
LSU BOARD OF SUPERVISORS MEETING

Royal Cotillion Ballroom, LSU Student Union

Louisiana State University

310 LSU Student Union, Baton Rouge, LA 70803

Friday, August 14, 2020 | Time: 10:30 a.m. CT

Due to the gubernatorial order limiting gatherings to 50 people, the room occupancy is being strictly monitored. Provisions have been made for people seeking to make public comment, and those interested in making public comment should contact the LSU Office of the Board of Supervisors (lsuboard@lsu.edu) one hour before the Board meeting starts. Masks will be required for those making public comment, but they will not be allowed to remain in the room for the duration of the meeting. However, the meeting will be telecast via Zoom at: <https://lsu.zoom.us/j/93894908297>. The public may also submit written comments related to agenda items and those will be added to the official record.

- I. Call to Order and Roll Call
- II. Invocation and Pledge of Allegiance
- III. Oath of Office for New Board Members
- IV. Public Comment
- V. Committee Meetings
 - A. Academic & Research Committee
 1. Request from LSUHSC- New Orleans for Continued Designation as a Center of Excellence for the Stanley S. Scott Cancer Center
 2. Request from LSU Health Sciences - New Orleans for Continued Designation of the Neuroscience Center of Excellence
 3. Request from LSU A&M for Conditional Approval of the Early Childhood Education Institute
 4. Request from LSU to Establish the LSU Pre-Engineering Pathway Gold STEM Seal Scholarship
 - B. Property & Facilities Committee
 1. Request from LSU Health Sciences Center-New Orleans to Approve a Revision to a Prior Authorization to Enter into a Cooperative Agreement and Lease with the LSU Health Foundation, New Orleans to Develop New Student Housing
 - C. Legal Affairs Committee
 1. Authorization of the President Related to Previously Approved Resolutions
 - D. Audit Committee (9:45 a.m., Atchafalaya Room)
 1. 2020 4th Quarter Audit Summary
- VI. Reconvene Board Meeting
- VII. Approval to Amend the LSU Board Bylaws to Address Voting and Establish the Inclusion & Diversity Committee
- VIII. Approval of Meeting Minutes
- IX. Personnel Actions Requiring Board Approval
 - A. Annual Presidential Evaluation
- X. Reports from Council of Staff Advisors and Council of Faculty Advisors
- XI. President's Report
- XII. Reports to the Board

The Board or its Committees may enter into Executive Session in accordance with the provisions of LA R.S. 42:17

- A. Approve 2021 Board Meeting Dates
- B. FY20 4th Quarter Consolidated Investment Report
- C. 2020 Internal Audit Report
- XIII. Committee Reports
- XIV. Chair's Report
- XV. Adjournment

The Board or its Committees may enter into Executive Session in accordance with the provisions of LA R.S. 42:17

LSU BOARD OF SUPERVISORS
AUDIT COMMITTEE MEETING
Atchafalaya Room, LSU Student Union
Louisiana State University Student Union, Baton Rouge, LA 70803
Friday, August 14, 2020 | Time: 9:45 a.m. CT

Due to the gubernatorial order limiting gatherings to 50 people, the room occupancy is being strictly monitored. Provisions have been made for people seeking to make public comment, and those interested in making public comment should contact the LSU Office of the Board of Supervisors (lsuboard@lsu.edu) one hour before the Board meeting starts. Masks will be required for those making public comment, but they will not be allowed to remain in the room for the duration of the meeting. However, the meeting will be telecast via Zoom at: <https://lsu.zoom.us/j/93894908297>. The public may also submit written comments related to agenda items and those will be added to the official record.

- A. Audit Committee
 - 1. 2020 4th Quarter Audit Summary



Board of Supervisors

SECTION A

ACADEMIC & RESEARCH COMMITTEE

BOARD OF SUPERVISORS MEETING | AUGUST 14, 2020



Board of Supervisors

Request from LSU Health Sciences – New Orleans for Continued Designation of the Stanley S. Scott Cancer Center of Excellence

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1, Paragraph A

- 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 Health Sciences – New Orleans is requesting five-year, continued Center of Excellence designation of the Stanley S. Scott Cancer Center (SSSCC). The Center was established in 1990 and was approved as one of the BoR Centers of Excellence in 1991. As a Center of Excellence, the SSSCC brings together basic science, population science, and clinical investigators to enhance the understanding of cancer overall and, in particular, to study the causes, effects, and treatments of cancer among the population. Its specific mission is “decreasing cancer incidence and mortality in the state of Louisiana with particular emphasis on those citizens in the greatest need, the medically underserved, and minority population”. Its goals are to increase research capacity and productivity, increase the participation of patients in clinical trials, enhance continuing education and foster scientific collaborations, increase community outreach and education, and compete for National Cancer Institute (NCI) designation.

To achieve these goals, the Cancer Center leadership has established focused programs led by well-funded, internationally recognized researchers and clinicians. The SSSCC has grown into a multidisciplinary matrix organization, drawing membership and expertise from almost every department within LSU Health’s Schools of Medicine, the School of Public Health and collaborations with other LSU Campuses including the LSU School of Veterinary Medicine, the Pennington Biomedical Research Center and the LSU – Feist Weiller Cancer Center in Shreveport. In addition, it has extended collaborations with other private non-profit medical centers including the Ochsner Clinic Foundation, the Mary Bird Perkins Cancer Center, and the Tulane School of Medicine.

Over the past five years, the SSSCC successfully recruited four well-funded investigators in the field of Cancer Biology. These investigators moved to New Orleans with multiple grants (federal and foundation grants) totaling in excess of \$8M. This has increased total Center grants over this five-year timeframe to approximately \$85M in total funding. In addition, the SSSCC has recruited several additional oncology subspecialists aimed at expanding services and research capabilities. These include four additional hematology/oncology specialists, one urologic oncologist (and one additional being interviewed), two gynecologic oncologists, one neuroendocrine oncologist, two pediatric oncologist and one neuro-oncologist. These clinicians have helped expand services and more importantly are the leaders in NCI-supported and pharmaceutical clinical trials. They have made it possible for the SSSCC to become one of the leading institutions in the NCI Community Oncology Research Program (NCORP).

In addition, SSSCC researchers have published 102 manuscripts over the past five years. These activities have also allowed investigators to gain national leadership roles in basic and clinical activities including mid-career and senior level basic researchers who are serving in NIH Study Sections or National Cancer Institute Boards and junior clinical investigators have now started to assume leadership roles in various organizations.

Over the past five years, the clinical teams at the SSSCC have been highly successful in expanding the number of patients participating in clinical studies and clinical trials. As the leaders in the Gulf South Clinical Trials Network (Gulf South CTN, a grant funded by the National Cancer Institute under the NCI Community Oncology Research Program (NCORP), the clinicians and nurses have increased by tenfold the number of patients participating in cancer prevention, early detection and treatment studies. In 2014, an average of 120-130 patients per year were enrolled into clinical studies. In 2019, 1,501 patients were enrolled (an over 10-fold increase). The National Cancer Institute recognized this success by awarding four of the six platinum awards in clinical trials to LSU faculty and staff.

3. Review of Business Plan

LSU Health New Orleans recently proposed and successfully obtained approval (from the Board of Regents) for the creation of a new Department of Interdisciplinary Oncology (DIO). The DIO will provide an integrated academic framework for the Stanley S. Scott Cancer Center's (SSSCC) investigators and clinicians. This new academic structure represents better alignment of the researcher's goals and activities. This places the SSSCC in a much stronger position to recruit highly qualified, funded cancer investigators in a variety of cancer-related disciplines, and clinicians who can translate research findings from the laboratory to the clinic and enhance patient care. The DIO also allows the SSSCC to focus on the promotion and creation of specialized research teams by bringing together funded faculty/investigators from a broad variety of disciplines and clinical translational specialties who are focused on cancer research. The DIO is thus the only academic integrated cancer department in Louisiana. Combining the work of basic scientists with clinicians and epidemiologists, its integrated structure will allow for the rapid development of new discoveries and treatments, and the understanding of their potential benefits to the region's patient populations. In addition, this effort will attract highly competitive and well-established cancer investigators to the State of Louisiana from all parts of the country, new funding opportunities and a focused effort to promote cancer research under one program. This will allow researchers, patients and donors to work with distinct programs that develop innovative research, and pioneering clinical initiatives that offer cutting edge treatment for cancer.

The four major funding sources for the SSSCC are a Tobacco Excise Tax that is routed through the Louisiana Cancer Research Consortium (LCRC) (14% of budget), state funds provided by the LSU School of Medicine in New Orleans (53% of annual budget), grants (32% of our budget), clinical trials and donations/pledges (1% of budget). The largest increase in funding has been the successful pursuit of new major grants including the Gulf South Clinical Trials Program (\$13.5 million dollars over six years), the COBRE - Center for Translational Viral Oncology (\$1 OM over 5 years), and the P20 "Understanding and Addressing Cancer Health Disparities in Louisiana" (\$2.9M over 3 years). In addition, the recruitment of new faculty has increased our number of existing R01 type grants. All expenditures are covered by incoming revenue.

4. Fiscal Impact

Not applicable

5. Description of Competitive Process

Not applicable

6. Review of Documents

A Board of Regents Progress Report and Request for Continued Designation as a Center of Excellence and budget form are on file with the LSU Office of Academic Affairs.

7. Parties of Interest

Not applicable

8. Related Transactions

Not applicable

9. Conflicts of Interest

Not applicable

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU Health Sciences –New Orleans for continued designation of the Stanley S. Scott Cancer Center of Excellence, subject to approval by the Louisiana Board of Regents.

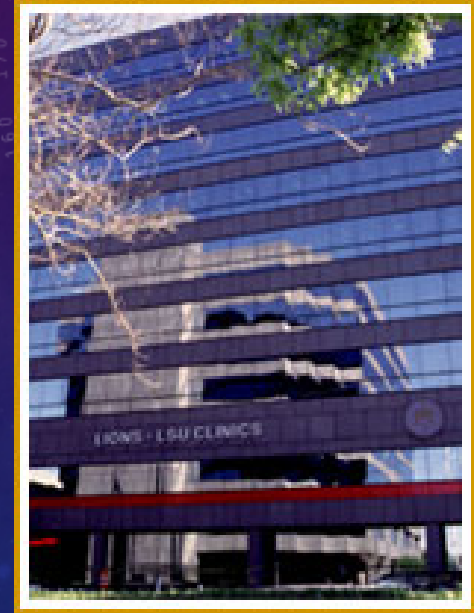


RESEARCH CENTERS OF EXCELLENCE: NEUROSCIENCE & CANCER

LSU Health
NEW ORLEANS

NEUROSCIENCE CENTER OF EXCELLENCE

- Founded in 1989, one of first Centers of Excellence
- Multidisciplinary approach to advance understanding of brain functions and diseases of the nervous system through research, development, mentoring, and innovation
- Recognized in Alzheimer's, Parkinson's, pain, stroke, brain and spinal cord injury, retinal degeneration
- Directed by Dr. Nicolas Bazan, MD, PhD, Boyd Professor



NEUROSCIENCE CENTER OF EXCELLENCE

- Dozens of interdisciplinary faculty enhance scope of activities in basic & translational research and novel drug development
- New grant funding of \$55 million over past 5 years
- Key Discoveries
 - New class of safer, non-addictive pain medications
 - Mechanism for brain cell communication during stroke
 - Compounds to protect cells against neurodegenerative disease
- Over 70 inventions leading to patents, licenses, and start-ups



NEUROSCIENCE CENTER OF EXCELLENCE

- National and International Prominence
 - Lecture series of nearly 4 decades, brings globally prominent scientists, including multiple Nobel Laureates, to campus for 1-2 day interactions
 - Multiple international collaborations and awards
 - Graduates placed around the state, nation, and world
- Community Service
 - Leading creation of statewide Alzheimer's disease consortium
 - SUN Program – Summer Undergraduate Research Program in Neuroscience
 - Economic development through new venture creation

STANLEY S. SCOTT CANCER CENTER

- Founded in 1990 with a multidisciplinary approach to cancer research, education, outreach, & patient care
- Mission is to decrease cancer incidence & mortality in Louisiana, especially for those citizens with greatest need, the medically underserved and minority population
- Special focus on molecular signaling, population science, genetics and viral carcinogenesis, and immunology
- Combines basic science, population science and clinical science
- New Department of Interdisciplinary Oncology
- Directed by Dr. Augusto Ochoa, MD



STANLEY S. SCOTT CANCER CENTER

- Over 100 affiliated faculty, multiple specialties and schools
- Selected Key Initiatives:
 - Minority-Based Community Clinical Oncology Program (MB-CCOP)
 - \$11 million NIH-COBRE grant to Mentor Translational Researchers
 - Gulf South Clinical Trials Network
 - Dillard-LSUHSC Minority Health and Health Disparities Research Center (MHHDRC), first NIH-funded health disparities research center in LA



STANLEY S. SCOTT CANCER CENTER

- New grant funding of \$85 million over the past five years
- Regional, State, National and International Collaborations
- Community Service
 - Over 5 years, led a 10x increase in patients in clinical trials
 - Doubled number of sites offering access to clinical trials
 - Enhanced focus on health disparities through large federal grants
- Planning underway to compete for NCI designation
- National Search for Director launched, with support from LCMC



Board of Supervisors

Request from LSU Health Sciences – New Orleans for Continued Designation of the Neuroscience Center of Excellence

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1, Paragraph A

- 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 Health Sciences – New Orleans is requesting five-year, continued Center of Excellence designation of the Neuroscience Center (NCE). The Center pursues a multidisciplinary approach to neuroscience education and research with the primary mission to foster and conduct science of the highest caliber that advances the understanding of brain function and diseases that affect the nervous system. One of the primary activities of the NCE is to mentor early-career laboratory-neuroscientists and clinician neuroscientists through fundamental and translational research. Further, the NCE has devised multiple smart ways to work with many other institutions - public, private, academic, commercial -- reflecting the innovation and discovery-motivated fundamental science that it has developed and nurtured. The LSU Neuroscience Center of Excellence is recognized nationally and internationally as one of the best places to study, learn, understand and conquer Alzheimer disease, Parkinson disease, age-related macular degeneration, inherited retinal degenerations, deafness, brain tumors, stroke, pain and other diseases.

Since its inception in 1989, the NCE has established educational, research and clinical programs directed toward Alzheimer disease, Parkinson disease, pain, stroke, brain and spinal cord injury, epilepsy, depression, blinding eye diseases, schizophrenia, and developmental and hearing disorders. Cutting-edge research programs on the molecular and cellular bases of neural diseases are a key to the Center's innovative educational programs: 1) the Interdisciplinary Neuroscience Graduate Program (PhD or MD/PhD in Neuroscience) attracts outstanding students from Louisiana, USA, and around the world, 2) postdoctoral fellowships train the next generation of scientists, and 3) the Summer Undergraduate Neuroscience (SUN) Program mentors top Louisiana undergraduate students through lectures and hands-on research. Several seminar programs and lectureships host renowned scientists and Nobel Laureates who present their work to the LSUHSCNO community.

Innovators from the NCE's drug-discovery program have reported seventy invention disclosures that have resulted in several patents or patent applications; some of these innovations form the base of start-up pharmaceutical/biotechnology companies in Louisiana. In addition, the expertise of the Center's investigators has drawn the interest of the biotechnology and pharmaceutical industries on the application of knowledge gained through their cutting-edge research.

The Neuroscience Center of Excellence is active in technology transfer, is dedicated to retaining in Louisiana the technical expertise and patents generated through discovery and is undertaking

a major expansion. In bringing together academic and governmental agencies and private/public partnerships, the NCE has had a pivotal role in innovative approaches to the treatment of disorders of the nervous system and in advancing the understanding of the mechanisms of diseases.

The Center thus has had an economic impact in Louisiana through significant federal and private research funding. Over the last five years, it has generated innovative, competitive science that has attracted \$55,225,000 in funding. Currently, the Neuroscience Center of Excellence faculty bring in \$22 million in grants

A few examples of the tremendous work and service the NCE provides to the greater community are: the creation of the first statewide program on Alzheimer's disease that brought together the hospitals and institutions throughout the state of Louisiana, is in development of a new non-addictive, non-toxic pain killer unlike acetaminophen and NSAIDs, and has begun therapeutic approaches for the COVID-19 virus, including an inhalable novel lung surfactant that could prevent and limit virus shedding and attenuate disease onset/progression.

3. Review of Business Plan

The NCE is supervised by the Internal Advisory committee (IAC), made up of Neuroscience Center faculty. Its purpose is to monitor mentorship effectiveness and Center progress, evaluate opportunities available to and the needs of Center investigators, and review usage and effectiveness of the Center's Core Facilities and services. The External Advisory Committee (EAC) is made up of five members and one ex officio member from nationally recognized institutions. The purpose of the EAC is to provide an outsider perspective to assess the implementation and operation of the NCE to provide advice to the center Director, Dr. Nicolas Bazan. Lastly, the Community Advisory Committee (CAC) is made up of business and community leaders from the greater New Orleans area. The purpose of the CAC is to provide advice to the Center Director on raising awareness of the Center's activities to members of the New Orleans community and residents of the State of Louisiana.

The NCE also has 19 core faculty members, 15 jointly appointed faculty, and five administrators, with Dr. Nicolas Bazan as director. All expenditures are covered annually by the revenue from institutional support, clinical income, and grants.

4. Fiscal Impact

Not applicable.

5. Description of Competitive Process

Not applicable.

6. Review of Documents

A Board of Regents Progress Report and Request for Continued Designation as a Center of Excellence and budget form are on file with the LSU Office of Academic Affairs.

7. Parties of Interest

Not applicable.

8. Related Transactions

Not applicable.

9. Conflicts of Interest

Not applicable.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU Health Sciences -New Orleans for continued designation of the Neuroscience Center of Excellence, subject to approval by the Louisiana Board of Regents.



Board of Supervisors

Request from LSU A&M for Conditional Approval of the Early Childhood Education Institute

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1, Paragraph A

- 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 is requesting one-year, conditional approval of the Early Childhood Education Institute (ECE). The Institute will serve as an umbrella organization to promote research and dissemination of recommended practices in early childhood care and education. In collaboration with both the LSU Early Childhood Education academic programs and the LSU Early Childhood Education Laboratory Preschool, the ECE Institute will promote recommended practices through discovery, curricula, programs, and strategic partnerships to provide an evidence-based focus on developing recommended practices in early childhood care and education for Louisiana and the nation. The ECE Institute will link LSU's expertise in early childhood education with the critical need for a highly educated early childhood workforce of researchers and advocates to advance the profession of early care and education.

The basis for the creation of the ECE Institute is the economic impact of Louisiana's early childhood programs. A recent study found that there is a 13% return on investment for high quality, birth-through-4 early education (Davis, Bustamante, Bronfin, & Candal Rahim, 2017) and narrows the achievement gap, increasing cognitive development by 0.35 standard deviations on average (Duncan & Magnuson, 2013). Continuance of high-quality early education is dependent upon ongoing research that investigates promising approaches that lead to sustained growth in cognitive development and school readiness. The returns to society outweigh the initial costs of the program, with researchers estimating the gain in income from children in state-supported programs over a child's career to be "\$9,166 to \$30,851, after taking out the cost of the program" (Economics of Early Childhood Investments, 2014). There is recognition that early childhood programs benefit children, parents, and society. In Louisiana, business lobbies are supporting early childhood education by lobbying for Act 3 (Boone, 2017; Karlin, 2017). From these initiatives, it is evident that "...one of the most efficient means to boost the productivity of the work force in 15 to 20 years is to invest in today's youngest children." (Grunewald, 2012, p. 1).

Furthermore, Louisiana has just released the B-K (Birth through Kindergarten) Teacher Certification structure, which will for the first time, establish a degreed certification structure for those working in childcare. All undergraduate teachers in Louisiana will be entering the workforce needing experienced, degreed and certified mentor teachers in B-K. The ECE Institute will be positioned to assist in this effort through research, education, and outreach.

During this initial phase, the ECE Institute will seek to establish sustainable funding through the pursuit of self-generated revenues, grant and contract funding, and philanthropic support through major gifts and naming opportunities. The Institute will collaborate with leaders and organizations that both shape and implement policy within Louisiana. It will seek to partner with organizations such as Louisiana Policy Institute for Children; Picard Center (CLASS certification/quality assurance); Early Childhood Quality Providers Library for the LDOE; Louisiana Office of Student Accountability (ACT 3); Louisiana Department of Labor (laws related to early childhood and workforce development); Louisiana Department of Health (healthy children initiatives/accessing resources to promote health); Governor's Office of Homeland Security and Emergency Preparedness (daycare emergency plan); Institute of Infant & Child Mental Health (Tulane); Early Steps of Louisiana (identification and resources for children with special needs); Child Care Assistance (access resources for child care); Volunteers of America (childcare resource & referral); and the Early Childhood Community Network (ECCN).

Future plans also include an application to the National Association for the Education of Young Children (NAEYC) to become the Louisiana Affiliate Chapter and the establishment of the Early Childhood Ancillary Certificate (which has already been submitted for final approval by BoR/BESE). Both initiatives will bring recognition to the ECE Institute and provide sustainable funding streams to support the work of the Institute.

3. Review of Business Plan

The College of Human Sciences and Education will serve as the home college for the ECE Institute. The institute's executive director will report directly to the college's associate dean for research & graduate studies, as do the leaders of all other Louisiana Board of Regents recognized centers and institutes within the college. Situated within this organizational structure, the institute will benefit from a robust array of college-wide administrative support units including communications and engagement services, development, finance and human resource management, information technology services, and sponsored program administration. Likewise, as a subsidiary unit of the College of Human Sciences & Education, the ECE Institute will be aligned within the same organizational structure as the School of Education which serves as the administrative home to the Early Childhood Education academic program and the Early Childhood Education Laboratory Preschool.

During the inaugural startup period, the College of Human Sciences and Education and the School of Education will provide an initial investment \$35,000 in the form of seed funding to support the launch of the Institute. The Institute will be housed in the ECE Laboratory Preschool building and thus no additional costs for facilities are required.

4. Fiscal Impact

Fiscal Impact here. Justify line margins.

5. Description of Competitive Process

Description of Competitive Process here. Justify line margins.

6. Review of Documents

A Board of Regents Form A: Request for Conditional Approval of a New Academic/Research Unit and budget form are on file with the LSU Office of Academic Affairs.

7. Parties of Interest

Parties of Interest here. Justify line margins.

8. Related Transactions

Related Transactions here. Justify line margins.

9. Conflicts of Interest

Conflicts of Interest here. Justify line margins.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU A&M for conditional, one-year approval of the Early Childhood Institute, subject to approval by the Louisiana Board of Regents.



Board of Supervisors

Request from LSU A&M to Establish the LSU Pre-Engineering Pathway Gold STEM Seal Scholarship

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1, Paragraph L

- 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

LSU A&M is requesting approval to establish a scholarship offered through the Gordon A. Cain Center for STEM Literacy. The scholarship is as follows:

LSU Pre-Engineering Pathway Gold STEM Seal Scholarship

The LSU STEM Pathways provides high school students with the opportunity to enroll in a specialized progression of project-based courses (i.e., pathways) to attain industry-promulgated and valued credentials, university issued certificates of course completion, or dual enrollment credit in order to graduate with either a career-tech diploma or to enhance their university-prep diploma. The four STEM Pathways offered are: pre-engineering, digital design and emergent media, computation, and biomedical sciences. This scholarship coincides with the pre-engineering pathway, where students earn an LSU-issued certificate of course completion towards a Gold STEM diploma seal issued by the Louisiana Department of Education. The purpose of this scholarship is to help grow the program and recruit successful students to LSU.

ELIGIBILITY AND SELECTION

- Incoming freshman who receive a Gold STEM Seal by completing the Pre-Engineering LSU STEM Pathway high school program.
- Student must have earned an overall high school GPA of 3.5.
- Student must have earned an LSU STEM Pathways Course GPA of 3.5.
- Student must have declared an engineering, computer science, or construction management major or intend to pursue a degree in a STEM field at LSU.
- Will be administered by the College of Engineering.
- Number of scholarships awarded will depend on available resources and thus not all eligible students will receive a scholarship. Additional selection criteria may be used to determine awardees.

The Louisiana Board of Elementary and Secondary Education (BESE) has approved the STEM Pathways as Louisiana Jump Start Career Pathway options. This approval allows each school who offers a LSU STEM Certification Pathway course to receive \$476 per student per course. The school is then required to pay an administrative fee to the Gordon A. Cain Center of \$96 per student per course. This fee is used for the administration of the program and updating the curriculum. The administrative fee is the only revenue collected by the program.

3. Review of Business Plan

Not applicable

4. Fiscal Impact

Not applicable

5. Description of Competitive Process

Not applicable

6. Review of Documents

A memo from the Cain Center’s Executive Director requesting the establishment of the LSU Pre-Engineering Pathway Gold STEM Seal Scholarship and the MOU between the College of Engineering and the Cain Center are on file at the LSU Office of Academic Affairs. The Offices of Financial Aid, Budget & Planning, and Accounting Services have all reviewed the proposed scholarship and are in support of its establishment.

7. Parties of Interest

Not applicable

8. Related Transactions

Not applicable

9. Conflicts of Interest

Not applicable

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 A&M to establish the LSU Pre-Engineering Pathway Gold STEM Seal Scholarship.



Board of Supervisors

SECTION B

PROPERTY & FACILITIES COMMITTEE



Board of Supervisors

Request from LSU Health Sciences Center-New Orleans to Approve a Revision to a Prior Authorization to Enter into a Cooperative Agreement and Lease with the LSU Health Foundation, New Orleans to Develop New Student Housing

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1

- 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

The LSU Health Sciences Center-New Orleans (“LSUHSC-NO”) seeks approval by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU Board) to revise an approval enacted at the LSU Board’s January 10, 2020 meeting, authorizing Interim President Galligan, or his designee, to execute a Cooperative Endeavor and Lease Agreement (“CEA”) with the LSU Health Foundation, New Orleans (“Foundation”), who will partner with Provident Group-HSC Properties (“Provident”), a not-for-profit corporation headquartered in Baton Rouge, Louisiana, for construction of a 579 bed student housing facility. The prior January 10, 2020 resolution contained incorrect information relative to “securing all necessary approvals as required by State law and/or local government regulations.” Since the January 10, 2020 Board meeting, the Board of Zoning and Adjustment for the City of New Orleans has approved the construction of the 579 bed student housing facility. Moreover, the incorrect Resolution was attached to the January 10, 2020 Submission, also requiring this revision. LSUHSC-NO now requests that the Interim President be authorized to additionally enter into such other agreements and documents as are necessary to effectuate said CEA Agreement.

3. Review of Business Plan

It is proposed that LSUHSC-NO and the Foundation enter into a 50 year CEA and corresponding ground lease. The Foundation will pay \$1,000 in annual ground lease payments to LSUHSC-NO in return for partnering with Provident to develop 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 student housing facility will be built.

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 is to begin in the winter of 2019 and will require approximately 18 months to complete. Total development costs are estimated at \$98.4 million.

4. Fiscal Impact

LSUHSC-NO will not receive cash-flows from the CEA, but will receive new student housing at no cost to LSUHSC-NO in addition to combined property donations valued at \$2.7 million. Upon retirement of the 40-year tax-exempt bonds, 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.

5. Description of Competitive Process

Not applicable.

6. 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. A draft of the Act of Donation is also attached.

7. Parties of Interest

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the LSU Health Foundation, New Orleans and Provident.

8. Related Transactions

Prior to development, the land will be donated to LSUHSC-NO, as approved by the LSU Board on January 10, 2020. Upon retirement of the tax-exempt bonds, 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.

9. Conflicts of Interest

None.

10. Attachments

- I. LSU Board of Supervisors Meeting, January 10, 2020, Item 5.B.4
- II. Letter from Chancellor Larry Hollier, MD
- III. Draft CEA and Lease Agreement
- IV. Act of Donation

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize the President of Louisiana State University, or designee, to execute a Cooperative Endeavor and Lease Agreement with LSU Health Foundation, New Orleans.

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize the President of Louisiana State University, or designee, to execute an Act of Donation with LSU Health Foundation, New Orleans and to accept from LSU Health Foundation, New Orleans the donation of the immovable property reflected on Exhibit A hereto.

BE IT FURTHER RESOLVED that the President of Louisiana State University, or 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, and to be a party to such other agreements and documents as are necessary to effectuate said Cooperative Endeavor and Lease Agreement, including, but not limited to the Act of Donation by LSU Health Foundation, New Orleans to the LSU Board of Supervisors of the immovable property reflected on Exhibit A hereto and the Ground Sublease Agreement with Provident Group-HSC Properties, Inc., all as he deems to be in the best interest of the Board of Supervisors of LSU.

agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

5.B.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

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 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.

5.B.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

The proposed resolution read as follows:

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.

Mr. Trey Jones, Deputy General Counsel, interjected stating his recommendation to amend the resolution. He cited the resolution was contingent on Provident Group-HSC Properties, Inc. securing all necessary approvals as required by State law and/or local government regulations. He also recommended interim president, Thomas Galligan be recognized in the resolution.

Upon motion by Mr. Yarborough, seconded by Mr. Moore, the Committee voted unanimously to approve the following amended resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Thomas C. Galligan, Jr., Interim 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., contingent on Provident Group-HSC Properties, Inc. securing all necessary approvals as required by State law and/or local government regulations.

BE IT FURTHER RESOLVED that Thomas C. Galligan, Jr., Interim 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.

- 5.B.5. 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

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 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



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

July 22, 2020

Thomas C. Galligan, Jr.
 Interim President
 LSU System Office
 381 West Lakeshore Drive, Room 107
 Baton Rouge, LA 70808

Dear Sir,

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.

The LSU Health Sciences Center-New Orleans ("LSUHSC-NO") seeks approval by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (LSU Board) to revise an approval enacted at the LSU Board's January 10, 2020 meeting, authorizing Interim President Galligan, or his designee, to execute a Cooperative Endeavor and Lease Agreement ("CEA") with the LSU Health Foundation, New Orleans ("Foundation"), who will partner with Provident Group-HSC Properties ("Provident"), a not-for-profit corporation headquartered in Baton Rouge, Louisiana, for construction of a 579 bed student housing facility. The prior January 10, 2020 resolution contained incorrect information relative to "securing all necessary approvals as required by State law and/or local government regulations." Since the January 10, 2020 Board meeting, the Board of Zoning and Adjustment for the City of New Orleans has approved the construction of the 579 bed student housing facility. Moreover, the incorrect Resolution was attached to the January 10, 2020 Submission, also requiring this revision. LSUHSC-NO now requests that the Interim President be authorized to additionally enter into such other agreements and documents as are necessary to effectuate said CEA Agreement, including but not limited to the Ground Sublease Agreement with Provident.

It is proposed that LSUHSC-NO and the Foundation enter into a 50 year CEA and corresponding ground lease. The Foundation will pay \$1,000 in annual ground lease payments to LSUHSC-NO in return for partnering with Provident to development and operate a 597 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 student housing 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 \$98.4 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.

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

ATTACHMENT III

DRAFT - 8/13/2020 3:30 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

DRAFT

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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 Thomas C. Galligan, Jr., the duly authorized Interim 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 located in New Orleans, Louisiana under the supervision and management of LSU.

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; one built in the 1930s and the other 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, it is anticipated that 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 and LSUHSC-NO will also allow the Facilities to be advertised on its website;

WHEREAS, to further facilitate and promote the Facilities, it is anticipated that 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.

“**Additional Rent**” – as defined in Section 4.2. In addition, Additional Rent shall be considered an operating Expense for the purposes of Section 3 of the Ground Sublease and Section 510 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 Borrower Financing Statements, Security Agreement, 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”** - any day other than a Saturday, a Sunday, or a day on which banking institutions in the State of Louisiana, or in the state where the Office of the Trustee is located, are authorized or obligated by law to close, or a day on which the New York Stock Exchange is closed, or a day on which LSU or LSUHSC-NO is authorized to close or is closed.

“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, all Requests for Information (“***RIF***”), submittals and shop drawings 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, and no Contract Documents may be executed or amended in a material way without LSU’s and Foundation’s prior written approvals.

“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, all RIF’s, submittals and shop drawings, 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 Construction obligations relative to the performance of the Series 2020 Project, which Construction Documents require such approval by LSU and/or Foundation as set forth herein, in the Ground Sublease and in the Development Agreement.

“Contractor” - as defined in the Development Agreement to be the ***“General Contractor.”***

“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. Any and all provisions that are contained within the Development Agreement require the prior written approval of the LSU Representative.

“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 September, 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 Delgado Community College, (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” or **“Expenses”** - as defined in the Indenture.

“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, if not the result of willful or negligence action of the Foundation.: (a) act of God, landslide, lightning, earthquake, named storm, flood, tornado, blizzard, fire, explosion, act of a public enemy, war, rebellion, terror, insurrection, epidemic, pandemic, 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 or any order of any Governmental Authority including, but not limited to “stay-at-home” orders.

“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, which term shall include LSU and LSUHSC-NO.

“Governmental Regulations” - any and all laws and statutes, all building, zoning, life safety, and other codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, directives, writs, injunctions, rules, regulations, policies, 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 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.

“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, including but not limited to the giving or withholding of any consent or approval, on behalf of LSU, unless this Agreement specifically requires that such consent or approval be given by a particular individual or by the vote of the LSU Board of Supervisors itself at a regularly scheduled or special meeting. From the Effective Date until the Final Completion Date, the LSU Representative shall be the President, the Interim 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 Permitted Leasehold Mortgage (as defined in the Ground Sublease), (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 the LSU Representative.

“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, which Plans and Specifications are sometimes referred to as **“Drawings and Specifications”** 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, one (1) of which must be a representative of LSU appointed by the President of LSU and one (1) of which must be a representative of LSUHSC-NO appointed by the Chancellor of LSUHSC-NO, 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,” “Remediate” or “Remediated” - 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.

“Remediation Costs” means any and all costs of Remediation of the Property.

“Remediation Fund” - that certain fund defined in the Indenture as the “2020A Remediation Subaccount.”

“Remediation Plan” means that certain Corrective Action Plan for the Property which Remediation Plan shall have received all necessary governmental approvals and shall have been approved by the LSU Representative.

“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 the Development Agreement, as 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 PROPERTY AND STUDENT HOUSING

Section 2.1. LEASE OF PROPERTY. 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 in consideration 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 access, ingress, egress, and passage during the Term to and from all streets and roads, 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 any warranty whatsoever, except as to the limited warranty of peaceful possession set forth in Section 21.6, as to the Property herein leased, all of which warranties are hereby expressly waived and renounced by Foundation, 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 and its approved sublessees and assigns the rights to perform or cause to be performed the Series 2020 Project on the Property subject to the provisions of this Agreement and the Ground Sublease. In addition, LSU hereby grants to the Foundation and its approved sublessees and assigns a temporary nonexclusive servitude over, across, and upon that portion of the Campus as is reasonably necessary for temporary staging during construction, the location and use of which shall require the prior written approval of the LSU Representative, in order to perform the Series 2020 Project in accordance with this Agreement and the Development Agreement. Such temporary and nonexclusive servitude shall include temporary rights of passage and use over such approved areas including “*lay down*” and “*staging*” areas as may be reasonably required to perform the Series 2020 Project. Such rights of passage and use shall terminate upon Final Completion. None of the rights granted in this Section 2.2 shall be granted, transferred, assigned or encumbered without the prior written consent of the LSU Representative.

Section 2.3. SUBLEASE OF PROPERTY TO PROVIDENT GROUP-HSC. The Foundation’s sublease of the Property to Provident Group-HSC, is subject to the provisions of this Agreement and the Ground Sublease, and is supportive of the Series 2020 Project. All terms, conditions, and provisions of the Ground Sublease require the prior written approval of the LSU Representative, and the Ground Sublease may not be executed or amended without the LSU Representative’s prior written approval. LSU acknowledges that the Series 2020 Project is integral to LSUHSC-NO’s goals with respect to advancing academic objectives, strengthening recruitment and retention, and providing convenient residential accommodation for its students, staff and, to the extent rooms are available at the University, physicians, and staff of University Medical Center, and students attending other academic health institutions within the City of New Orleans. As such, LSU acknowledges that the Series 2020 Project serves a legitimate governmental function by supporting LSUHSC-NO in the fulfillment of its fundamental educational and healthcare missions, which missions are of vital interest to the State and are necessary to protect and promote the lives, health, comfort, and general welfare of the people of the State as a whole.

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.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.

Section 4.2. ADDITIONAL RENT. All payments designated in this Agreement as Additional Rent shall be payable by Foundation to LSU within twenty (20) days of receipt by Foundation of the invoice therefor from LSU. In addition, Additional Rent shall constitute an operating Expense for purposes of Section 3 of the Ground Sublease and Section 510 of the Indenture.

ARTICLE V

ARTICLE VI USE OF LAND AND HOUSING FACILITIES

Section 6.1. 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: (a) the Series 2020 Project in accordance with the Plans and Specifications approved by the LSU Representative and as more specifically set forth in the Development Agreement and (b) 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 the LSU Representative. The Ground Lease and the Management Agreement shall provide that the Management Agreement shall terminate ninety (90) days after the LSU Representative gives notice to the Foundation, Provident Group-HSC and the Manager to terminate the Management

Agreement which notice may be given by the LSU Representative for no reason or for any reason whatsoever. 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. Notwithstanding anything to the contrary set forth herein, the Property and Facilities shall only be used for residential housing for Eligible Residents, related storage, and related facilities and ancillary supporting uses, such as (without limitation) management offices, a leasing office, copy machines, common areas, recreational rooms, meeting rooms, workout rooms, utility rooms, lobbies, and parking areas, and for no other use without the prior written consent of the LSU Representative, and without an opinion of Bond Counsel that such use will not jeopardize the tax-exempt status of the Tax-Exempt Bonds, and the acquisition, design, development, construction, equipping and operation of the Facilities or the Property as required for such use.

Section 6.2. 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 and subject to Sections 6.1(k) and 14.1 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. DEMOLITION FUND. Upon termination of this Agreement, either upon the conclusion of the Term or otherwise, at LSU's sole option Foundation shall demolish any and/or all improvements on the Property and return the Property to its condition as of the Effective Date hereof. Foundation shall be obligated to pay or shall cause a third party to pay all costs and expenses related to such demotion and restoration. Foundation may utilize all funds in the "***Demolition Fund***" created by the Indenture to pay such demolition and restoration costs and expenses. Furthermore, Foundation shall deposit into the Demolition Fund no less than ___ percent (___%) of each Rent payment received by Foundation from Provident Group-HSC Properties, Inc. pursuant to the Ground Sublease Agreement until the amount in the Demolition Fund is reasonably expected by the LSU Representative to be no less than \$3.4 Million and No/100 Dollars (\$3,400,000,000.00) as of the date that is fifty (50) years from the Effective Date hereof.

Section 5.4. 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 5.5 COMPLIANCE WITH GOVERNMENTAL REGULATIONS.

Furthermore, Foundation shall comply with and shall obligate its sublessee to 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.

Section 5.6 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 VII
CONSTRUCTION**

Section 7.1. 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 the LSU Representative; (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 Contract Documents and/or the Construction Documents is for LSU's own benefit, cannot be relied upon by any Person including Provident Group-HSC and the Foundation, other than to document LSU's approval under this Agreement and does not change the standard of care as to the preparer of the Contract Documents and/or the Construction Documents, the Construction Documents or any of the contracts related thereto or of the Foundation, Provident Group-HSC or any Contractor, and (iv) the Foundation shall cause Provident Group-HSC to acknowledge and agree in the Ground

Sublease that the Contract Documents and the Construction Documents for the Facilities shall require the prior written approval by the LSU Representative, which contracts and agreements shall not be revised or amended without the prior written approval of the LSU Representative .

LSU hereby acknowledges that full performance by Provident Group-HSC of all its obligations and duties under the Development Agreement and the Ground Sublease, and delivery of the Facilities as Finally Complete pursuant to and in accordance with the terms and provisions of the Development Agreement and the Ground Sublease shall be deemed the satisfaction of Provident Group-HSC's obligations to complete the Construction of the Facility.

(b) ***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 Contract Documents, the Construction Documents and all applicable Governmental Regulations and in accordance with and pursuant to the Development Agreement. The Ground Sublease shall require the LSU Representative's prior written approval of 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 the Ground Sublease 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 Ground Sublease, 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 Ground Sublease, 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 Ground Sublease 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 the LSU Representative, 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 and the Ground Sublease 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 the LSU Representative, 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 Management Agreement, the Development Agreement or any other Contract Document or (4) change the Guaranteed Maximum Price for performance of the Series 2020 Project, reduce the Retainage held by Provident Group-HSC under and defined in the Development Agreement, or reduce the Remediation Fund without the prior written approval by the Foundation after having obtained the prior written consent of the LSU Representative; 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 the LSU Representative, 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 the Ground Sublease or of Provident Group-HSC (if any) or the Developer under the Development Agreement, the Ground Sublease 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 Ground Sublease, the Contract Documents, or Bond Documents or pursuant to any 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 the LSU Representative, 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 the LSU Representative, in each instance, such consent to be given in the Foundation's and in the LSU Representative's sole and unfettered discretion.

(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 and any RIF's, submittals and shop drawings shall be subject to the approval of the Foundation and the LSU Representative.

(x) The Ground Sublease shall contain the obligations of Provident Group-HSC set forth in Paragraph 20.1(g) hereof.

(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 ten (10) Business 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 Ground Sublease, the Subordinate Assignment of Contract Documents and/or 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 and/or the Ground Sublease). 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, and as set forth in Subsection (f) below, (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, and notwithstanding anything set forth in the Ground Sublease or in the Development Agreement, less than thirty (30) days from receipt of any such submission (or not less than ten (10) Business Days in the event of a request to approve a Change Order or less than five (5) Business Days in the event of a Draw Request) 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 or LSU 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 Ground Sublease, and 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, paving, or any other work performed prior to work performed

under the Construction Contract associated with the Property and the Facilities prior to delivery of complete Construction Documents (herein "***Preparatory Work***") 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 forth in this item (vi) 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 and the Ground Sublease and any Preparatory Work must be performed pursuant to a written contract that is fully bonded, and the notice of contract and payment and performance bond attached thereto shall be filed in the records of Orleans Parish before any work on such contracts is scheduled to begin, and a recorded copy shall be promptly furnished to the LSU Representative and the Foundation.

(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 the Ground Sublease. To the extent applicable, any Change Orders permitted under the terms of the Development Agreement that do not require the consent of Provident Group-HSC, shall not require the prior consent of the Foundation or LSU Representative; provided, however, notwithstanding anything to the contrary contained in the Ground Sublease or in the Development Agreement, the LSU Representative's consent shall be required for any Change Orders that materially affect or change the exterior of the Facilities, or that materially reduce the quality of any construction materials and/or workmanship, or that result in a change in the cost of construction of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) or greater.

(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; (iii) 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 in the event of a conflict between LSU's rules and regulations and the Development Agreement, LSU's rules and regulations shall control; 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 One Hundred Twenty Five Percent (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 Ground Sublease, 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; subject to the requirements of Section 14.1 hereof.

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 the LSU Representative: (A) to acknowledge the date of termination of the Ground Sublease, all in recordable form, and/or (B) to convey title to LSU, subject to Section 5.3 and Section 14.1, by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses, but only to the extent such licenses are 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 (except as provided in Section 2.2 hereinabove) 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 the LSU Representative. Any rights, granted hereunder that relate to areas outside of the Property shall terminate upon Final Completion. Furthermore, Provident Group-HSC shall only be deemed to comply with the foregoing sentence as to materials stored offsite and not on property of LSU 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, in the full amount of the Construction Contract, 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 the LSU Representative 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 and the LSU Representative with Monthly Progress Reports (as defined in the Development Agreement), in form and detail reasonably satisfactory to the Foundation and the LSU Representative, 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 and the LSU Representative 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 the LSU Representative, 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 Ground Lease, and/or 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;

(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 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 the Development Agreement, and (iii) so long as Provident Group-HSC enforces the provisions of the Development Agreement in accordance with the terms thereof and so long as Provident is not in default of the Ground Sublease, 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 costs incurred pursuant to the Contract Documents and/or the 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 costs incurred pursuant to the Contract Documents and/or the Construction Documents, and any adverse claim to or Lien upon the Contract Documents and/or the Property and/or the Facilities, and (iii) Provident Group-HSC's obligations set forth in Section 10(s) 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 Contract Documents and/or 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 pursuant to the Development Agreement and the Ground Sublease.

(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

(iii) 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.

(iv) ***Selection of Construction Professionals.*** Subject to LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract, Change Orders, and other Contract Documents, 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, and in the Ground Sublease, provided that the Ground Sublease shall provide that Provident Group-HSC shall comply with and 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 the LSU Representative: (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) in addition to the requirements of 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 the LSU Representative within sufficient time to permit Provident Group-HSC, the Foundation and the LSU Representative to approve or disapprove each Draw Request within five (5) Business Days after receipt thereof by Provident Group-HSC, the Foundation and the LSU Representative and, if such Draw Request is not approved or disapproved by any such party within five (5) Business Days after receipt by Provident Group-HSC, the Foundation and the LSU Representative, 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 the LSU Representative 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 the LSU Representative 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 Design Documents.** 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, 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 construction plans, specifications, and other design documents, 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 any such documents 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, provided, however, any value engineering that might result in substandard quality cannot be implemented without the prior written consent of the LSU Representative.

(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 the LSU Representative a list of Diverse Businesses during each Fiscal Year, which list shall identify as to each Diverse 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.

(cc) ***Design and Construction Oversight of OFPC.*** Notwithstanding the foregoing provisions of this Section 6.1 or any other provision of this Agreement to the contrary, Foundation acknowledges that the Facilities are subject to design and construction oversight of OFPC in accordance with La. R.S. 17:3361(2)(a). As used in this subsection, "***Design and Construction Oversight***" means: (i) the right to review and approve plans and specifications prior to the commencement of construction and to require such changes as may be necessary to comply with applicable building codes, space standards, where appropriate, and standards ensuring quality of construction, and (ii) the right to conduct periodic inspections during construction to ensure that work is being performed in compliance with the approved plans and specifications.

(dd) The LSU Representative's approval of the Plans and Specifications and any other approval given by the LSU Representative pursuant to this Agreement, the Ground Sublessee, or the Development Agreement are given for LSU and/or the LSU Representative and/or LSUHSC-NO's own benefit, cannot be relied upon by any person except to document LSU's approval under the Ground Sublease or the Development Agreement and does not change the standard of care of the preparer of said Plans and Specifications or other document, and such approval cannot be considered approval or acknowledgement that LSU, the LSU Representative or LSUHSC-NO has made any determination that the Plans and Specifications (or any other document) shall comply with all zoning or other Governmental Regulations other than compliance with LSU's Design Standard.

(ee) Damage to Property By Foundation, Provident Group-HSC, Developer Or Any Other Party. The Ground Sublease shall provide that should Foundation, Provident Group-HSC, Developer or any other party acting on behalf of any of said entities damage the parking or drives of any other property of LSU or LSUHSC-NO from its use or access during the Development or Construction of the Facilities, Provident Group-HSC shall immediately repair or cause to be repaired such damage. If Provident Group-HSC fails to make such repairs or fails to commence and continue to diligently make such repairs within thirty (30) days' written notice by Foundation, Foundation shall have the right, but not the obligation, to make such repairs on behalf of Provident Group-HSC, and Provident Group-HSC shall reimburse, or cause to be reimbursed, Foundation for such Expense within thirty (30) days after receiving written demand from Foundation, which amount shall constitute Additional Rent.

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, and to the extent allowed by law and/or Governmental Regulations, 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, and in such event, all such Expenses so expended by LSU shall constitute Additional Rent (as defined in the Ground Sublease) payable by Foundation to LSU as set forth herein, (ii) in accordance with the Ground Sublease and/or 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 as an Expense, 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, and, prior to Final Completion of the Facilities, the Facilities, as applicable, in accordance with the Contract Documents and/or 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 sole 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, at LSU's sole discretion, 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.

(d) 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 the extent allowed by law and/or Governmental Regulations, 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.

(e) LSU acknowledges and agrees that, if all obligations as to Utility Services are fully performed by the Manager and the Developer pursuant to and in 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 recommended by the Associations of College and University Housing Officers - International; provided, however, at all times the Property and Facilities shall be maintained in good order and condition, ordinary wear and tear excepted. All necessary repairs, including interior and exterior, structural and nonstructural, ordinary and extraordinary and foreseen and unforeseen shall be made in a timely manner and shall be consistent with the maintenance standards for similarly situated housing facilities. The Foundation and the LSU Representative shall have the right to review and approve any material changes to the exterior landscaping and façade and integrity of the Facilities, and Provident Group-HSC 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 the LSU Representative, 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 Expense shall constitute Additional Rent (as defined in the Ground Sublease), (iii) if Provident Group-HSC fails to so reimburse the Foundation, then such Expense, 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 standards set forth hereinabove. 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 with 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, and as otherwise provided in this Agreement.

(c) No later than upon execution of this Agreement, Foundation shall require Provident Group-HSC to provide to the LSU Representative a written Maintenance Schedule Plan extending for fifty (50) years from the date of completion of construction of the Facilities, including but not limited to, identification of the years in which certain major maintenance items will be performed, including but not limited to painting, replacement of carpet and flooring, replacement of appliances, furnishings, fitness equipment, roofing, waterproofing and major mechanical.

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, if not in conflict with the Indenture, 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 the LSU Representative, 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 and the LSU Representative 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 the LSU Representative, which approvals are in LSU’s and the LSU

Representative'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 the LSU Representative, Provident Group-HSC shall deliver to the Foundation and the LSU Representative, 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 the LSU Representative, 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 Five Hundred Thousand and No/100 Dollars (\$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 the LSU Representative, 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.

(j) Notwithstanding anything else herein contained, the provisions of the Bond Documents shall control in all respects the receipt, handling and application of any and all Net Insurance Proceeds, it being acknowledged and agreed that the Trustee and any other Permitted Leasehold Mortgages as their respective interests appear, shall have a first and prior security interest therein.

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 twenty (20) 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 indemnify and save the Foundation and LSU harmless from all liability for damages occasioned thereby, and Provident Group-HSC 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 and Expense paid by LSU. If such amounts and Expense 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 amounts and Expense, 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, one (1) of which must be a representative of LSU appointed by the President of LSU and one (1) of which must be a representative of LSUHSC-NO appointed by the Chancellor of LSUHSC-NO, 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 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/or by 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 LSU, or any of their names, symbols, logos, trademarks or other representations of those of its affiliated organizations including any of LSUHSC-NO's or LSU's names, symbols, logos, trademarks or other representations ("**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 the LSU Representative, 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.*** 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 except to the extent of claims, demands and/or causes of action arising out of the negligence of LSU and its employees. 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 the LSU Representative. 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.

Section 11.2. REQUIRED INSURANCE.

(a) **Insurance required of Provident Group-HSC and the Developer.** Unless otherwise consented to 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 Ground Sublease, 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 transferred to insurance carriers via contracts of 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-VII" by the most current rating of A.M. Best Company, Inc.

(ii) Insurance required for the construction and operations phases of the Facilities, including but not limited to builder's risk and business interruption insurance are as set forth in the Ground Sublease, 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, statutory coverage must apply. 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 and on-going 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, the coverage outlined in this Agreement including products and completed operations and on-going operations liability insurance coverage.

(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 (Policy Aggregate Limit)</u>
1. Workers' Compensation	Statutory Limits	Statutory Limits (no aggregate)
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 (each occurrence)	\$2,000,000	\$4,000,000
a. Bodily Injury/Property Damage	\$2,000,000	included
b. Products/Completed Operation	\$2,000,000	included
c. Personal and Advertising Injury	\$1,000,000	included
d. Medical Expense limit (any one person)	\$10,000	N/A
e. Damage to Rented Premises	\$1,000,000	included
5. Umbrella Liability Excess Insurance (follow form)		
Insurance	\$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 Agreement 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, LSUHSC-NO, 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, including completed AND on-going operations, 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 property damage policies obtained pursuant to the Ground Sublease, the Development Agreement and/or the Property Management Agreement 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 non-contributory to any insurance or self-insurance maintained by LSU.

(v) Notice of Cancellation - All policies required herein shall provide Notice of Cancellation in accordance with policy provisions.

(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 and Provident Group HSC 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 and Provident Group HSC 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 shall provide Notice of Cancellation in accordance with policy provisions to the LSU Representative prior to the cancellation thereof. Failure of the Foundation and/or Provident Group HSC 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 and/or the Foundation 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.

(j) **Application of Insurance Proceeds.** Notwithstanding anything contained herein to the contrary, the provisions of the Bond Documents shall control in all respects the receipt, handling and application of any and all Net Insurance Proceeds, it being acknowledged that the Trustee and any other Permitted Leasehold Mortgagee, as their respective interests may appear, shall have a first and prior security interest therein.

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, 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. 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*" 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.

(e) 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.

(f) 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.

(g) A default by a sublessee under the Ground Lease that results in the termination of the Ground Sublease shall be an additional Event of Default by the Foundation under this Agreement.

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) **DEMOLITION FUND.** Upon termination of this Agreement, either upon the conclusion of the Term or otherwise, at LSU's sole option Foundation shall demolish any and/or all improvements on the Property and return the Property to its condition as of the Effective Date hereof. Foundation shall be obligated to pay or shall cause a third party to pay all costs and expenses related to such demotion and restoration. Foundation may utilize all funds in the "***Demolition Fund***" created by the Indenture to pay such demolition and restoration costs and expenses. Furthermore, Foundation shall deposit into the Demolition Fund no less than ___ percent (___%) of each Rent payment received by Foundation from Provident Group-HSC Properties, Inc. pursuant to the Ground Sublease Agreement until the amount in the Demolition Fund is reasonably expected by the LSU Representative to be no less than \$3.4 Million and No/100 Dollars (\$3,400,000,000.00) as of the date that is fifty (50) years from the Effective Date hereof.

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, 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 the LSU Representative, 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 Five Hundred Thousand and No/100 Dollars (\$500,000.00), 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), Foundation shall have sixty (60) days after such advice, at the Foundation'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 condemnation, 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 condemnation had not occurred and without abatement, suspension, diminution or reduction of any kind.

(h) Notwithstanding anything else herein contained, the provisions of the Bond Documents shall control in all respects the receipt, handling and application of any and all Net Condemnation Proceeds, it being acknowledged and agreed that the Trustee and any other Permitted Leasehold Mortgages as their respective interests appear, shall have a first and prior security interest therein.

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 the LSU Board of Supervisors, and any such assignment, transfer, conveyance or sublease made or given without first obtaining the LSU Board of Supervisor's prior written consent shall be null and void ab initio. Notice of any such assignment or transfer shall be furnished promptly to the LSU Representative.

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 the President of Louisiana State University.

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 addressed to LSU or to such other party as LSU shall request certifying to the best of its knowledge (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) the dates to which rent, Annual Rent and other charges including Additional Rent have been paid (c) whether an Event of Default has occurred and is continuing hereunder or under the Ground Sublease (and stating the nature of any such Event of Default) in either this Agreement or the Ground Sublease and 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 any party to be performed (and if so, specifying the same), (d) the dates to which the rent, Annual Rent and other charges including Additional Rent have been paid, and (e) the dates of commencement and expiration of the Term and of 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 or to such other party as Foundation shall request 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 including Additional Rent 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) in the Agreement and 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 the Foundation to be performed (and if so, specifying the same; (d) the dates to which Annual Rent and other charges including Additional Rent have been paid; and (e) the dates of commencement and expiration of the Term, it being

intended that any such statement delivered pursuant to this Section 17.2 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, manage, dispose of, 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, manufactured, stored, handled, transported, managed, or disposed of 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 by any of its developers, managers, assignees, invitees, contractors, subcontractors, or agents; or

(C) The escape, disposal, discharge, or release of any Hazardous Materials generated by Provident Group-HSC.

(b) Provident Group-HSC may permit the Developer and the Manager to handle, transport, manage, 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 any and all disposal of such Hazardous Materials or any other materials occurs offsite, it being expressly understood and agreed that no Hazardous Materials or other materials may be disposed in, on, under,

or about the Series 2020 Project and/or the Property. 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. Provident Group-HSC acknowledges and agrees that LSU and the Foundation shall have the right to enforce the aforementioned obligations directly against Provident and Developer, subject to any rights of the Trustee.

(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, handle, store, use, release, transport, manufacture, dispose, or discharge any Hazardous Materials that are required by any Environmental Law to be Remediated, and specifically excluding any Hazardous Materials that are generated, handled, stored, used, released, transported, manufactured, disposed, or discharged 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 employees, officers or agents, 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 required by any governmental regulatory authority with authority over the remediation of such contaminants. In the event that Provident Group-HSC fails to perform said work after notice from the Foundation or the Louisiana 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 and Expense 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, and/or LSU, 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 Materials as necessary to comply with any Environmental Law or any other Governmental Regulations.

(g) Notwithstanding anything to the contrary set forth in this Agreement, Provident Group-HSC, itself, or through others, agrees to be responsible for and perform Remediation, to the LSU Representative's reasonable satisfaction, of Hazardous Site Conditions existing as of the Effective Date of this Agreement. The expenses of said Remediation shall be paid from the 2020A Remediation Subaccount as that term is defined in the Indenture. In the event there are insufficient funds in the 2020A Remediation Subaccount to pay for said Remediation of Hazardous Site Conditions existing as of the Effective Date of this Agreement, the Ground Sublease shall require that Provident Group-HSC, itself, or through others not a party to this Agreement, shall pay for said Remediation. Terms used in this Section 20.1, if not defined herein, shall be defined as set forth in the Indenture. Furthermore, the Ground Sublease shall provide that, and Foundation shall cause Provident to, deposit proceeds of the Bonds into the 2020 A Remediation Subaccount, as required by the Indenture to be deposited into the 2020 A Remediation Subaccount, sufficient to pay all Remediation Costs incurred for the Remediation of the Property in accordance with the Remediation Plan. This obligation to fund the 2020 A Remediation Subaccount is in addition to any other obligations to Remediate or to pay for any Remediation set forth in this Agreement, the Ground Sublease, the Development Agreement, and/or the Management Agreement.

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 or approvals 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 Nineteenth Judicial District Court, Parish of East Baton Rouge, State 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. LIMITED 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, but subject to zoning and other Governmental Regulations, Permitted Encumbrances, and the terms of this Agreement, 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 the LSU Representative'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. Notwithstanding anything to the contrary, if any, set forth in this Agreement, 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 the Mortgagee and any successor or assignee and any person or entity which acquires the leasehold interest and/or Property pursuant to a foreclosure and including any successor by merger or consolidation.

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 AND APPROVALS. 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 prior written approval or consent of LSU, through the LSU Representative or such other agent or representative of LSU as may be specifically named. Notwithstanding anything in this Agreement or elsewhere to the contrary, to the extent LSU's consent or approval, which terms may be used interchangeably in this Agreement, is required under this Agreement, the Ground Sublease, the Development Agreement, the Management Agreement, or any other document, such consent or approval shall not be unreasonably withheld or delayed, it being acknowledged and agreed that any consent or approval given within ten (10) Business Days (unless some other period of time is expressly provided) shall not be considered unreasonably withheld delayed,. Furthermore, with respect to any consent, approval or other action required by this Agreement to be given or performed by the Board, if the Board acts at its regularly scheduled meeting within forty (40) days of the date on which it received a request for a consent, approval or other action, such consent, approval or other action shall not be considered unreasonably withheld or delayed.

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.

Section 21.21 CONFLICT WITH LOAN AGREEMENT AND INDENTURE. In the event of a conflict between Article XI, Article XV, and Section 8.3 of this Agreement and the

Loan Agreement and in the event of a conflict between Article XI, Article XV, and Section 8.3 of this Agreement and the Indenture, the terms of the Loan Agreement and the Indenture shall prevail. All other articles and sections of this Agreement shall prevail over the Loan Agreement and the Indenture.

Section 21.22 CONFLICT BETWEEN AGREEMENT AND GROUND SUBLEASE. In the event of a conflict between this Agreement and the Ground Sublease, this Agreement shall control.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

DRAFT

[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: Thomas C. Galligan, Jr.
Title: Interim 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.

DRAFT

EXHIBIT A
PROPERTY

LEGAL DESCRIPTION OF PROPERTY

DRAFT

STATE OF LOUISIANA

ATTACHMENT IV

PARISH OF EAST BATON ROUGE

ACT OF DONATION

BE IT KNOWN, that on the dates and in the places hereinafter set forth, before the undersigned Notaries Public, duly commissioned and qualified as set forth below, and in the presence of the undersigned competent witnesses, personally came and appeared

LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana nonprofit corporation, duly organized, validly existing and in good standing under the laws of the State of Louisiana, which is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, represented herein by its authorized representative, Matt Altier, President, pursuant to the authority attached hereto, whose mailing address is: 2000 Tulane Avenue, 4th Floor, New Orleans, Louisiana 70112 (hereinafter referred to as “**Donor**”);

who declared that it does hereby and by these presents now and forever, **AND UNCONDITIONALLY AND IRREVOCABLY**, grant, bargain, set over, assign, donate and deliver in fee simple title, without any warranties whatsoever (except warranty title as to acts by, through or under Seller), and subject to the specific conditions set forth herein, unto:

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, represented herein by its authorized representative, Dr. F. King Alexander, President, pursuant to the authority attached hereto, whose mailing address is: _____, (hereinafter referred to as “**Donee**”);

all of its right, title and interest in the real property described on **Exhibit A** attached hereto, together with (a) all buildings, structures, other constructions and other improvements, if any, presently located thereon and all improvements and fixtures presently attached thereto, if any, and (b) all rights and appurtenances pertaining to such property, including all right, title and interest of Seller, if any, in and to all strips, gores, easements, servitudes, rights of use, privileges, rights-of-way, alleys and rights to lands underlying any adjacent streets or roads, if any (all of the above being referred to collectively as the “**Property**”).

Donee hereby accepts the Property with gratitude and acknowledges delivery and possession of the Property.

The Property is donated by Donor and accepted by Donee. Donor and Donee agree and stipulate that the Property, including any improvements located thereon, shall be transferred in its “as is” present condition, without any representations or warranties, express or implied, whatsoever, as to its physical conditions, including without limitation, as to (a) workmanship, structure, stability and quality of the improvements, (b) the water tightness of the Improvements, including without limitation roofs, walls, doors, and windows, (c) the status, stability and quality

of soil conditions, equipment, stairways, appliances, fixtures and furniture, (d) any defects, termite infestation or damage and any other condition whether latent or discoverable by reasonable inspection, (e) merchantability or fitness for any particular purpose, and (f) the existence of any violation of any applicable laws relating to the environment, including without limitation those pertaining to the Americans with Disabilities Act or to the generation, use, handling, storage, treatment or disposal of hazardous waste or hazardous substances. Donee expressly waives the warranty of fitness and the warranty against redhibitory vices, and physical condition, whether apparent or latent, imposed by applicable state or federal law, and the jurisprudence thereunder. Donee also waives any rights it may have in redhibition pursuant to Louisiana Civil Code Articles 2520 through 2548, inclusive, in connection with the Property. Donee expressly acknowledges all such waivers and its exercise of the right to waive warranty pursuant to Louisiana Civil Code Article 2503.

According to the records of the Sheriff, Orleans Parish, Louisiana, ad valorem taxes on the Property have been paid for the calendar years 2016, 2017 and 2018. Taxes for the current year have been prorated between Donee and Donor based on tax bills for the year 2019. Donee will be responsible for providing the tax assessor for the Parish where the immovable property is located with the address where property tax and assessment notices are to be mailed. As of the date of this donation, such notices will be sent to Donee at the following address: at _____.

The Property is donated subject to instruments of public bearing upon, encumbering or affecting the Property as of the date hereof.

Donor warrants and represents that it has not mortgaged, pledged or assigned its interest in the Property, or placed any other lien against the Property.

It is understood and agreed between the parties that this Act of Donation shall not act as or create any vendor's lien or privilege, nor shall any provision of this Act of Donation create any resolutive condition, right of rescission, stipulation pour autrui, lien or privilege against any of the Property, and to the extent any such vendor's lien or privilege, resolutive condition, right of rescission, stipulation pour autrui or any other lien or privilege may be, or is deemed to be, created by this Act of Donation the parties hereby waive, renounce, cancel and terminate any and all such vendor's liens or privileges, resolutive conditions, rights of rescission, stipulations pour autrui and other liens or privileges.

All parties signing the within instrument have declared themselves to be of full legal capacity. This Act of Donation may be executed in one or more counterparts, each of which shall be deemed an original, and when taken together shall constitute one and the same instrument.

All agreements and stipulations herein and all the obligations herein assumed will inure to the benefit of and be binding upon the heirs, successors and assigns of the respective parties, and Donee, its heirs, successors and assigns, will have and hold the Property in full ownership forever.

All parties hereto take cognizance that no examination of title to the above-described property was requested of the undersigned notaries, and that said parties hereby relieve and release the said Notaries from any and all liability and responsibility in connection therewith.

Should any zoning, planning or other parish ordinance affect this transfer, the parties hereto relieve the Notaries for any responsibility to determine or see to the compliance of these regulations.

The parties hereto agree to dispense with the production of the Conveyance Certificate, Mortgage Certificate and Tax Receipts, and they further agree to exonerate us, said Notaries, from any and all liability in the premises.

(Signature Page Follows)

THUS DONE, SIGNED AND PASSED at _____, _____, on the ___ day of September, 2020, in the presence of me, Notary, and the undersigned competent witnesses, after due reading of the whole.

WITNESSES:

Print Name: _____

Print Name: _____

DONOR:

LSU HEALTH FOUNDATION, NEW ORLEANS, a Louisiana non-profit corporation

By: _____

Name: : _____

Title: : _____

NOTARY PUBLIC

Print Name: _____

Bar/Commission No. _____

My Commission Expires: _____

THUS DONE, SIGNED AND PASSED at _____, _____, on the ____ day of September, 2020, in the presence of me, Notary, and the undersigned competent witnesses, after due reading of the whole.

WITNESSES:

DONEE:

Print Name: _____

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

Print Name: _____

By: _____
Name: _____
Title: _____

NOTARY PUBLIC

Print Name: _____
Bar/Commission No. _____
My Commission Expires: _____

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 in 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 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 Hennessy, Notary Public, dated June 14, 1976.

According to a plan of survey by Coleman Kuhn, Surveyor, dated February 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 CERTAIN LOT OF GROUND, together with all buildings and improvements, appurtenances, and advantages thereto or belonging in or in anywise appertaining, situated in the FIRST DISTRICT of the CITY OF NEW ORLEANS in 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. Morel, Notary Public, dated May 1, 1878, R. Gardner.

And all as more fully shown on survey by Gilber, Kelly & Couturie, Inc., dated November 17, 2018.

The improvements thereon bear the Municipal No. 2127-29 Poydras Street. The Act of Cash Sale is dated July 13th, 2018 and recorded by Chelsey Richard Napoleon, Clerk of Civil District Court, CIN 641292.



Board of Supervisors

SECTION C

LEGAL AFFAIRS COMMITTEE



Board of Supervisors

Request to Clarify Previously Authorized Actions by the President

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article VII, Section 1

Section 1. Matters Requiring Approval by the Board

The following matters shall require approval by the Board, regardless of any delegations of authority otherwise provided for in these Bylaws or the Regulations of the Board. Except as set forth herein, no such matter shall be undertaken or approved by or for any campus or the University without prior review by the President and appropriate University Officers and express, formal approval by the Board.

2. Summary of Matter

Through Board resolution, LSU Board of Supervisors authorized the previous President, F. King Alexander, to execute agreements and fulfill actions as has been the Board custom for a number of years. Some of those delegations of authority required execution activities after January 1, 2020, requiring the Interim President, Thomas C. Galligan, Jr., to complete the tasks and complete documents approved prior to his interim appointment.

It has perceived that the previously approved delegations of authority may be vague as it could be read to delegate the authority to an individual rather than to the office. While that is clearly not the Board's intent, the staff is requesting a clarification that the authority is assigned to the office rather than the individual. To prevent such confusion in the future, Board resolutions prepared by the Secretary will avoid the use of individuals' names unless the resolution specifically requires a person to be identified.

3. Review of Business Plan

N/A

4. Fiscal Impact

N/A

5. Description of Competitive Process

N/A

6. Review of Legal Documents

N/A

7. Parties of Interest

N/A

8. Related Transactions

N/A

9. Conflicts of Interest

N/A

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College clarifies that any delegations conferred to a President prior to January 1, 2020, are now conferred on the President, or a person acting in that capacity, at the time action is required to fulfill the Board's directives.



Board of Supervisors

SECTION D

AUDIT COMMITTEE

Louisiana State University
Office of Internal Audit

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

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Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Multi-Campus

Information Technology (IT) Governance

Audit Initiation:

The Eminere Group was engaged to conduct an enterprise wide Information Technology (IT) Governance Assessment.

Audit Scope and Objectives:

This engagement assessed the current IT governance practices effectiveness and efficiency with comparison to accepted IT governance standards. In particular, the following areas were evaluated:

- Alignment of IT strategies with organizational objectives
- Identification and management of risks
- The value delivered by IT to the organization
- The effective management of critical IT resources
- IT performance measurement, using well-defined and meaningful measurements and metrics

Audit Findings and Recommendations:

This engagement identified 15 areas for improvement in which 14 were considered "high risk." Recommendations were made and prioritized as short term and long term.

Management's Response and Corrective Action Plan:

We are currently working with management to develop a plan of action to address the identified areas for improvement.

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Louisiana State University Health Sciences Center New Orleans (LSUHSC-NO)

Human Resources Benefits

An audit of Human Resources Benefits was initiated as part of the Board approved Audit Plan. During planning, it was noted by management that the controls in place for benefits management may not adequately mitigate risks associated with each process; therefore, a consultative-type engagement was performed to assist management in identifying control weaknesses and opportunities for improvement.

Audit Scope and Objectives:

This consulting engagement was limited to the review of processes and procedures in place for calendar year 2019 for one-time deductions (OTDs), Family Medical Leave Act (FMLA) requests, and leave without pay (LWOP).

Audit Findings and Recommendations:

During the review we documented areas for improvement and made recommendations to address controls.

Management's Response and Corrective Action Plan:

Management agreed with the recommendations and is in the process of implementing controls to mitigate the identified risks.

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Louisiana State University Eunice

IT Security and Awareness

Audit Initiation:

This audit was included on the Board-approved Audit Plan.

Audit Scope and Objectives:

Because of a ransomware incident at LSUE, the objectives of this review focused on the following:

- Determine if LSUE identified deficiencies that may have contributed to the recent ransomware incident
- Identify corrective actions being taken by LSUE to address the identified deficiencies
- Determine whether identified corrective actions sufficiently reduce the risk of recurrence

Audit Findings and Recommendations:

In response to the malware incident in October 2019, the Office of Information Technology at LSUE has identified and begun corrective actions to correct control deficiencies in the following areas:

- Employee on-boarding and IT security awareness training
- E-mail controls
- IT security policies
- Multi Factor Authentication (MFA)
- Virtual Private Network (VPN) access

We recommend that OIT continue with implementation of the planned corrective actions. Further audit testing will be necessary once the corrective actions are fully implemented to determine whether the controls are functioning as expected.

Management's Response and Corrective Action Plan:

Management is in the process of implementing controls and procedures, which they plan to be complete by November 30, 2020.

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Louisiana State University Alexandria

Capital Assets

Audit Initiation:

This audit was included on the Board-approved audit plan.

Audit Scope and Objectives:

The objectives of this audit included an evaluation of the effectiveness of internal controls over moveable capital assets in the areas of existence, safeguarding, disposal, and obsolescence.

The scope of this audit covered LSUA moveable capital assets during the period of July 1, 2018, through June 30, 2019.

Audit Findings and Recommendations:

Based on testing performed we recommend management implement a process to ensure that computers are evaluated for obsolescence regularly and that computers no longer in use are disposed of properly.

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans, which will be complete by January 1, 2021.

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Louisiana State University Shreveport

Capital Assets

Audit Initiation:

This audit was included on the Board-approved audit plan.

Audit Scope and Objectives:

The objectives of this audit included an evaluation of the effectiveness of internal controls over moveable capital assets in the areas of existence, safeguarding, disposal, and obsolescence.

The scope of this audit covered LSUS moveable capital assets during the period of July 1, 2018, through June 30, 2019.

Audit Findings and Recommendations:

Based on the testing that we were able to perform, we noted issues and made recommendations to address the following:

- Implement the property management shared services LSU has available. Including but not limited to:
 - Use of WorkDay Scanning application
 - Automatic integration of asset registration from Workday to the Louisiana Property Assistance Agency (LPAA) Asset Management Platform (AMP)
 - Tracking of assets kept off campus in scanning application
 - Assistance with annual LPAA inventory certification process
 - Yearend reconciliation between WorkDay and AMP

Management's Response and Corrective Action Plan:

Management concurred with our recommendations and is in the process of implementing corrective action plans, which will be complete by June 30, 2021.

Quarterly Audit Summary

Fiscal Year 2020, 4th Quarter

Louisiana State University Health Care Services Division – Lallie Kemp Regional Medical Center (LAKMC)

Management Letter (Louisiana Legislative Auditor)

Audit Initiation:

This external audit was conducted by the Louisiana Legislative Auditor's Office.

Audit Scope and Objectives:

The Louisiana Legislative Auditor's (LLA) Office conducted certain procedures at Louisiana State University Health Care Services Division – LAKMC for the period July 1, 2018, through June 23, 2020. The objective was to evaluate certain controls LAKMC uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition to determining whether management had taken action to correct previous findings dated December 12, 2018.

Controls appeared to be adequate in the procedures performed on selected controls and transactions relating to accounts receivable, pharmacy inventory, net patient services revenue, purchasing card expenses, payroll and personnel expenses and non-payroll expenses.

Management has resolved the prior report findings related to inadequate controls over Outpatient Pharmacy User ID's.



Board of Supervisors

SECTION VII

LSU BOARD BYLAW AMENDMENT



Board of Supervisors

Approval to Amend the LSU Board Bylaws to Address Voting and Establish the Inclusion & Diversity Committee

Date: August 14, 2020

1. Bylaw Citation

Pursuant to Article XI, Amendment or Repeal of Bylaws

New bylaws may be adopted, and bylaws may be amended or repealed, at any meeting of the Board, but no such action shall be taken unless notice of such proposed adoption, amendment, or repeal shall have been given at a previous meeting or notice in writing of the proposed change shall have been served upon each member of the Board at least thirty (30) calendar days in advance of the final vote upon such change, provided, however, that by a vote of two-thirds (2/3) of the entire membership of the Board, the requirement for such notice may be waived at any time.

2. Summary of Matter

The proposed amendment clarifies that for a committee, a majority of those present and voting is the threshold necessary for affirmative action on a motion. The proposal also specifies that the voting threshold is inferior to any state statutes, which is the case for R.S. 42:16, requiring a two-third vote of a constituent body before an executive session may be conducted. This is currently the custom and practice of the LSU Board, but this merely codifies the custom.

The proposal also inserts a new committee, Committee for Inclusion & Diversity, in the order of standing committees. The proposal also re-orders committees in alphabetical order after the Executive Committee.

3. Review of Business Plan

N/A

4. Fiscal Impact

None.

5. Description of Competitive Process

N/A

6. Review of Legal Documents

N/A

7. Parties of Interest

N/A

8. Related Transactions

N/A

9. Conflicts of Interest

None

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the amendments to Article V, Sections 4 through 7, of the Board Bylaws to read as follows:

Section 4. Voting

For voting to occur in a committee, a quorum must be present. All official actions of a committee require a favorable vote of the committee members present and voting, unless law requires approvals requiring different numbers or proportions of votes. Proxy voting is prohibited.

Section 5. Authority of Committees

The authority of committees of the Board shall be subject to these Bylaws and to the policies and direction of the Board.

Section 6. Standing Committees

Unless and until otherwise decided by the vote of a majority of the membership of the Board of Supervisors, the standing committees of the Board shall consist of the committees described below:

Unless and until otherwise decided by the vote of a majority of the membership of the Board of Supervisors, the standing committees of the Board shall consist of the committees described below:

A. Executive Committee

The Chair and the Secretary to the Board shall be the chair and secretary respectively of the Executive Committee. The Chair-Elect and the Immediate Past Chair shall automatically be members of the executive committee. The Chair-Elect of the Board shall perform the duties of the Chair in the absence of the Chair. The Immediate Past Chair shall perform the duties of the Chair in the absence of the Chair and the Chair-Elect. In the event all three such officers are absent from a Board meeting, the committee shall elect a temporary chair from those present to preside over such meeting. The Executive

Committee shall consist of no less than seven (7) members including the Chair of the Board, the Chair-Elect and the Immediate Past Chair, and such other members as the Chair may appoint. 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. It shall be the further duty of the Executive Committee to take such action as may be necessary in the event that any emergency requiring immediate action shall arise between Board meetings. All acts of the Executive Committee shall be submitted to the Board for ratification, or rejection, at its next meeting, except in matters where the Board shall have delegated to the Executive Committee full power to act with respect to any matter. Affirmative action by a majority of the entire membership of the Executive Committee shall be required.

B. Academic and Research Committee

Normally, to this committee shall be referred all matters concerning the long-term academic goals of each campus, implementation strategies, analyses of campus enterprise-wide resources and mission objectives, student achievement issues, the review and approval of academic programs, centers, and institutes to advance the mission of the institution, faculty recruitment and development issues, issues of academic accountability, and the development of incentives for a competitive academic environment. This committee shall also be referred matters relating to the university's role in developing the research enterprise and diversifying the state's economy through the commercial transfer and development of research results. Issues will include research advancement and growth, including basic, applied and clinical research; technology transfer; intellectual property; strategies to maximize educational and economic opportunities; and focusing the university's intellectual capital to solve problems that are specific to or will benefit Louisiana.

C. Affiliated Organizations Oversight Committee

Normally, to this committee shall be referred matters relating to the university's relationship with affiliated organizations. The matters shall include agreements, leases, financials, and any other matters relevant to the relationship of the university to the organizations.

D. Athletic Committee

Normally, to this committee shall be referred matters of policy concerning intercollegiate athletics of the University. In acting upon said matters, the Committee shall have the benefit of the advice and recommendation of the appropriate Athletic Councils.

E. Audit Committee

Normally, to this committee shall be referred matters relating to the University Audit Plan, risk assessment, reviewing both internal and external audit reports, monitoring and auditing financial controls, and reviewing rules and regulations concerning compliance.

F. External Affairs Committee

Normally, to this committee shall be referred matters pertaining to initiatives to enhance the university's overall reputation, mission and strategic objectives. The matters shall include the protection and promotion of the university's brand, updates on communications and branding of the university, and matters involving university communication initiatives. The committee shall also be referred matters pertaining to the coordination, development, and promotion of communication messages on significant policy matters. The committee shall assist in advocating for the needs of the university with various state and federal entities.

G. Finance Committee

Normally, to this committee shall be referred all matters related to administrative, financial and facility matters in support of issues or policies promoted or addressed by other committees. This committee shall develop strategies for revenue enhancement and diversification, expenditure efficiencies, and revenue reallocation. The committee in addition shall devise and coordinate employee benefit packages, oversee administrative operations and regulations, and coordinate facility and fixed asset management planning.

H. Healthcare and Medical Education Committee

Normally, to this committee shall be referred matters concerning the education and training of students, the operation and management of the LSU Health Sciences Centers, including all components of the Health Care Services Division.

I. Inclusion & Diversity

Normally, to this committee shall be referred matters related to inclusion, equity, and diversity in admissions, enrollments, or employment, as well as any associations or relationships involving the University.

J. Legal Affairs Committee

Normally, to this committee shall be referred matters relating to the university's legal and regulatory issues, including current and potential litigation; new or changing laws and regulations that may affect the University; university legal services related to patents, mineral rights, and contract negotiation; sexual harassment and Title IX compliance; and compliance with the Louisiana Code of Governmental Ethics.

K. Property and Facilities Committee

Normally, to this committee shall be referred all matters related to capital improvements, policies of management of all properties of the University, purchase or sale of land, lease or grant of rights in property, construction of buildings and other facilities, and other matters concerning the properties of the University.

Section 7. Special Committees

As the necessity therefore arises, the Chair may create special committees with such functions, powers, and authority as may be determined. Unless otherwise provided in the action creating such a committee, the Chair of the Board shall determine the number of its members and designate the chair and vice-chair thereof. The Chair may also appoint ad hoc committees for special assignments for specified periods of existence not to exceed the completion of the assigned task.

Section 8. Representative on Standing Committees of the Louisiana Board of Regents

In accordance with the provisions of R.S. 17:3399.5, the Chair shall appoint a member of the Board to represent the University on select standing committees of the Louisiana Board of Regents.



Board of Supervisors

SECTION VIII

MEETING MINUTES

BOARD OF SUPERVISORS MEETING | AUGUST 14, 2020

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JUNE 19, 2020

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MINUTES
LSU BOARD OF SUPERVISORS MEETING
University Administration Building Board Room
Louisiana State University
3810 W. Lakeshore Drive, Baton Rouge, LA 70808
MEETING TO BE CONDUCTED TELEPHONICALLY
Friday, June 19, 2020 | Time: 10:00 a.m. CT

Issued June 17, 2020

In order to address the COVID-19 pandemic, Governor John Bel Edwards took measures to protect the public and issued several proclamations pertaining the crowd sizes and public buildings. Due to the continuing state of emergency, the Governor issued Proclamation Number 75, effective between June 5 and June 26, 2020, allowing boards and commissions to meet via electronic means so long as the public could observe and offer input.

The mandates for physical distancing and public safety prevent the LSU Board of Supervisors from meeting in person and with members of the public. As such, the Board will conduct its meeting on June 19, 2020 through electronic means.

The LSU Board of Supervisors will follow its normal procedures by posting the agenda and supporting materials in advance of the meeting on its website. The website will also have instructions for individuals to provide public comment and view the meeting in real time. Information and instructions about the meeting will be posted at: <https://www.lsu.edu/bos/minutes.php>

Thank you in advance for your understanding in these unusual circumstances.

/s/ Jason Droddy

Jason Droddy

Office of the LSU Board of Supervisors

I. 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 through telephonic means on June 19, 2020. Roll was called.

Present

Ms. Mary Werner, Chair
Mr. Robert S. Dampf, Chair-elect
Mr. James Williams, Past Chair
Mr. Glenn Armentor
Mr. Jack "Jay" A. Blossman, Jr.
Mr. Richard Brazzel
Mr. B. Wayne Brown
Ms. Valencia Sarpy Jones
Mr. Lee Mallett
Mr. Rémy Voisin Starns
Mr. Jimmie M. Woods, Sr.

Absent

Mr. Ronnie Anderson
Mr. Blake Chatelain
Mr. James M. Moore, Jr.
Mr. J. Stephen Perry
Mr. Robert "Bobby" Yarborough

Also participating in the meeting were the following: Mr. Thomas Galligan, Interim President of LSU; Mr. Winston DeCuir, General Counsel for LSU; University officers; and, administrators of the campuses; faculty representatives; interested citizens and representatives of the news media.

II. Invocation and Pledge of Allegiance

The invocation was offered by Richala Jackson, LSU Law student and president of the Black Law Students Association. The Pledge of Allegiance was led by Gideon Adeyemo, student leader for the Black Male Leadership Initiative.

III. Oath of Office for Mr. Stone Cox

Ms. Werner administered the Oath of Office to new Board member, Mr. Stone Cox, representing as the student member from LSU A&M.

IV. Public Comment

Governor John Bel Edwards provided remarks stating his support of removing the name "Troy A. Middleton" from the library.

There were 25 individuals registered to public comment, all related to Item 1 of the Academic and Research Committee agenda.

The Board recessed the regular meeting to convene the committee meetings.

V. Committee Meetings

5.A. Academic & Research Committee

The Vice Chair, Mr. Armentor, presided in the absence of Mr. Anderson.

After roll call was recorded, there was no quorum in the Academic Committee. Per the Bylaws, Ms. Werner appointed Mr. Starns to serve on the Academic Committee, giving the Committee a quorum.

5.A.1. Request to Remove Name from University Property

There were two invited guests to share their remarks on the item. First, Mr. Woody Jenkins, friend of the Middleton family, shared his opposition to the item. Ms. Katrina Dunn, president of the LSU A.P. Tureaud Sr. Black Alumni Chapter, shared her support of the item.

Motion by Mr. Starns to amend the following proposed resolution:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College hereby approves the recommendation to remove the name Troy H. Middleton from the main library at LSU A&M.

The amended resolution to include "from the President", which would read as follows:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College hereby approved the recommendation from the President to remove the name Troy H. Middleton from the main library at LSU A&M.

Without objection, the motion carried.

The following Board members followed with their remarks, all of which were in favor of the item: Ms. Jones, Mr. Cox, Mr. Dampf, Mr. Williams, Mr. Woods, and Ms. Werner.

Upon motion by Mr. Williams, and seconded by Ms. Jones, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College hereby approved the recommendation from the President to remove the name Troy H. Middleton from the main library at LSU A&M.

5.A.2. Request from LSU A&M to Establish the Graduate Certificate in Crime Mapping and Geospatial Intelligence Analytics

Upon motion by Mr. Mallett, and seconded by Ms. Jones, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish the Graduate Certificate in Crime Mapping and Geospatial Intelligence Analytics at LSU A&M, subject to approval by the Louisiana Board of Regents.

5.A.3. Request from LSU A&M to Establish the Graduate Certificate in Emerging Information Technologies for Business

Upon motion by Mr. Mallett, and seconded by Ms. Jones, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to establish the Graduate Certificate in Emerging Information Technologies for Business at LSU A&M, subject to approval by the Louisiana Board of Regents.

- 5.A.4. Request from LSU Health Sciences Center - New Orleans for Full, Five-Year Approval of the Center for Evidence-Based Practice in Behavioral Health

Upon motion by Mr. Mallett, and seconded by Mr. Cox, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request from LSU Health Sciences -New Orleans for full, five-year approval of the Center for Evidence-Based Practice in Behavioral Health, subject to approval by the Louisiana Board of Regents.

- 5.A.5. Special Presentation on the Return to Campus and COVID Preparations

Dr. Galligan presented the main campus' plan to return to campus as it relates to the fall semester.

- 5.B. Finance Committee

- 5.B.1. Request to Approve the FY 2020 Supplemental Appropriation and FY 2021 Appropriations

Upon motion by Mr. Brown, and seconded by Mr. Dampf, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (Board) that the Board authorizes the Interim President of LSU Thomas Galligan, or his designee, to act on behalf of the Board in presenting the methodology and distribution of appropriations and related budget information for FY 2021 to the institutions of the University, the Board of Regents, the Governor and his agencies, and the Legislature or its committees as required between meetings of the Board, and hereby delegates all such authority necessary to accomplish such purposes; and

BE IT FURTHER RESOLVED that the actions taken herein constitute approvals of the appropriations, not specific approval of the FY 2021 operating budgets of any budget entity of the University, as required, which remain with the Board or President of LSU, each respectively, pursuant to the Bylaws and as provided by law.

- 5.B.2. Request from LSU A&M to Approve Re-Allocation of University Laboratory School Restricted Tuition to Support General Operating Budget

Upon motion by Mr. Dampf, and seconded by Mr. Brown, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does hereby approve the request to reallocate a portion of tuition revenue, which was initially approved as restricted funds to support the issuance of revenue bonds for construction, not to exceed the amount required for the annual debt service payment, to the University Laboratory School general operating budget.

BE IT FURTHER RESOLVED that the Board of Supervisors authorizes the President to approve annual adjustments to the restricted tuition allocation amounts, as needed to support the general operational efforts and service provided to the students of the University Laboratory School, but not to exceed the amount required for the annual debt service payment.

- 5.B.3. Request from LSU Health Sciences Center in Shreveport to Approve the FY2021 Expenditure of Carroll W. Feist Legacy Funds for the Feist Weiller Cancer Center and to Make Determinations of Acceptable University Purposes

Upon motion by Mr. Brown, and seconded by Mr. Dampf, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby (a) approve the budget request of \$4,346,000 from the Feist Legacy Account for the benefit of the Feist Weiller Cancer Center programs at the LSU Health Sciences Center - Shreveport and (b) that the Board determines that the use of those funds constitute an appropriate and acceptable university purpose.

- 5.B.4. Request from LSU Shreveport to Revise the Athletic Scholarship Policy

Upon motion by Mr. Brown, and seconded by Mr. Dampf, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College ("Board") authorizes the President and/or his designee to approve the revisions of the LSU Shreveport Athletic Scholarship Policy.

- 5.C. Property & Facilities Committee

- 5.C.1. Request from LSU Agricultural Center to Approve a Cooperative Endeavor Agreement for a Rice Mill to be Located in Crowley, La.

Upon motion by Mr. Williams, and seconded by Mr. Brown, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize the President to execute documents related to the cooperative endeavor agreement with Rush Rice Products, LLP, as presented on this day.

BE IT FURTHER RESOLVED, the President, in consultation with the General Counsel, may make minor or technical adjustments to the Cooperative Endeavor Agreement for execution of the agreement that are in the best interest of LSU.

- 5.D. Athletics Committee

- 5.D.1. Request from LSU Shreveport Athletics to Approve Contracts for Phillip Bohn and Kyle Blankenship

Upon motion by Mr. Blossman, and seconded by Mr. Woods, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Phillip Bohn, Head Men’s Soccer Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Kyle Blankenship, Head Coach of Men’s Basketball, as presented on June 19, 2020.

5.D.2. Request from LSU Athletics to Approve Multiple Coaching Contracts

Upon motion by Mr. Brown, and seconded by Mr. Blossman, the Committee recommended this resolution for Board approval:

NOW, THEREFORE, BE IT RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Bill Armstrong, Men’s Basketball Assistant Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Andy Brandi, CoHead Men’s Tennis Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Chris Brandi, CoHead Men’s Tennis Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Russell Brock, Head Beach Volleyball Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Dave Geyer, Head Swimming Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Steve Mellor, Assistant Coach for Swimming & Diving, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Kevin Nickelberry, Men’s Basketball Assistant Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Garrett Reunion, Head Women’s Golf Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Julia Sell, Co-Head Women’s Tennis Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Michael Sell, CoHead Women’s Tennis Coach, as presented on June 19, 2020.

BE IT FURTHER RESOLVED the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (“Board”) hereby approves the contract for Doug Shaffer, Head Diving Coach, as presented on June 19, 2020.

Mr. Armentor added remarks regarding the naming of the court in the PMAC in honor of former coach, Dale Brown.

5.E. Audit Committee

5.E.1. Request to Approve the FY2021 Audit Plan

Chad Brackin, Chief Auditor presented the FY2021 Audit Plan. He asked the Board for approval.

Upon motion by Mr. Starns, and seconded by Mr. Dampf, the Committee recommended the plan for Board approval.

VI. Reconvene Board Meeting

After adjournment of the Committee Meetings, the Regular Board Meeting was called back to order.

VII. Approval of Minutes from May 22, 2020

Upon motion by Mr. Woods, seconded by Mr. Dampf, the Board voted unanimously to approve the minutes of the Board meeting held on May 22, 2020.

VIII. Personnel Actions Requiring Board Approval

There were no personnel actions presented before the Board

IX. Reports from Council of Staff Advisors and Council of Faculty Advisors

Due to our format for this meeting the Council of Staff Advisors provided their report in writing, which included: all campuses reported staff is working toward returning to work; continued conversations surrounding diversity and inclusion; LSUA working toward the 60th Anniversary celebration.

X. President’s Report

Prior to his report, President Galligan allowed the Chancellors to report the plan of return and/or continuation for their respective campuses.

The President reported on the following topics: student involvement on social issues; LSU’s commitment on diversity and inclusion; the return to campus plan; update on governmental relations; recruitment, enrollment and retention at the main campus; COVID research efforts by campus; accolades of faculty, staff, students and campuses.

XI. Reports to the Board

There were three reports provided to the Board for approval: Combined 2nd Quarter Summary, LSU FY 2019-2020 Quarterly Investment Report for Quarter Ending March 31, 2020, and 3rd Quarter Informational Report.

Upon motion by Mr. Armentor, seconded by Mr. Dampf, the reports were unanimously approved.

XII. Committee Reports

Ms. Werner stated she would entertain motions from the full Board to approve each item from the Committee meetings.

Upon motion by Ms. Jones, seconded by Mr. Williams, the resolutions of the Academic and Research Committee were approved without objection.

Upon motion by Mr. Blossman, seconded by Mr. Dampf, the resolutions of the Finance Committee were approved without objection.

Upon motion by Mr. Woods, seconded by Ms. Jones, the resolutions of the Property and Facilities Committee were approved without objection.

Upon motion by Ms. Jones, seconded by Mr. Armentor, the resolutions of the Athletics Committee were approved without objection.

Upon motion by Mr. Armentor, seconded by Mr. Starns, the resolution of the Audit Committee was approved without objection.

XIII. Chair's Report

Ms. Werner reported on the following topics: contribution by Louisiana against COVID; plans for the continuation of diversity and inclusion at all campuses.

XIV. Adjournment

Ms. Werner reported that the next meeting will be in August, with the type of meeting – virtual or in-person – being unknown.

Without objection, a motion to conclude the meeting was made by Mr. Armentor, seconded by Mr. Brown.



Board of Supervisors

SECTION XII

REPORTS TO THE BOARD



Board of Supervisors

2021 BOARD MEETING SCHEDULE

MEETING DATE	LOCATION	MEETING TIME	AGENDA ITEM SUBMISSION DEADLINE
January 15, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	December 15, 2020
March 5, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	February 5, 2021
April 30, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	March 30, 2021
June 18, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	May 18, 2021
August 6, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	July 6, 2021
September 17, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	August 17, 2021
October 29, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	September 29, 2021
December 10, 2021	LSU University Administration Building Baton Rouge	10:00 a.m. CT	November 10, 2021

LSU
Deposit and Collateral Report
For the Quarter Ended June 30, 2020

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
LSU A&M, LSU Alexandria, LSU Eunice, LSU Shreveport, and LSU Health New Orleans				
Chase - LSU, Health Plan Premium	\$ 157,662,699		\$ 157,662,699	\$ 189,328,019
Cottonport Bank-LSU Ag Center	1,309,010		1,309,010	1,430,868
Capital One - LSU-A	1,325,698		1,325,698	1,325,698
St. Landry Bank - LSU-E	376,064		376,064	703,847
Campus Federal Credit Union - LSU-S		\$ 100,413	100,413	250,000
Capital One (Hibernia National Bank) - LSU-S	42,414,807		42,414,807	43,008,103
Chase-HSCNO	30,222,747	18,600	30,241,347	99,034,997
Total	\$ 233,311,025	\$ 119,013	\$ 233,430,038	\$ 335,081,532
LSU Health Shreveport				
JPMC-Shreveport	\$ 65,852,590		\$ 65,852,590	\$ 92,350,000
JPMC-Shreveport Endowment Fds	1,428,396		1,428,396	
Total	\$ 67,280,986	\$ -	\$ 67,280,986	\$ 92,350,000
LSU Health Care Services Division				
JP Morgan Chase (HCSD)	\$ 75,956,467		\$ 75,956,467	\$ 82,250,000
Capital One (MCLNO Trust Fund)	4,798,073		4,798,073	4,893,610
Total	\$ 80,754,540	\$ -	\$ 80,754,540	\$ 87,143,610
Total Requiring Collateral	\$ 381,346,551	\$ 119,013	\$ 381,465,564	\$ 514,575,142
Deposits In Trust or Federal Obligations Not Requiring Collateral				
Federated Money Markets	\$ 8,892,074		\$ 8,892,074	
Federated Funds-Treas. Oblig. (2)	22,527,598		22,527,598	
Total	\$ 31,419,672	\$ -	\$ 31,419,672	
Total Deposits	\$ 412,766,223	\$ 119,013	\$ 412,885,236	

(1) Collateral amounts include FDIC coverage of \$250,000 on Demand Deposits, \$250,000 on CD's and \$250,000 by the National Credit Union Share Insurance Fund on deposits with Campus Federal Credit Union.

(2) One Group & Federated Funds are no-load, open ended mutual funds investing in U.S. Treasury obligations.

LSU
Investment Summary
For the Quarter Ended June 30, 2020

Fund Description	As of 7/1/2019	As of 9/30/2019		As of 12/31/2019		As of 3/31/2020		As of 06/30/2020	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
Current Funds									
Cash/Sweeps	\$306,865,611	\$433,998,088	\$433,998,088	\$323,677,143	\$323,677,143	\$460,774,089	\$460,774,089	\$375,120,082	\$375,120,082
Money Market Accounts/Repos (A)	\$0	\$3,584,799	\$3,584,799	\$4,971,472	\$4,971,472	\$12,947,030	\$12,947,030	\$0	\$0
Certificates of Deposit	\$100,364	\$100,364	\$100,364	\$100,353	\$100,353	\$100,349	\$100,349	\$100,413	\$100,413
Treasury Notes	\$21,227,616	\$24,248,173	\$25,076,720	\$26,315,466	\$27,045,469	\$32,516,052	\$34,117,320	\$32,554,580	\$34,083,826
Agency Securities (B)	\$126,643,680	\$106,921,423	\$107,507,611	\$88,146,816	\$87,974,002	\$59,294,365	\$60,481,177	\$51,763,246	\$54,110,875
Mortgaged Backed Securities	\$21,114,859	\$20,134,112	\$20,172,349	\$18,144,630	\$18,103,391	\$44,296,721	\$44,970,295	\$42,053,133	\$42,826,102
Equity Securities (C)	\$76,045	\$0	\$72,202	\$0	\$78,035	\$0	\$46,803	\$0	\$55,912
Bond Mutual Funds	\$44,637,463	\$46,697,531	\$44,946,666	\$46,697,531	\$45,054,888	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$71,084,957	\$85,629,362	\$84,109,370	\$89,832,775	\$87,094,598	\$109,137,709	\$107,326,407	\$117,524,424	\$118,337,558
Corporate Bonds (D)	\$182,155,503	\$181,683,271	\$184,810,343	\$196,587,679	\$199,478,635	\$181,917,728	\$181,288,923	\$152,202,645	\$159,589,112
Total	\$773,906,098	\$902,997,123	\$904,378,512	\$794,473,865	\$793,577,986	\$914,867,303	\$915,793,150	\$784,662,063	\$797,513,403
Endowment Funds									
Cash/Sweeps	\$2,155,226	\$1,608,982	\$1,608,982	\$1,492,752	\$1,492,752	\$1,444,752	\$1,444,752	\$1,428,396	\$1,428,396
Money Market Accounts/Repos (A)	\$0	\$1,319,073	\$1,319,073	\$1,028,658	\$1,028,658	\$926,083	\$926,083	\$36,872	\$36,872
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600
Agency Securities (B)	\$2,458,460	\$2,060,880	\$2,066,080	\$2,060,880	\$2,048,155	\$549,305	\$599,600	\$1,315,805	\$1,380,320
Mortgaged Backed Securities	\$2,061,535	\$1,763,865	\$1,801,620	\$1,759,270	\$1,774,993	\$1,507,120	\$1,601,664	\$1,502,541	\$1,608,820
Equity Securities (C)	\$11,033,662	\$2,313,179	\$9,649,612	\$5,237,760	\$10,299,635	\$5,144,962	\$8,400,969	\$5,273,918	\$9,965,087
Mutual Funds	\$62,469,830	\$57,440,989	\$63,561,655	\$58,316,169	\$65,706,042	\$58,987,652	\$60,679,801	\$59,756,669	\$67,050,161
Municipal Bonds (E)	\$3,160,443	\$3,144,095	\$3,184,648	\$3,151,660	\$3,151,660	\$2,993,128	\$3,067,348	\$2,704,715	\$2,769,136
Corporate Bonds (D)	\$9,703,121	\$10,847,437	\$11,139,224	\$10,847,437	\$11,144,007	\$10,352,237	\$10,246,412	\$8,155,903	\$8,780,099
Total	\$93,060,877	\$80,517,100	\$94,349,494	\$83,905,621	\$96,664,502	\$81,923,839	\$86,985,229	\$80,193,419	\$93,037,491
Other Funds									
Cash/Sweeps	\$4,042,419	\$4,193,473	\$4,193,473	\$4,572,877	\$4,572,877	\$4,722,042	\$4,722,042	\$4,798,073	\$4,798,073
Money Market Accounts/Repos (A)	\$32,544,793	\$10,393,745	\$10,393,745	\$16,353,955	\$16,353,955	\$9,212,958	\$9,212,958	\$31,382,800	\$31,382,800
Agency Securities (B)	\$644,873	\$625,500	\$650,631	\$0	\$0	\$0	\$0	\$0	\$0
Equity Securities (C)	\$380,085	\$0	\$350,226	\$0	\$346,109	\$0	\$188,331	\$0	\$221,811
Total	\$37,612,170	\$15,212,718	\$15,588,075	\$20,926,832	\$21,272,941	\$13,935,000	\$14,123,331	\$36,180,873	\$36,402,684
Grand Total	\$904,579,145	\$998,726,941	\$1,014,316,081	\$899,306,318	\$911,515,429	\$1,010,726,142	\$1,016,901,710	\$901,036,355	\$926,953,578
Deposits in Financial Institutions									
Total Cash/Sweeps/MMA/Repos	\$345,608,049	\$455,098,160	\$455,098,160	\$352,096,857	\$352,096,857	\$490,026,954	\$490,026,954	\$412,766,223	\$412,766,223
Total Certificates of Deposit	\$118,964	\$118,964	\$118,964	\$118,953	\$118,953	\$118,949	\$118,949	\$119,013	\$119,013
Total Deposits	\$345,727,013	\$455,217,124	\$455,217,124	\$352,215,810	\$352,215,810	\$490,145,903	\$490,145,903	\$412,885,236	\$412,885,236
Other Investments									
Treasury Notes	\$21,227,616	\$24,248,173	\$25,076,720	\$26,315,466	\$27,045,469	\$32,516,052	\$34,117,320	\$32,554,580	\$34,083,826
Agency Securities (B)	\$129,747,013	\$109,607,803	\$110,224,322	\$90,207,696	\$90,022,157	\$59,843,670	\$61,080,777	\$53,079,051	\$55,491,195
Mortgaged Backed Securities	\$23,176,394	\$21,897,977	\$21,973,969	\$19,903,900	\$19,878,384	\$45,803,841	\$46,571,959	\$43,555,674	\$44,434,922
Equity Securities (C)	\$11,489,792	\$2,313,179	\$10,072,040	\$5,237,760	\$10,723,779	\$5,144,962	\$8,636,103	\$5,273,918	\$10,242,810
Bond Mutual Funds	\$44,637,463	\$46,697,531	\$44,946,666	\$46,697,531	\$45,054,888	\$0	\$0	\$0	\$0
Mutual Funds	\$62,469,830	\$57,440,989	\$63,561,655	\$58,316,169	\$65,706,042	\$58,987,652	\$60,679,801	\$59,756,669	\$67,050,161
Municipal Bonds (E)	\$74,245,400	\$88,773,457	\$87,294,018	\$92,976,870	\$90,246,258	\$112,130,837	\$110,393,755	\$120,229,139	\$121,106,694
Corporate Bonds (D)	\$191,858,624	\$192,530,708	\$195,949,567	\$207,435,116	\$210,622,642	\$192,269,965	\$191,535,335	\$160,358,548	\$168,369,211
Total Other	\$558,852,132	\$543,509,817	\$559,098,957	\$547,090,508	\$559,299,619	\$520,580,239	\$526,755,807	\$488,151,119	\$514,068,342
Grand Total	\$904,579,145	\$998,726,941	\$1,014,316,081	\$899,306,318	\$911,515,429	\$1,010,726,142	\$1,016,901,710	\$901,036,355	\$926,953,578
LSU Paid Campuses									
Current Funds									
Cash/Sweeps	\$145,091,212	\$281,630,732	\$281,630,732	\$167,349,897	\$167,349,897	\$298,744,561	\$298,744,561	\$233,311,025	\$233,311,025
Money Market Accounts/Repos (A)	\$0	\$3,584,799	\$3,584,799	\$4,971,472	\$4,971,472	\$12,947,030	\$12,947,030	\$0	\$0
Certificates of Deposit	\$100,364	\$100,364	\$100,364	\$100,353	\$100,353	\$100,349	\$100,349	\$100,413	\$100,413
CMO's	\$0	\$0	\$0	\$0	\$0	\$13,883,260	\$13,740,757	\$13,343,540	\$13,289,523
Agency Securities (B)	\$118,806,417	\$101,418,244	\$102,014,148	\$85,895,728	\$85,726,292	\$53,144,200	\$54,366,700	\$45,294,522	\$47,010,006
Mortgaged Backed Securities	\$21,073,826	\$20,091,807	\$20,131,885	\$18,102,737	\$18,063,391	\$44,255,249	\$44,930,970	\$42,039,685	\$42,813,155
Equity Securities (C)	\$76,045	\$0	\$72,202	\$0	\$78,035	\$0	\$46,803	\$0	\$55,912
Bond Mutual Funds	\$44,637,463	\$46,697,531	\$44,946,666	\$46,697,531	\$45,054,888	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$56,657,029	\$75,176,005	\$73,582,342	\$81,507,614	\$78,732,379	\$101,436,079	\$99,575,181	\$110,047,688	\$110,753,126
Corporate Bonds (D)	\$158,183,933	\$158,430,493	\$160,716,063	\$171,250,270	\$173,350,765	\$151,701,234	\$150,164,423	\$121,981,072	\$127,532,047
Total	\$544,626,289	\$687,129,975	\$686,779,201	\$575,875,602	\$573,427,472	\$676,211,962	\$674,616,774	\$566,117,945	\$574,865,207
Endowment Funds									
Money Market Accounts/Repos (A)	\$0	\$1,319,073	\$1,319,073	\$1,028,658	\$1,028,658	\$926,083	\$926,083	\$36,872	\$36,872
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600
Agency Securities (B)	\$2,458,460	\$2,060,880	\$2,066,080	\$2,060,880	\$2,048,155	\$549,305	\$599,600	\$1,315,805	\$1,380,320
Mortgaged Backed Securities	\$2,061,535	\$1,763,865	\$1,801,620	\$1,759,270	\$1,774,993	\$1,507,120	\$1,601,664	\$1,502,541	\$1,608,820
Equity Securities (C)	\$11,015,092	\$2,305,529	\$9,629,843	\$5,230,110	\$10,279,693	\$5,137,312	\$8,384,093	\$5,266,268	\$9,948,283
Municipal Bonds	\$3,160,443	\$3,144,095	\$3,184,648	\$3,144,095	\$3,151,660	\$2,993,128	\$3,067,348	\$2,704,715	\$2,769,136
Corporate Bonds (D)	\$9,703,121	\$10,847,437	\$11,139,224	\$10,847,437	\$11,144,007	\$10,352,237	\$10,246,412	\$8,155,903	\$8,780,099
Total	\$28,417,251	\$21,459,479	\$29,159,088	\$24,089,050	\$29,445,766	\$21,483,785	\$24,843,800	\$19,000,704	\$24,542,130
Other Funds									
Money Market Accounts/Repos (A)	\$23,776,969	\$1,579,236	\$1,579,236	\$7,501,788	\$7,501,788	\$329,352	\$329,352	\$22,490,726	\$22,490,726
Agency Securities (B)	\$644,873	\$625,500	\$650,631	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$24,421,842	\$2,204,736	\$2,229,867	\$7,501,788	\$7,501,788	\$329,352	\$329,352	\$22,490,726	\$22,490,726
Grand Total	\$597,465,382	\$710,794,190	\$718,168,156	\$607,466,440	\$610,375,026	\$698,025,099	\$699,789,926	\$607,609,375	\$621,898,063

LSU
Investment Summary
For the Quarter Ended June 30, 2020

Fund Description	As of 7/1/2019	As of 9/30/2019		As of 12/31/2019		As of 3/31/2020		As of 06/30/2020	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
LSU Health Shreveport									
Current Funds									
Cash/Sweeps S.	\$89,889,498	\$70,683,655	\$70,683,655	\$46,996,658	\$46,996,658	\$60,648,335	\$60,648,335	\$65,852,590	\$65,852,590
Cash/Sweeps	\$89,889,498	\$70,683,655	\$70,683,655	\$46,996,658	\$46,996,658	\$60,648,335	\$60,648,335	\$65,852,590	\$65,852,590
Money Market Accounts/Repos (A)									
Treasury Notes (B)	\$21,227,616	\$24,248,173	\$25,076,720	\$26,315,466	\$27,045,469	\$32,516,052	\$34,117,320	\$32,554,580	\$34,083,826
Agency Securities (B)	\$7,837,263	\$5,503,179	\$5,493,463	\$2,251,088	\$2,247,710	\$6,150,165	\$6,114,477	\$6,468,724	\$7,100,869
Mortgaged Backed Securities (B)	\$41,033	\$42,305	\$40,464	\$41,893	\$40,000	\$41,472	\$39,325	\$13,448	\$12,947
Municipal Bonds (E)	\$14,427,928	\$10,453,357	\$10,527,028	\$8,325,161	\$8,362,219	\$7,701,630	\$7,751,226	\$7,476,736	\$7,584,432
Corporate Bonds (D)	\$23,971,570	\$23,252,778	\$24,094,280	\$25,337,409	\$26,127,870	\$30,216,494	\$31,124,500	\$30,221,573	\$32,057,065
Total	\$157,394,908	\$134,183,447	\$135,915,610	\$109,267,675	\$110,819,926	\$137,274,148	\$139,795,183	\$142,587,651	\$146,691,729
Endowment Funds									
Cash/Sweeps	\$2,155,226	\$1,608,982	\$1,608,982	\$1,492,752	\$1,492,752	\$1,444,752	\$1,444,752	\$1,428,396	\$1,428,396
Equity Securities (C)	\$18,570	\$7,650	\$19,769	\$7,650	\$19,942	\$7,650	\$16,876	\$7,650	\$16,804
Mutual Funds	\$62,469,830	\$57,440,989	\$63,561,655	\$58,316,169	\$65,706,042	\$58,987,652	\$60,679,801	\$59,756,669	\$67,050,161
Total	\$64,643,626	\$59,057,621	\$65,190,406	\$59,816,571	\$67,218,736	\$60,440,054	\$62,141,429	\$61,192,715	\$68,495,361
Grand Total	\$222,038,534	\$193,241,068	\$201,106,016	\$169,084,246	\$178,038,662	\$197,714,202	\$201,936,612	\$203,780,366	\$215,187,090
LSU HCSD									
Current Funds									
Cash/Sweeps	\$71,884,901	\$81,683,701	\$81,683,701	\$109,330,588	\$109,330,588	\$101,381,193	\$101,381,193	\$75,956,467	\$75,956,467
Total	\$71,884,901	\$81,683,701	\$81,683,701	\$109,330,588	\$109,330,588	\$101,381,193	\$101,381,193	\$75,956,467	\$75,956,467
Other Funds									
Cash/Sweeps	\$4,042,419	\$4,193,473	\$4,193,473	\$4,572,877	\$4,572,877	\$4,722,042	\$4,722,042	\$4,798,073	\$4,798,073
Money Market Accounts/Repos (A)	\$8,767,824	\$8,814,509	\$8,814,509	\$8,852,167	\$8,852,167	\$8,883,606	\$8,883,606	\$8,892,074	\$8,892,074
Equity Securities (C)	\$380,085		\$350,226		\$346,109		\$188,331		\$221,811
Total	\$13,190,328	\$13,007,982	\$13,358,208	\$13,425,044	\$13,771,153	\$13,605,648	\$13,793,979	\$13,690,147	\$13,911,958
Grand Total	\$85,075,229	\$94,691,683	\$95,041,909	\$122,755,632	\$123,101,741	\$114,986,841	\$115,175,172	\$89,646,614	\$89,868,425
System Total	\$904,579,145	\$998,726,941	\$1,014,316,081	\$899,306,318	\$911,515,429	\$1,010,726,142	\$1,016,901,710	\$901,036,355	\$926,953,578

* Negative balance in the cash/Sweeps section of the current funds does not represent an actual negative bank balance, rather it represents a timing difference of the allocation of the current funds.

** Small endowment funds at LSUS were moved to the LSUS Foundation to accommodate Workday

*** LSU Paid Campuses include the following: LSU, LSU Ag Center, LSUA, LSUE, LSUS, LSU Health New Orleans, and the LSU Pennington Biomedical Research Center.

BENCHMARK NOTES (Example Only)

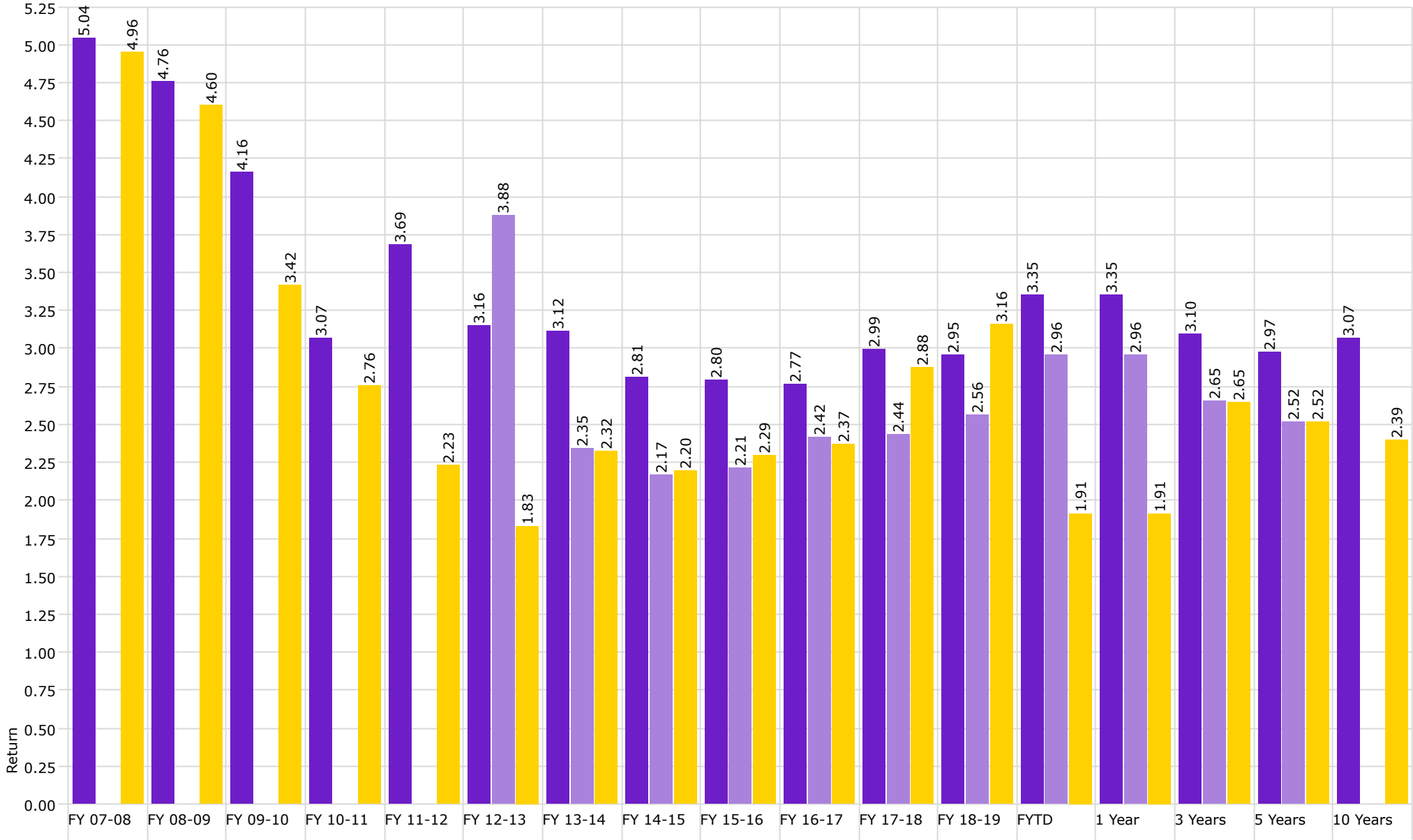
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging market
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

Disclaimer: Pursuant to PM-9, corporate bonds/notes only available for investment beginning 7-1-2011
Louisiana law provides for restrictions on maturity and allocation and may effect benchmark comparison:



Investment Management Program Non Endowed Accounts **Realized Yield**

As of 6/30/2020



■ Non Endowed

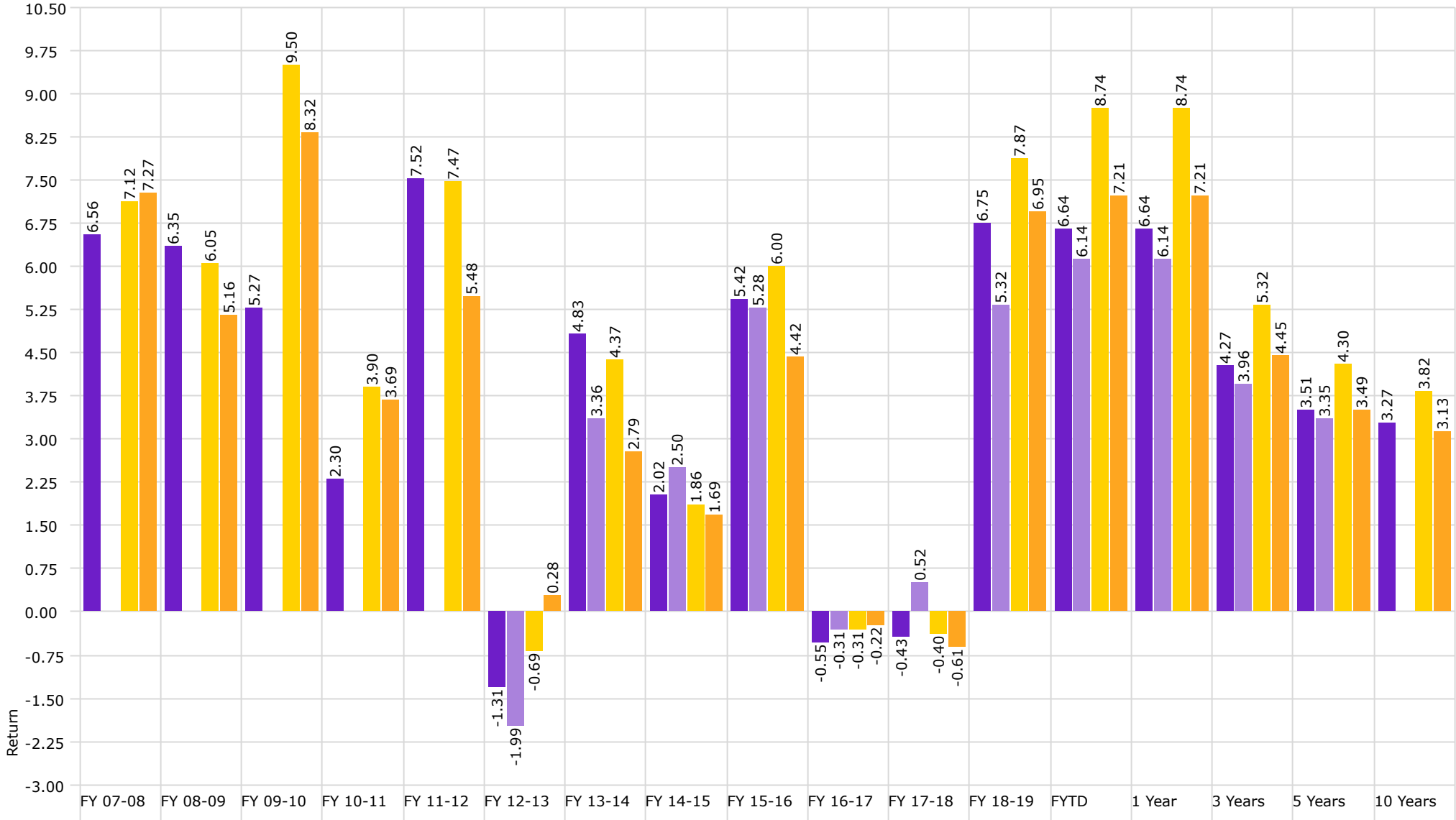
■ Health Plan

■ Barclays Aggregate Bond Index



Investment Management Program Non Endowed Accounts **Total Return**

As of 6/30/2020



■ Non Endowed

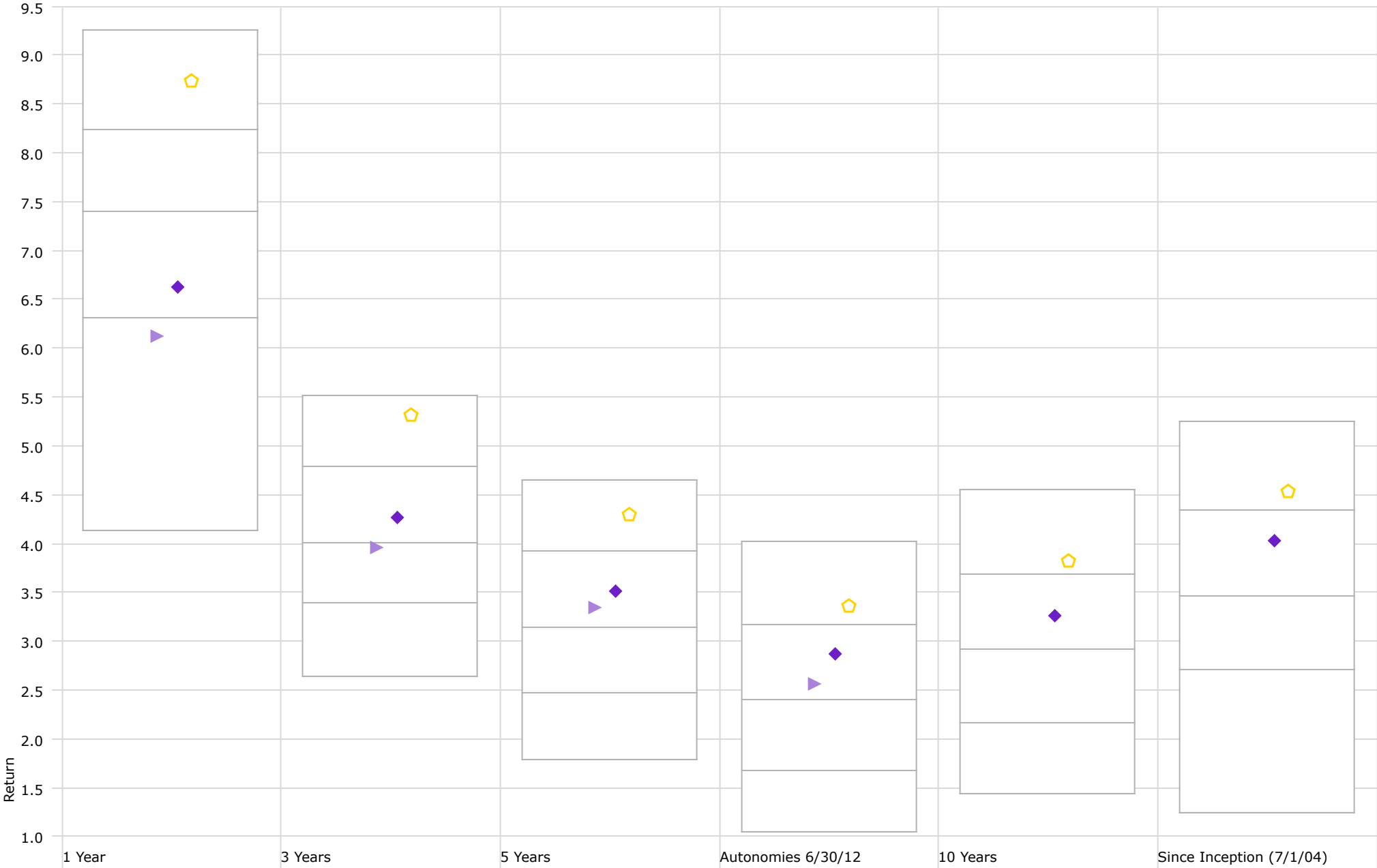
■ Health Plan

■ Barclays Aggregate Bond Index

■ BBgBarc US Gov/Corp Intermediate TR USD

Performance Relative to Peer Group

Peer Group (5-95%): All Managed Investments - U.S. - Intermediate Core Bond



◆ Non Endowed

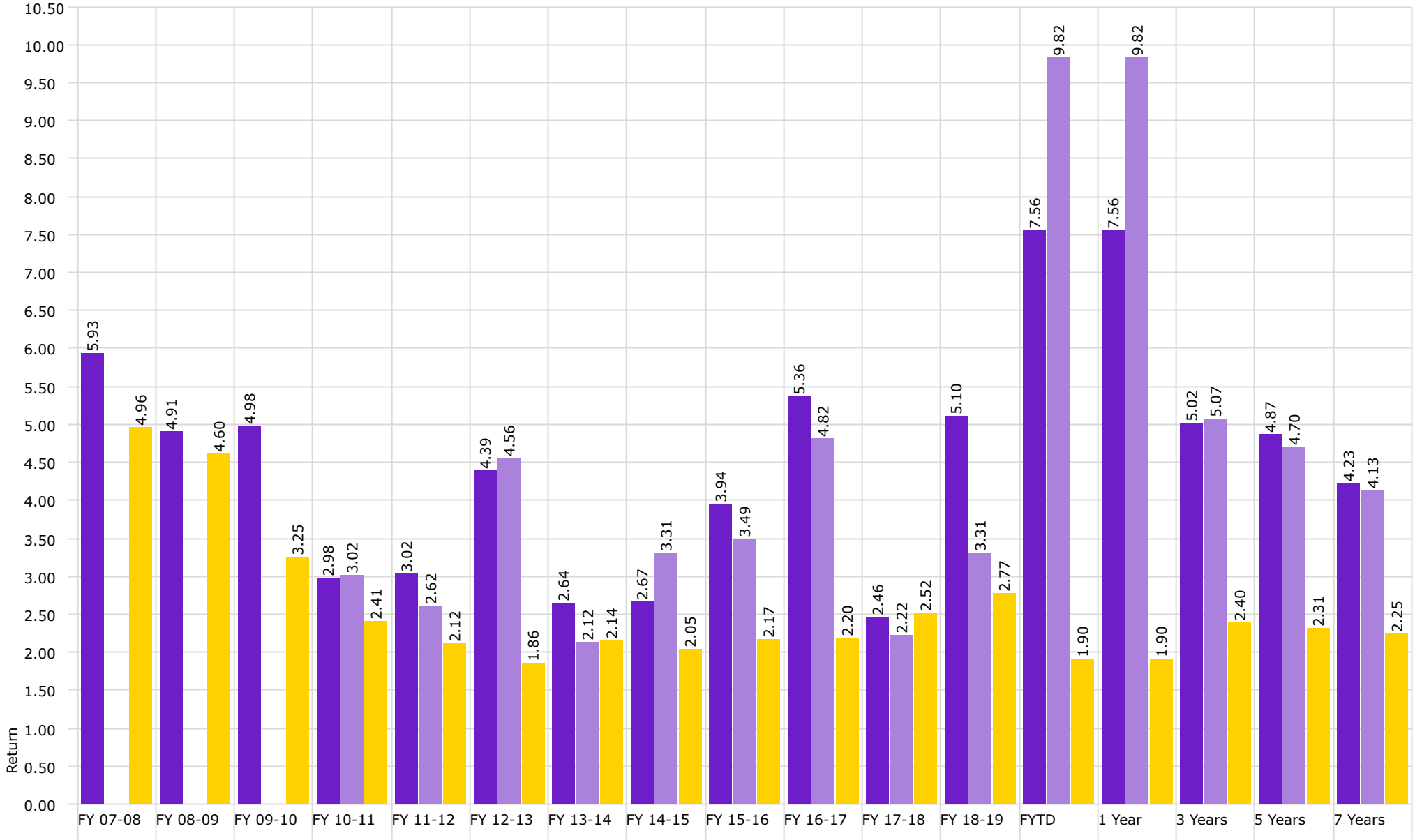
▶ Health Plan

⬠ Barclays Aggregate Bond Index



Investment Management Program Endowed Accounts **Realized Yield**

As of 6/30/2020



■ Endowment

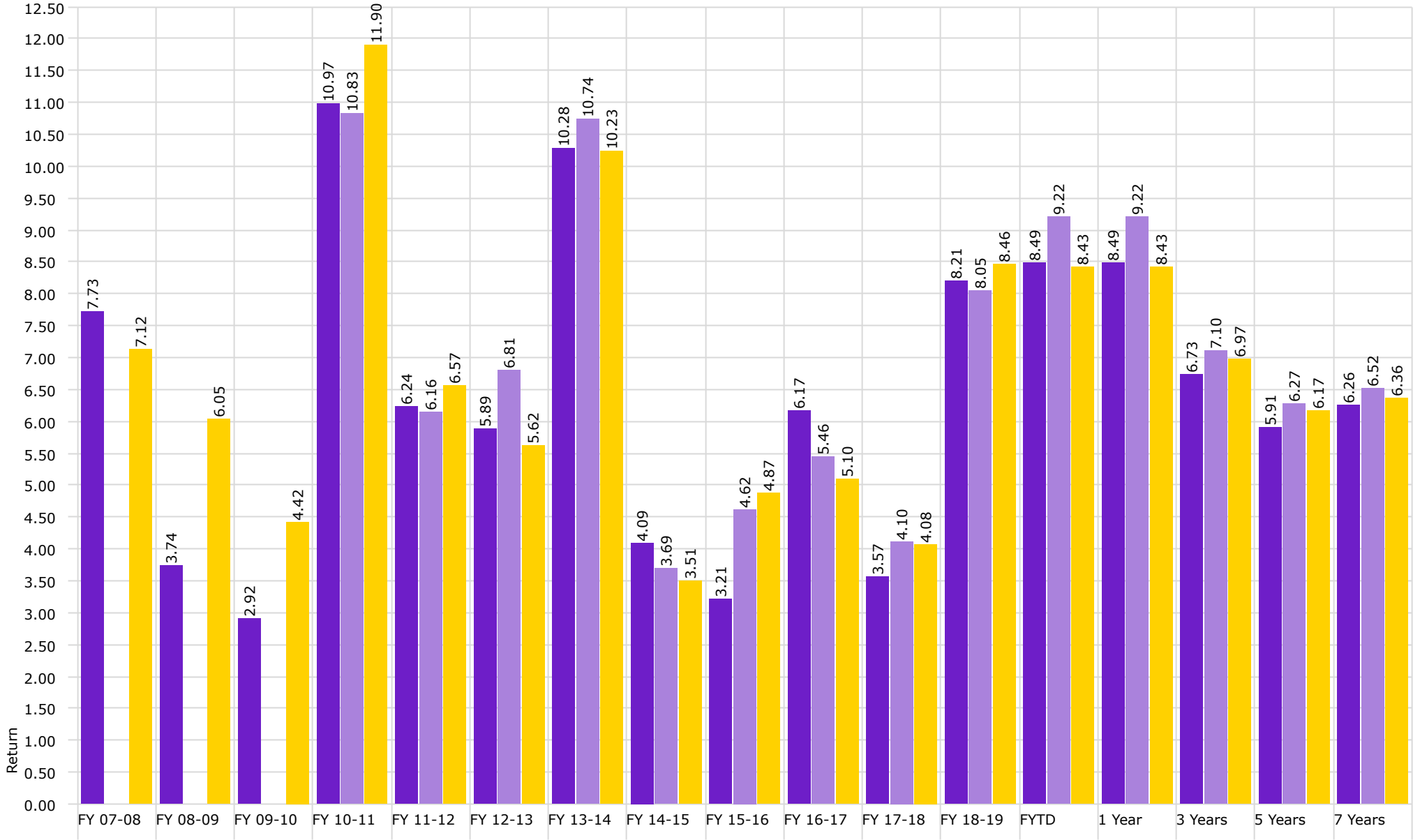
■ Osher

■ Endowed Benchmark



Investment Management Program Endowed Accounts **Total Return**

As of 6/30/2020



■ Endowment

■ Osher

■ Endowed Benchmark

Louisiana State University
Office of Internal Audit

ANNUAL REPORT

FISCAL YEAR 2020

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APPENDIX B – FY 2020 REPORTS ISSUED BY CAMPUS

APPENDIX C – FY 2020 OTHER AUDIT ACTIVITIES

OVERVIEW

VISION

To be viewed as a valued business partner and a trusted advisor and recognized as a driving force behind a culture of governance, accountability, compliance, and execution that helps in the achievement of the University's objectives.

MISSION

Internal Audit is committed to providing independent, objective, and timely service, as well as responding to requests for consulting and other services, and to adding value to and improving the University's operations. Internal Audit helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

STRATEGIC GOALS

- Focus on the University's Highest Risks
- Provide Impactful Reporting to Stakeholders
- Maintain Efficient and Effective Audit Processes
- Maintain an Adequately Skilled and Knowledgeable Staff

INDEPENDENCE STATEMENT

In accordance with Louisiana Revised Statute 17:3351.I, the Office of Internal Audit is maintained as an independent function that conforms to the *Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing (Standards)*.

The *Standards* include certain elements to demonstrate that the internal audit activity is independent and internal auditors are objective in performing their work. Our Internal Audit Charter, which was adopted in June 2014, and revised in September 2019, establishes the organization and responsibilities of our office and includes provisions to ensure independence and objectivity.

RISKS – STRATEGIC GOAL #1

The scope of Internal Audit activities is primarily defined through an annual risk assessment process, the results of which are used to establish the Internal Audit Plan.

INTERNAL AUDIT'S RESPONSIBILITY REGARDING RISK

Internal Audit has responsibility for evaluating the effectiveness and efficiency of controls established by management for the purpose of managing risk. A risk is anything that could occur that would impact the achievement of an objective and is generally measured in terms of impact and likelihood.

RISK ASSESSMENT PROCESS

The purpose of our annual risk assessment is to aid Internal Audit in developing a risk-based plan of activities for the upcoming fiscal year. In this process, Internal Audit evaluates risk exposures relating to the University's governance, operations, and information systems regarding the following:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts

Risks are identified, in part, by seeking input from executive management, operating management and external sources including external audits, regulatory and industry information.

In determining the level of risk, the following factors may be considered: inherent risk, existing internal controls, results of analytics, results of previous audits, volume (e.g. number and dollar amount of transactions), value-added potential, management interest, current events, emerging risks and auditor discretion. We also rely on risks identified by management during the Enterprise Risk Management process.

To address the risk of fraud, on August 1, 2014, the University issued Permanent Memorandum (PM) 76 - Detection, Reporting and Investigation of Incidents of Financial Irregularity. In addition, the LSU Ethics and Integrity Hotline, which is monitored by EthicsPoint, provides a secure and confidential means to report suspected fraudulent or unethical behavior.

RISKS – STRATEGIC GOAL #1

ANNUAL AUDIT PLAN

Based on our risk assessment, an annual audit plan is developed and presented to the Board of Supervisors Audit Committee for approval. Risks are classified on the Audit Plan by major functional category with effort budgeted in each area. Below is a summary of FY 2020 planned and actual effort by functional risk category. A detailed list of all audit activities by functional risk category is also included as Appendix A to this report.

FUNCTIONAL RISK CATEGORY	2020 Planned % Effort	2020 Actual % Effort
Auxiliary and Service Departments	9%	9%
Asset and Risk Management	5%	8%
Compliance	8%	23%
Financial Management	17%	15%
Governance and External Relationships	6%	0%
Instruction and Academic Support	3%	4%
Information Technology	9%	6%*
Plant Operations and Management	14%	0
Research and Development	21%	22%
Student Services	8%	13%
	100%	100%

* Actual effort does not include the work of external providers engaged by the Office of Internal Audit. For FY 2020, an external provider was engaged to assist with an assessment of IT Governance.

REPORTING – STRATEGIC GOAL #2

AUDIT REPORTS

Reports are issued at the end of each engagement to the President, Chancellors and other responsible parties at each institution. Each report includes a response from management that indicates whether they concur with the findings and the corrective actions that they plan to implement to address the recommendations.

The list of reports issued by campus for FY 2020 is included as *Appendix B*.

OUTSTANDING ACTION PLANS

At the conclusion of each project, responsible management responds to each finding and recommendation with an action plan that they will implement to address the issue. Internal audit follows-up with them at the appropriate time to determine if the corrective action was taken and if those actions adequately resolved the issue. A report on Outstanding Action Plans is provided periodically to management and to the Audit Committee. The following chart shows the FY 2020 action plan activity for each campus:

Campus	Open as of July 1, 2019	Added during FY 2020	Cleared During FY 2020	Open Action plans
Multi-campus	9		3	6
LSU A&M	33	6	6	33
LSU-Alexandria	15	4	9	10
LSU-Eunice	1	1	1	1
LSU-Shreveport	11	2	3	10
LSUHSC-New Orleans	13	13	2	24
LSUHSC-Shreveport	17	4	3	18
LSU HCSD	1	3	1	3
PBRC	0	2	0	2
	100	35	28	107

REPORTING – STRATEGIC GOAL #2

In addition, action plans resulting from two prior year Information Technology audits, *Encryption* and *Social Engineering*, are not included in the above chart. Those action plans are dependent upon implementation of a policy addressing these issues at all institutions of the University. Development of that policy is currently in progress.

INVESTIGATIONS

Internal Audit is responsible for conducting investigations when allegations of fraud, conflicts of interest, or significant non-compliance with regulations or policies are reported. Reports of alleged violations are received through LSU Ethics, Integrity, and Misconduct Helpline, phone calls or emails, and other means such as through regularly scheduled audits.

During FY 2020, Internal Audit allocated approximately 3000 hours conducting or overseeing the review of a total of 102 reports, including four that were carried forward from FY 2019. Of the 98 new reports, 47 (48%) were received through the LSU Ethics, Integrity, and Misconduct Helpline. Four investigations remained open at June 30, 2020 and were carried over into FY 2021 for continued investigation.

AUDIT PROCESS – STRATEGIC GOAL #3

To ensure an effective and efficient audit process, Internal Audit has established a Quality Assurance and Improvement Program (QAIP) designed to provide ongoing measurement and analyses of performance metrics to ensure compliance with the *Standards*.

EXTERNAL QUALITY ASSURANCE REVIEW

Internal Audit is required by the *Standards* to have an external quality assurance review at least every five years. This review was completed in FY 2019 with Internal Audit receiving an overall rating of “generally conforms” to the *Standards*. This opinion is the highest possible rating and means that practices are in place to ensure the independence, objectivity and proficiency of Internal Audit.

PRODUCTIVITY PERFORMANCE MEASURES

Audit plan accomplishment

Each year an audit plan is developed based on results of an annual risk assessment. Risks are continually monitored, and the audit plan is revised as necessary to address significant changes that may arise. Planned audits are initiated at various times throughout the year. The length of time to complete an audit can vary from a few weeks to several months. Audits may begin in one fiscal year, but based on when they were initiated, and the length of time necessary to complete the audit, they often cross over from one fiscal year to another.

Each year, our goal is to initiate 100% of the audits (n=22) and complete 75% (n= 17) within the current year, with approximately 25% (n=6) rolling over into the next fiscal year.

In FY 2020, we initiated 100% of the audits on the revised audit plan (n=22). Thirteen (59%) have been completed and the remainder (n=9) are in progress. The inaccessibility of records during the stay-at-home order related to COVID 19 resulted in several audits being delayed. However, all audits are in progress and will be completed in FY 2021.

AUDIT PROCESS – STRATEGIC GOAL #3

The chart below illustrates the status of the 2020 Audit Plan at June 30, 2020:

2020 Audit Plan Status	#	%
Audits on Plan (as revised)	22	
Audits substantially complete at 6/30/2020	13	59%
Audits currently in progress and carried forward to FY 2021	9	41%

Direct/Indirect effort

Audit staff allocate their time between direct hours and indirect hours. Direct hours include time spent working on audits, consultations, special projects and investigations. Indirect hours include paid leave, meetings, training and administrative tasks. The internally established goal for our staff was 75% direct audit hours in FY 2020, and we achieved 75%.

STAFF – STRATEGIC GOAL #4

INTERNAL AUDIT STAFFING

	As of 6/30/18	As of 6/30/19	As of 6/30/20
Professional Staff (Positions)	15	15	15
Administrative Support	1	1	1

DEGREES

Percent of audit staff with Bachelor's Degree	100%
Percent of audit staff with Advanced Degree	36%
Percent of audit staff with Professional Certifications	100%

CERTIFICATIONS (SOME STAFF HOLD MULTIPLE CERTIFICATIONS)

Certified Public Accountant	4
Certified Internal Auditor	7
Certified Fraud Examiner	4
Certified Information Systems Auditor	1
Certified Compliance and Ethics Professional	1
Certified EnCase Examiner	1
Certified Government Auditing Professional	1
ITIL® Foundation	1

TRAINING AND PROFESSIONAL DEVELOPMENT

Our professional audit staff completed over 700 hours of continuing professional development in FY 2020. This included training provided by the Association of College and University Auditors (ACUA), the local and national chapters of the Institute of Internal Auditors (IIA), the LSU Department of Accounting and others. Training ensures that staff are current on auditing best practices and helps develop subject matter expertise that is valuable to the organization.

APPENDIX A

FY 2020 Audit Activity by Functional Risk Category

ASSET AND RISK MANAGEMENT

2012 – LSUA Capital Assets

2013 – LSUS Capital Assets

AUXILIARY AND SERVICE DEPARTMENTS

1907 – LSU A&M Athletics Ticketing

COMPLIANCE

2003 – Multi Campus Compliance with Board By-laws

2016 – HCSD Patient Records

FINANCIAL MANAGEMENT

2019 – HSCNO Financial Aid

GOVERNANCE

2014 – HSCS Joint Venture - Hospital

HUMAN RESOURCES

2017 – HSCNO Human Resources Benefits (Consulting)

INSTRUCTION AND ACADEMIC SUPPORT

2010 – LSUE Academic Integrity

INFORMATION TECHNOLOGY

2020 – Multi-campus IT Governance

1917 – LSUE Security Awareness and Training

2011 – LSUA Security Awareness and Training

OPERATIONAL

2001 – Multi-campus Public Private Partnerships and Related Contracts

2015 – HSCS Admission Policy

APPENDIX A

RESEARCH AND DEVELOPMENT

1904 – LSU A&M Lab Safety

1904 – HSCNO Lab Safety

1904 – HSCS Lab Safety

2009 – PBRC Lab Safety

2007 – LSU A&M Research Expenditures

2008 – Ag Center Marijuana Operations

STUDENT SERVICES

1908 – LSU A&M University Lab School

2005 – LSU A&M Enrollment Services

APPENDIX B

Audits Issued in FY 2020 by Campus

LSU A & M

1904 - Lab Safety

1907 - Athletic Ticketing

LSU HEALTH SCIENCES CENTER – NEW ORLEANS

1904 - Lab Safety

2019 - Financial Aid

2017 – Human Resources – Benefits (Consulting)

LSU HEALTH SCIENCES CENTER – SHREVEPORT

1904 - Lab Safety

LSU HEALTH CARE SERVICES DIVISION

2016 - Patient Records

LSU EUNICE

1917 – IT Security and Awareness

LSU SHREVEPORT

2013 – Capital Assets

LSU ALEXANDRIA

2012 – Capital Assets

PENNINGTON BIOMEDICAL RESEARCH CENTER

2009 – Lab Safety

MULTI-CAMPUS

2020 – IT Governance

2003 – Compliance with Board By-Laws

APPENDIX B

2020 AUDITS CARRIED FORWARD TO 2021

- 2005 – LSU A&M Enrollment Management
- 2007 – LSU A&M Research Expenditures
- 1908 – LSU A&M University Lab School
- 2011 – LSUA Information Technology
- 2008 – Ag Center Marijuana Operations
- 2010 – LSUE Academic Integrity
- 2014 – LSUHSC-S Joint Venture Hospital
- 2015 – LSUHSC-S Admission Policy
- 2001 – Multi-Campus Public Private Partnerships and Related Contracts

FY 2020 Other Audit Activities

- Information Technology (IT) support
- Follow-up on corrective action plans from prior audits
- Annual risk assessment and planning
- Enterprise risk management (ERM) program
- Implementation of new audit management software (TeamMate+)
- Quality Assessment and Improvement Program (QAIP)
- Investigations/special projects
- Management of LSU Ethics & Integrity Hotline
- Participation on campus committees
 - IT Governance Council
 - PCI Committee
 - Student Employment Committee
 - Benefits Oversight Committee
 - RFP Committee for Pharmacy Benefits Management
- Participation as officers in Louisiana Association of College and University Auditors
- Completion of a Quality Assurance Review at the University of Louisiana Monroe