnson Streets, designated as Lot 26—B on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which is annexed to an act 1949, which lot measures 52 feet, 3 inch and 2 lines actual and plan measurement, feet, (52 feet 3 inches and 5 lines, title measurement) front of South Johnson Street; 52 feet 3 inches and 2 lines in width in the rear, by a depth between equal and parallel lines of 132 feet, 3 inches and 5 lines. Said portion of ground commences at a distance of 74 feet from the corner of South Johnson and Poydras Streets and is composed of the rear of Lots Nos 1, 2, 3, and 4 and the adjoining 6 feet, 3 inches and 2 lines of Lot No 26.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S. Johnson Streets, designated as Lot 25-A on the survey by Gilbert & Kelly, Surveyors, dated May 28, 1949, a copy of which is annexed to an act passed before Frank Moran, Notary Public, dated July 8, 1949, which lot measures 52 feet, 3 inches and 2 lines actual and plan measurement (52 feet 3 inches and 5 lines, title measurement) front on South Johnson Street, same width in the rear, by 132 feet 3 inches and 5 lines in depth between equal and parallel lines, lying at a distance of 126 feet, 3 inches and 2 lines from the corner of Poydras and South Johnson Streets and 207 feet 9 inches and 3 lines from the corner of Perdido and South Johnson Streets, and is composed of parts of Lot No 26 and the whole of Lot No 25 on a sketch annexed to an act passed before Fred Diebel, Notary Public, in this City on July 25, 1898.

The above descriptions and measurements are also in accordance with the survey by Errol E. Kelly, Surveyor, dated June 9, 1966, a copy of which is annexed to an act passed before Curtis Allen Hennessy, Notary Public, dated June 14, 1976.

3.4 Location Address: 625 S JOHNSON ST is located on SQ 517 LOT 8; 29'3" x 123'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, designated by the NO. 24 in SQUARE NO. 517, bounded by Poydras, Galvez, Perdido and Johnson Streets, on a plan by L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay,

late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by a depth between parallel lines of 132 feet, 3 inches 5 lines, according to survey of Gilbert & Kelly, Surveyors, dated July 29, 1943, said property hereinabove described is situated in the said District and Square, designated by the same lot number and is bounded by Poydras, South Galvez, Perdido and South Johnson Streets, and has the same measurements as hereinabove set forth, said LOT No. 24 commencing at a distance of 178 feet, 6 inches 2 lines from the corner of S. Johnson and Perdido Streets.

3.5 Location Address: 621 S JOHNSON ST is located on SQ 517 LOT9; 29'3" x 132'3" in entirety.

ONE CERTAIN LOT OR PORTION OF GROUND, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS, STATE OF LOUISIANA, in SQUARE NO 517, bounded by Poydras, S. Galvez, Perdido and S Johnson Streets, designated as LOT NO. 23 on a plan of L. Bringer, dated April 20, 1839, and deposited in the office of D.L. McCay, late notary, which said lot measures 29 feet, 3 inches, 1 line on South Johnson Street, by 132 feet, 3 inches, 5 lines in depth according to survey of Gilbert & Kelly, Surveyors, dated May 8, 1934, redated August 5, 1944, wherein said property has the same measurements and designations and commences 149 feet, 3 inches, 1 line from the corner of Perdido and South Johnson Streets.

3.6 Location Address: 617 S JOHNSON ST is located on SQ 517 LOT 10; 29'3" x 132'3" in entirety.

That portion of ground, situated in the First Municipal District of the City of New Orleans, State of Louisiana, in SQUARE 517, according to which said lot commences at a distance of 120 feet from the corner of S. Johnson and Perdido Streets, and measures thence 29 feet 3 inches 1 line front on S. Johnson Street, the same in width in the rear by a depth of 132 feet 3 inches 5 lines between equal and parallel lines.



OFFICE OF THE CHANCELLOR

SCHOOL OF ALLIED HEALTH PROFESSIONS
SCHOOL OF DENTISTRY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF NURSING
SCHOOL OF MEDICINE IN NEW ORLEANS
SCHOOL OF PUBLIC HEALTH

November 15, 2019

Dr. F. King Alexander
President and Chancellor
LSU System Office
381 West Lakeshore Drive, Room 107
Baton Rouge, LA 70808

Dear Dr. Alexander,

Pursuant to the following clause within Article VI, Section 1(d), Gifts and Grants, Conditions of Acceptance, of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter."

The LSU Health Sciences Center – New Orleans proposes that the Board of Supervisors of the University of Louisiana System accept a donation of property from the LSU Health Foundation New Orleans, pursuant to the mission of the Foundation to support the six Professional Schools and eight Centers of Excellence comprising the LSU Board of Supervisors, on behalf of the LSU Health Sciences Center - New Orleans (LSUHSCNO), Foundation wishes to donate to LSUHSCNO a certain lot of ground, together with all the buildings and improvements, appurtenances, and advantages thereto belonging or in anywise appertaining, situated in the First District of New Orleans, in Square No. 517, as further described in Exhibit A, attached.

The Health Sciences Center is respectfully requesting approval of this donation. I certify to the best of my knowledge that I have provided all necessary documentation and am seeking your review and favorable consideration. Thank you for your assistance.

Respectfully yours,


Larry Hollier, MD
Chancellor



Request to Authorize the Executive Committee to Provisionally Approve Documents Related to Development of a Center of Excellence for Bariatric/Metabolic Surgery

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article V, Section 5A of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant Board matter.

Section 5A

The Executive Committee shall consider such matters as shall be referred to it by the Board of Supervisors and shall execute such orders and resolutions as shall be assigned to it at any meeting of the Board.

1. Summary of the Matter

Pennington Biomedical has a unique opportunity to establish a Center of Excellence (Center) in Bariatric/Metabolic Surgery in Louisiana. Within three to four years, the Program is expected to have generated \$100.7M in the state through a combination of wealth importation, reduced healthcare burden, research, technology development and medical tourism. The opportunity has arisen because Dr. Philip Schauer, one of the world's leading bariatric surgeons, is now on the faculty of Pennington Biomedical. Under this initiative, Dr. Schauer can combine his surgical and research interests in obesity and Pennington Biomedical's reputation as a global leader in obesity research positions it well to capitalize on this opportunity. Pennington Biomedical will establish the Center in partnership with Our Lady of the Lake Hospital (LOL) and the LSU Health Sciences Center – New Orleans.

In order to take advantage of the opportunity presented, Pennington Biomedical was awarded from the Louisiana Department of Economic Development (LED) funds in the amount of \$5.9 million to supplement its existing resources to support the establishment of a new bariatric surgery program to be led by Dr. Schauer, and sustain the program for 3 years as it ramps up to its full potential. The funds will be used to renovate space to accommodate an outpatient clinic; secure equipment to furnish a pre-clinical laboratory that will be used to develop new surgical procedures and train surgical fellows; personnel and relocation; and strategic marketing.

The proposed infrastructure improvements of \$3.5M will be used to renovate a portion of the Pennington Biomedical Clinical Building 2 to include a waiting area, phlebotomy area, a nursing station, 7 exam rooms, filing and storage area, doctor's offices and conference rooms. Our previous constructions have shown that approximately 60% of the total cost will be materials, with 80% of those materials being purchased in the state. With the remaining 40% being for labor, a total of \$1.6 million represent direct expenditures in the state for materials and labor. The first portion of the renovation costs will include 6% planning fees for mechanical and electrical engineers, planning meetings and partial construction. The second portion of the renovation costs will include finalization of the construction and equipment purchases for the new clinic.

LSU is still negotiating final details of the various related agreements with LED, Pennington Biomedical Research Foundation, and Our Lady of the Lake's Physicians Group and should be finalized in the next few weeks. As time is of the essence, we respectfully request an approval in principle of the creation of the program and an authorization to work with the board's executive committee on the development, review and approval and execution of these of the necessary

agreements, subject to the ratification of the full board at its next regular meeting after execution of the contracts.

2. Review of the Business Plan and Fiscal Impact

a. CEA and Development Agreements

Dr. Schauer and his team of surgeons will quickly increase the quantity, the quality of outcomes, and the level of case complexity in the state. In the value-based health care model that exists today, these metrics drive margin. With the addition of Dr. Schauer's team, the number of surgeries at OLOL is expected to increase 3-fold from ~120 cases to ~450+ cases/year by year 3. Based on his standing and reputation, we fully expect that his program will become a referral center for national and international cases. Dr. Schauer will also lead a pre-clinical research program at Pennington Biomedical in which he will further develop pre-clinical bariatric surgery models and train surgical fellows. On average, Pennington Biomedical faculty members each create 5 or more jobs in their laboratories. It is projected that Dr. Schauer, together with two additional academic surgeons and the four clinician/scientists, will create research labs that will expand our workforce in the research sector by creating 35 additional professional, highly skilled, biomedical science based jobs which, by year 3, will add ~\$3.5 million annually to the local economy (\$1.1M for year one, and \$2.5 million for year 2, estimated). About half of these jobs are expected to be filled with recruits from out-of-state, increasing the importation of wealth into Louisiana.

The impact on the Louisiana economy from spending related to destination medical treatments is expected to be substantial. Weight loss surgery typically costs \$20,000-\$25,000 per person depending on the type of bariatric surgery performed (NIH data). According to the American Journal of Medicine, the number of US medical tourists and the number of medical tourists in the world is expected to increase by 25% per year, from current estimates of \$45-\$72 billion. The financial implications of medical tourism for the state from this project are profound. The average cost for each medical visitor is estimated to be ~\$4,200 per visit. The average patient spends 3-6 months preparing for surgery because they are evaluated by many specialists in preparation for the surgery, which will result in an average of 6 visits. Spending on food and hotels by the patients' families at \$280 per visit during these 6 visits, brings the medical tourism impact to \$1.8 billion over the first 3 years of the program. Dr. Schauer's patient mix at the Cleveland Clinic was 5-10% international, 20-25% out-of-state, and the remainder are in-state.

b. Lease

Pennington Biomedical will lease 5,094 square feet of interim clinic space at an annual rate of \$25/SF for a total of \$127,350 per year to Our Lady of the Lake Physicians Group, our partner in the new bariatric clinic. The \$25/sf rent amount proposed is within fair market value for similar clinical facilities. Using funds provided by LED, another space on the Pennington Biomedical campus will be renovated to create a permanent clinic facility containing approximately 10,000 SF. At that time, a new lease will be executed with Our Lady of the Lake Physician's Group for the newly renovated space, the clinic will move to the new location, and the interim lease will be cancelled.

Pennington Biomedical will also execute a professional services agreement (PSA) to lease faculty and other clinic personnel to Our Lady of the Lake Physicians Group to support the bariatric clinic. The PSA will recover payroll expenses, including fringe benefits, for the time and effort provided by Pennington Biomedical personnel, in addition to an 18% program tax to provide a revenue stream for this new program.

As noted above, the annual lease revenue for this space will be \$127,350. The immediate and ongoing economic impact of this new program will be substantial. We expect that this new program will become a referral center for national and international bariatric cases, which will have a significant impact on the Louisiana economy from spending related to destination medical treatments.

3. Parties of Interest

The following parties have an interest in and/or are involved in this transaction.

Louisiana Department of Economic Development
LSU A&M Board of Supervisors
Pennington Biomedical Research Foundation
Our Lady of the Lake Physicians Group and OLOL Hospital
LSU Health New Orleans

4. Review of Legal Documents

The documents are under development and will be reviewed by the Office of General once completed.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and A&M College does hereby authorize the Executive Committee to review, approve and authorize the execution of the agreement by Thomas Galligan, Interim President of Louisiana State University, or his designee, acting on behalf of the LSU Board and in consultation with the Office of General Counsel to execute the following agreements or their equivalent:

- Cooperative Endeavor Agreement with Louisiana Department of Economic Development, Pennington Biomedical Research Foundation and Pennington Biomedical Research Center to construct and develop a new Bariatric Surgery clinic and program.
- License for Use of Facilities and Premises between Pennington Biomedical Research Foundation and Pennington Biomedical Research Center
- Development Agreement for Renovations and Partial Equipping of Pennington Biomedical Research Center and Pennington Biomedical Research Foundation
- Lease between Pennington Biomedical Research Center and Our Lady of the Lake Physicians Group.

BE IT FURTHER RESOLVED that the agreements will be presented and ratified at the meeting of the Board of Supervisors following action by the Executive Committee on this matter.



Request from the LSU Museum of Art to Sell Deaccessioned Museum Property Which is no Longer Consistent with the Museum Mission

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to La. R.S. 25:1101, the Board of Supervisors must accept or reject the recommendation of the museum director of a university museum to sell museum property. The director of the LSU Museum of Art, Daniel Stetson, through the Executive Vice President and Provost, Dr. Stacia Haynie, recommends that the deaccessioned property be sold and that the proceeds be retained and used only toward the furtherance and development of the LSU Museum of Art permanent collection in compliance with national standards for museum accreditation.

Summary of Matter

The LSU Museum of Art was founded in 1959 as the Anglo-American Art Museum. The original concept was to create a series of period rooms, located in the LSU Memorial Tower on the LSU campus, to show the influence of British culture on American culture.

The museum has since changed its name and its mission. It was moved off campus to the Shaw Center for the Arts in downtown Baton Rouge in 2005. The period rooms were effectively decommissioned when the LSU Museum of Art moved to the Shaw Center. The fine and decorative art objects that furnished the period rooms stayed part of the permanent collection of the LSU Museum of Art. The architectural elements of the rooms, such as the walls, fireplace surrounds, windows, etc., remained in place in the Memorial Tower, but were removed as part of the process of restoring the Tower to its original architectural state (2017-present) for the purpose of establishing a military museum at that site. In short, the architectural elements of the period rooms are no longer consistent with the purposes of the LSU Museum of Art pursuant to La. R.S. 25:1101(B).

During its April 17, 2017 meeting, the Collections Committee of the LSU Museum of Art voted unanimously to recommend deaccession (formal removal from the museum's permanent collection) of the architectural elements of the period rooms. The Advisory Board of the museum unanimously approved the deaccession during its May 9, 2017 meeting. Removal, crating, and storage of these architectural features followed. They remain in storage.

Unsuccessful attempts were made by the museum staff to exchange or transfer the period room elements with other museums. The staff of the LSU Museum of Art also contacted several auction houses in Louisiana and around the country that handle architectural materials to explore competitive sale of the objects. Again, the effort was unsuccessful. The staff next contacted several architectural salvage companies and realtors. The only interest came from Peter W. Patout, Historic House Specialist at Talbot Historic Properties in New Orleans. Mr. Patout has been able to identify at least one prospective buyer. The museum seeks permission to sell the architectural elements from the period rooms through Mr. Patout's agency. The proceeds from the sale would be retained and used only towards the furtherance and development of the LSU Museum of Art's permanent collection, in compliance with national standards for accredited museums.

A list of the five period rooms follows. Please note that the appraisals are 16 years old. Due to deterioration and market adjustments, the items are not expected to draw the appraised amount upon sale. Each item

listed was acquired by the LSU Museum of Art more than two years ago as is required by La. R.S. 25:1101(D).

JACOBAN ROOM

English, c. 1620

LSU MOA 59.1, State 298601.

Appraised value, 2003 (Neal Auction Co., New Orleans, LA): \$50,000

The room is dated c. 1620 and consists of oak paneling, an oak door, an oak mantel and overmantel. It includes a slightly earlier stone fireplace surround. There are some restorations within the paneling.

COMPONENTS

- Paneling
- Oak Door
- Oak Mantel
- Overmantel
- Stone Fireplace Surround

HACTON ROOM

English, c. 1750

LSU MOA 59.1.2, State 21058

Appraised value, 2003 (Neal Auction Co., New Orleans, LA): \$50,000

The room is dated c. 1750 and consists of pine paneled walls, a fireplace mantel and overmantel, a paneled door and door jamb, baseboards and a chair rail. The floor, ceiling, and cornice were reproductions, as were the marble and brickwork of the fireplace and the window shutters. (This room was removed from the Memorial Tower in 2006 and has been packed in crates since then.)

COMPONENTS

- Four paneled walls
- Baseboards
- Chair Rail
- Fireplace mantel, overmantel, and pediment
- Six-paneled door
- Door jamb with pediment
- Window surrounds

GREEK REVIVAL ROOM OVERVIEW

American (Louisiana), c. 1840-41

LSU MOA 59.4, State 298608

Appraised value, 2003 (Neal Auction Co., New Orleans, LA): \$15,000

The room is dated c. 1840–41 and is made of painted, grained, and faux marble cypress and hard pine. Original elements include some ornamental plaster from two doorways and their casings, a doorknob, one window and framing, and a cast ceiling rosette. The original elements came from a house at Camp St. and St. Joseph in New Orleans, designed by the architect W. L. Atkinson. Most of the woodwork and plaster work is reproduction from the late 1950s, based on the woodwork from the New Orleans house.

COMPONENTS

- Historic Rosette
- Historic Window
- Doorknob

COLONIAL ROOM

American (Philadelphia, PA), c. mid-18th century

LSU MOA 59.5, State 201640

Appraised value, 2003 (Neal Auction Co., New Orleans, LA): \$10,000

The room dates from the mid-18th century. The room is painted pine and includes a fireplace panel and dentil course, cornice, and paneled overmantel. The baseboards and a six-panel door and jambs are reproductions dating to the late 1950s. The heart of pine floor panels came from a 19th-century New Orleans house. The iron and brass lock is English or American and dates to c. 1750.

COMPONENTS

Fireplace Panel, Cornice, Overmantle
Heart of Pine Antique Floorboards
Rim lock

SALISBURY ROOM

American (Woodville, MI), c. 1811

LSU MOA 60.6, State 298609

Appraised value, 2003 (Neal Auction Co., New Orleans, LA): \$25,000

The room comprises painted architectural elements from Salisbury Plantation, c. 1811. Original elements consist of the fireplace mantel, overmantel, two six-panel doors and jambs, molded chair rail, four windows and frames with original window hardware and glazing, board ceiling and floorboards. There are some modern and old repairs throughout the room. The rim locks are antique replacements; the exterior blinds are from the house but are c. 1850 replacements; and the slate hearth is a replacement.

COMPONENTS

4 Windows with original hardware + glazing
Fireplace Surround
Mantel
Overmantle
Doors (2)
Door jambs (2)
Floorboards
Ceiling boards
Blinds (date to c. 1850)
Chair Rail

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby accept the recommendation of the Executive Director of the LSU Museum of Art, Daniel Stetson, to sell the above-listed deaccessioned museum property at the highest possible negotiated price pursuant to La. R.S. 25:1101.



Request from LSU Shreveport to Approve Employment Contract with Bradley Neffendorf, Head Baseball Coach

To: Members of the Board of Supervisors

Date: January 10, 2020

Pursuant to Article II, Section 5 of the Regulations of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Appointments and all other personnel actions relating to the President, Head Coaches and Athletic Directors.

1. Summary of the Matter

This resolution seeks approval of the proposed employment contract for Bradley Neffendorf, Head Baseball Coach. The key terms of the proposed contract are summarized below:

<u>Contract Action</u>	<u>Term</u>		<u>Current</u>	<u>Total Certain Compensation^a</u>			<u>Overall Increase</u>
	<u>Current</u>	<u>Proposed</u>		<u>Proposed Year 1</u>	<u>Proposed Year 2</u>	<u>Proposed Year 3</u>	
New Hire	N/A	6/30/2023	N/A	\$65,000	\$66,250	\$67,500	3.85%

2. Review of Business Plan

Not applicable.

3. Fiscal Impact

The Athletic Department currently expects that all funds relating to this employment contract will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

4. Review of Documents Related to Referenced Matter

The Office of General Counsel has reviewed the proposed contract.

ATTACHMENTS

- I. Memorandum of Agreement: Bradley Neffendorf, Head Baseball Coach

RECOMMENDATION:

Based on the recommendation of the Athletic Director and Chancellor, it is recommended that the Board authorize the President to sign the proposed contract with the listed coach.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Thomas Galligan, Interim President, or his designee, to sign the contract with Bradley Neffendorf as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.



Louisiana State University- Shreveport
One University Place
Shreveport, Louisiana 71115-2399

December 23, 2019

Mr. Bradley Neffendorf
Carbondale, Illinois 62901

Dear Mr. Neffendorf

It is our pleasure to confirm our offer of employment to you as the Head Baseball Coach. In this position, you will report directly to the Director of Athletics. Your start date will be January 6, 2020. This is a full-time, benefits eligible position at an annual salary rate of \$65,000/year through June 30, 2021, \$66,250/year from July 1, 2021 – June 30, 2022, and \$67,500/year from July 1, 2022 through June 30, 2023, with incentives as stated in your employment contract. You will also receive up to \$4000 to assist with moving expenses.

This offer is contingent on successful completion of a background check and dependent on campus administration and LSU Administration approval. If you accept this offer, please sign, date, and return one copy of this letter. Please include your social security number. An official transcript of your highest held degree must be on file in the Office of Human Resources before you begin work. Please note that proof of dependency will be required for any dependents you wish to cover on the health insurance within 30 days of commencement of employment.

Sincerely,

Lucas Morgan
Director of Athletics

APPROVALS:

Lawrence S. Clark
Chancellor

I accept the offer as stated above. My current retirement status is:

Not a member of any State of Louisiana retirement system
 Active with _____ System
 Retired with _____ System

Signature

12/23/19
Date

540-27-9417
Social Security Number

LOUISIANA STATE UNIVERSITY IN SHREVEPORT

**CONTRACT OF EMPLOYMENT
for Bradley Neffendorf**

STATE OF LOUISIANA

PARISH OF CADDO

THIS AGREEMENT, made and entered into as of this 23rd day of December, 2019, by and between Louisiana State University in Shreveport (hereinafter "University") represented by Lawrence S. Clark, Chancellor, the Louisiana State University in Shreveport Foundation (hereinafter "Foundation") and Bradley Neffendorf, Head Baseball Coach (hereinafter "COACH") of Louisiana State University in Shreveport. This agreement is subject to the approval of the Board of Supervisors for the Louisiana State University System (hereinafter "Board"), the management board for Louisiana State University in Shreveport and therefore the terms and conditions set forth in this agreement should not be considered a valid contract until approval is provided by the board.

WITNESSETH:

WHEREAS, the University requires the services of a Head Baseball Coach and has selected the coach to perform those services,

NOW, THEREFORE, the parties agree as follows:

1. EMPLOYMENT

The University does hereby employ Bradley Neffendorf as Head Baseball Coach at Louisiana State University in Shreveport, and Bradley Neffendorf does hereby accept said employment and agrees to perform all those services pertaining to Head Baseball Coach as prescribed by the University through the Chancellor and the Director of Athletics.

- 1.1. COACH shall be responsible, and shall report, directly to Louisiana State University in Shreveport's Director of Athletics (the "Director") and shall confer with the Director or the Director's designee on all administrative and technical matters. COACH shall also be under the general supervision of Louisiana State University in Shreveport's Chancellor.
- 1.2. COACH shall manage and supervise the team and shall perform such other duties in Louisiana State University in Shreveport's athletic program as the Director may assign.
- 1.3. COACH agrees to represent Louisiana State University in Shreveport positively in public and private forums and shall not engage in conduct that reflects adversely on Louisiana State University in Shreveport or its athletic programs.
- 1.4. COACH agrees to use his position as Head Baseball Coach to assist in external fund/revenue-raising (that can include revenue after expenses from summer camps deposited into the program support fund) with annual goals set forth by the Chancellor through the Director of Athletics for:

Year One: \$15,000
Year Two: \$15,000
Year Three: \$15,000

2. **TERM**

The employment under the terms of this contract shall be for the period of January 6, 2020 to June 30, 2023, subject to approval of the Board. This agreement is renewable solely upon an offer from the University and an acceptance by COACH, both of which must be in writing and signed by all the parties and approved by the Board. This agreement in no way grants the COACH a claim to tenure in employment, nor shall COACH's service pursuant to this agreement count in any way toward tenure at the University.

3. **UNIVERSITY SALARY**

The University shall pay COACH the following annual salary payable as follows:

During Fiscal Year 2020 (Starting January 6, 2020 ending June 30, 2020)

A total of \$32,500 Dollars payable in 6 equal installments.

Fiscal Year 2021 (Starting July 1, 2020, ending June 30, 2021)

\$65,000 Dollars payable in 12 equal installments.

Fiscal Year 2022 (starting July 1, 2021, ending June 30, 2022)

\$66,250 Dollars payable in 12 equal installments.

Fiscal Year 2023 (starting July 1, 2022, ending June 30, 2023)

\$67,500 Dollars payable in 12 equal installments.

- 3.1. The University does not guarantee amounts due under this contract beyond the current year of performance. Should the contract be terminated for any reason, amounts due shall be in accordance with Section 9.

4. **EMPLOYEE BENEFITS**

COACH shall participate in the mandatory employee benefit plans and be eligible for optional employee benefit plans as would any other University unclassified employee based upon his annual University salary only.

5. **CAMPS AND CLINICS**

5.1 COACH may operate and receive additional compensation for camps/clinics as outlined in the athletic department's policy regulating camps and clinics.

- a. All revenues from university camps/clinics will be deposited into the Baseball operating budget or Foundation account. After all expenses are met, COACH may use up to the amount of surplus remaining of the camp funds to pay his assistant coaches at his discretion.
- b. Camps operated through the University budget will not be subject to facility fees.
- c. Conducting camps and clinics is considered a part of COACH's job description related to promoting the University and the athletic department; thus, COACH will

not be required to take leave while conducting camps run through the University budget.

- d. COACH's University budget will not be charged for a personal injury insurance policy approved by the University for camp/clinic participants, but instead will fall under the University coverage for camps/clinics.
- e. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of the camps.

5.2 Private Camps

- a. COACH may operate a camp for the teaching of athletic pursuits on University property to the end of better utilization of the facilities and with suitable compensation paid to the University for the use of such facilities. The use of University facilities will be determined by the availability of those facilities as established by University policy.
- b. It is specifically agreed that in the operation of such camps, COACH acts for himself in his private capacity and not as an agent or employee of the University and that this agreement constitutes merely a license to use the property and facilities subject to the conditions hereafter stated.
 - i. Special set-ups or changes in original set-up of facilities will be taken care of by COACH with no cost to the University.
 - ii. COACH agrees to pay the University all out-of-pocket costs incurred by the University in making the facilities available for the camps.
 - iii. COACH agrees to secure a policy of insurance in a company approved by the University's Risk Management Office under which the Board of Supervisors for the Louisiana State University System, the University, and its agents and servants, are named as the insured (or as an additional insured) which provides:
 - o Workers' Compensation and Employers Liability: Workers Compensation limits are required by the Labor Code of the State of Louisiana and Employers Liability coverage if COACH hires any employees to work at such camps and clinics.
 - o Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
 - iv. Annual leave must be requested to cover the dates of the camp operation for all University personnel involved.
 - v. Complete records will be maintained regarding income and expenditures associated with said camp and available for verification by University auditors.
 - vi. COACH agrees to protect, indemnify and save harmless the University from and against any and all expenses, damages, claims, suits, actions, judgments and costs whatsoever, including reasonable attorney's fees, arising out of or in any way connected with any claim or action for property loss, personal injury or death during the operation of said camp activities.
 - vii. COACH is an independent contractor during said camp activities and, as such, is licensed to use certain facilities of the University. COACH, as a University employee, will undertake to observe and require campers and its staff to conform to the general rules applicable to the use of

University facilities. This paragraph is designated to assure that nothing be done which is inconsistent with the maintenance of an educational campus environment and the character of a State institution which makes its facilities open to persons without discrimination

- c. The Director of Athletics will be the administrative officer of the University who will be advised by the COACH of any problems or questions which may arise out of the operation of summer camps.

6. INCENTIVE COMPENSATION

- a. **Post-Season Incentive Compensation.** In the event the Team meets the items outlined below. University agrees to pay COACH for Post-Season Incentive Compensation as additional compensation for the extra services required of COACH in the preparation for and participation in post-season play. The additional sum or sums, if payable, shall be considered earned on the dates(s) services are provided for each game at which a post-season goal is attained (or, for RRAC Regular Season Champion, the date of the last RRAC game in Team's sport played by any RRAC team during the regular season) and shall be paid within sixth (60) days following the final post-season game in which the Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth below. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must provide additional services required in the preparation for and participation in post-season play and must be employed by LSUS as of the date on which the incentives are earned.
 - i. **Red River Athletic Conference Regular Season Championship**
Five Hundred and No/100 dollars (\$500)
 - ii. **Red River Athletic Conference Tournament Championship**
Five Hundred and No/100 dollars (\$500)
 - iii. **National Association of Intercollegiate Athletics National Tournament (Regional/World Series)**
One Hundred and No/100 dollars (\$100) per win, maximum of One Thousand and No/100 dollars (\$1000)
 - iv. **National Association of Intercollegiate Athletics Regional Tournament Championship**
One Thousand and No/100 dollars (\$1000)
 - v. **National Association of Intercollegiate Athletics National Championship**
Five Thousand and No/100 dollars (\$5000)
- b. **Academic Incentive Compensation.** In the event the cumulative Grade Point Average (GPA) of all members of the Team meets or exceeds a 3.0 mark for the Fall and Spring semesters combined in any one contract year, the University agrees to pay COACH additional compensation in the amount of Five Hundred and No/100 dollars (\$500) per contract year. The additional compensation, if payable, shall be considered earned on the date on which the GPA for the University is released while COACH is employed at the University and shall be paid within sixty (60) days of such date. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.

- c. **Coach of the Year Compensation.** In the event COACH is named "Coach of the Year" by either of the organizations listed below, the University agrees to pay COACH for Coach of the Year Compensation. The additional compensation, if payable, shall be considered earned on the date on which the organization naming COACH as "Coach of the Year" announces such while COACH is employed at the University and shall be paid within sixty (60) days of such date. Coach of the Year Compensation may be payable from affiliated foundation funds, subject to approval of the University and the Foundation. To be eligible for such compensation, COACH must be employed by the University as of the date on which the incentives are earned.
 - i. **Red River Athletic Conference** – Five Hundred and No/100 dollars (\$500)
 - ii. **National Association of Intercollegiate Athletics** – One Thousand and No/100 dollars (\$1000)

7. **OUTSIDE INCOME**

COACH shall be authorized to earn other revenue while employed by the University but such activities are independent of his University employment and the University shall have no responsibility for any claims arising there from. All outside income will be subject to approval in accordance with the Board of Supervisors for the Louisiana State University System policies.

COACH shall report annually on the PM-11 to the Chancellor through the Athletic Director each year all athletically related income received from sources outside the University. The University shall have reasonable access to all records of COACH to verify this report.

8. **STANDARDS OF CONDUCT AND COMPLIANCE WITH NAIA AND CONFERENCE REGULATIONS**

COACH shall abide by the rules and regulations of the NAIA, Conference and University rules. If COACH is personally found to be in violation of NAIA regulations, COACH shall be subject to disciplinary or corrective action as set forth in the NAIA enforcement procedures. COACH may be suspended for a period of time, without pay, or employment of COACH may be terminated if COACH is found to be personally guilty of deliberate and serious violations of NAIA, Conference and University regulations.

COACH shall also abide by the State of Louisiana Code of Government Ethics, University Policy and Regulations, federal laws, other state laws and the policies and regulations of the Louisiana State University System. In public appearances he shall at all times conduct himself in a manner that befits a University official and shall always attempt to create goodwill and a good image for the University.

9. **TERMINATION**

Termination Without Cause: Either party may terminate this agreement without just cause prior to the expiration of its terms by giving thirty (30) days written notice to the other party. Prior to termination of COACH, the University will obtain approval from the Chancellor of the University. If the University terminates the agreement without cause, the COACH shall be entitled to 50% of the base salary that he would have earned for the second year of this contract, less compensation received by the COACH from any other employment. The University would be responsible for the current fiscal year compensation, through the end of the fiscal year (June 30th).

The liquidated damages shall be due and payable in a lump sum within sixty (60) days of COACH's final date of employment at Louisiana State University in Shreveport.

Failure to make reasonable efforts to secure employment shall be cause for termination of this agreement, and release of the University and the LSUS Foundation of any obligations to make further payments.

Termination For Cause: Should COACH's contract be terminated for just cause, the University shall not be liable for any payments or benefits specified in this agreement past the effective date of termination. Just cause for termination shall include, but not be limited to, violation or gross disregard of state or federal laws, NAIA or conference regulations or university policies or procedures.

COACH may be terminated by the University for Cause at any time for the following:

- i. Misconduct, including but not limited to: hostile workplace violations, documented acts of moral turpitude, acts of violence and aggression, and insubordination.
- ii. Misconduct that: (1) violates state or university ethics laws, rules or regulations; (2) offends the ethics or traditions of the University; or (3) brings discredit or harm to the reputation of the University.
- iii. Acts of violence or personal conduct or condoning or encouraging employees or student athletes in such conduct, which may not warrant criminal prosecution, but result in public disrepute, contempt, scandal or ridicule that reflects unfavorably upon the reputation or mission of the University.
- iv. Substantial and manifest incompetence.
- v. Gross violation or disregard of state or federal laws (excluding minor traffic offenses or non-criminal offenses).
- vi. Deliberate and serious violations of NAIA, conference, or University rules, regulations, policies or procedures.
- vii. Failure to promote an atmosphere of compliance
- viii. Unethical conduct

The judgment as to whether the conduct of the COACH constitutes cause under this provision shall not be exercised arbitrarily or capriciously by the University.

Termination for Financial Exigency: COACH may be terminated at any time due to the financial circumstances in which the University and/or the Louisiana State University System has declaration of financial exigency. Such a termination can be based on consideration of budgetary restrictions, and priorities for maintenance of program and services. In the event of such termination, COACH will receive six (6) months' notice of termination or six (6) months regular pay in lieu of such notice. All compensation, including salary, benefits, and other remuneration incidental to employment, cease upon termination.

10. **ASSOCIATE/ASSISTANT COACHES**

COACH shall have the authority to select the associate and assistant coaches with consent of the Director of Athletics and Chancellor. Associate and assistant coaches shall be appointed as University unclassified employees.

11. **UNIVERSITY FUNDRAISING**

All fundraising activities by COACH must be pre-approved by the Athletic Director, or his designee, to ensure that such activities are in compliance with University policies.

12. AMENDMENT EXTENSION

This Contract may be amended and/or extended by the mutual consent of the parties, and approved by the Board.

13. SEVERABILITY

If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.

14. FORCE MAJEURE

Neither party shall be considered in default performance of her or its obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

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MINUTES
REGULAR BOARD MEETING
DECEMBER 5, 2019

1. Call to Order and Roll Call

Ms. Mary Werner, Chair, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the Board Room of the University Administration Building at Louisiana State University in Baton Rouge on December 5, 2019.

The office administrator called the roll.

Present

Ms. Mary Werner, Chair
Mr. Robert S. Dampf, Chair-elect
Mr. James Williams, Past Chair
Mr. Jack "Jay" A. Blossman, Jr.
Mr. Richard Brazzel
Mr. B. Wayne Brown
Ms. Valencia Sarpy Jones
Mr. Lee Mallett
Mr. James M. Moore, Jr.
Mr. Rémy Voisin Starns
Mr. Jimmie M. Woods, Sr.
Mr. Robert "Bobby" Yarborough

Absent

Mr. Ronnie Anderson
Mr. Blake Chatelain
Mr. Glenn Armentor
Mr. J. Stephen Perry

Also present for the meeting were the following: Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel for LSU; LSU officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

2. Invocation and Pledge of Allegiance

Tay Moore, Ringgold High school student and 4-H state president, delivered the invocation. Bridget Seghers, Covington High School student and 4-H state secretary, led the Pledge of Allegiance.

Dr. Bill Richardson welcomed Dr. Gina Eubanks, associate vice president of the LSU AgCenter nutrition program. She in turn introduced Dr. Sharman Charles, faculty representative, to present on the 50 years of the nutrition program.

3. Public Comment

There was one individual registered for public comment, but did not appear before the Board.

4. Presentation for Boyd Professor Gabriela González

Provost Haynie introduced Dr. González, the 77th LSU Boyd Professor. Dr. González provided remarks on her career at LSU. She was then presented with a certificate by Chair Werner.

5. Committee Meetings

The Board recessed the regular meeting to convene the committee meetings.

5.A. Academic & Research Committee

5.A.1. Discussion of Changes in ACT Test Administration and Scoring

Jose Aviles, Vice President for Enrollment Management, presented a report to the Board of the new changes to the ACT scoring platform. One new practice is section retesting. This will allow students to retest certain sections as opposed to retaking the entire ACT. The other method, which will potentially effect admission decisions and scholarship offers, is called "superscoring". Under this practice, students can choose their highest scores in all attempts for each sections in order to achieve the highest composite score. Mr. Aviles showed a list reflecting many large universities, such as Georgia, Florida, MIT, Georgia Tech, and Stanford are all using superscoring.

Mr. Starns expressed concerns of the disadvantage between students who can and cannot afford to take the ACT or sections of it multiple times. He cites the new scoring could create a greater disparity than the one that already exists.

Mr. Williams questioned the process of awarding scholarships if the new scoring format is adopted by LSU.

5.A.2. Request from LSU A&M to Establish a Master of Science in Financial Economics

Upon motion by Mr. Yarborough, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish a Master of Science in Financial Economics at LSU A&M, subject to approval by the Louisiana Board of Regents.

5.A.3. Request from LSU A&M to Establish the Master of Science in Sport Management

Upon motion by Mr. Moore, seconded by Mr. Yarborough, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish a Master of Science in Sport Management at LSU A&M, subject to approval by the Louisiana Board of Regents.

5.A.4. Request from LSU A&M to Establish a Post-baccalaureate Certificate in Facilities Management

Upon motion by Mr. Moore, seconded by Mr. Mallett, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish a Post-baccalaureate Certificate in Facilities Management at LSU A&M, subject to approval by the Louisiana Board of Regents.

- 5.A.5. Request from LSU Health Sciences Center - New Orleans to Establish the Department of Interdisciplinary Oncology in the School of Medicine

Upon motion by Mr. Yarborough, seconded by Mr. Mallett, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU Health Sciences Center in New Orleans to establish a new Department of Interdisciplinary Oncology in its School of Medicine, subject to approval by the Louisiana Board of Regents.

- 5.A.6. Request from LSU A&M to Establish the Teacher Preparation Pathway for Early Childhood Education - Birth to Kindergarten and a Name Change for the Early Childhood Education Curriculum

Upon motion by Ms. Jones, seconded by Mr. Yarborough, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish both the teacher certification pathway for Early Childhood Education - Birth to Kindergarten at LSU A&M and the name change for the BS in Early Childhood Education, Grades PK-3 to the BS in Early Childhood Education, subject to approval by the Louisiana Board of Regents.

- 5.A.7. CONSENT AGENDA

- A. Request from LSU A&M for Continued Approval of the Center for Internal Audit
- B. Request from LSU A&M for Continued Approval of the Center for Rotating Machinery
- C. Request from LSU A&M for Continued Approval of the George W. and Jean H. Pugh Institute for Justice
- D. Request from LSU A&M to Establish LSU STEM Pathway Tuition Support Scholarship and the Cain Center Summer Institute Tuition Support Scholarship
- E. Request from LSU A&M to Name Two Areas within LSU Athletic Facilities
- F. Request from LSU A&M to Name the Richard T. Hedley Gate at Tiger Stadium
- G. Request from LSU A&M To Re-Name the LSU AgCenter Research Station to the Doyle Chambers Central Research Station
- H. Request from LSU Eunice to Establish the Lafayette Surgical Specialty Hospital Endowed Two-Year Student Workforce Scholarship
- I. Request from LSU A&M to Change the Name of a BoR Endowed Scholarship
- J. Recommendation to Establish 2020 Degree Conferral Dates for Online Degree Programs
- K. Recommendation to Approve Conferral of Degrees at the 2019 Fall Commencement Exercises

Upon motion by Mr. Moore, seconded by Ms. Jones, the Committee voted unanimously to approve the following resolutions:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU A&M for continued, five year approval of the Center for Internal Auditing, subject to approval by the Louisiana Board of Regents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU A&M for continued, five year approval of the Center for Rotating Machinery, subject to approval by the Louisiana Board of Regents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU A&M for continued, five year approval of the George W. and Jean H. Pugh Institute for Justice, subject to approval by the Louisiana Board of Regents.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M to establish both the LSU STEM Pathway Tuition Support Scholarship and the Cain Center Summer Institute Tuition Support Scholarship.

NOW, THEREFORE, BE IT RESOLVED that the LSU Board of Supervisors does hereby approve the request from LSU A&M to name the following areas within the LSU Athletic Facilities:

1. Aaron Nola Pitching Development Center
2. Andy and Jackie Johnson Outside Linebackers Meeting Room

NOW, THEREFORE, BE IT RESOLVED that the LSU Board of Supervisors does hereby approve the request from LSU A&M to name Gate #21 at Tiger Stadium the "Richard T. Hedley Gate".

NOW, THEREFORE, BE IT RESOLVED that the LSU Board of Supervisors does hereby approve the renaming of the LSU AgCenter Central Research Station to the Doyle Chambers Central Research Station.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU Eunice to establish the Lafayette Surgical Specialty Hospital Endowed Scholarship; and

BE IT FURTHER RESOLVED that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the Lafayette Surgical Specialty Hospital Endowed Scholarship.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M to change the name of the Cajun Constructors Professorship of Construction Management to the Cajun Industries Professorship of Construction Management.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the recommended degree conferral dates for online degree programs at the campuses of LSU A&M for 2020: March 10, May 5, June 30, August 25, October 20, and December 15; LSU Alexandria for 2020: May 14, August 18, and December 19; and LSU Shreveport for 2020: March 10, May 15, August 7, September 1, October 27, and December 18.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University does hereby approve the degrees to be conferred on candidates meeting degree

requirements for graduation from the campuses of the University at 2019 fall commencement exercises (December 12, 13, 19, 20, and 21).

5.B. Finance Committee

5.B.1. Request from Louisiana State University of Alexandria to Authorize Institutional Scholarships

Upon motion by Mr. Dampf, seconded by Mr. Yarborough, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University, or his designee, to offer each of the LSU at Alexandria scholarships outlined above according to their respective criteria and designated amounts.

5.C. Property & Facilities Committee

5.C.1. Request from LSU A&M to Enter into a Lease Agreement with the LSU Research Foundation for Space within the Louisiana Emerging Technology Center

Upon motion by Mr. Mallett, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "LSU Board") does hereby authorize Dr. F. King Alexander, President of Louisiana State University, or his designee, acting on behalf and in the name of the LSU Board, and in consultation with General Counsel, to execute a lease of approximately 21,474 square feet of rentable space from the LSU Research Foundation, for an amount not to exceed \$35 per square foot with utilities, custodial services, and property insurance included, and subject to a reasonable annual adjustment to account for inflation

5.C.2. Request from LSU Agricultural Center to Approve a Lease of Property for Agriculture Production Iberia Research Station, Iberia Parish Jeanerette, Louisiana

Upon motion by Mr. Yarborough, seconded by Mr. Brown, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President, Louisiana State University System, to execute lease agreement(s) with highest responsive and responsible bidder(s) for the purpose of generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

BE IT FURTHER RESOLVED that F. King Alexander, President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

5.C.3. Request from LSU Agricultural Center to Approve a Lease of Property for Agriculture Production Pecan Research Station, Caddo Parish Bossier City, Louisiana

Upon motion by Mr. Brown, seconded by Mr. Yarborough, the Committee voted unanimously to approve the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President, Louisiana State University System, to execute lease agreement(s) with highest responsive and responsible bidder(s) for the purpose of generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

BE IT FURTHER RESOLVED that F. King Alexander, President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

5.D. Audit Committee

The Audit Committee Meeting was called to order at noon in the Board Conference Room at the University Administration Building.

Present:

Mr. Lee Mallett
Mr. Jack "Jay" A. Blossman
Mr. Robert Dampf
Mr. James Moore, Jr.
Mr. Rémy Starns
Mr. James Williams

Others present were: Ms. Mary Werner, Board Chair; Mr. Wayne Brown. Ms. Valencia Jones and Chief Auditor Chad Brackin.

1. Presentation on IT Security
Mr. John Borne of LSU ITS conducted a presentation about IT security in light of the ransomware attack on the IT system at LSU Eunice. There were conversations about the technical protections of the system as well as staffing considerations.
2. Revised FY 2020 Audit Plan to Include IT Governance Audit
Upon motion by Mr. Starns and seconded by Mr. Blossman, the revised audit plan was approved unanimously by the committee.
3. FY 2020 1st Quarter Audit Summary
Mr. Brackin provided a copy of the first quarter summary and provided comments.

The Committee Meeting was adjourned.

6. Reconvene Board Meeting

After adjournment of the Committee Meetings, the Regular Board Meeting was called back to order. The roll call was recorded.

7. Approval of Meeting Minutes

1. Approval of the Minutes of the Property & Facilities Committee Meeting held on October 22, 2019
2. Approval of the Minutes of the Board Meeting held on October 25, 2019

Upon the motion by Mr. Dampf, seconded by Mr. Mallett, the Board voted unanimously to approve the minutes of the Property & Facilities Committee Meeting held on October 22, 2019 and the minutes of the Board Meeting held on October 25, 2019.

8. Personnel Actions Requiring Board Approval

Madam Chair requested to approval of the Personnel Actions.

Upon motion by Ms. Jones, seconded by Mr. Mallett, the Board voted unanimously to approve the Personnel Actions.

9. Reports from Council of Staff Advisors and Council of Faculty Advisors

The staff report was given by Ashley Gautreaux. The faculty report was given by Dr. Mandi Lopez.

10. President's Report

Dr. Alexander commended Dean Peterson on the STEM publication pipeline sent to all EBR students.

Dr. Alexander reported the Georgetown reports acknowledged LSU earned various top rankings for earning to debt ratios.

Dr. Alexander reported LSU Health Sciences Shreveport held their inaugural HBCU Day.

Dr. Alexander reported NCBRT and ACE Program was recognized by the US House of Reps in training first responders from around the country.

Dr. Alexander acknowledged the family of LSUE first chancellor donated items from the founding campus to the library.

Dr. Alexander reported LSU AgCenter received the national excellence in multiple states research award from APLU.

Dr. Alexander congratulated the newly named deans from the main campus: Troy Blanchard, College of Humanities & Social Sciences and Dr. Roland Mitchell, College of Human Sciences and Education.

Dr. Alexander congratulated students for receiving national awards.

Mr. Dampf concluded with acknowledging Dr. Kirwan for his recognition in the Baton Rouge Business Report.

11. Reports to the Board

1. 1st Quarter Informational Board Report

There was an error in the report regarding two Pennington faculty members. Ms. Werner made a motion to adopt the revised version of the report. The motion was seconded by Mr. Mallett.

2. FY 2019-2020 1st Quarter LSU Investment Report

Motion to approve report by Mr. Woods, seconded by Mr. Yarborough.

12. Committee Reports

A motion was made by Mr. Blossman, seconded by Mr. Yarborough, to approve the Committee resolutions there were recommended by the Committees. The Board voted unanimously to approve all Committee recommendations.

Mr. Starns stated he would like to recuse himself from Item 1 of the Property and Facilities Committee Meeting, and the approval of the item during the Regular Board Meeting.

13. Chair's Report

Ms. Werner presented the Board members with sod from Tiger Stadium to commemorate the victorious football season.

Ms. Werner thanked the Faculty Senate for allowing her to speak with them during their recent meeting.

Ms. Werner remarked on the impact LSU is having on the youth in Louisiana.

Ms. Werner announced the next meeting is on January 10 in Alexandria.

14. Adjournment

With no further business before the Board, Ms. Werner asked for a motion to adjourn the meeting. With a motion by Mr. Mallett, seconded by Mr. Dampf, the meeting was adjourned.

Personnel Actions Requiring Board Approval
per PM-69

January 10, 2020

Personnel Actions Requiring Board Approval per PM-69
January 10, 2020

LSU A&M
New Appointments

<u>Name</u>	<u>Title</u>	<u>Effective Date</u>	<u>Compensation</u>
Thomas Galligan, Jr.	Interim LSU President	1/1/2020	\$595,000
Trey Jones	Interim General Counsel	1/16/2020	\$265,000