

# LSU

## Board of Supervisors

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### LSU BOARD OF SUPERVISORS COMMITTEES MEETING

*University Administration Building Board Room  
3810 W Lakeshore Drive, Baton Rouge, LA 70808  
Friday, April 26, 2019 | 10:00 AM CT*

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PUBLIC COMMENT Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting. For additional information see: <http://www.lsu.edu/bos/public-comments.php>

#### **A. Academic & Research Committee**

1. Request from LSU Shreveport to Split the College of Business, Education & Human Development into Two Colleges
2. Request from LSU Shreveport to Change the Institutional Mission Statement
3. Request from LSU A&M to Establish a Doctor of Philosophy in Industrial Engineering
4. CONSENT AGENDA
  - i. Request from LSUHSC-Shreveport for Conditional, One-Year Approval of the Center for Tissue Engineering and Regenerative Medicine
  - ii. Request from LSUHSC-NO for Conditional, One-Year Approval of the Center for Evidence-Based Practices in Behavioral Health
  - iii. Request from LSU A&M to Increase the Curriculum Hours of the B.S. in Construction Management
  - iv. Request from LSU Alexandria to Change the Name of the B.S. in Eldercare Administration to Long Term Care Administration
  - v. Request from LSU Agricultural Center to Establish the Mosquito Insecticide Resistance Scholarship
  - vi. Request from LSU A&M to Change the Name of the CB&I Energy Innovation Laboratory to the McDermott Energy Innovation Laboratory
  - vii. Recommendation to Approve Conferral Dates at the 2019 Spring Commencement Exercises

#### **B. Property & Facilities Committee**

1. Overview of Public-Private Partnerships
2. Request from LSU A&M to Approve a Schematic Design for the Emerge Center at LSU Innovation Park
3. Request from LSU A&M to Purchase Property at W. Roosevelt Street in Baton Rouge
4. Request from LSU A&M to Authorize the President to Execute Agreements for the Development of the Greenhouse District (Phase 3 of the Nicholson Gateway Project)
5. Request from LSU A&M to Approve Construction of a New Sorority House for Kappa Kappa Gamma
6. Request from LSU Health Sciences Center – New Orleans to Approve a Lease Agreement Between the LSU Board of Supervisors and the LSU Health Foundation for the Butterworth and Hutchinson Buildings

**~~C. Audit Committee~~**

- ~~1. Revised FY 2019 Audit Plan~~
- ~~2. Presentation on Stephenson Technology Corporation~~
- ~~3. Submission of Report on Research Foundation~~
- ~~4. Discussion of Pending Litigation~~

~~The Audit Committee may enter into Executive Session in accordance with the provisions of LA R.S. 42:17.~~

**D. Athletic Committee**

1. Request from LSU A&M to Approve Employment Contract with Scott Woodward, Athletic Director
2. Request to Amend Employment Contract of Frank "Will" Wade



## Board of Supervisors

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### LSU BOARD OF SUPERVISORS AUDIT COMMITTEE MEETING

*University Administration Building | Board Conference Room 104 A*

*3810 W Lakeshore Drive, Baton Rouge, LA 70808*

*Friday, April 26, 2019 | 8:00 AM CT*

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1. Revised FY 2019 Audit Plan
2. Presentation on Stephenson Technology Corporation
3. Submission of Report on Research Foundation
4. Discussion of Pending Litigation

The Audit Committee may enter into Executive Session in accordance with the provisions of LA R.S. 42:17.



**Request from LSU Shreveport to Split the College of Business,  
Education & Human Development into Two Colleges**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of Matter**

LSU Shreveport requests approval to split the College of Business, Education & Human Development (CBE&HD) into two colleges.

Seven years ago, the then Colleges of Business and Education were merged as a cost-saving measure triggered by significant state cuts to higher education (LSUS went from over \$18M to under \$8M in appropriated funds) and declining LSUS enrollment. The actual cost savings ended up being quite minimal. Since then, LSUS's financial strength has increased significantly, and the growth of university enrollment, especially in the College of Business, Education & Human Development, has been robust, going from nearly 4,000 to over 7,450 total students.

The College of Business, Education & Human Development (CBE&HD) has nearly 78% of the total university enrollment. Of this, the School of Business, primarily because of the MBA and Master of Health Administration programs, has the vast majority (83% or 4,294 students) of the total CBE&HD enrollment. If the split is approved, the College of Education & Human Development will remain robust as it currently enrolls 959 students.

The complexity and magnitude of the online business programs makes it very difficult for the CBE&HD Dean, with a business background, to commit the time, energy and leadership to handle the other professional programs within the College. Additionally, Education & Human Development has four professional accreditation bodies (CAEP, CACREP, NASP & CEPH) and Business has one (AACSB). All expect the strong attention of the Dean.

Furthermore, the outreach focus and initiatives of the professional programs within the CBE&HD are heavily dependent upon collaboration with other stakeholders in the region, especially for the K-12 and healthy community initiatives. Both the Shreveport Chamber of Commerce and the Education Committee of the (Shreveport) Committee of 100 have asked LSUS to step up the level of engagement with K-12 in the region. To this end, LSUS has recently signed an agreement to be the training site for all Caddo Public School continuing education programs. Therefore, it is crucial to have concentrated dean leadership for Education & Human Development to fulfill LSUS' capabilities in serving this region

## **2. Review of Business Plan**

Once the split is approved, the 188 total faculty in the college will be redistributed to match the student enrollment needs, 117 for Business and 71 for E&HD. Additionally, the budget will be split in an approximate 75%/25% ratio. Significant growth is expected in the Master's Programs within Education & Human Development. LSU is currently working with Ruffalo Noel Levitz to significantly increase undergraduate enrollment, especially for traditional undergraduate students. There is expected undergraduate growth in both proposed colleges, especially in K-12 programs.

The costs to implement this split is minimal. The original suite and associated offices of the College of Education & Human Development still remain and will effectively serve the needs of the split college. New costs total approximately \$290,000. The CBE&HD currently has two associate deans as a result of the AACSB reaffirmation review. One will move over to the new college. This will leave one associate dean per college.

The college split has been approved by the LSU Planning Council, which is comprised of the Faculty Senate President, Staff Senate President, and the Student Government Association President. Seven open campus meetings were held to provide avenues of communication for all faculty and staff. No objections were raised in any of these meetings.

## **3. Review of Documents Related to Referenced Matter**

A formal memo from Chancellor Clark is on file in the Office of Academic Affairs with supporting material.

## **4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Shreveport to split the College of Business, Education & Human Development into two colleges, the College of Business and the College of Education & Human Development, subject to approval by the Louisiana Board of Regents.



## Request from LSU Shreveport for Approval of Mission Statement

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

### **1. Significant Board Matter**

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

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

### **2. Summary of Matter**

All degree-granting campuses of the LSU System are accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). Accreditation by SACSCOC

*“signifies that the institution (1) has a mission appropriate to higher education, (2) has resources, programs, and services sufficient to accomplish and sustain that mission, and (3) maintains clearly specified educational objectives that are consistent with its mission and appropriate to the degrees it offers, and that indicate whether it is successful in achieving its stated objectives.”*

SACSCOC requires institutions to meet thresholds of specific characteristics to maintain accreditation. Specifically, *Core Requirement 2.1* requires that, *“The institution has a clearly defined, comprehensive, and published mission specific to the institution and appropriate for higher education. The mission addresses teaching and learning and, where applicable, research and public service.”* *Core Requirement 4.2.a* also requires that, *“The governing board ensures the regular review of the institution’s mission.”* Therefore, LSU-Shreveport requests Board review and approval of the proposed mission statement.

### **3. Review of Documents Related to Referenced Matter**

LSU Shreveport’s mission statement and memo from Chancellor Clark is on file in the Office of Academic Affairs.

### **4. Certification of Compliance with Article III, Section 7 of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the following Mission Statement from LSU Shreveport.

### **Mission Statement for Louisiana State University – Shreveport**

#### Mission

- Educate a diverse population of graduate and undergraduate students by promoting critical thought and student development through creative techniques and active learning.
- Engage in regional and global thought leadership through community collaboration and service.
- Innovate and foster opportunities to enhance the application of knowledge and intellectual discovery through faculty and student research and creative endeavors.

LSU Shreveport is committed to:

1. Student Success
2. Academic Excellence
3. Faculty and Staff Development
4. Community Engagement
5. Cultural Enrichment



## Request from LSU A&M for Approval to Establish a Doctor of Philosophy in Industrial Engineering

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

### **1. Significant Board Matter**

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

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

### **2. Summary of Matter**

LSU A&M is requesting approval to establish a Doctor of Philosophy in Industrial Engineering (IE). The proposed program will prepare students for extensive research and careers in academia, industry, and government while providing a broad knowledge of industrial engineering. The Ph.D. program in IE deals with the development of new methods and technologies that allow for the optimization of complex business, production and manufacturing processes or systems. Industrial engineers are critical to manufacturing, commodity production, information technology, and healthcare industries, which are all vital to the state of Louisiana. The Ph.D. program will allow LSU to be visible and competitive with other leading IE programs around the country, while attracting highly qualified students and faculty.

There are currently 100 accredited IE programs in the U.S., of which only 67 offer the Ph.D. degree. Every state bordering Louisiana, has an institution or multiple institutions (Texas) that offer Ph.D. degrees in IE. The Department of Mechanical & Industrial Engineering at LSU currently oversees the interdepartmental Ph.D. program in Engineering Science that allows students to focus on an industrial engineering specialization. However, this is the only option for industrial engineers to complete a terminal degree in Louisiana. Louisiana students who wish to pursue a Ph.D. degree in IE are not able to and are relegated to either pursue this interdisciplinary degree or attend an out-of-state school. Companies that employ industrial engineers and academic industrial engineering departments seek individuals with degrees specifically in that area. LSU, therefore, acts as a feeder school for these out-of-state programs.

A Ph.D. degree in IE at LSU will increase ability to compete for research projects, especially from federal agencies, by securing participation of high-quality students with IE knowledge or interest. PhD students also provide continuity in the research program, which allows for successful competition for multi-year private and research funding, more so than a two-year master's student. The terminal degree will also improve the department's ability to attract high-quality faculty needed for an R1 University. Such faculty seek positions in departments that offer

Industrial Engineering and where they can more completely support their research and graduate curriculum interests. As graduate programs without a terminal degree are not included in national rankings, the proposed PhD will increase retention of outstanding BS and MS IE graduates within the state rather than losing them to neighboring competitors, while increasing the visibility of the program both nationally and internationally.

The U.S. Bureau of Labor Statistics ranks industrial engineering the fourth largest engineering discipline in the workplace with a 10% (faster than average) job growth from 2016 to 2026. The national median salary of industrial engineers is over \$85,000 with the 90th percentile earning more than \$129,000. Louisiana is one of the states with the highest annual mean wage for Industrial Engineers (\$107K with a median of \$99.9K), with an IE workforce of over 1,700. These engineers are employed in logistics, human factors, manufacturing, safety, quality, financial engineering, and a host of other areas. Generally, one-third of PhD graduates pursue academic careers, and the rest work in industry. Based on a cursory glance of full-time job openings requiring a PhD in Industrial Engineering in industry and academia, there is demand for 320 industrial engineers per year, nationally, with only around 240 available doctoral students as of 2015 – the most current data. Therefore, the total demand for additional IE PhD graduates appears to be quite healthy.

### Students

Since 2012, the IE Undergraduate Program has tripled in size (from 60 to over 200 students) and continues to grow, enabling Louisiana citizens the ability to pursue high-paying jobs. This growth cannot be supported and sustained without an increase in IE faculty numbers. Successfully recruiting high quality faculty is strongly dependent on having a robust and recognized Ph.D.-granting graduate program. Also, a Ph.D. program in IE would help retain talented industrial engineers in the state, where they could improve state industries through research and development activities.

During the past five years, the IE program, with 7 tenured faculty, has graduated on average 4 students with a Ph.D. in Engineering Science (Interdepartmental Program) per year. Regarding employment placement after graduation, 42% hold faculty positions and 47% went to industry. The College of Engineering participates in a national consortium where over 80 R1 institutions submit names and contacts of students interested in engineering graduate school. This year's report shows that 174 (3%) of these students are interested in the proposed PhD program in IE.

Currently, there are 15 Ph.D. students in the Engineering Science program advised by IE faculty, and this number is expected to rise in the near future due to new hires and research concentrations being coordinated by the College of Engineering. During the past six years, 60 M.S. degrees, 39 in Industrial Engineering and 21 in Engineering Science (advised by IE faculty) have been conferred. Currently, there are 23 M.S. students (14 MSIE and 9 MSES). The ratio of Ph.D. students to M.S. students is about 2:3. Since a Ph.D. degree in industrial engineering is a much more attractive and marketable degree to students than the Engineering Science degree, this ratio is expected to rise. As a result, the number of Ph.D. students is expected to reach an estimated average level of 3 Ph.D. students per faculty member as in some of our other College of Engineering departments. Based on these numbers and the demand for a terminal degree, it is

anticipated that the PhD program will begin with 10 students and increase to 25 students annually by Year 5.

### **3. Review of Documents Related to Referenced Matter**

*A Form D: Request for Adding/Changing/Dropping a Curriculum* approved by the CM faculty and the dean of the College of Engineering, affirming internal routing process completion, and a *BoR Request for Authority to Offer a New Degree Program* are on file with the Office of Academic Affairs.

### **4. Certification of Compliance with Article III, Section 7 of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to establish a Doctor of Philosophy in Industrial Engineering at LSU A&M, subject to approval by the Louisiana Board of Regents.



**Request from LSU Health Sciences - Shreveport for Conditional  
Approval of the Cross-Institutional Center for Tissue Engineering and  
Regenerative Medicine**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of Matter**

LSU Health Sciences – Shreveport is requesting conditional, one-year approval of the cross-institutional Center for Tissue Engineering and Regenerative Medicine (CTERM). CTERM proposes to bring together a multidisciplinary team of researchers from LSUHSC- Shreveport and Louisiana Tech University to present research and education initiatives to prevent and combat tissue inflammation, trauma, and loss associated with complications of metabolic disease. The clinical and research arms of the Center pull together experts in biomedical engineering and biomechanics, human physiology, cellular and molecular biology, and translational research. This will be the first cross-institutional research center in Louisiana and will set a new example for collaborative research initiatives in the State. CTERM’s main goal is to produce clinically relevant stem cells and biomaterial scaffolds to generate useful cell and tissue-based therapies that can combat the loss of healthy tissue associated with chronic diseases such as diabetes, heart disease, and cancer.

The collaboration between LSUHSC-S and LA Tech spans the I-20 corridor and will utilize the expertise of the region to tackle a growing chronic disease epidemic affecting parishes across the state. The two institutions have a long history of successful collaborations in various areas of health-related research in the form of patents, publications, grants, and a joint MD/PhD academic program. With the combination of LA Tech’s expertise in basic science, engineering, and technical areas and LSUHSC-S’s clinical science and medical expertise, the Center hopes to attain four main objectives:

1. To establish an integrated core of clinicians and researchers focused on tissue engineering and regenerative medicine.
2. To promote research and tools in stem cell biology, tissue engineering, and regenerative medicine, including research opportunities for students in both universities and the improvement of grant writing skills for faculty.
3. To promote education in stem cells, tissue engineering, and regenerative medicine, including enhancing the training of undergraduates, graduates, medical students, and postdoctoral fellows, and to utilize LA Tech’s visual communication center (VISTA) to educate the community on Center resources.

4. To work closely with community partners to address needs of patients suffering from symptoms of metabolic syndrome and/or tissue injury, and effectively communicate research to the community.

The rate of chronic disease in Louisiana is well above the national average, putting a significant burden on our healthcare system. In North Louisiana, the parishes along the I-20 corridor consistently indicate 35-40% of the adult population as obese with an increasing trend over the next ten years. The rates of heart disease, cancer, and diabetes all have links to obesity. Louisiana is also 8<sup>th</sup> in the U.S. for overweight children and adolescents.

As the only academic medical center in North Louisiana with a level I trauma center and the Feist Weiller Cancer Center, LSUHSC-S provides primary and specialty care to many patients suffering severe tissue loss following traumatic injury or removal of a progressive tumor. Collaboration is key to solving significant issues that the medical center faces, including the repair of critical-sized bone defects that cannot self-repair; lack of organ donors, lack of tissue grafts, and a low success rate of current therapies for cardiovascular disease; and the ability to stop or slow tissue inflammation before it leads to chronic disease. A multidisciplinary approach that integrates biology, engineering, and medicine is necessary to address these needs. In addition, the development of new tools and technologies to reproducibly manufacture high-quality cells and tissues for clinical and industrial use and the training of a diverse cell-manufacturing workforce is needed to overcome these limitations.

## **2. Review of Business Plan**

LSUHSC-S and LA Tech already have an agreement in place to allow access to university facilities at both universities for researchers. The physical space for the Center will be housed in LSUHSC-S' Medical Education Building, and at LA Tech in the Biomedical Engineering Center. More than eleven labs and core facilities from both universities will be accessed by the Center. Approximately 23 faculty from both universities will collaborate with the Center, and all faculty will maintain their original department as an administrative home.

A board of directors, comprised of equal representation from both universities, will jointly oversee the activities of the Center. Additionally, CTERM will have equal shared administrative oversight from senior leadership at both universities. To guarantee the actions of the Center, an external advisory board will be established to provide guidance to the board of directors and faculty.

Each institution has committed \$50,000 for the initial year, totaling \$100,000. Detailed costs for the initial year have been parsed out per institution, including costs for symposia, workshops, webinars, administrative support, and intramural grants. A priority area for CTERM in the first year is the delivery of educational outreach to the community and K-12 students. Approximately \$7,000 will be used to implement and execute community educational outreach initiatives and auxiliary costs associated with this endeavor.

## **3. Review of Documents Related to Referenced Matter**

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.

**4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Health Sciences -Shreveport for one-year, conditional approval of the Center for Tissue Engineering and Regenerative Medicine, subject to approval by the Louisiana Board of Regents.



**Request from LSU Health Sciences – New Orleans for Conditional Approval of the Center for Evidence-Based Practice in Behavioral Health**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of Matter**

LSU Health Sciences – New Orleans is requesting conditional, one-year approval of the Center for Evidence-Based Practice in Behavioral Health. The Center is a collaboration between LSUHSC-NO School of Public Health – Department of Behavioral and Community Health Sciences and the Louisiana Department of Health – Office of Behavioral Health (OBH). Its mission is to support the State and its agencies, organizations, communities, and providers in the selection and implementation of evidence-based interventions to promote youth and family well-being, improve behavioral health outcomes, and to address challenges related to sustaining quality practice. The Center aims to serve the State as a catalyst in making evidence-based interventions available and accessible to the children, families, and individuals exhibiting the greatest need for quality behavioral health support.

For the first year, the Center has identified six objectives:

1. To design a strategic plan for the selection, planning, implementation, and evaluation of evidence-based behavioral health practices for youth and families across the state of Louisiana.
2. To develop a training menu of evidence-based practices that is inclusive of provider-expressed interests and the behavioral health areas of greatest concern identified in a needs assessment.
3. To coordinate at least one training opportunity regarding the advancement of behavioral health services to providers in each region of the OBH- Local Governing Entities.
4. To establish partnerships and consult with local and national evidence-based practice experts for the programs selected for implementation.
5. To engage with university-level administrators and instructors from Louisiana's behavioral health-related academic programs on a strategic plan for workforce development and preparation efforts.
6. To report outcomes to the Louisiana Department of Health- OBH and behavioral health stakeholders and coordinate technical assistance and support for identified difficulties.

In 2016, the Provider Survey of Youth Related Services exposed the urgent need to expand access to evidence-based practices for children. The statewide survey found that less than 60% of

the mental health services, funded by Medicaid, reported utilizing evidence-based practices, and even fewer providers reported the adoption of key research-supported components of quality practice. A significant number of providers reported not using written training curricula, structured supervision, fidelity monitoring, and manualized treatment approaches. These are all common components of evidence-based practices. Furthermore, these studies revealed that the populations with the least access to evidence-based care were young children and their parents. With the identification of several gaps in current behavioral health services, it has been clear that the Center can help guide the state toward improved outcomes.

Academic centers that focus on the advancement of evidence-based behavioral health services have emerged in a number of states. There is a clear need in Louisiana for the promotion, access, and expansion of research supported behavioral health programming and workforce development. Similar to the successful centers in other states, the Center will be a part of the puzzle that leads to quality-improvement in behavioral healthcare for Louisiana. Medicaid expansion has increased access to behavioral health services for over 75% of the youth of Louisiana. It is now time to focus on the quality of the care these youth are accessing.

## **2. Review of Business Plan**

The Center for Evidence-Based Practice in Behavioral Health has access to the facilities and resources of LSUHSC- NO. The director, project coordinator, evaluator, and graduate assistants are all employees of LSUHSC- NO. Each are funded (either partially or fully) through an OBH contract. These individuals have started their work towards the development of the Center at the request of the Louisiana Department of Health-OBH and with the support of the School of Public Health. The project has office space on the third floor of the School of Public Health. There is no need for an expansion of facility space at this time.

The Center receives funding through a contract with the OBH, backed by Medicaid. LSUHSC- NO has been awarded a project contract for \$291,587 from July 2018 to June 2019 and have verbal assurances that Louisiana Medicaid will continue to fund the Center as it meets agreed annual deliverables. Formal partnerships with other state agencies may lead to additional funding, and LSUHSC-NO will pursue federal- and foundation-offered behavioral health grants.

## **3. Review of Documents Related to Referenced Matter**

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.

## **4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

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



## **Request from LSU A&M to Increase Total Program Hours for the Bachelor of Science in Construction Management**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

### **1. Significant Board Matter**

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

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

### **2. Summary of Matter**

LSU A&M requests to increase the total hours of the Bachelor of Science degree in Construction Management (CM) to 125. The current CM undergraduate program is comprised of 122 total hours.

The architecture, engineering, and construction (AEC) industry is undergoing a major transformation due to the emergence of 3-D building information modeling (BIM) and other digital technologies. As a result, industry professionals now design and build in a virtual environment prior to starting construction, which helps to improve collaboration, increase building quality, and enhance the schedule while lessening opportunities for error. The construction industry wants entry-level construction managers to possess some level of knowledge and proficiency in this emerging technology.

The curriculum as it stands is structured to align with strict American Council for Construction Education (ACCE) accreditation governance; there is currently no room to remove or alter any courses within the curriculum. A new course has been designed to solely concentrate on BIM and will be a required course in the curriculum, increasing the total hours by three credit hours. This new course satisfies not only current AEC industry standards, but also satisfies specific ACCE student learning outcomes.

Over the past five years, the Department of Construction Management has offered a special topics course for those interested in this emerging field, which has been quite successful. The Department has also developed a dedicated BIM lab with 40 high-end computer workstations and a BIM Cave (a virtual reality facility) to support this course.

### **3. Review of Documents Related to Referenced Matter**

*A Form D: Request for Adding/Changing/Dropping a Curriculum* approved by the CM faculty and the dean of the College of Engineering, affirming internal routing process completion, is on file with the Office of Academic Affairs.

### **4. Certification of Compliance with Article III, Section 7 of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

### **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve an increase in hours to the B.S. in Construction Management from 122 to 125.



**Request from LSU Alexandria to Change the Name of the B.S. in  
Eldercare Administration to Long Term Care Administration**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

**1. Significant Board Matter**

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

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

**2. Summary of Matter**

LSU Alexandria requests a name change for the Bachelor of Science in Eldercare Administration to the Bachelor of Science in Long Term Care Administration. The CIP code remains the same.

The BS in Eldercare Administration was approved by the Board of Regents on April 25, 2013, and the program was implemented in fall 2013. The degree is designed to prepare individuals to apply managerial principles to the administration of nursing homes, assisted living facilities, adult day care centers, home health services, and other long-term care settings and agencies serving the elderly and disabled. Since its inception, the program has included instructions in the social and clinical aspects of aging, health care delivery systems, nursing home administration, assisted living administration, aging policy and government programs, ethics, business management, financial management, human resource management, marketing, and applicable laws and regulations.

The program maintains a healthy enrollment of around 30 students every year; however, the faculty of the Department of Allied Health do not consider the name as truly reflective of the program's scope. Students who graduate work not only in facilities that serve the elderly but also in agencies that serve the needs of individuals who require long-term care.

This name change also reflects a national trend in the titles assigned to degree programs that offer the same kind of education and training.

**3. Review of Documents Related to Referenced Matter**

A formal memo approved by LSU Alexandria's Department of Allied Health faculty, Provost, and Chancellor, is on file with the Office of Academic Affairs.

#### **4. Certification of Compliance with Article III, Section 7 of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

#### **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve changing the name of the B.S. in Eldercare Administration to the B.S. in Long Term Care Administration, subject to approval by the Louisiana Board of Regents.



## Request from LSU Agricultural Center to Establish the Mosquito Insecticide Resistance Scholarship

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

### **1. Significant Board Matter**

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

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

### **2. Summary of Matter**

The Department of Entomology within the College of Agriculture at LSU A&M and the LSU Agricultural Center have initiated a collaboration with the New Orleans Mosquito, Termite, and Rodent Control Board to conduct research related to monitoring and characterizing resistance to insecticides in species of mosquitoes that vector diseases. As part of this collaboration, the New Orleans Mosquito, Termite, and Rodent Control Board has agreed to support a Ph.D. student (salary and supplies) to conduct the research. The student will conduct research as part of his/her job duties with the Control Board and will take classes at LSU. The Department of Entomology seeks to support this collaborative effort by offering the student a scholarship to cover his/her tuition during the time at LSU. The funds for this tuition support (scholarship) will come from Dr. Kristin Healy's F&A rebate account, made up of university institutional funds.

The intent for this scholarship is to support only a single student and to support tuition at a level of \$8,740 per year. At present, there are no plans to continue this scholarship beyond the time required for this student to complete his/her Ph.D.

### **3. Review of Documents Related to Referenced Matter**

A signed, formal memo from Vice President and Dean William B. Richardson is on file in the Office of Academic Affairs.

### **4. Certification of Compliance with Article III, Section 7 of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the establishment of the Mosquito Insecticide Resistance Scholarship at the LSU Agricultural Center.



**Request from LSU A&M to Change the Name of the CB&I Energy  
Innovation Laboratory to the McDermott Energy Innovation  
Laboratory**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

**1. Significant Board Matter**

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

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

**2. Summary of Matter**

LSU A&M is requesting a name change for a laboratory in the College of Engineering due to the acquisition of CB&I Company by McDermott International. McDermott International has been a philanthropic partner with LSU, donating \$340,000 to several colleges and units across the university. Areas of support include scholarships, diversity initiatives, and discretionary support funds to the Colleges of Business, Engineering, Coast & Environment, Law Center, and the Olinde Career Center. McDermott participates every year in LSU's Career Expo and currently employs 23 LSU alumni.

**3. Review of Documents Related to Referenced Matter**

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

- A letter of request from Dean Judy Wornat from the College of Engineering with supporting material for the request
- A letter of approval from Dr. Ann Sumner Holmes, Chair of the Naming University Facilities and Academic Unit Committee
- A letter of support from Dr. Stacia Haynie, Executive Vice President and Provost and approval by President F. King Alexander

**4. Certification of Compliance with Article III, Section 7 of the Bylaws of  
Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

**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 change the name of the CB&I Energy Innovation Laboratory to the McDermott Energy Innovation Laboratory.



**Recommendation to Approve Conferral of Degrees at the 2019 Spring Commencement Exercises**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

**1. Summary of Matter**

The campuses of LSU are seeking approval of degrees to be conferred on candidates meeting degree requirements for graduation commencement exercises:

LSU A&M	May 10-11, 2019 9:00 a.m. Maravich Assembly Center
LSU Alexandria	May 9, 2019 10:00 a.m. Rapides Parish Coliseum
LSU Eunice	May 10, 2019 10:00 a.m. HPE Building
LSU Health Sciences Center New Orleans	May 16, 2019 10:00 a.m. UNO Lakefront Arena
LSU Health Sciences Center Shreveport	May 25, 2019 10:00 a.m. Centenary College
LSU Shreveport	May 10, 2019 2:00 p.m. CenturyLink Center

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the degrees to be conferred on candidates meeting degree requirements for graduation from the campuses of the University at 2019 spring commencement exercises (May 9, 10, 11, 16, and 25).



## Request from LSU A&M to Lease Land at LSU Innovation Park for Expansion of the Emerge Center

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 1:

- C. Lease of immovable property
- E.1 Any contract or series of related contracts for the construction, renovation, or other capital improvement of buildings or other immovable property of the Board where the construction cost is projected to be greater than \$1 million
- F. Schematic Designs: Exterior elevations of new buildings and of renovations or construction projects that significantly alter the appearance of the exterior of the building or other physical structures, where the construction cost is anticipated to exceed \$1 million.

### **1. Summary of Matter**

LSU has a long history of cooperation with the Baton Rouge Speech and Hearing Foundation (BRSHF), which provides crucial services to children with difficulties in communication, development, and behavior. In 2014, BRSHF opened the Emerge Center at LSU's Innovation Park to better serve its client children. The Center has been very successful, and it now seeks to expand its operations to provide a charter school immediately adjacent to the Center for its client children.

Locating this charter school immediately adjacent to the Emerge Center will allow for a seamless provision of services for these children. For example, if a student is in class and begins having a behavioral issue provoked by his or her developmental challenges, the student can be quickly walked over to the Emerge Center itself for therapy or other treatment. Then, the student can be quickly sent back to class after the behavioral intervention.

The charter school operations will be integrally connected to the Emerge Center. It will not be a general admission charter school for the general student population. It will serve only students who have difficulties of the type treated at the Emerge Center.

BRSHF will be solely responsible for the construction of the new charter school. LSU has no financial risk associated with the construction. LSU expects to continue its academic and research connections with BRSHF and the Emerge Center, but that work is independent of the proposed lease.

### **2. Review of Business Plan**

The building will be constructed and operated at no financial risk to LSU. BRSHF will be solely responsible for all utility connections to municipal providers (not to any LSU utility infrastructure). Prior to beginning construction, BRSHF will be required to demonstrate sufficient funds, an irrevocable line of credit, or other suitable financial assurance to ensure that construction is completed. Normal requirements of leases for construction on LSU land by non-LSU entities will be included. The base rental amount plus the reasonably anticipated additional rent projected will provide an appropriate return based on the appraised value of this property.

The transaction is structured as an amendment to a ground lease previously executed by the President to allow BRSHF to construct a parking lot next to the Emerge Center, which was made necessary when

LSU exchanged land to allow New Schools for Baton Rouge to construct a charter school on land that was previously part of LSU's Innovation Park. The original Ground Lease and Construction Agreement for the parking lot, and this First Amendment, stem from the authorization of this Board to grant to BRSHF an option to purchase or lease property adjacent to its building made at its June 2017 meeting as part of the authorization to exchange property with New Schools for Baton Rouge. The proposed First Amendment to Ground Lease will add 3.83 acres to the 3.11 acres already leased to BRSHF for the parking lot.

### **3. Fiscal Impact**

Rental rates are based on the rates first negotiated with BRSHF for the Emerge Center. A portion of the area covered by this lease amendment will continue to be used as a parking lot, for which the rent will be \$3,993.96 annually. For the portion of land on which the new Emerge Center charter school will be located, the rent will be \$5,062.46 annually. No rent will currently be charged on approximately 1.39 acres of land on which no construction will immediately occur; including that area in this lease will allow LSU to transfer the costs of maintenance for that land to BRSHF. When BRSHF seeks to make any improvements valued at more than \$75,000 on that 1.39 acres, it must obtain LSU approval and will then start paying the same rental rate per square foot as is assessed for the rest of the property being leased. There is a periodic inflation adjustment for the rental rates, tracking the adjustments required in the original 2014 lease for the Emerge Center.

### **4. Description of Competitive Process**

Not applicable.

### **5. Review of Legal Documents**

A draft lease amendment, as well as the original ground lease for the parking lot which was previously executed by the President, are attached. It remains subject to change, and will be reviewed and approved by the Office of General Counsel prior to execution by the President. An amendment to this parking lot ground lease is sought, rather than to the original lease for the Emerge Center, because of the complex financial structure used for the Emerge Center.

### **6. Parties of Interest**

LSU  
Baton Rouge Speech and Hearing Foundation

*BRHSF is solely responsible for selection and engagement of architects, engineers, contractors, and others necessary for design and construction of the project.*

### **7. Related Transactions**

None.

### **8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Transmittal Memo
- II. Site Diagram and Schematic Design

- III. DRAFT First Amendment to Ground Lease and Construction Agreement
- IV. Original Ground Lease and Construction Agreement

### **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, to execute a First Amendment to Ground Lease and Construction Agreement with the Baton Rouge Speech and Hearing Foundation in order to construct a charter school and related parking at LSU Innovation Park and to execute related agreements as may be reasonably necessary to facilitate the project, and to include in such leases and other agreements such terms and conditions as he deems to be in the best interests of LSU; and

**BE IT FURTHER RESOLVED** that the Board does hereby acknowledge that the schematic designs for the proposed building are in general compliance with the Campus Design Guidelines as they apply to LSU Innovation Park and hereby delegates the approval of the detailed plans and specifications to the appropriate LSU officer or employee as designated by the President.



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## CAMPUS CORRESPONDENCE

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**To:** F. King Alexander, President of LSU  
Finance & Administration / CFO

**Date:** April 9, 2019

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration / CFO

**Through:** Tony Lombardo, Associate Vice President for  
Facilities & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance 

**Re:** Board of Supervisors Agenda, April 26, 2019  
Request from LSU A&M to Lease Land at LSU Innovation Park for Expansion of the Emerge  
Center

LSU is requesting that the Board of Supervisors authorize the President to execute a First Amendment to Ground Lease and Construction Agreement with the Baton Rouge Speech and Hearing Foundation to construct a charter school and related parking at LSU Innovation Park.

Additionally, LSU requests that the schematic designs for the proposed building be approved by acknowledging general compliance with the Campus Design Guidelines as they apply to LSU Innovation Park and that the subsequent approval of detailed plans and specifications be delegated to the appropriate LSU officer or employee as designated by the President.

We request this item be placed on the agenda for the April 26, 2019 Board of Supervisors meeting.

Thank you.



SITE DATA

SITE AREA:	
EXISTING	3.11 ACRES
PROPOSED ADDITIONAL (TRACT A)	0.82 ACRES
PROPOSED ADDITIONAL (TRACT B)	3.01 ACRES
<b>TOTAL</b>	<b>6.94 ACRES</b>

PARKING:	
EXISTING TO REMAIN	132 SPACES
EXISTING TO BE LOST TO PROPOSED DRIVEWAY	53 SPACES
PROPOSED ADDITIONAL	38 SPACES
<b>NET TOTAL</b>	<b>165 SPACES</b>





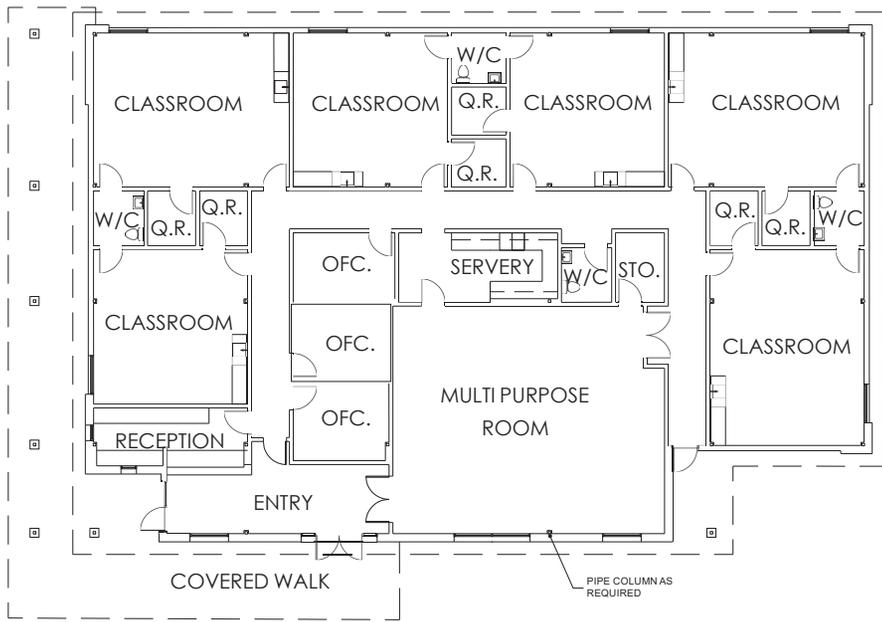
**SPACE TABULATIONS**

GROSS INDOOR, CONDITIONED AREA:	
EXISTING	26,172 SF
PROPOSED	6,445 SF
<b>TOTAL (EXISTING+PROPOSED)</b>	<b>32,617 SF</b>

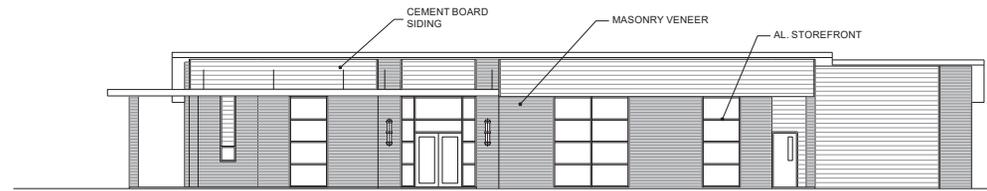
ROOM COUNT:	
RECEPTION	1
OFFICES	2
FILES/COPY/WORK ROOM	2
MULTI-PURPOSE	1
MULTI-PURPOSE STORAGE	1
CLASSROOMS	6
QUIET ROOMS	6
THERAPY ROOMS	1
RESTROOMS (WC)	4
GENERAL STORAGE ROOMS	2

**LEGEND**

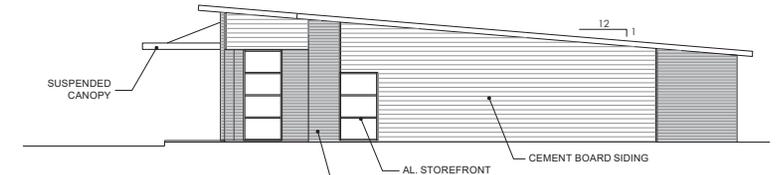
<span style="background-color: #ADD8E6; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span>	ADMINISTRATION
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<span style="background-color: #3CB371; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span>	MULTI-PURPOSE AREA
<span style="background-color: #FFD700; border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span>	CLASSROOM & SUPPORT



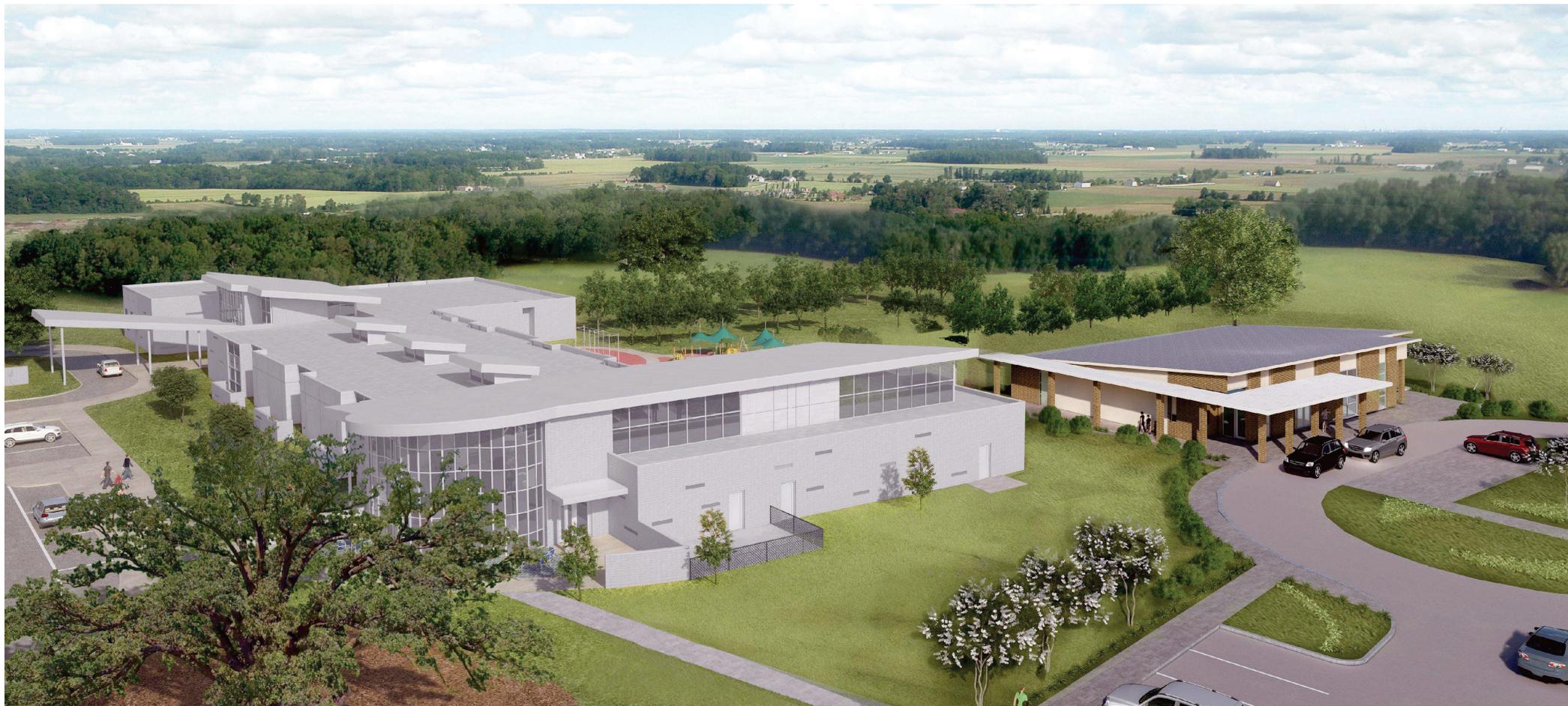
**FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"  
 0 8 16 feet  
 GROSS SQUARE FOOTAGE-6,445



**ELEVATION 1**  
 SCALE: 1/8" = 1'-0"  
 0 8 16 feet



**ELEVATION 2**  
 SCALE: 1/8" = 1'-0"  
 0 8 16 feet



THE EMERGE SCHOOL FOR AUTISM  
Baton Rouge, Louisiana

28 MARCH 2019

PRELIMINARY DESIGN

COLEMAN PARTNERS ARCHITECTS, LLC  
Baton Rouge . Houston . New Orleans





WEST ELEVATION 0 16 32 FT.



SOUTH ELEVATION 0 16 32 FT.

ATTACHMENT III  
**FIRST AMENDMENT TO GROUND LEASE AND CONSTRUCTION AGREEMENT  
FOR PARKING LOT WITH BATON ROUGE SPEECH AND HEARING  
FOUNDATION**

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

This First Amendment to Ground Lease and Construction Agreement For Parking Lot with Baton Rouge Speech and Hearing Foundation (“First Amendment”) is made and effective on the \_\_\_\_\_ day of \_\_\_\_\_, 2019 (“Effective Date”), by and between:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (the “Board”), a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through F. King Alexander, President of Louisiana State University, duly authorized and empowered by said Board,

and

**BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.** (the “Foundation”), a non-profit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through Melissa Blake, President of the Foundation, duly authorized and empowered by said Foundation,

**WITNESSETH:**

**WHEREAS,** Board and Foundation (the "Parties") entered into a Ground Lease and Construction Agreement For Parking Lot, effective on January 23, 2018 (the "Lease") in which Board leased to Foundation certain property as therein described;

**WHEREAS,** Board and Foundation previously entered into a Ground Lease and Construction Agreement, effective on May 30, 2012, as amended by a First Amendment, effective on September 20, 2017 (collectively the “2012 Lease”) in which the Board leased to Foundation certain property as therein described;

**WHEREAS,** the 2012 Lease granted to Foundation an option to lease Tract A as therein described and an option to purchase a portion of Tract B as therein described;

**WHEREAS,** Foundation wishes to exercise its option to lease Tract A and wishes to lease Tract B instead of purchase Tract B and Board has agreed as herein provided;

**WHEREAS,** Foundation desires to amend the Lease and lease additional property from the Board for the construction, at the Foundation’s sole expense, of additions to existing buildings,

new buildings, driveways, and other related improvements close to its existing facilities, all in accordance with plans and specifications to be approved by the LSU Representative and pursuant to the Board's design standards and any applicable standards of the LSU South Campus and LSU Innovation Park;

**WHEREAS**, Board desires to amend the Lease and grant to the Foundation the lease of additional property in order to facilitate the use of the property and construction of the improvements by the Foundation.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions and agreements as set forth in the original Lease and herein, beginning on the Effective Date the parties hereby agree to amend the Lease as follows:

1. In consideration of the covenants, agreements, and conditions herein set forth, which the Foundation hereby agrees shall be kept and performed, the Board does hereby lease unto the Foundation, and the Foundation does hereby lease from the Board, on the same terms provided for in the Lease, as modified herein, that certain additional property located on the LSU South Campus in the Parish of East Baton Rouge, State of Louisiana, and described in more detail as Tract A (approximately 35,683 square feet in size) and portions of Tract B (approximately 1.39 acres/60,664 square feet in size and 37,500 square feet in size which is not currently under lease from Board) on the attached Exhibit A (the "Additional Property"). The Additional Property is located within the Development. Beginning on the Effective Date, the Additional Property shall be included within the definition of the Property as provided for in the Lease, and Article I of the Lease is hereby amended to include the Additional Property in the definition of Property.
2. Board and Foundation amend Article IV of the Lease to add Section 4.6 as follows:

Beginning on the Effective Date, Foundation will pay to Board annual rentals (the "Additional Property Base Rent") as follows: \$3,993.96 per year for the 37,500 square foot portion of Tract B of the Additional Property and \$5,062.46 per year for the 35,683 square foot Tract A of the Additional Property, subject to increases and other terms as provided for in Article IV of the Lease. No rental shall be charged for the remaining unutilized approximately 1.39 acres of Tract B of the Additional Property until such time as Foundation places improvements thereon costing in excess of \$75,000.00, at which time the Additional Property Base Rent for the 1.39 acres of Tract B of the Additional Property shall be calculated using the same rate per square foot then in effect for the 37,500 square foot portion of Tract B of the Additional Property, subject to increases and other terms as provided for in Article IV of the Lease.
3. Board and Foundation hereby agree that Article V of the Lease is amended to provide that the Improvements on the Additional Property may include the construction of additions to existing buildings, new buildings, drives and other improvements, all in accordance with plans, specifications, and architectural and site plans approved by the LSU Representative and/or the Board pursuant to the Board's design standards and any applicable standards of the LSU South Campus and LSU Innovation Park, copies of which are attached to the Lease as Exhibit B.

4. Board and Foundation hereby agree to amend Section 7.1 of the Lease to provide that the Foundation may use the Additional Property and Improvements thereon for the Permitted Use as defined in the Lease and the 2012 Lease.
5. Board and Foundation agree to lease the Additional Property and upon execution of this First Amendment, the option to lease Tract A provided for in the 2012 Lease shall be deemed exercised and the option to purchase Tract B provided for in the 2012 Lease shall be deemed cancelled and terminated.
6. The Parties shall execute and record a Notice of Amended Lease simultaneously with this First Amendment.
7. Board and Foundation agree to amend Article XV to add the following new Sections:

**Section 15.18** Subordination. Neither the Board nor any successors-in-interest to the Board's rights in and to this Agreement shall mortgage or otherwise encumber the Additional Property without first obtaining a written agreement from the mortgagee that the mortgagee shall not disturb the Foundation's possession of the Additional Property nor deprive the Foundation of any rights or increase the Foundation's obligations under this Agreement, and that the mortgage/cumbrance shall be subordinate to the Foundation's rights hereunder.

**Section 15.19** The Foundation's Property and Subordination of the Board's Privilege. Any personal property, equipment, furniture, inventory, trademarked items, signs and other movable trade fixtures installed in or on the Additional Property by the Foundation (the "Foundation's Property"), shall remain the property of the Foundation and shall not be the property of the Board no matter how the same is affixed to the Additional Property or used by the Foundation and regardless of whether same is subject to a valid perfected UCC security interest. The Board agrees that the Foundation shall have the right, at any time or from time to time, to remove the Foundation's Property from the Additional Property, subject to the Foundation's obligation to continue using the Additional Property for the Permitted Use, and provided that the Foundation shall not remove any of the HVAC mechanical equipment without the prior written approval of the LSU System Representative. The Foundation, at its expense, shall immediately repair any damage occasioned by the removal of the Foundation's Property. The Foundation shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon the Foundation's Property. From time to time, some or all of the Foundation's Property may be financed and subject to a valid perfected UCC security interest in favor of a secured creditor (the "Secured Party"). The Board hereby agrees to subordinate the Board's lessor's privilege to the rights of a Secured Party holding a valid perfected UCC security agreement with respect to the Foundation's Property and agrees, if confirmation of said subordination is requested by the Foundation or Secured Party, to promptly sign and deliver to any such Secured Party a subordination, in a commercially reasonable form, of any privilege the Board may have on the Foundation's Property (the "Board's Subordination").

8. Except as expressed and modified herein, the terms and conditions of the original Lease, shall remain in full force and effect and are ratified and confirmed by the parties. In the event of a conflict between the provisions of the Lease, and this First Amendment, the provisions of this First Amendment shall be controlling as to the matters set forth herein. Defined terms in the Lease that are used in this First Amendment shall have the same meanings as defined in the Lease, except as otherwise provided for in this First Amendment.
9. This First Amendment may be executed in any number of counterparts, with each such counterpart being deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS HEREOF, the parties have executed this First Amendment in multiple originals on the day and year first above written.

**WITNESSES:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

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

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University  
Date: \_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**BATON ROUGE SPEECH AND  
HEARING FOUNDATION**

By: \_\_\_\_\_  
\_\_\_\_\_, President  
Date: \_\_\_\_\_

**EXHIBIT "A"**




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## CAMPUS CORRESPONDENCE

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**To:** President Alexander **Date:** January 16, 2018

**Through:** Daniel T. Layzell,   
Executive Vice President for Finance & Administration

**Through:** Tony Lombardo, P.E.,   
Associate Vice President, Facility & Property Oversight

**From:** Patrick Martin   
Assistant Vice President  
Real Estate, Public Partnerships, and Compliance

**Subject:** **Ground Lease and Construction Agreement for Parking Lot  
With Baton Rouge Speech and Hearing Foundation, Inc.  
At the Emerge Center in Innovation Park**

The Baton Rouge Speech and Hearing Foundation, Inc. (BRSHF) is the lessee of land from the LSU Board (Board) pursuant to the Ground Lease and Construction Agreement effective May 30, 2012. The Foundation has constructed facilities to provide for treatment, training and assistance to citizens with speech and hearing challenges, as well as Autism Spectrum Disorders and other developmental disabilities. On September 20, 2017, President Alexander executed the First Amendment to the 2012 Ground Lease and Construction Agreement, authorizing: (1) the future sale to BRSHF of Tract B (which would be used for expanding their charter school) and (2) the future lease to BRSHF of Tract A (which would be used for expanding their existing operations in accordance with the terms of their existing Ground Lease). See attached diagram which was approved by the Board and included in the First Amendment.

This Ground Lease and Construction Agreement is for a portion of Tract B as shown on the attached, to allow them to construct a parking lot and related improvements. When LSU entered into a property exchange with New Schools for Baton Rouge, we took away a parking lot that had been made available to BRSHF. Without that parking lot, parents, faculty, and staff of BRSHF are parking in grass lots and other parking lots around the Innovation Park campus. This is inconvenient for BRSHF and is causing problems with other tenants in Innovation Park. Leasing this portion of Tract B will allow BRSHF to provide adequate parking on-site, alleviating this problem. If and when BRSHF chooses to exercise its option to purchase all of Tract A, this lease will be terminated.

The design and construction of the parking lot will be in accordance with plans and specifications to be approved by the Board, the President or the President's duly authorized designee (LSU Representative) and pursuant to the Board's design standards and any applicable standards of the LSU South Campus and LSU Innovation Park.

Board authority to enter into this transaction was granted as part of the Board's authorization for the New Schools property exchange at the June 22, 2017 meeting, which included a delegation of authority to the President to enter into agreements with BRSHF in order to induce BRSHF to forgo exercising certain options rights it had in the original Ground Lease for the Emerge Center.

**Property description:** Approximately 33,125 square feet (.75 acres) in size as shown on attached Exhibit "A".

**Lease term:** From the Effective Date and terminating May 29, 2042 (termination date of the Ground Lease).

**Renewal Terms:** Two (2) separate and successive renewal terms of twenty (2) years.

**Rental:** One (1) annual payment of three thousand five hundred twenty-eight and no/100 dollars \$3,528 payable annually on January 15<sup>th</sup> of each year of the term. Base Rent shall be increase on the 5<sup>th</sup> anniversary of the effective Date and again every 5<sup>th</sup> year during the term to an amount equal to the product obtained by multiplying the then current Base Rent times 103%.

The rent amount was calculated at the same square foot rate that BRSHF pays under the Ground Lease, less a 25% discount because the construction of the parking lot puts less burden on LSU, and they have agreed that the property will not be subject to a mortgage of any sort.

The attached Ground Lease and Agreement for Construction Agreement is consistent with law, LSU policy, and the Baton Rouge Speech and Hearings Foundation, Inc. leases and amendments. I recommend its signature by the President. Return to Patrick Martin when completed.

The attached has been reviewed and recommended by LSU's outside counsel Nancy Dougherty.

Jim Marchand has reviewed and found the Ground Lease and Construction Agreement to be legally sufficient.

At your earliest opportunity, please review and execute the one (1) original of the Ground Lease and Construction Agreement document and return the executed document to Patrick Martin when completed for further processing.



Finance & Administration  
Facility & Property Oversight

RECEIVED  
JAN 04 2017  
SYS

**DATE:** January 3, 2018

**TO:** Jim Marchand  
Attorney

**FROM:** Patrick Martin   
Assistant Vice President  
Real Estate, Public Partnerships, and Compliance

**SUBJECT:** Ground Lease and Construction Agreement for Parking Lot  
With Baton Rouge Speech and Hearing Foundation, Inc.  
At the Emerge Center in Innovation Park

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We request your legal review of the aforementioned Ground Lease.

**SUMMARY:**

The Baton Rouge Speech and Hearing Foundation, Inc. (BRSHF) is the lessee of land from the LSU Board (Board) pursuant to the Ground Lease and Construction Agreement effective May 30, 2012. The Foundation has constructed facilities to provide for treatment, training and assistance to citizens with speech and hearing challenges, as well as Autism Spectrum Disorders and other developmental disabilities. On September 20, 2017, President Alexander executed the First Amendment to the 2012 Ground Lease and Construction Agreement, authorizing: (1) the future sale to BRSHF of Tract B (which would be used for expanding their charter school) and (2) the future lease to BRSHF of Tract A (which would be used for expanding their existing operations in accordance with the terms of their existing Ground Lease). See attached diagram which was approved by the Board and included in the First Amendment.

This Ground Lease and Construction Agreement is for a portion of Tract B as shown on the attached, to allow them to construct a parking lot and related improvements. When LSU entered into a property exchange with New Schools for Baton Rouge, we took away a parking lot that had been made available to BRSHF. Without that parking lot, parents, faculty, and staff of BRSHF are parking in grass lots and other parking lots around the Innovation Park campus. This is inconvenient for BRSHF and is causing problems with other tenants in Innovation Park. Leasing this portion of Tract B will allow BRSHF to provide adequate parking on-site, alleviating this problem. If and when BRSHF chooses to exercise its option to purchase all of Tract A, this lease will be terminated.

The design and construction of the parking lot will be in accordance with plans and specifications to be approved by the Board, the President or the President's duly authorized designee (LSU Representative) and pursuant to the Board's design standards and any applicable standards of the LSU South Campus and LSU Innovation Park.

Board authority to enter into this transaction was granted as part of the Board's authorization for the New Schools property exchange at the June 22, 2017 meeting, which included a delegation of authority to the President to enter into agreements with BRSHF in order to induce BRSHF to forgo exercising certain options rights it had in the original Ground Lease for the Emerge Center.

Property description: Approximately 33,125 square feet (.75 acres) in size as shown on attached Exhibit "A".  
Lease term: From the Effective Date and terminating May 29, 2042 (termination date of the Ground Lease).  
Renewal Terms: Two (2) separate and successive renewal terms of twenty (2) years.  
Rental: One (1) annual payment of three thousand five hundred twenty-eight and no/100 dollars \$3,528 payable annually on January 15<sup>th</sup> of each year of the term. Base Rent shall be increase on the 5<sup>th</sup> anniversary of the effective Date and again every 5<sup>th</sup> year during the term to an amount equal to the product obtained by multiplying the then current Base Rent times 103%.

The attached has been reviewed and recommended by LSU's outside counsel Nancy Dougherty. The rent amount was calculated at the same square foot rate that BRSHF pays under the Ground Lease, less a 25% discount because the construction of the parking lot puts less burden on LSU, and they have agreed that the property will not be subject to a mortgage of any sort.

The attached Ground Lease and Agreement for Construction Agreement is consistent with law, LSU policy, and the Baton Rouge Speech and Hearings Foundation, Inc. leases and amendments. I recommend its signature by the President. Return to Patrick Martin when completed.

A handwritten signature in black ink, appearing to be 'ASU', is written over a horizontal line. Below the signature, the date '1/5/18' is written.

The attachment has been reviewed by the Office of General Counsel and found to legally sufficient.

**GROUND LEASE AND CONSTRUCTION AGREEMENT FOR PARKING LOT  
WITH BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.**

THIS GROUND LEASE AND CONSTRUCTION AGREEMENT FOR PARKING LOT WITH BATON ROUGE SPEECH AND HEARING FOUNDATION (the "Agreement") is entered into by and between:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (the "Board"), a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through F. King Alexander, President of Louisiana State University, duly authorized and empowered by said Board,

and

**BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.** (the "Foundation"), a nonprofit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through Robert Pettit, President of the Foundation, duly authorized and empowered by said Foundation,

to be effective as of the date on which this Agreement has been fully executed by both parties hereto as reflected on the signature page (the "Effective Date"), and provides as follows:

**WHEREAS**, the Foundation is a private nonprofit Louisiana corporation afforded status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax-exempt purpose includes but is not limited to providing treatment, training, and assistance to citizens with speech and hearing challenges, as well as Autism Spectrum Disorders and other developmental disabilities;

**WHEREAS**, Louisiana Revised Statutes 17:3361 expressly authorizes the Board to lease property to a nonprofit corporation such as the Foundation for the purpose of constructing and renovating buildings, other structures, and improvements;

**WHEREAS**, the Board is the owner of certain lands located on the South Campus of Louisiana State University on Innovation Park Drive in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana;

**WHEREAS**, the Foundation is the lessee of land from the Board pursuant to that certain Ground Lease and Construction Agreement Effective May 30, 2012 (the "Existing Ground Lease") on the South Campus of Louisiana State University on which Foundation has constructed facilities to provide additional property for the Board for such treatment, training,

and assistance by the Foundation, which Existing Ground Lease was amended by the parties pursuant to a First Amendment to Ground Lease and Construction Agreement with Baton Rouge Speech and Hearing Foundation effective September 20, 2017 (the “First Amendment”);

**WHEREAS**, the Foundation desires to lease additional property from the Board for the construction, at the Foundation’s sole expense, of a parking lot and related improvements on property close to its facility for the aforementioned purposes, all in accordance with plans and specifications to be approved by the Board or the President of Louisiana State University or his duly authorized designee (the “LSU Representative”) and pursuant to the Board’s design standards and any applicable standards of the LSU South Campus and LSU Innovation Park;

**WHEREAS**, the Board desires to grant to the Foundation a ground lease and certain rights of use and access in order to facilitate the use of the property and construction of the aforementioned parking lot and related improvements by the Foundation; and

**WHEREAS**, locating the Foundation’s facility on Board property furthers the mission of the Board by providing opportunities for collaborative research with LSU students and faculty members, by providing employment and internship opportunities for students at the undergraduate, graduate, and doctoral levels in fields including communications disorders, special education, psychology, occupational therapy, speech pathology, and audiology, and by providing a long-term anchor tenant for the South Campus Innovation Park, and parking is an important aspect of the tenancy at this location.

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

**ARTICLE I.  
LEASE OF THE PROPERTY**

In consideration of the covenants, agreements, and conditions herein set forth, which the Foundation hereby agrees shall be kept and performed, the Board does hereby lease unto the Foundation, and the Foundation does hereby lease from the Board, that certain property located on the LSU South Campus in the Parish of East Baton Rouge, State of Louisiana, approximately 33,125 square feet in size, and shaded and described in more detail as “Emerge Center Parking Addition” on the attached Exhibit “A” (the “Property”). The Property is located within the larger parcel of land known as LSU Innovation Park and owned by the Board (the “Development”).

**ARTICLE II.  
TERM**

Unless sooner terminated as herein provided, this Agreement shall be and continue in full force and effect for an initial term commencing on the Effective Date and terminating on May 29, 2042 (the “Initial Term”), with two (2) separate and successive options to renew the Agreement, (each a “Renewal Term”), with each such Renewal Term being for a period of twenty (20) additional and subsequent years (for a total possible Term of up to seventy (70) years); provided, however notwithstanding anything to the contrary set forth herein, this Agreement shall not be renewed unless the corresponding renewal option is exercised in the Existing Ground Lease as amended by the First Amendment. In the event and on each occasion

that the Foundation desires to renew the Agreement for either Renewal Term as provided for above, then, provided the Foundation is not then in default of this Agreement and provided that Foundation has exercised its corresponding option in the Existing Ground Lease as amended by the First Amendment, the Foundation may exercise its right by providing written notice of same to the Board no later than sixty (60) days prior to the expiration of the then current Term. In the event that the Foundation fails to provide the Board with written notice within said sixty (60) day period, then the Board shall provide the Foundation with written notice of the expiration of this Agreement and the Foundation shall have an additional fifteen (15) days from the date of the Foundation's receipt of the Board's written notice to provide written notice to the Board of the Foundation's election to renew the Agreement for either Renewal Term. "Term" as used in this Agreement shall include the Initial Term and any exercised Renewal Term.

### **ARTICLE III. PRE-CONSTRUCTION ACTIVITIES**

**Section 3.1** The Foundation shall to the extent deemed necessary, at its sole expense, inspect the Property, arrange for all necessary surveys, soil borings, and other site investigations, review title to the Property, and perform other studies and investigations deemed necessary by the Foundation.

**Section 3.2** The Foundation shall at its sole expense provide for the preparation of all design and supporting documentation for the construction of the Work as defined hereinbelow, including but not necessarily limited to the plans and specifications for the Work and the architectural and site plans for the Property and Work, and to obtain all necessary approvals for such plan, specifications, contracts and other documents as required by this Agreement.

**Section 3.3** The Foundation shall at its sole expense obtain all necessary permits, licenses, and other approvals from all regulatory agencies or bodies necessary to commence construction of the Work.

**Section 3.4** The Foundation shall at its sole expense enter into a Construction Contract for the construction of the Work and obtain the approval of the Construction Contract from the Board, all as defined and set forth herein below.

**Section 3.5** The Foundation shall secure funds from donations, financing, or otherwise sufficient to pay for construction of the Work performed pursuant to this Agreement.

**Section 3.6** The Foundation shall determine if all required utilities are available at the Property sufficient for the Foundation's use.

### **ARTICLE IV. RENT**

**Section 4.1** Commencing on the Effective Date, Foundation will pay to Board annual rentals (the "Base Rent") in the full sum of Three Thousand Five Hundred Twenty-Eight and No/100 Dollars (\$3,528.00), which amounts shall be payable in one payment annually on the fifteenth (15<sup>th</sup>) day of January of each year during the Term.

**Section 4.2** The Base Rent shall be increased, effective on the fifth (5<sup>th</sup>) anniversary date of the Effective Date and again every five (5) years thereafter during the Term to an amount equal to the product obtained by multiplying the then current Base Rent times one hundred three percent (103%).

**Section 4.3** All other amounts that may become due under this Lease will constitute additional rent (“Additional Rent”), and all Additional Rent shall be due in full within ten (10) days of Board billing Foundation for said Additional Rent. The term “Rent” as used in this Lease shall mean the sum of Base Rent and Additional Rent.

**Section 4.4** All Rent must be paid when due, without prior notice or demand, without abatement, offset or deduction, in lawful money of the United States of America to Board at 8000 Innovation Park Drive, Baton Rouge, LA 70820 or to such other party or at such other address as Board may designate in writing.

**Section 4.5** All Rent more than ten (10) days in arrears will bear interest at the rate of twelve percent (12%) per annum from the date due until paid. Any payment of past due Rent must also include the interest. The assessment of interest will not create a grace period for the payment of Rent or preclude Board from exercising any of its default remedies.

**ARTICLE V.  
AGREEMENT TO CONSTRUCT PARKING LOT  
AND RELATED IMPROVEMENTS ON THE PROPERTY**

The Foundation does hereby agree at its sole expense to direct the preparation of the design and all supporting documentation for the construction of the parking lot and related improvements (the “Improvements”) on the Property, and to construct the Improvements on the Property pursuant to said design, all in accordance with plans, specifications, and architectural and site plans approved by the LSU Representative and/or the Board and pursuant to the Board’s design standards and any applicable standards of the LSU South Campus and LSU Innovation Park, copies of which is attached hereto as Exhibit “B.” The Foundation further agrees to donate any and all of its interest in the Work to the Board upon expiration of this Agreement or in accordance with Section 13.2 hereof, and to execute all reasonably necessary paperwork to effectuate said donation. It is estimated that the total cost of the renovations and improvements, including the design thereof, will be approximately \$300,000.00 including landscaping, all of which cost and expense shall be paid by the Foundation; however, should the final cost differ from said amount, it shall not affect any other terms of these Agreement, except that said amount may not be increased above \$350,000.00 or decreased below \$250,000.00 without the written consent of the LSU Representative, subject to the requirements of Section 6.10 hereof. The Foundation shall own all Work and Improvements during the Term of this Agreement.

**ARTICLE VI.  
CONSTRUCTION**

At its sole expense, the Foundation shall design and construct the Improvements on the Property in a good and workmanlike manner, in accordance with the following provisions:

**Section 6.1** Plans and Specifications; Change Orders. The work to be performed by the Foundation on the Property pursuant to this Agreement for the construction of Improvements (the “Work”) is generally described on Exhibit “C” hereto, and no material deviation therefrom shall be implemented without the prior written consent of the LSU Representative. At least sixty (60) days prior to commencement of the Work, plans and specifications shall be delivered to the LSU Representative for review. The LSU Representative shall approve or disapprove, upon a commercially reasonable basis and upon compliance with all applicable standards of the Board, the LSU South Campus, and the LSU Innovation Park, such plans and specifications in writing within thirty (30) days of receipt thereof. Furthermore, the architectural and site plans shall be presented to the Board for approval prior to commencement of any portion of the Work on the Property. If any part of the plans, specifications, or architectural and site plans are disapproved, then the Board shall with all reasonable diligence provide sufficient written reasons and justification that the Foundation can adequately work to address any deficiencies in the submission. No Change Orders to the Construction Contract (as defined herein) or changes to the plans, specifications, and/or architectural and site plans which materially deviate therefrom shall be implemented without the prior written consent of the LSU Representative. Any request for Change Orders to the Construction Contract (as defined herein) or changes to the plans, specifications, and/or architectural and site plans shall be made to the LSU Representative, who shall approve or disapprove, upon a commercially reasonable basis and upon compliance with all applicable design standards of the Board, the LSU South Campus, and the LSU Innovation Park, such request in writing within ten (10) business days of having received such request from the Foundation. If any Change Orders or changes to the plans, specifications, or architectural and site plans are disapproved, then the Board shall with all reasonable diligence provide sufficient written reasons and justification that the Foundation can adequately work to address any deficiencies in the submission. In the event that the LSU Representative has not approved of the Foundation’s plans and specifications on or before January 1, 2018, the Foundation may elect to terminate this Agreement.

**Section 6.2** Commencement and Completion of the Work. Unless delayed by Force Majeure (defined as (a) any act of God, lightning, hurricane, tropical storm, tornado, and/or other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance, (b) any labor dispute, strike, work slow-down or work stoppage, (c) unreasonable delay or unavailability of materials needed for the Work, (d) unreasonable governmental delay, (e) unreasonable delay by the Board, or (f) any other similar cause or similar event beyond the reasonable control of the Foundation), the Foundation agrees to commence construction of the Work on the Property no later than one (1) year after the Effective Date of this Agreement, and shall make best efforts to complete the Work no later than (3) years after the Effective Date of this Agreement. Said Work shall not commence until the Board has approved the architectural and site plans and the LSU Representative has given his written approval to the plans and specifications and his written approval of the notice to commence. The commencement and completion dates set forth Agreement herein may be extended by a written change order issued by the Foundation and approved in writing by the LSU Representative. Notwithstanding anything to the contrary provide for herein, in the event that the Foundation is delayed from meeting any deadline provided for in this Agreement as a result of any event of Force Majeure, then the time period provided to the Foundation shall be extended by the number of days that the Foundation is delayed by an event of Force Majeure.

**Section 6.3** Construction Contract. The Work shall be performed on behalf of the Foundation pursuant to one or more written contracts between the Foundation and a contractor or contractors (the “Construction Contract”). Where appropriate, the Construction Contract(s) and bond(s) shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. The Foundation shall include in every Construction Contract a liquidated damages clause acceptable to the LSU Representative. The Foundation shall not enter into any Construction Contract without the prior written approval of the LSU Representative. The LSU Representative shall approve or disapprove such Construction Contract within ten (10) business days of receipt of a copy of the Construction Contract from the Foundation. If the LSU Representative shall disapprove the submission, the LSU Representative shall provide sufficient written reasons and justification that the Foundation can adequately work to address any deficiencies in the submission. The Board and the Foundation hereby acknowledge the following, and to the extent practically and legally possible, each Construction Contract and all subcontracts entered into by the general contractor(s) shall acknowledge expressly that the contractor and subcontractors have been informed of the following:

- A. The Work will be performed solely and exclusively for the Foundation.
- B. The Foundation is a separate legal entity from the Board, and the Foundation has no authority to obligate the Board to any extent whatsoever.
- C. Neither the Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Agreement; provided, however, that this provision shall not be deemed to limit the liability of the State Office of Risk Management under any policy or policies of insurance provided or issued to the Board, to the Foundation, or to any other entity.
- D. The Foundation has no ownership interest in the Property upon which the Work will be performed. Any renovations and improvements placed on the Property of the Board, including the Work, shall be owned by the Foundation during the Term of this Agreement and shall become owned by the Board upon termination or expiration of this Agreement as provided for herein. The Work shall not give rise to any rights against the Property or the Board.
- E. Payment Bonds. The Foundation shall require that the contractor(s) provide a performance and labor and materials payment bond with a corporate surety authorized to do business in the State of Louisiana. Said bond shall be for the greater of the full amount of the contract price or for the amount of the guaranteed maximum price of the Work. Both the Foundation and the Board shall be obligees under the bond.

**Section 6.4** Rights Concerning the Property During Construction. To the extent necessary, the Foundation and its contractors shall have the right to occupy and use the Property, with reasonable ingress to and egress from the Property and as otherwise provided in Section 6.6 hereof, during the term of this Agreement. With the prior written consent of the LSU Representative, the Foundation shall fence or block off in a safe and secure manner acceptable to

the LSU Representative that area of the Property necessary to perform the Work. The Foundation assumes all responsibility for the condition of the Property used by it during the term of this Agreement. The Foundation and its contractors shall maintain the Property and all buildings and improvements and thereon in a reasonably prudent manner at all times. The Foundation will take prudent care of the Property and return same to the Board upon expiration or termination of this Agreement in as good a condition as when received, as modified by construction of the Work, ordinary wear and tear excepted. The Foundation accepts the Property for the purposes herein outlined without any warranty of title or recourse whatsoever against the Board, except as otherwise specifically provided for in this Agreement.

**Section 6.5** Access over Adjoining Property During Construction. The Foundation shall be entitled to reasonable access to the Property over and across adjoining property owned by the Board as is reasonably necessary in order for the Foundation to fulfill its obligations hereunder. The Board shall be entitled to designate different comparable replacement adjoining properties to be used for access from time to time as circumstances dictate. The Foundation will not unreasonably interfere with the Board's use of such other property / properties.

**Section 6.6** Board/LSU Rules and Regulations; Code Compliance; Board Access During Construction. The Foundation agrees that it will comply with all Board regulations and policies with regard to all contractors and personnel entering the Property for purposes of renovation and improvement, which regulations and policies will be addressed at the pre-construction conference, and with all state and local laws and ordinances regulating its operations on the Property, and that Foundation will secure at its own expense all necessary permits, licenses and other approvals from all regulatory agencies or bodies necessary for the Work. The Foundation shall make these same requirements of its contractor(s) for the Work. The Foundation and its contractors shall design and construct the Work in accordance with all adopted current and applicable codes, rules, regulations, applicable laws, and applicable amendments thereto, including but not limited to the International Building Code, NCANSI-A117.1 (1986 or the edition current as of the Effective Date hereof), the most recent edition of the NFPA 101: Life Safety Code, the Americans with Disabilities Act, and all applicable local and state uniform building codes in effect as of the Effective Date hereof. The Work and the Property shall be subject to inspection by the LSU Representative, who shall have access at all times to the Work and the Property for all purposes including but not limited to the right to review the Work to determine that it is being performed in compliance with approved plans and specifications and in a good and workmanlike manner. Furthermore, the LSU Representative(s) shall at all times have access to the Property and the exercise of all rights provided for in this Agreement and by law.

**Section 6.7** Approvals. The Board shall not unreasonably withhold, condition, deny or delay any approval or consent required pursuant to this Agreement. Failure by the Board to approve or disapprove within a time limit set forth herein shall be deemed disapproval by the Board unless otherwise set forth herein.

**Section 6.8** Signage. Before erecting or placing any sign upon the Property, the Foundation shall submit the design specifications of such sign to the LSU Representative for approval, which approval shall not be withheld if such signage is consistent with the Board's and

the LSU South Campus' current signage policy or if such signage was included in the plans and specifications which have been approved by the LSU Representative. The LSU Representative will work with Foundation to address necessary wayfinding and signage issues in a manner consistent with the principles underlying LSU's standards.

**Section 6.9** Acceptance of The Work. Prior to acceptance of the Work, the Foundation shall deliver the following to the LSU Representative:

A. All governmental reviews, acceptance letters, and associated appeals, including but not limited to the Office of the State Fire Marshall and the Department of Public Health, if applicable; and

B. A clear lien certificate as to the Work obtained from the East Baton Rouge Parish clerk's office, or evidence that any and all liens against the Property and the Work have been adequately bonded.

The Foundation will not accept the Work without the written approval of the LSU Representative. The Foundation agrees to complete all warranty and punch list items within the first year following approval by the LSU Representative of the acceptance of the Work. The Board reserves the right to refuse, itself or through the LSU Representative, the acceptance of the Work unless the Foundation certifies in writing to the LSU Representative that monies equal to the value of the punch list deficiencies have been withheld by the Foundation for payment to the contractor for completion of the punch list items and that such monies shall not be expended for any other purpose. Final payment shall not be made to the contractor until the LSU Representative agrees in writing that the punch list items have been completed.

**Section 6.10** Funds for the Work. If the President of LSU so requests, prior to the commencement of the Work, the Foundation shall certify in writing to the LSU Representative that the total amount of money needed to complete the Work has been collected and/or appropriate financing acquired by the Foundation and that such funds have been and will be dedicated to that use and will not be expended for any other purpose.

**Section 6.11** Clerk of the Works. If in the LSU Representative's sole discretion it becomes necessary, the Foundation shall hire at its sole expense a Clerk of the Works for full-time supervision of the Work, which cost shall not exceed reasonable market rate for such services.

**Section 6.12** No Liens or Sale; Release of Recorded Liens. The Foundation shall not suffer or permit any liens to be enforced against the Property, the Work, or the Board by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to the Foundation or to anyone through or under the Foundation related to the Work or the Property. If any such liens shall be recorded, the Foundation shall cause the same to be released of record, or in the alternative, if the Foundation in good faith desires to contest the same, the Foundation shall be privileged to do so, but in such case, the Foundation hereby agrees to indemnify and save the Board harmless from all liability for damages occasioned thereby and

shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of said judgment. Furthermore, at the LSU Representative's request, the Foundation shall promptly deposit with the Recorder of Mortgages for East Baton Rouge Parish a bond guaranteeing payment of any such liens.

**Section 6.13 Financing or Sale of Property.** Foundation shall not agree to any financing arrangements with respect to the funding of the construction of the Work or any encumbrances on the Work or otherwise related to the Property without the prior written approval of the LSU Representative. The Foundation shall not sell or transfer title to the Work or any improvements related to the Property without the prior written approval of the President of LSU. The Board hereby approves, in advance, the obtaining by Foundation of a loan for no more than \$350,000.00, provided no mortgage or lien is placed on the Property, the Improvements, or the leasehold interest.

**Section 6.14 Protection of Trees and Utility Lines.** The Foundation and its contractor(s) will not remove or trim any trees located on or adjacent to the Property without the prior written consent of the LSU Representative, which consent shall not be unreasonably withheld. During construction, the Foundation and its contractors will protect and guard all trees standing within 100 yards of the construction site for a distance of ten (10) feet from the drip line of each tree against vehicular traffic and other reasonably foreseeable hazards, and Foundation and its contractors will not store any construction materials within the protected areas. Any existing utility lines to surrounding buildings must be rerouted by the Foundation with the prior approval of the LSU Representative in order that the Work not be placed over any existing utility lines.

## **ARTICLE VII. USE, MAINTENANCE, AND REPAIRS**

**Section 7.1 Use.** Subject to the terms and provisions hereof, the Foundation shall use the Property and the Improvements thereon solely for parking for the facility constructed and operated by Foundation pursuant to the Existing Ground Lease, as amended by the First Amendment (the "Permitted Use"). The Foundation's use of the Property shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish, or municipal government now or hereafter in effect, including all environmental laws and regulations.

**Section 7.2 Prohibited Uses.** The Foundation shall not use the Property for the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. The Foundation shall not make any use of the Property in violation of any applicable statutes, ordinances, regulations or laws and shall not permit any contamination or pollution on or about the Property or increase the fire or insurance hazard by any use thereof. Before beginning any work on the Property, the Foundation shall obtain any permits required by the State of Louisiana, the Parish of East Baton Rouge, the United States of America or any of their subdivisions, agencies or departments related to the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. The Foundation shall not install or otherwise place storage tanks in or on the Property without the LSU Representative's prior written consent, which, in

addition to any other conditions required by the Board, shall be subject to the condition that any such tank shall be located on a concrete slab and shall be surrounded by a retaining wall that shall retain the products stored in the tanks in the event of any spill, discharge, leak, overflow, or other release.

**Section 7.3 Utilities.** The Foundation shall be solely responsible for payment of all utilities related to the Property and Improvements, including but not limited to charges for electricity, energy, light, heat, air conditioning, power, telephone, garbage, or other trash removal and disposal, water, and sewer user fees. All utilities will be billed directly to and in the name of the Foundation. Electrical service is available on a pole across the street from the Property. Underground sewerage and water lines are available along the length of Innovation Park Drive. It shall be the responsibility of the Foundation to make all necessary arrangements to tap into these existing and other services. The Foundation shall be allowed to tie into all future utilities installed in the Development at its discretion and sole cost.

**Section 7.4 Operating Expenses.** The Foundation shall pay all expenses, costs, premiums, and disbursements of any nature whatsoever accrued or incurred in connection with the ownership, lease, management, operation, maintenance, repair and insurance of the Improvements and the Property.

**Section 7.5 Maintenance and Repairs.** The Foundation shall maintain the Property, the grounds, and all Improvements thereon in good condition and make all necessary repairs to the Improvements thereon to maintain them in the same or better condition as they were at the beginning of the Term and after completion of the Work, ordinary wear and tear excepted.

**Section 7.6 Access to Property.** The Board shall provide to the Foundation ingress and access to the Property at all times. The Foundation shall at all times allow the Board ingress, egress, and access through and across the Property as necessary to access any adjoining property owned by the Board. Notwithstanding the foregoing, entry by the Board shall occur in such a manner as to not unreasonably interfere with the Foundation's use and enjoyment of the Property and to not to jeopardize the security of the occupants of the Property.

**Section 7.7 Mineral Exploration and Production.** Notwithstanding any other provision of this Agreement, the Board expressly reserves all mineral rights regarding the Property, including but in no way limited to the right, acting either directly or through its agents, contractors, and/or mineral lessees, to conduct mineral exploration and production activities below the Property by directional drilling. Notwithstanding said reservation of rights, the Board agrees that it shall not conduct any surface operations on the Property. The Foundation shall allow the Board, its employees, agents, and contractors to access the Property for and shall not in any way interfere with such operations. In the event that the Board, its agents, and/or contractors perform such operations on the Property, it shall do so in a manner that does not interfere with the Foundation's Permitted Use of the Property.

**Section 7.8 Waiver and Disclaimer of Warranties.** Foundation accepts the Property in its "as is" and existing condition, at the Foundation's sole risk and without any warranty of any kind or nature, whether express or implied, contractual or statutory and whether as to the condition (patent or latent) or state of repair of the Property or the fitness of same for

the Foundation’s purposes or for any other purpose whatsoever, except as may otherwise be specifically provided for herein. The Board warrants only against eviction, and all other warranties are expressly disclaimed by the Board and waived and renounced by the Foundation.

**ARTICLE VIII.  
INSURANCE**

**Section 8.1 Required Insurance.** Throughout the Term of this Agreement, the Foundation shall at all times maintain or cause to be maintained, with respect to the Property and all Improvements thereon, insurance in the following types and amounts. Such insurance shall be with insurance companies duly licensed to do business in the State of Louisiana and, to the extent available on commercially reasonable terms, bearing a rate of A+:XV in the latest Best Casualty Insurance Reports.

TYPE	AMOUNT
Commercial General Liability Insurance for the following where the exposure exists: (a) premises-operations (b) broad form Lease liability (c) products/completed operations (d) use of Contractors and subcontractors (e) personal injury (bodily injury and death) (f) broad form property damage (g) explosion, collapse and underground property damage (h) independent Contractors (i) sprinkler leakage legal liability	Coverage in an amount not less than: \$2,000,000.00 per occurrence; \$5,000,000.00 General Aggregate; and \$5,000,000.00 Products & Completed Operations Aggregate; less a commercially reasonable deductible. “Claims Made form is not acceptable.
Business Automobile Liability Insurance for bodily injury and property damage, covering owned, hired, rented, and leased automobiles.	Combined single limit of One Million Dollars (\$1,000,000.00) per occurrence.
Worker’s Compensation & Employer’s Liability Insurance.	Limits as required by the Labor Code of the State of Louisiana and Employer’s Liability coverage. Employer’s liability limit is to be \$1,000,000.00 when work is to be over.
Business Interruption Insurance covering loss of rents by reason or total or partial suspension of, or interruption in, the	12 months guaranteed rental revenue.

operation of Leased Premises caused by the damage thereof.	
Flood insurance, if applicable.	In amounts determined by LSU to be reasonable, but no more than the amount available under the National Flood Insurance Program.
Liquor liability insurance, if applicable	Limits of One Million (\$1,000,000.00) Dollars

**Section 8.2 Additional Insurance Requirements During the Work.** Unless otherwise approved in writing by the LSU Representative, during the Work, the Foundation shall maintain or require its contractor to maintain the following insurance in addition to the coverages provided by 8.1 above:

A. **Builder’s Risk Insurance.** The Foundation or Contractor shall provide an “All Risk” builder’s risk insurance policy, including but not limited to fire and extended coverage insurance including wind, earthquake, collapse, vandalism, malicious mischief, and theft including theft of materials whether or not attached to any structure, for not less than one hundred percent (100%) of the full replacement value of the Work, the Property, and all buildings and improvements located on the Property, to protect against any damage or loss during the Work. This policy shall be taken out prior to commencement of construction and discontinued upon final completion of all Punch List items to the satisfaction of the LSU Representative. The coverage shall include the architect’s and engineer’s fees to provide plans, specifications and supervision of work for the repair and/or replacement of property damage following a loss during construction. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work. The policy shall include coverage for and shall run in favor of the Board, the Foundation, and Foundation’s contractor(s) and any subcontractors as their interests may appear.

B. **General Liability and Property Damage Insurance.** The Foundation and its contractors, before commencing any Work, shall procure such comprehensive liability and property damage insurance, including, but not limited to Commercial General Liability, Personal and Advertising Injury Liability, Products and Completed Operations Liability and insurance for the operation of motor vehicles, which will cover, to the extent allowed by law, the Foundation’s, the Board’s, and the architect’s legal liability (but not the architect’s professional liability) arising out of the construction of the buildings and improvements performed by the Foundation or any of its contractors or subcontractors and by anyone directly or indirectly employed by any of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding structures and buildings. Unless otherwise agreed to in writing by the Board, such policy or policies of insurance shall provide minimum liability limits of Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) general aggregate. The Foundation shall also require its contractors and subcontractors to have in full force and affect a policy of workers’ compensation and employer’s liability insurance before proceeding with the construction under this Agreement, which insurance shall be in compliance

with the Louisiana Workers Compensation Act. Employer's liability coverage shall be included with a minimum limit of \$500,000 per accident/per disease/per employee.

C. Architect's Design, Errors and Omissions. Upon execution of this Agreement, the Foundation shall provide to the Board evidence that the architect for the Work has procured architect's design, errors and omissions insurance coverage for the Work in an amount acceptable to the LSU Representative.

D. Pollution Liability. Pollution Liability Insurance, including gradual release as well as sudden and accidental releases, shall be obtained by the Foundation and/or its contractors prior to commencement of the Work and shall include a minimum limit of not less than \$1,000,000.00 per claim.

**Section 8.3** Required Insurance Shall Be Primary. All insurance required hereby shall be primary as respects the Board and its board members, employees, agents, and volunteers. Any insurance or self-insurance maintained by the Louisiana Office of Risk Management and the Board shall be excess and noncontributory of Foundation or any contractors' insurance.

**Section 8.4** Failure to Comply With Reporting Requirements. Any failure of the Foundation or its contractor(s) to comply with reporting requirements of a policy required hereby shall not affect coverage provided to the Board and its board members, employees, agents, and volunteers.

**Section 8.5** Application of Multiple Policies. The Foundation's and/or any contractors' insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policy limits.

**Section 8.6** No Release. Neither the acceptance of the completed Work nor the payment therefor shall release the Foundation or any contractor from the obligations of the insurance requirements or indemnification set forth herein.

**Section 8.7** No Recourse. The insurance companies issuing the required policies shall have no recourse against the Board for payment of premiums or for assessments under any form of the policies.

**Section 8.8** Excess Insurance. Excess umbrella insurance may be used to meet the minimum requirements for the general liability and automobile liability only.

**Section 8.9** Deductibles and SIR's. Any deductibles or self-insured retentions must be declared to and accepted by the LSU Representative. The Foundation and/or its contractors shall be responsible for all deductibles and self-insured retentions.

**Section 8.10** No Special Limitations. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to the Board and its board members, employees, agents, and volunteers.

**Section 8.11** Licensed Louisiana Insurers. All insurance shall be obtained through insurance companies duly licensed and authorized to do business in the State of Louisiana, and

unless waived in writing by the LSU Representative, which, to the extent available on commercially reasonable terms, bear a rating of A+:XV in the latest A. M. Best Co. ratings guide. If at any time an insurer issuing a policy hereunder does not meet the minimum A. M. Best Co. ratings, and such requirement has not been waived in writing by the President of LSU, the Foundation and/or contractor shall obtain a policy with an insurer that meets the A. M. Best Co. rating required and shall submit another Certificate of Insurance as required hereunder.

**Section 8.12** Occurrence Based Policies. All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

**Section 8.13** Verification of Coverage. The Foundation shall furnish the LSU Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. In addition to the certificates, the Foundation shall submit the declarations page and the cancellation provision endorsement for each insurance policy. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a thirty (30) day written notification to the LSU Representative prior to the cancellation thereof. Upon failure of the Foundation to furnish, deliver and maintain such insurance as provided herein, and expiration of the cure period in Section 13.1(c), this Agreement, at the election of the Board, may be suspended, discontinued or terminated; alternatively, the Board may, but shall not shall be obligated to, obtain said insurance on behalf of the Foundation at the Foundation's commercially reasonable cost and expense. Failure of the Foundation to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve the Foundation from any liability or indemnification hereunder.

**Section 8.14** Additional Insureds. The Foundation, the Board, and their board members, employees, and agents shall each be named as additional insureds on all policies required hereby.

## **ARTICLE IX.**

### **DONATION OF WORK AND IMPROVEMENTS AND TITLE THERETO**

Upon the expiration of this Agreement and the failure of Foundation to exercise its right to purchase the Property pursuant to the Existing Ground Lease as amended by the First Amendment, the Foundation shall donate the entirety of the Work, including all Improvement constructed and/or located on the Property, to the Board. The parties agree to execute any and all documents necessary to effectuate the donation and the acceptance thereof by the Board and will record the donation and acceptance in the records of East Baton Rouge Parish. The Foundation shall own all Work and Improvements during the Term of this Agreement.

**ARTICLE X.  
OPTION TO PURCHASE AND TERMINATION OF LEASE**

**Section 10.1** Option. The parties hereto acknowledge that the Property is subject to an option to purchase granted to Foundation pursuant to the Existing Ground Lease as amended by the First Amendment.

**Section 10.2** Termination of Lease upon Exercise of Option to Purchase. In addition to any other occurrences set forth in this Agreement that would result in a termination of this Agreement and a termination of the lease granted herein to Foundation, this Agreement and said lease shall terminate in the event that Foundation exercises its option to purchase the Property pursuant to the Existing Ground Lease as amended by the First Amendment.

**ARTICLE XI.  
INDEMNIFICATION**

To the extent allowed by law, the Foundation agrees to defend, indemnify, and hold the Board and its board members, employees, agents and attorneys (the "Board Indemnitees"), harmless from and against any and all claims arising out of or in any way connected to the Foundation's use and occupancy of the Property and the performance of all of its rights, duties, and obligations set forth in this Agreement, specifically including but in no way limited to the construction of the Work, except to the extent such claims and any resulting damages were caused by the sole fault and/or negligence of the Board Indemnitees. Said obligation shall include but shall not necessarily be limited to defending the Board Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against the Board Indemnitees, and reimbursing the Board Indemnitees for any legal expenses, including attorney fees and court costs, which may be incurred by them in defense of any claim or legal action arising hereunder; provided, however, that the Foundation's costs, expenses and indemnity payments incurred in fulfilling this indemnity and defense obligation shall be limited to insurance proceeds which are available for this purpose, but only if the Foundation has procured and kept in force the insurance required by this Agreement.

To the extent allowed by law, the Board agrees to defend, indemnify, and hold the Foundation and its board members, employees, agents and attorneys (the "Foundation Indemnitees"), harmless from and against any and all claims arising out of or in any way connected to the Board's actions at the Property and the performance of all of its rights, duties, and obligations set forth in this Agreement, except to the extent such claims and any resulting damages were caused by the sole fault and/or negligence of the Foundation Indemnitees. Said obligation shall include but shall not necessarily be limited to defending the Foundation Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against the Foundation Indemnitees, and reimbursing the Foundation Indemnitees for any legal expenses, including attorney fees and court costs, which may be incurred by them in defense of any claim or legal action arising hereunder.

**ARTICLE XII.  
NOTICES**

All notices, demands, and correspondence made necessary by or provided pursuant to this Agreement shall be in writing and shall be deemed to have been properly given, served and addressed, if and when (i) deposited in Federal Express (or any other national "next day" delivery service), or (ii) deposited in the United States mail via registered or certified mail, postage prepaid, return receipt requested, or (iii) sent via facsimile or email, if a copy is also sent the same day via (i) or (ii) above provided that if so sent, a copy thereof is received by the sending party from the receiving party, directed as follows:

The Board:                    Board of Supervisors of  
   Louisiana State University and  
   Agricultural and Mechanical College  
   Attention: President of LSU  
   3810 West Lakeshore Drive  
   Baton Rouge, Louisiana

With copies to:                Executive Director  
   LSU Innovation Park  
   8000 GSRI Avenue  
   Baton Rouge, LA 70820

   Executive Vice President for Finance & Administration and CFO  
   Finance & Administration  
   330 Thomas Boyd Hall, LSU  
   Baton Rouge, LA 70803

The Foundation:                7784 Innovation Park Drive  
   Baton Rouge, LA 70820  
   Attn: Executive Director

**ARTICLE XIII.  
DEFAULT**

**Section 13.1**                The Board may declare the Foundation to be in default upon one or more of the following events, any of which shall constitute a "Foundation Event of Default" hereunder:

A.                    Failure of the Foundation to complete the Work as set forth herein within three (3) years from the Effective Date of this Agreement, including any extended time period which has been mutually agreed in writing by the LSU Representative and the Foundation, and as may be extended due to Force Majeure delays per Section 6.2, and which failure has continued for a period of sixty (60) days (or such additional reasonable time provided that the Foundation is diligently working to cure the delay, and is progressing in a reasonable fashion nearing substantial completion of the Work) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied, or

B. A material deviation, unauthorized in writing by the LSU Representative, from the plans and specifications for the Work approved by the LSU Representative or from the architectural and site plans approved by the Board, which has continued for a period of sixty (60) days (or longer period of time as reasonably required in the event that the default cannot be reasonably cured within the deadline and the Foundation is diligently working to cure the default) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied, or

C. Failure of the Foundation to observe or perform any other covenant, condition, or agreement upon its part to be observed or performed under this Agreement, specifically including but in no way limited to the Foundation's obligations under Articles IV and VIII of this Agreement, for a period of thirty (30) days (or longer period of time as reasonably required in the event that the default cannot be reasonably cured within the deadline and the Foundation is diligently working to cure the default) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied, or

D. The taking by execution of the Work or the Improvements for the benefit of any person or entity other than the Board, or

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

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

G. The Foundation, after commencement of construction but prior to substantially completing the Work, abandons (with no intent to continue) construction for a period of thirty (30) consecutive days, excluding delays caused by Force Majeure, which continues for a period of fifteen (15) days after receipt of written notice from the LSU Representative.

**Section 13.2** Whenever any Foundation Event of Default referred to in this section shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law provided, the Board shall have the right to recover reasonable damages and, without any further demand or notice, to declare this Agreement terminated. In the event of such termination of this Agreement, the Foundation expressly waives any notice to vacate. Notwithstanding anything to the contrary set forth herein, in the event of termination of this Agreement by the Board upon a Foundation Event of Default prior to approval by Board of

final acceptance of the Work, the Board, at its sole option, shall have the right to accept full ownership of and title to the Work as well as all funds dedicated to complete the Work, and Foundation shall execute any and all documents necessary to effectuate same; provided, however, that the, Board, at its sole option, may require the Foundation to transfer its rights and obligations under this Agreement, as well as any funds the Foundation has dedicated to complete the Work, to another nonprofit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to the Board. Furthermore, in the event of the termination of this Agreement during the Work due to the default of the contractor, the Board may call on the surety under the performance bond to complete the Work, and the Board, at its sole option, shall either become the owner of all renovations and improvements made on or to the Property, or shall require the Foundation to transfer its rights and obligations under this Agreement and any funds the Foundation has dedicated to complete the Work to another nonprofit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to the Board.

#### **ARTICLE XIV. BOARD DEFAULT**

The Foundation may declare the Board in default upon the failure of the Board to observe or perform any covenant, condition or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default be continuing and the Board has not taken any action reasonably anticipated to cure such default, then in addition to any other remedies herein or by law or equity provided, the Foundation shall have the right, to the extent allowed by law, to select any one or more of the following remedies, without further demand or notice: to declare this Agreement terminated, to require the Board to correct the specific failure, to be reimbursed the unamortized costs of all Work and other improvements made by the Foundation to the Property, and to recover reasonable damages suffered by the Foundation.

#### **ARTICLE XV. MISCELLANEOUS**

**Section 15.1 Relationship of the Parties.** Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto.

**Section 15.2 Attorney Fees.** If either party is required to commence legal proceedings relating to this Agreement, the prevailing party to the extent allowed by law shall be entitled to receive reimbursement for its reasonable attorney fees and costs of suit from the non-prevailing party.

**Section 15.3 Louisiana Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Louisiana, and the sole forum for all disputes arising out of this Agreement shall be the Nineteenth Judicial District Court for the Parish of East Baton Rouge.

**Section 15.4 Non-Waiver.** No waiver by the Board or the Foundation of a breach of any of the covenants, conditions, or restrictions of this Agreement shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Agreement. The failure of the Board or the Foundation to insist in any one or more cases upon the strict performance of any of the covenants of the Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of any other covenant or option. No waiver, change, modification, or discharge by the Board 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 hereto.

**Section 15.5 Severability.** If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the Term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

**Section 15.6 Authorization.** By execution of this Agreement, the Foundation and the Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed; and that the persons signing this Agreement on their behalf have due authorization to do so.

**Section 15.7 Name, Logo, or Marks.** Neither party shall make use of the other party's name, logo, or marks without its prior written consent.

**Section 15.8 Amendments.** No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

**Section 15.9 Mortgage, Assignment and Sub-Letting.** The Foundation shall not mortgage, encumber, assign or sublease this Agreement or any part hereof without the prior written consent of the President of LSU, which shall be given or withheld at the President of LSU's sole and unfettered discretion, and any attempted mortgage, encumbrance, assignment or sublease without such consent shall be null and void as to the Board.

**Section 15.10 Books, Records and Audit.** The books, accounts and records of the Foundation which pertain directly to the Work shall be maintained at the principal office of the Foundation. The Board may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of the Foundation and its contractor(s) to the extent necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to the Foundation's performance of its obligations under this Agreement until the date that the Foundation has completed and LSU has approved the acceptance of the Work. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of the Board, by independent auditors retained by the Board to conduct such audit, by the Louisiana Legislative Auditor or by the Office of the Governor, Division of Administration, but any and all

such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation.

**Section 15.11** Successors and Assigns. All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of the Board into another educational institution.

**Section 15.12** Notice of Lease. The Foundation agrees not to record this Agreement. The parties shall execute a Notice of Lease for recording in the records of East Baton Rouge Parish, meeting the requirements of LSA R.S. 9:2742, and the cost of recording will be borne by the Foundation.

**Section 15.13** LSU Representative. In addition to any other individuals specifically authorized in writing by the President of LSU to act as the LSU Representative, the General Counsel to the President and Board of Supervisors and/or the Assistant Vice President and University Architect are hereby authorized to act as an LSU Representative.

**Section 15.14** Entire Agreement. This Agreement, including any exhibits attached hereto, contains the final and entire agreement between the parties hereto with respect to the Property, the Improvements, and the Work, and contains all of the terms and conditions agreed upon with respect to the Property, the Improvements, and the Work, 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 representation not herein written.

**Section 15.15** The Foundation's Property. Any personal property, equipment, furniture, inventory, trademarked items, signs and other movable trade fixtures installed in or on the Property by the Foundation (the "Foundation's Property"), shall remain the property of the Foundation and shall not be the property of the Board no matter how the same is affixed to the Property or used by the Foundation and regardless of whether same is subject to a valid perfected UCC security interest. The Board agrees that the Foundation shall have the right, at any time or from time to time, to remove the Foundation's Property from the Property, subject to the Foundation's obligation to continue using the Property for the Permitted Use, and provided that the Foundation shall not remove any HVAC mechanical equipment without the prior written approval of the LSU Representative. The Foundation, at its expense, shall immediately repair any damage occasioned by the removal of the Foundation's Property. The Foundation shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon the Foundation's Property

**Section 15.16** Representations and Warranties of the Parties. To induce the other party to execute, deliver and perform this Agreement, and without regard to any independent investigations made by the other party, each party represents and warrants to the other party on and as of the date of execution and delivery of this Agreement that it has full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed pursuant hereto, and all required actions and approvals therefor have been duly taken and obtained. The individuals signing this Agreement and all other documents executed or to be

executed pursuant hereto are and shall be duly authorized to sign the same on that party's behalf and to bind that party thereto. This Agreement shall be binding upon and enforceable against each party in accordance with their respective terms, and the transaction contemplated hereby will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which each respective party is subject or by which each respective party is bound. Additionally, the Board represents and warrants as follows:

A. The Board owns the Property in fee simple, free of any liens, claims or encumbrances other than the title exceptions acceptable to the Foundation.

B. To the best of the Board's knowledge, there are no claims, causes of action or other litigation or proceedings pending or threatened in respect to the ownership, operation or environmental condition of the Property or any part thereof (including disputes with mortgagees, governmental authorities, utility companies, contractors, adjoining land owners or suppliers of goods or services), except for claims which are fully insured and as to which the insurer has accepted defense without reservation.

C. To the best of the Board's knowledge there are no violations of any health, safety, pollution, zoning or other laws, ordinances, rules or regulations with respect to the Property, which have not been heretofore entirely corrected.

D. As long as the Foundation is not in default of this Agreement beyond any applicable cure period, the Foundation shall during the Term have lawful, quiet and peaceful possession and occupation of the Property and enjoy all the rights herein granted and otherwise by law to a lessee, without hindrance, objection or interference.

**Section 15.17** Force Majeure. If either party hereto is delayed or prevented from the performance of any act required hereunder or the satisfaction of any condition contained herein by reason of an act of Force Majeure, then upon notice to the other party the period for the performance of such act or the satisfaction of such condition shall be extended for a period equal to the period of such delay; provided, however, the party so delayed or prevented from performing shall make good faith efforts to remedy the cause of delay and to resume performance. Nothing in this Section shall excuse the Foundation from the prompt payment of any rental or other charges required of the Foundation hereunder.

[Signature Page for Ground Lease and Construction Agreement  
for Parking Lot with Baton Rouge Speech and Hearing Foundation]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of  
the Effective Date.

**WITNESSES:**

Debbie Richards  
Name: Debbie Richards  
Date: 1.23.18

Jason Draddy  
Name: JASON DRADDY  
Date: 1.23.18

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

By: F. King Alexander  
F. King Alexander, President  
Louisiana State University  
Date: 1/23/18

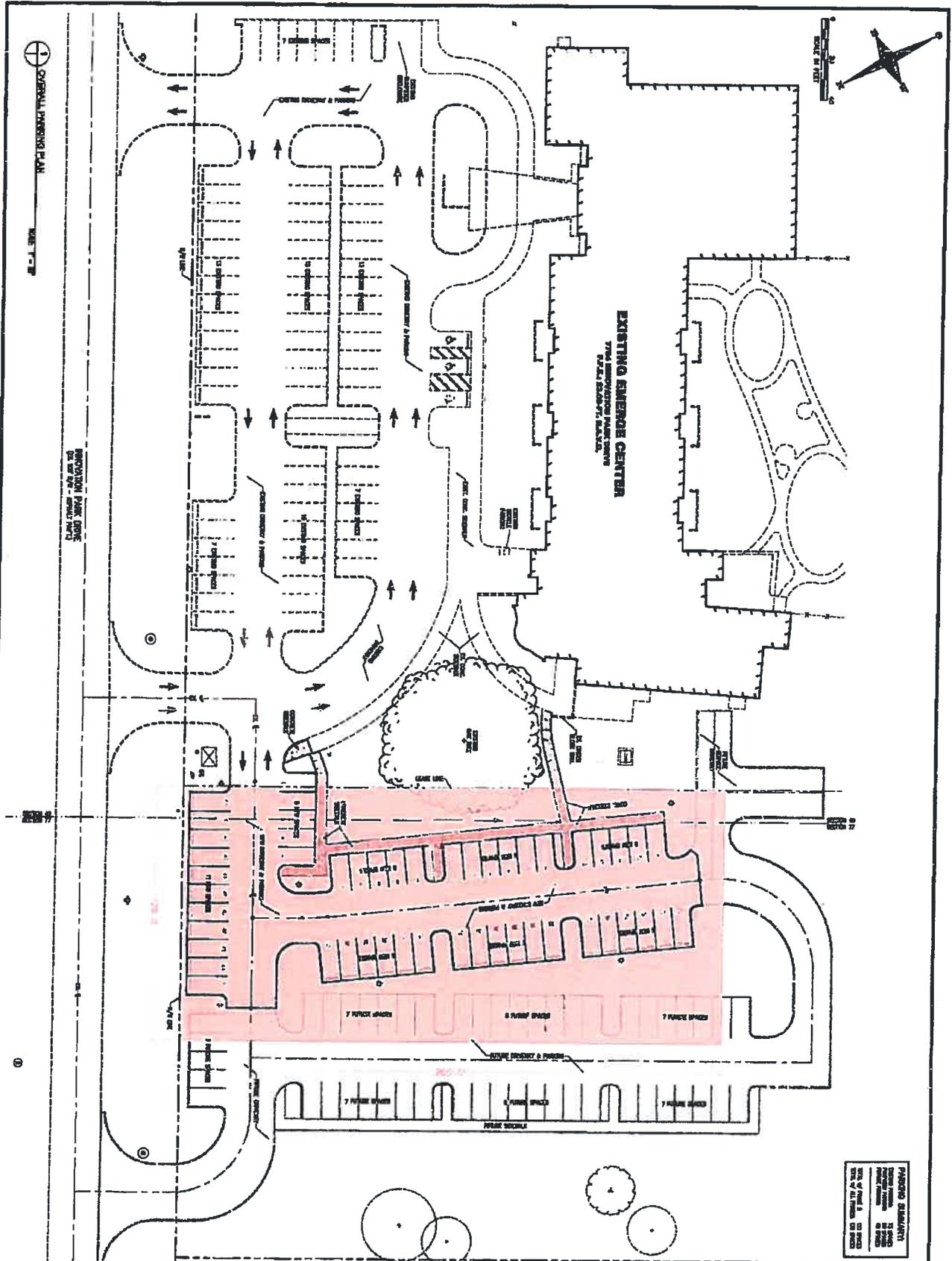
**WITNESSES:**

Jessica Umack  
Name: Jessica Umack  
Date: 12/18/17

Jean-Paul Perrault  
Name: Jean-Paul Perrault  
Date: 12/18/17

**BATON ROUGE SPEECH AND  
HEARING FOUNDATION, INC.**

By: Robert Pettit  
Robert Pettit, President  
Date: 12/18/17



**PARKING SUMMARY**

EXISTING PAVED SPACES	27
NEW PAVED SPACES	23
TOTAL PAVED SPACES	50
TOTAL OF ALL SPACES	50

**CIVIL SITE WORK CONSTRUCTION PLANS**  
**THE EMERGE CENTER**  
**PARKING ADDITION**  
 7730 INNOVATION PARK DRIVE  
 BATON ROUGE, LOUISIANA 70820

**BENCHMARK GROUP LLC**  
 LAND SURVEYING • CIVIL ENGINEERING  
 LAND PLANNING • LANDSCAPE ARCHITECTURE

**C1.1**  
 GENERAL PARKING PLAN

THE EMERGE CENTER - PARKING ADDITION - CONSTRUCTION PLAN

***[LSU A&M/Emerge Center Parking Lot Lease]***

**EXHIBIT "C"**

**DESCRIPTION OF WORK**

Construction of improvements and installing relevant paving, marking, lighting and landscaping for approximately fifty (50) parking spaces adjacent to the existing Emerge Center building in LSU's Innovation Park for the purpose of operating a surface parking lot for use by The Emerge Center's faculty, staff, students and visitors.



NANCY C. DOUGHERTY  
Partner  
(225) 381-0222 TELEPHONE  
(225) 215-8739 DIRECT FAX  
(225) 346-8049 FACSIMILE  
nancy.dougherty@taylorporter.com

December 28, 2017

Jean-Paul Perrault  
McGlinchy Stafford  
301 Main Street, Suite 1400  
Baton Rouge, LA 70801

*Via Email Only (jperrault@mcglinchey.com)*

Re: LSU A&M/Emerge Center Parking Lot  
File No. 0905/06110

Dear J.P.:

I have been in touch with Patrick Martin, and he will be able to get the LSU signature next week. Attached please find Exhibit "C" which we have prepared with the language provided by you. Also attached is what we understand will be used as Exhibit "A". We have marked it as Exhibit "A." If that is not the correct map, please let us know.

Very truly yours,

TAYLOR, PORTER, BROOKS & PHILLIPS L.L.P.

*Nancy Dougherty /pkf*  
Nancy C. Dougherty

NCD:pkf

Attachments

cc (w/attachments): Mr. Patrick Martin (via email only)





## Request from LSU A&M to Purchase Property at W. Roosevelt St.

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 1:

B. The transfer of title or ownership to any immovable property to or from the Board, whether by sale, assignment, donation, or other mechanism.

### **1. Summary of Matter**

There are 3 vacant lots, totaling approximately 10,000 square feet, fronting on West Roosevelt Street just off the LSU campus. In September 2018, LSU acquired other immovable property on West Roosevelt Street. The seller is willing to sell the lots to LSU for their appraised fair market value of \$25,000 plus costs associated with closing. Acquiring this property would allow LSU to influence future development in this area immediately adjacent to its campus, for the reasons outlined in the Board's approval of the Campus Periphery Project in March 2018. While the Campus Periphery Project contemplated involvement by the LSU Real Estate and Facilities Foundation (REFF), the small value of the property at issue and the willingness of the seller to work with LSU eliminated the need to involve REFF in this transaction.

LSU is still determining the best and most appropriate use for the property in the future.

### **2. Review of Business Plan**

LSU commissioned an appraisal, which determined that the fair market value of the property is \$25,000.

### **3. Fiscal Impact**

LSU has the funds on-hand to make this purchase.

### **4. Description of Competitive Process**

The purchase price of the property was negotiated between LSU and the seller.

### **5. Review of Legal Documents**

The Taylor Porter law firm will be engaged to prepare the Act of Sale and other legal documents necessary to complete the transaction. The Office of General Counsel will review these documents prior to final execution.

### **6. Parties of Interest**

LSU  
Denovo Properties, LLC

**7. Related Transactions**

None anticipated at this time.

**8. Conflicts of Interest**

None.

**ATTACHMENTS:**

- I. Transmittal Memo
- II. Appraisal, which include Property Diagram

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes Dr. F. King Alexander, President of LSU, or his designee to immediately purchase three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge for the amount of \$25,000 plus reasonable closing costs and related expense; and

**BE IT FURTHER RESOLVED** that F. King Alexander, in his capacity as 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, in consultation with General Counsel, to execute Acts of Sale and other reasonably required agreements to acquire ownership of such property, and to include in such Acts of Sale or other agreements any terms and conditions that he may deem in the best interests of LSU.



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**CAMPUS CORRESPONDENCE**

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**To:** F. King Alexander, President of LSU  
Finance & Administration / CFO

**Date:** April 5, 2019

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration / CFO

**Through:** Tony Lombardo, Associate Vice President for  
Facilities & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance

A handwritten signature in purple ink, likely belonging to Patrick H. Martin, V, is written over the 'From:' field. The signature is stylized and extends to the right.

**Re:** Board of Supervisors Agenda, April 26, 2019  
Request from LSU A&M to Purchase Property at W. Roosevelt St.

LSU is requesting that the Board of Supervisors authorize the President to immediately purchase three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge for \$25,000 plus reasonable closing costs and related expense.

We request this item be placed on the agenda for the April 5, 2019 Board of Supervisors meeting.

Thank you.

Mr. Patrick H. Martin, V  
Louisiana State University  
201 Facilities Service Building, CEBA Lane  
Baton Rouge, Louisiana 70803

# A Real Estate Appraisal Report

Re: An Appraisal Report being the valuation of three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana  
Client and Intended User: Louisiana State University  
Owner: Denovo Properties, LLC  
Lakvold Group File Number: 2019-3448



## The Lakvold Group, LLC

**Commercial Real Estate Appraisers and Consultants**

4520 Jamestown Avenue, Suite 1  
Baton Rouge, Louisiana 70808

Tel: (225) 248-9984

Fax: (225) 248-9986

[www.thelakvoldgroup.com](http://www.thelakvoldgroup.com)



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[www.thelakvoldgroup.com](http://www.thelakvoldgroup.com)

David E Lakvold, MAI, SRA



Louisiana State Certified General Real Estate Appraiser #G0543

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Louisiana State Certified General Real Estate Appraiser #G0575

January 15, 2019

Mr. Patrick H. Martin, V  
Louisiana State University  
201 Facilities Service Building, CEBA Lane  
Baton Rouge, Louisiana 70803

Re: An Appraisal Report being the valuation of three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana  
Client and Intended User: Louisiana State University  
Owner: Denovo Properties, LLC  
Lakvold Group File Number: 2019-3448

Dear Mr. Martin:

Pursuant to your request, I have visited three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana for the purpose of estimating the fee simple, 'as is' market value. I present the following Appraisal Report for your approval. Should you have any questions or comments; please contact me at your convenience.

I hereby certify that I have physically viewed the site and subdivision plat. This report is the sole and exclusive property of The Lakvold Group, LLC. Louisiana State University is the only authorized user of this report. No other use or user is authorized or permitted without the expressed written consent of The Lakvold Group, LLC. Any extraordinary assumptions or hypothetical conditions used to complete this report are cited in detail in the Scope of Work section of this report.

Based on the inspection, investigations, and analyses undertaken, I have formed the opinion that the vacant 10,000± square foot site fronting on West Roosevelt Street, Baton Rouge, Louisiana, subject to the scope of work, extraordinary assumptions, hypothetical conditions, and assumptions and limiting conditions set forth in this report, had a fee simple, 'as is' market value, as of January 6, 2019, the date of inspection and appraisal of:

**TWENTY-FIVE THOUSAND DOLLARS**

**\$25,000**

I also certify that I have no interest, present or contemplated, in the property, and that neither the employment to make the appraisal, nor the compensation, is contingent upon the value of the property. If I can be of any further assistance in this matter, please do not hesitate to contact me at your convenience.

Respectfully submitted,



David E. Lakvold, MAI, SRA  
LA State Certified General Real Estate Appraiser #G0543

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## Summary of Facts and Conclusions

Client and Intended User :	Louisiana State University
Owner:	Denovo Properties, LLC
Valuation Data:	
Address:	West Roosevelt Street, Baton Rouge, Louisiana
Date of Report:	January 15, 2019
Date of Inspection:	January 6, 2019
Date of Appraisal:	January 6, 2019
Is the property for sale?	No
Asking Price?	Not applicable
Is there a purchase agreement?	No
Contract Price	Not applicable
Is the property for lease?	No
Asking Rent	Not applicable
Is the property leased?	No
Estimated Exposure Time:	9 to 12 months
Are extraordinary assumptions used to complete this valuation?	No
Are hypothetical conditions used to complete this valuation?	No
Intended Use:	This report is to be used for internal analytical purposes.
Purpose of the Report:	To estimate the fee simple, 'as is' market value of three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana.
Fee Simple 'As Is' Market Value Estimates	
Cost Approach	Valuation methodology not applied
Sales Comparison Approach	\$25,000
Income Approach	Valuation methodology not applied
Reconciled Fee Simple 'As Is' Market Value:	\$25,000

## Authorization Letter

The authorization to complete this appraisal was provided by email and the document will be provided upon request.

## History of the Identified Property

The identified property is under the ownership of Denovo Properties, LLC. Research of the applicable public records, private data services, and interview with the current property owner revealed that the identified property has been under this ownership for more than three years. The property is not listed for sale. There is no purchase agreement affecting the property. The property is not listed for lease.

Denovo Properties, LLC acquire the west half of Lot 56 and Lot 58 and Lot 60 and Lot 48 and the east half of Lot 50, Square 100, South Baton Rouge Subdivision in 2014 for \$20,000. The sale document and a correction are included in the addendum of this report. Denovo Properties, LLC then sold Lot 48 and the east half of Lot 50, Square 100, South Baton Rouge Subdivision for \$15,000 on June 24, 2015. The subject of this appraisal report is the west half of Lot 56 and Lot 58 and 60, Square 100, South Baton Rouge Subdivision, the remaining inventory of lots.

## Assessments



The assessment numbers are 152826, 152827, and 152825. The assessment, indicated market value, and real estate taxes are shown in the following table.

	Assessed Value	Assessor's Value
+ Improvement	\$0.00	\$0.00
+ Land	<u>\$1,250.00</u>	<u>\$12,500.00</u>
Market value	\$1,250.00	\$12,500.00
Taxes	\$153.90	
Millage Rate	123.12	

## Legal Description

The west half of Lot 56, and Lots 58 and 60, Square 100, South Baton Rouge Subdivision, Baton Rouge, East Baton Rouge Parish, Louisiana said lots or portions of lots having the dimensions as shown on the map of said subdivision on file and of record in the official records of East Baton Rouge Parish, in the office of the clerk and ex-officio recorder of said parish.

## Scope of Work

For each appraisal and appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results; and
3. Disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible results.<sup>1</sup>

## Appraisal Problem

The identified property of this appraisal report are three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana. The purpose of the appraisal is to estimate the fee simple, 'as is' market value. The effective date of the appraisal report is January 6, 2019, the date of the site visit.

The Sales Comparison Approach valuation method has been applied and reconciled to a fee simple 'as is' market value estimate. The Cost Approach and Income Approach were not applied because they would not produce credible values.

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<sup>1</sup> The Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, page 14.

The Uniform Standards of Professional Appraisal Practice (USPAP) requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identify the client and intended users;
- Intended use of the appraiser's opinions and conclusions;
- Identify the type and definition of value;
- Identify the effective date of the appraiser's opinions and conclusions;
- Identify the characteristics of the property that are relevant to the type and definition of value and the intended use of the appraisal
- Identify any extraordinary assumptions necessary in the assignment
- Identify any hypothetical condition necessary in the assignment and
- Determine the scope of work necessary to produce credible assignment results in accordance with the Scope of Work Rule.<sup>2</sup>

This report complies with the Uniform Standard of Professional Appraisal Practice (USPAP). Standards Rule 1-1, Standards Rule 1-2, Standards Rule 1-3, Standards Rule 1-4, Standards Rule 1-5, Standards Rule 1-6, Standards Rule 2-1, and Standards Rule 2-2 (a) (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), and (xii) as set forth in the 2018-2019 Edition of USPAP were used to complete the appraisal report.

## Identification of the Client and Intended user

The client and intended user of the appraisal is Louisiana State University. The intended use of the appraisal is for internal analytical purposes.

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<sup>2</sup> The Uniform Standards of Professional Appraisal Practice 2018-2019 Edition, page 15-17.

## Definition of Fee simple Estate and Leased Fee

Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>3</sup>

Leased fee interest is defined as a freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (lease).<sup>4</sup>

## Definition of Market Value

Market value is defined:

A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

The Internal Revenue Service defines Fair Market Value as:

The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate.

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<sup>3</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute 2015, page 90.

<sup>4</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute 2015, page 128.

## Highest and Best Use Definition

Highest and Best Use<sup>5</sup> is defined as:

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

## Estimate of Exposure Time

Exposure time is defined as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.<sup>6</sup>

The appraiser has reviewed data in Co-Star, Louisiana Commercial Database, Greater Baton Rouge Multiple Listing Service, and The Lakvold Group Database for the particular property type and price range of the identified property in order to estimate a reasonable exposure time. Based on the data, a reasonable exposure time for the identified property is 9 to 12 months.

## Identification of Extraordinary Assumptions

An extraordinary assumption<sup>7</sup> is defined as:

An assignment-specific assumption as of the effective date regarding uncertain information used in the analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

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<sup>5</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, published by the Appraisal Institute 2015, page 109.

<sup>6</sup> The Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, page 2.

<sup>7</sup> The Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, page 4.

No extraordinary assumption was used to complete this appraisal assignment. There are assumptions and limiting conditions cited in the addendum of this report.

## Identification of Hypothetical Conditions

A hypothetical condition<sup>8</sup> is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.

No hypothetical condition was used to complete the appraisal assignment. The use of the extraordinary assumption or hypothetical condition might affect the assignment results.

## Competency Rule

The Competency Rule states the following:

An appraiser must (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment. Competency requires an appraiser must properly identify the problem to be addressed, have the knowledge and experience to complete the assignment competently; and recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

If an appraiser determines he or she is not competent prior to accepting an assignment, the appraiser must:

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<sup>8</sup> The Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, page 4.

1. Disclose the lack of knowledge and/or experience to the client before accepting the assignment;
2. Take all steps necessary or appropriate to complete the assignment competently; and describe, the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.<sup>9</sup>

David E. Lakvold, MAI, SRA, has completed appraisals of similar properties. The complexity of analyses and valuation techniques completed on these past assignments are similar to the identified property. Additionally, the appraiser has geographic competence in this market area.

## Jurisdictional Exception Rule

The Jurisdictional Exception Rule states that if any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment.<sup>10</sup> A jurisdictional exception was not used to complete this appraisal report.

## Applied Appraisal Process

In order to complete the appraisal report, the following were considered, reviewed, and/or researched:

1. This report is the sole and exclusive property of The Lakvold Group, LLC. Louisiana State University is the only authorized user of this report. No other use or user is authorized or permitted without the expressed written consent of The Lakvold Group, LLC.
2. The appraiser has not provided any appraisal services, as an appraiser or in any other capacity, regarding the identified property of this report within the three year period immediately preceding acceptance of this assignment.
3. The legal description was obtained from public records.

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<sup>9</sup> The Uniform Standards of Professional Appraisal Practice, 2018-2019 Edition, page 11.

<sup>10</sup> The Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition, page 16.

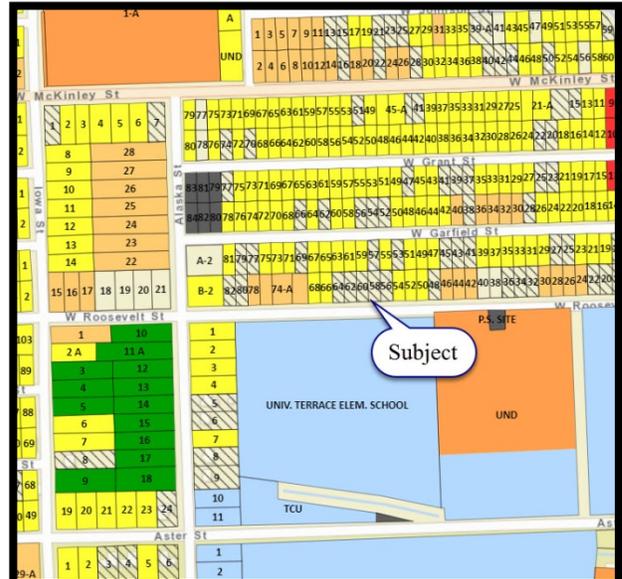
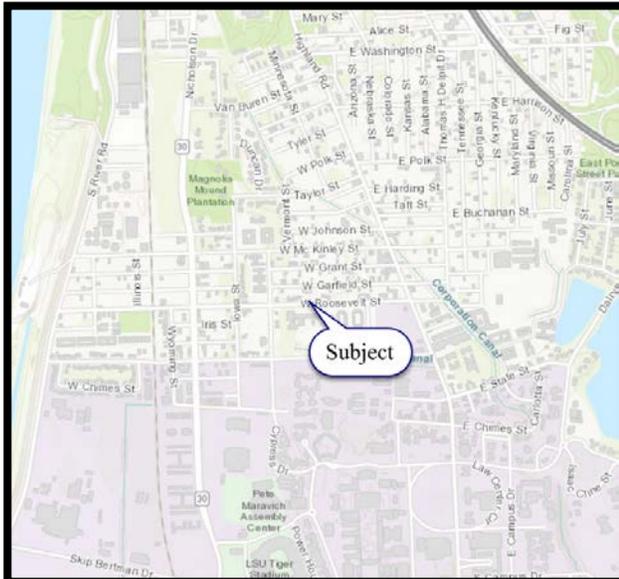
4. The site plat was obtained from public records.
5. No measurements were made during the inspection.
6. The zoning, flood plain, aerial photographs, site plat, servitudes, encumbrances, and encroachments were researched and all relevant findings are included in the appraisal report. An exhibit of these items is included in the report for reference.
7. The identified property was visited on January 6, 2019 by David E. Lakvold, MAI, SRA. The site features were noted and photographs were taken. The photographs are included in the report.
8. The observations made during the site visit are not technically exhaustive and are not to be construed as a warranty, of any type or form, of the site. This appraisal/inspection is not a building inspection, structural inspection or pest inspection. By preparing this report, the appraiser is not acting as a building inspector, structural engineer, or pest inspector. In performing the limited inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. It is advised to have the structure inspected by an inspector that offers such warranted and guaranteed inspection if there is any concern regarding adverse or negative conditions.
9. Any extraordinary assumptions and/or hypothetical conditions used in the analysis have been clearly stated in the report and frame the basis of the analysis and valuation via the Sales Comparison Approach.
10. The property is not a fractional interest, physical segment, or partial holding.
11. A highest and best use of the vacant site was estimated.
12. The land sales used in the report have been verified with the vendor/vendee, real estate professional, or another third party familiar with the transaction. The market data verification was performed by the appraiser and/or support staff. Data verification is not considered to be significant professional real estate appraisal assistance as defined by USPAP but is disclosed here for clarification purposes.
13. The applied approaches to value have been reconciled into a fee simple, 'as is' market value estimate.
14. Assumptions and Limiting Conditions, Appraiser's Certification, and the Appraiser's Qualifications are included in the report addendum.

## Site Analysis

This appraisal report values a site that fronts on the north side of West Roosevelt Street. The site is across the street from University Terrace Elementary School and between Alaska Street and Highland Road. The site is in a residential corridor that contains a mixture of single family homes and apartments. A location map and land use map are presented below.

The land use map is color coded; the red shaded areas are improved commercial/retail properties, purple shaded areas are improved with industrial uses, yellow shaded areas are improved with low density residential uses, orange shaded areas are improved with high density residential uses, green shaded areas are improved with park, the gray hashed areas are vacant lots, and the blue shaded areas are improved institutional properties. The institutional properties include governmental buildings, schools, churches, hospital, and a grave yard.

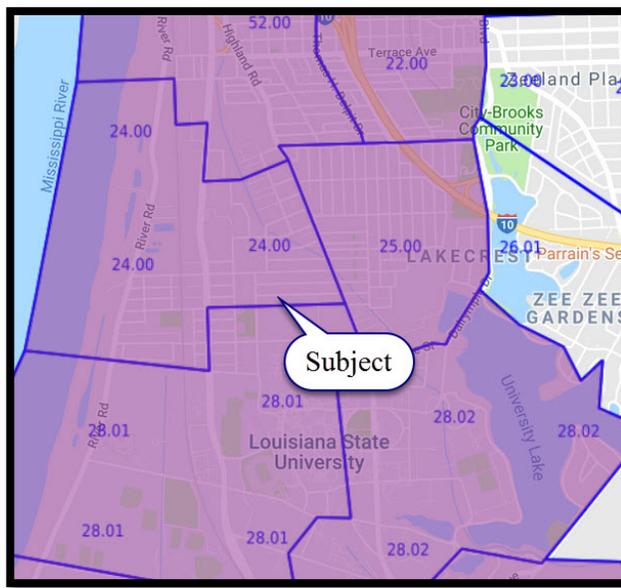
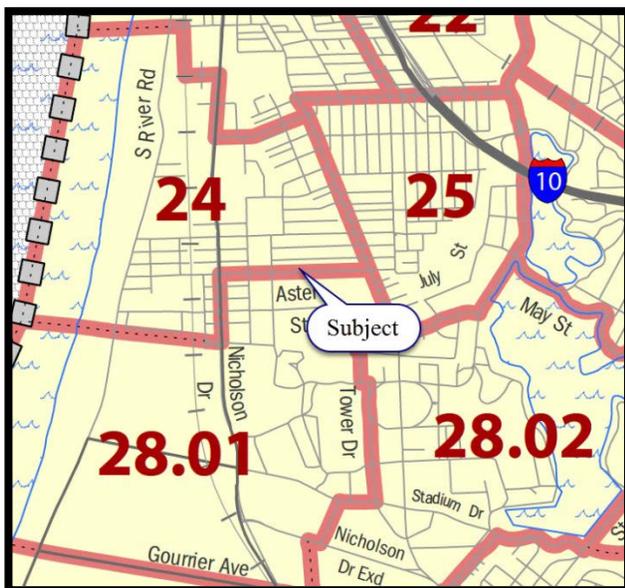
### Location Map and Land Use Map



East Baton Rouge Parish has been experiencing consistent residential growth over the past several years. Most of the new housing is for middle income individuals and families. The subject is in a market area that contains some of the older housing stock in Baton Rouge. In-fill residential development is occurring in the immediate market area but on a limited basis. Most of the new residential developments in this market area are apartments that serve the student market.

The subject is in Census Tract 24. This census tract is a HUD Qualified Census Tract (QCT); it is the purple shaded area on the following map.

### Census Tract Map and Qualified Census Tract Map



If Low-Income Housing Tax Credits are used to develop housing in a QCT, a developer can receive up to 1.30 times more tax credits. The credits are sold and the received funds are used to pay down construction costs. The capital costs are reduced so projects can be financially feasible; which means the net operating income exceeds debt service. Being a vacant site in a Qualified Census Tract is a positive locational attribute.

### FEMA Flood Plain Map

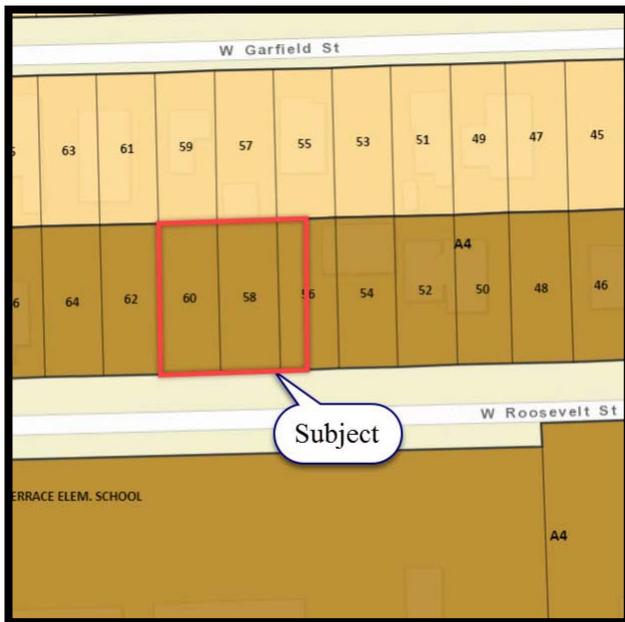


The site has a ground elevation above the base flood elevation; this is Flood Zone X. It is reasonable to assume no curative costs would be incurred to create a compliant foundation elevation.

West Roosevelt Street is a two-lane asphalt-paved street with concrete-paved curbs and subsurface drainage.

The site is zoned A-4, General Residential District. The minimum requirements are as follows.

### Zoning Map

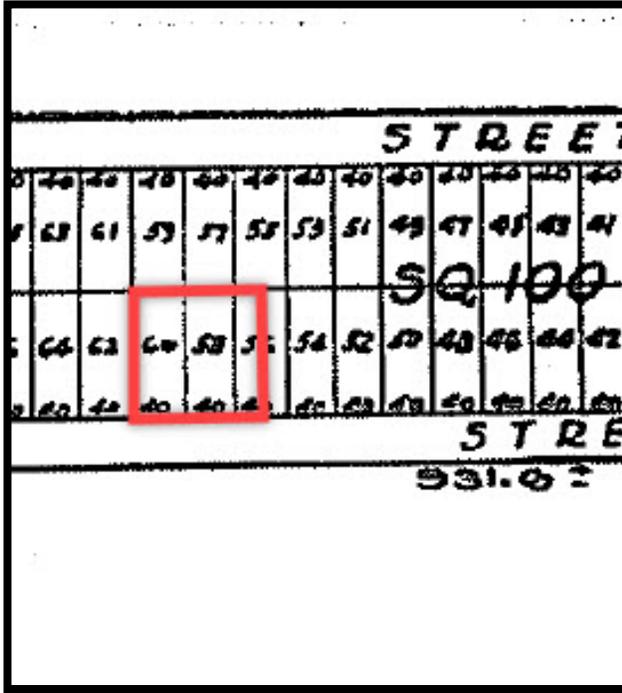


General Residential District	
Minimum lot area	6,000 square feet
Minimum lot width	100-feet
Minimum front setback	20-feet
Minimum side setback	5-feet
Minimum rear setback	25-feet
Maximum height	85-feet

There are no adverse or onerous restrictions known to be encumbering the site.

The site is assumed to be free and clear of any environmental hazards. No apparent environmental hazards were observed at the site visit.

### Site Plat



All of the necessary utilities are reportedly available from public sources; this includes water, electricity, sewer treatment, and natural gas. The lots form a rectangular site. The topography of the site slope up to a plateau. Site shape and topography do not adversely impact the development potential.

The site size and frontage are shown in the following table:

Site Size:	0.23± acres 10,000± square feet
Street Frontage: West Roosevelt Street	100± linear feet

### Photographs



## Highest and Best Use as Vacant

Speculative construction was not observed in this immediate market area. That is an indication that it is not financially feasible to develop lands in the subject's market area. Therefore, the highest and best use of the subject, as though vacant, is to remain 'as is,' vacant and undeveloped.

## Applied Valuation Methodologies

The Sales Comparison Approach valuation method is applied and reconciled to a fee simple 'as is' market value estimate. The Income Approach and Cost Approach are not developed because they would not produce credible value estimates.

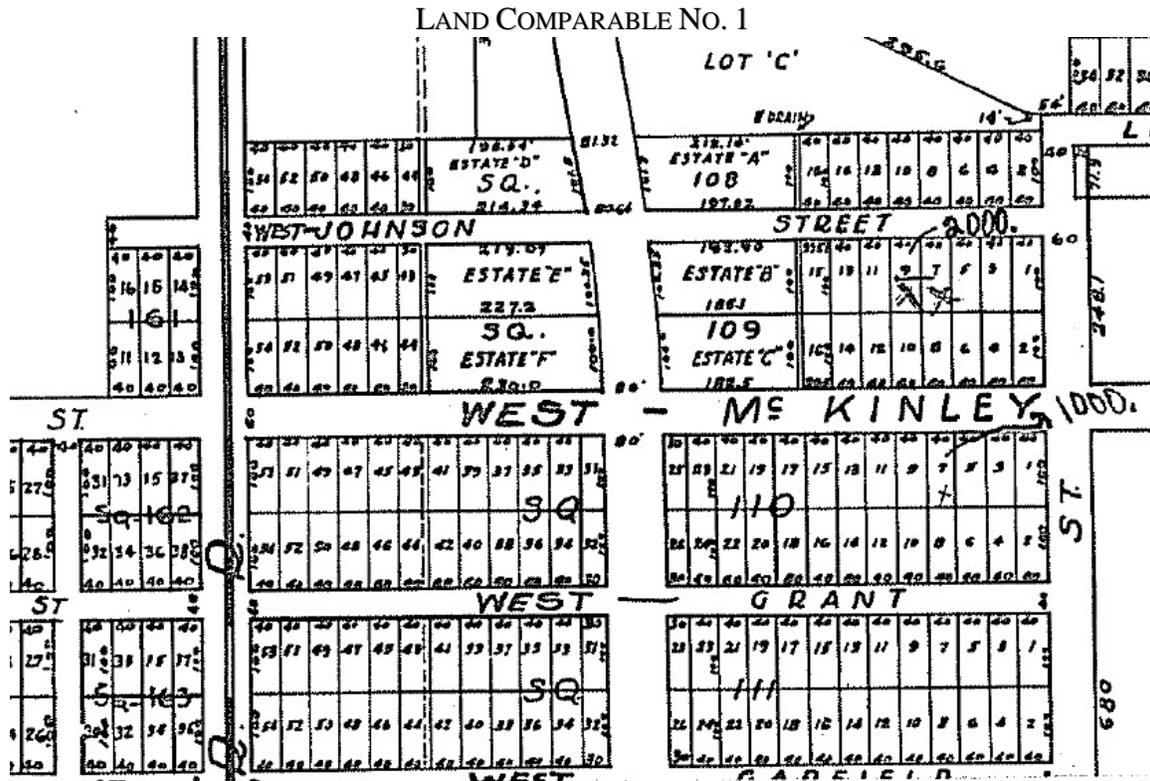
## Sales Comparison Approach

The land sales are presented in a summary table as follows:

### Summary of Land Sales

Sale	Street Frontage	Date of Sale	Sale Price	Site Size (Square Feet)	Unit Price (\$/Sq Ft)
1	West McKinley Street	08/31/15	\$11,000	4,000	\$2.75
2	West Roosevelt Street	06/24/15	\$15,000	6,000	\$2.50
3	West McKinley Street	07/03/17	\$15,500	8,000	\$1.94
4	West McKinley Street	12/04/18	\$9,000	4,000	\$2.25
5	West Grant Street	08/16/17	\$10,000	4,000	\$2.50
				Mean	\$2.39
	Subject			Median	\$2.50
	West Roosevelt Street	01/06/19		10,000	

### Comparable Land Sales



PROPERTY DESCRIPTION

Record No. 05-16-18519  
 Property Type A vacant residential lot  
 Address 843 West McKinley Street, Baton Rouge, Louisiana  
 Legal Description Lot 11, South Baton Rouge Subdivision, Square 110, Parish of East Baton Rouge

MARKET DESCRIPTION

Market Type Medium (Level B MSA; 250,000 to 999,000 people), Urban  
 Listing Area 52  
 Census Tract 24  
 Location This interior lot is just west of the Alaska Street and West McKinley Street intersection.

INDICATORS

Site Size (Sq. Ft.) 4,000  
 Price per Square Foot \$2.75  
 Site Size (Ac) 0.092  
 Price per Acre \$119,565

CONVEYANCE DATA

Vendor	David Wesley Engle and Helen Engle
Vendee	Michael M. Khonsari and Karen M. Khonsari
Recordation	Original 575, Bundle 12677
Date of Sale	August 31, 2015
Financing	Cash Sale; arm's length (unrelated parties)
Rights Conveyed	Fee Simple
Sale Price	\$11,000.00

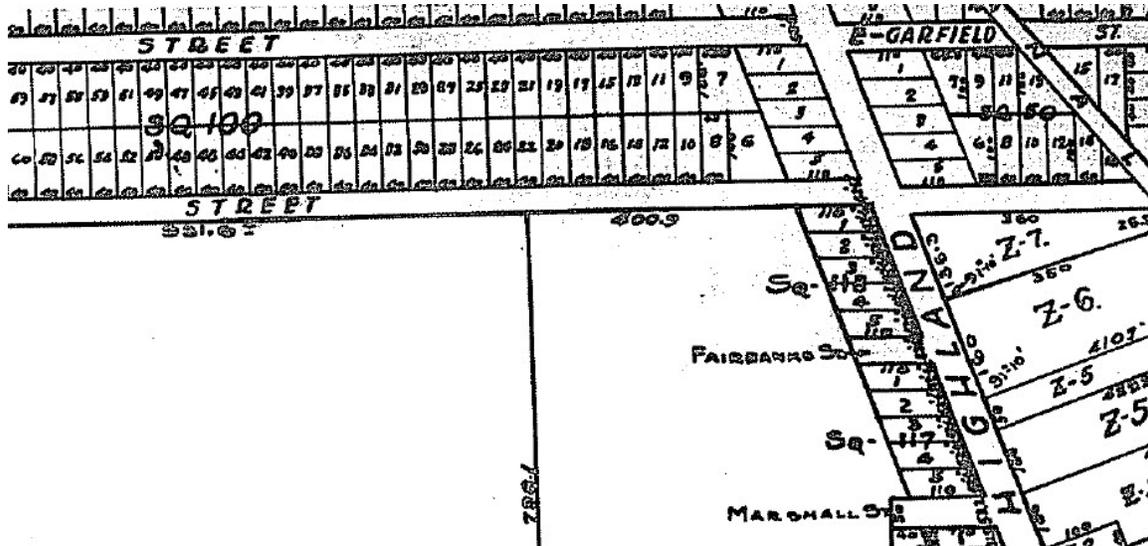
SITE ANALYSIS

Frontage	The site fronts 40 linear feet on West McKinley Street.
Attributes	This is an interior site. The site is rectangular in shape (basically flat).
Flood Plain	According to the FEMA flood maps the site is in Flood Zone AE, an area subject to inundation by the 100-year flood.
Zoning	According to the local zoning map the site is zoned A3.1 (Limited Residential).
Utilities	The utility services are reportedly available from public sources.
Remarks	The gross land area of the site is 0.092 acres, or 4,000 square feet. West McKinley Street is two-lane, bi-directional, asphalt-paved. It is a secondary artery.

REMARKS

The subject was listed for sale with the Multiple Listing Service, No. 2015007020. It was listed at an asking price of \$16,000.00. It was on the market for 94 days. Verification: David W. Engle, Listing Agent, (225) 937-4003; May 16, 2016. Additional verification of the comparable data included a review of the aerial photograph, courthouse records, flood plain map, peripheral inspection, survey plat, zoning map.

LAND COMPARABLE No. 2



PROPERTY DESCRIPTION

Record No. 11-14-21753  
 Property Type A vacant residential lots  
 Address West Roosevelt Street, Baton Rouge, Louisiana  
 Legal Description Lot 48 and the east half of Lot 50, South Baton Rouge Subdivision, Square 100, Parish of East Baton Rouge

MARKET DESCRIPTION

Market Type Medium (Level B MSA; 250,000 to 999,000 people), Urban  
 Listing Area 52  
 Census Tract 24  
 Location This property fronts on the north side of West Roosevelt Street west of Highland Road.

INDICATORS

Site Size (Sq. Ft.) 6,000  
 Price per Square Foot \$2.50  
 Site Size (Ac) 0.138  
 Price per Acre \$108,696

CONVEYANCE DATA

Vendor	Denovo Properties, LLC
Vendee	Stephen Rome, II
Recordation	Original 376, Bundle 12662
Date of Sale	June 24, 2015
Financing	Cash Sale; arm's length (unrelated parties)
Rights Conveyed	Fee Simple
Sale Price	\$15,000.00
Remarks	This property previously sold on August 15, 2014, for the amount of \$20,000.00. The sale was recorded in Original 876 / Bundle 12598. The previous transaction was for 16,000 square feet. This sale is for 6,000 square feet

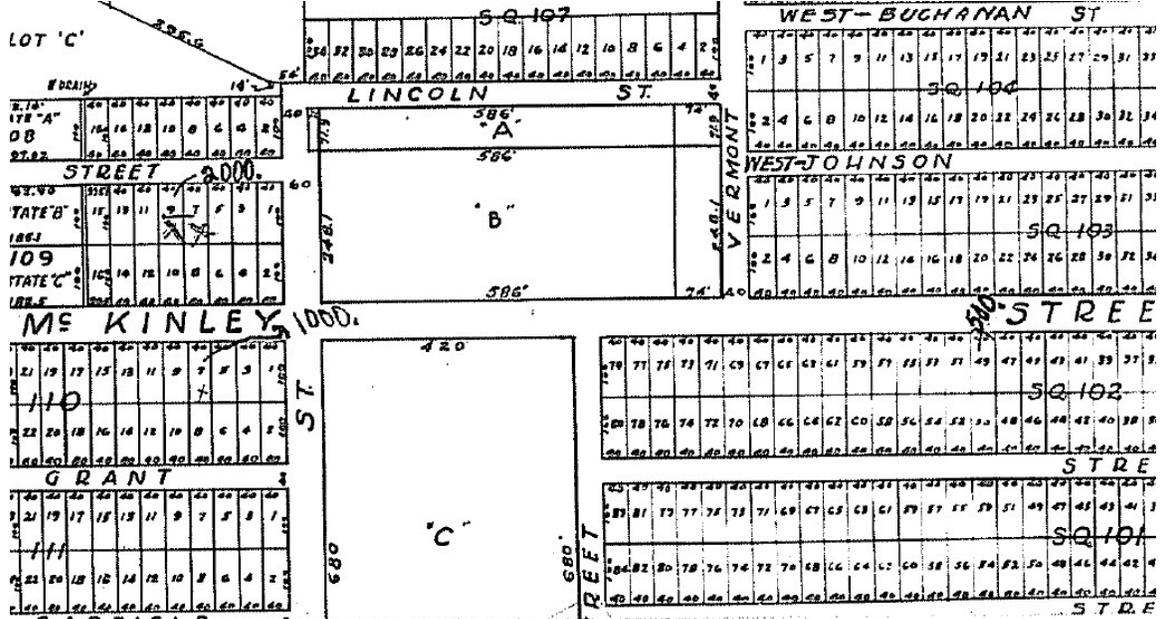
SITE ANALYSIS

Frontage	The site fronts 60.00 linear feet on West Roosevelt Street.
Attributes	This is an interior site. The site is irregular in shape (basically flat).
Flood Plain	According to the FEMA flood maps the site is in Flood Zone X, an area of moderate or minimal hazard from the principal source of area flood.
Zoning	According to the local zoning map the site is zoned A3.3 (Limited Residential).
Utilities	The utility services are reportedly available from public sources.
Remarks	The gross land area of the site is 0.138 acres, or 6,000 square feet. West Roosevelt Street is two-lane, bi-directional, asphalt-paved. It is a tertiary artery.

REMARKS

Verification: Robert Pettit, Real Estate Agent; November 18, 2014. Additional verification of the comparable data included a review of the aerial photograph, courthouse records, flood plain map, peripheral inspection, survey plat, zoning map.

LAND COMPARABLE No. 3



PROPERTY DESCRIPTION

Record No. 01-19-22343  
 Property Type A vacant residential land  
 Address West McKinley Street, Baton Rouge, Louisiana  
 Legal Description Lots 28 and 30, South Baton Rouge Subdivision, Square 103, Parish of East Baton Rouge

MARKET DESCRIPTION

Market Type Medium (Level B MSA; 250,000 to 999,000 people), Suburban  
 Listing Area 52  
 Census Tract 24  
 Location This interior lot is just east of the Alaska Street and West McKinley Street intersection.

INDICATORS

Site Size (Sq. Ft.) 8,000  
 Price per Square Foot \$1.94  
 Site Size (Ac) 0.184  
 Price per Acre \$84,239

CONVEYANCE DATA

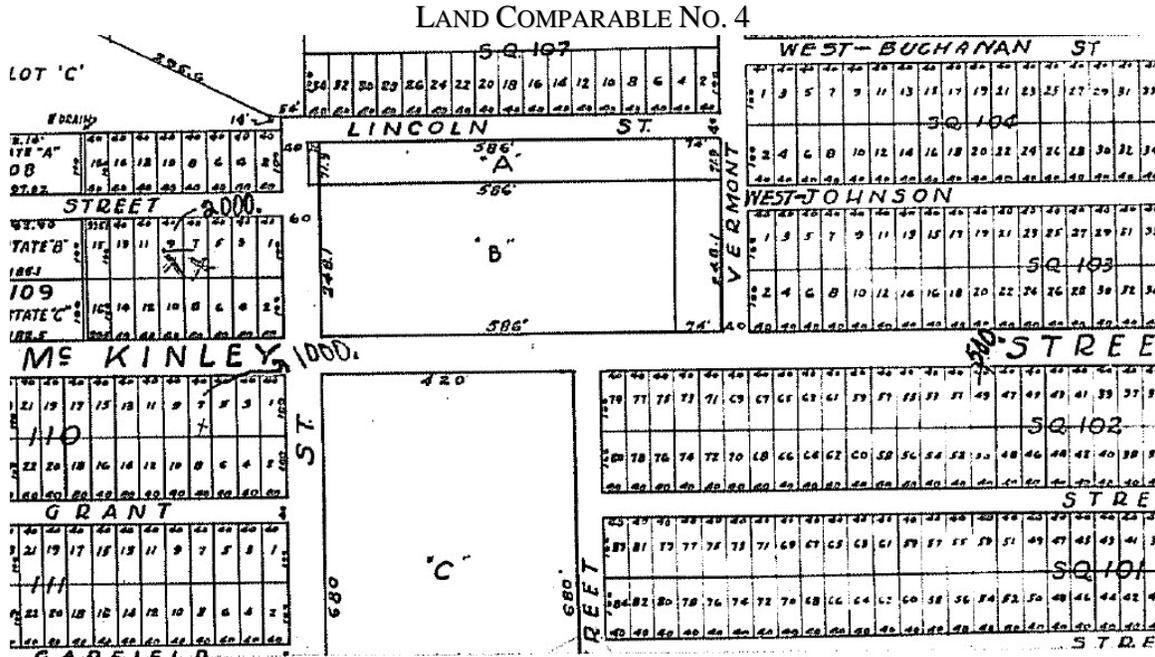
Vendor	Glynis M. Harrow
Vendee	Michael Matroodnejad
Recordation	Original 719, Bundle 12823
Date of Sale	July 3, 2017
Financing	Cash Sale; arm's length (unrelated parties)
Rights Conveyed	Fee Simple
Sale Price	\$15,500.00 (The recorded sale price of \$8,000.00 was adjusted by \$7,500.00. The adjustment was due to second sale.)
Remarks	The seller in the second sale was Hang Chen, et al and the transaction was recorded as 819 / 12590 on 07/08/2014.

SITE ANALYSIS

Frontage	The site fronts 80.00 linear feet on West McKinley Street.
Attributes	This is an interior site. The site is rectangular in shape (basically flat).
Flood Plain	According to the FEMA flood maps the site is in Flood Zone X, an area of moderate or minimal hazard from the principal source of area flood.
Zoning	According to the local zoning map the site is zoned A3.1 (Limited Residential).
Utilities	The utility services are reportedly available from public sources.
Remarks	The gross land area of the site is 0.184 acres, or 8,000 square feet. West McKinley Street is two-lane, bi-directional, asphalt-paved. It is a secondary artery.

REMARKS

The subject was listed for sale with the Multiple Listing Service, No. 2016013655. It was listed at an asking price of \$10,000.00. It was on the market for 263 days. Lot 30 was listed as 201401459 and had an asking price of \$12,000. It was on the market for 141 days prior to an accepted purchase agreement. Verification: Joe E. Ford, Listing Agent, (225) 202-6054. Additional verification of the comparable data included a review of the aerial photograph, courthouse records, flood plain map, physical inspection, survey plat, zoning map.



PROPERTY DESCRIPTION

Record No. 01-19-22344  
 Property Type A vacant residential land  
 Address 489 West McKinley Street, Baton Rouge, Louisiana  
 Legal Description Lot 51, South Baton Rouge Subdivision, Square 102, Parish of East Baton Rouge

MARKET DESCRIPTION

Market Type Medium (Level B MSA; 250,000 to 999,000 people), Suburban  
 Listing Area 52  
 Census Tract 24  
 Location This interior lot is just east of the Alaska Street and West McKinley Street intersection.

INDICATORS

Site Size (Sq. Ft.) 4,000  
 Price per Square Foot \$2.25  
 Site Size (Ac) 0.092  
 Price per Acre \$97,826

CONVEYANCE DATA

Vendor	Gangkal Zhao and Hang Cheng
Vendee	Ross M. Murray and Kaeleigh A. Murraray
Recordation	Original 927, Bundle 12928
Date of Sale	December 4, 2018
Financing	Cash Sale; arm's length (unrelated parties)
Rights Conveyed	Fee Simple
Sale Price	\$9,000.00

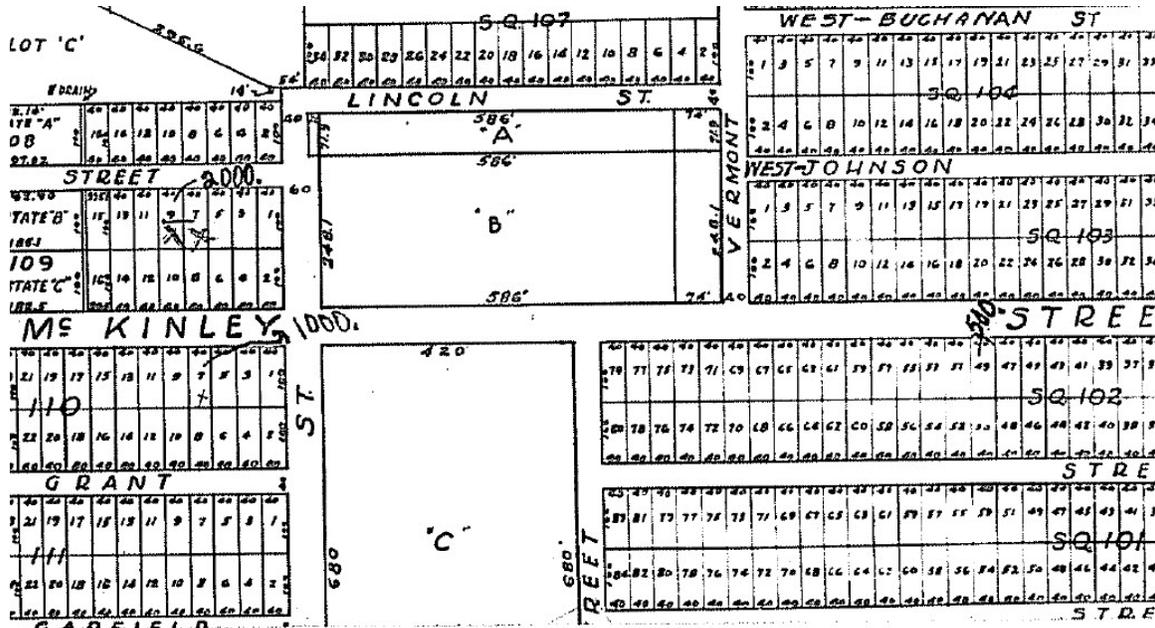
SITE ANALYSIS

Frontage	The site fronts 40 linear feet on West McKinley Street.
Attributes	This is an interior site. The site is rectangular in shape (basically flat).
Flood Plain	According to the FEMA flood maps the site is in Flood Zone X, an area of moderate or minimal hazard from the principal source of area flood.
Zoning	According to the local zoning map the site is zoned A3.1 (Limited Residential).
Utilities	The utility services are reportedly available from public sources.
Remarks	The gross land area of the site is 0.092 acres, or 4,000 square feet. West McKinley Street is two-lane, bi-directional, asphalt-paved. It is a secondary artery.

REMARKS

The subject was listed for sale with the Multiple Listing Service, No. 2018016987. It was listed at an asking price of \$9,000.00. It was on the market for 35 days. Verification: Arthur Messina, Listing Agent, (225) 335-2913. Additional verification of the comparable data included a review of the aerial photograph, courthouse records, flood plain map, peripheral inspection, survey plat, zoning map.

LAND COMPARABLE No. 5



PROPERTY DESCRIPTION

Record No. 01-19-22345  
 Property Type A vacant residential land  
 Address 634 West Grant Street, Baton Rouge, Louisiana  
 Legal Description Lot 74, South Baton Rouge Subdivision, Square 102, Parish of East Baton Rouge

MARKET DESCRIPTION

Market Type Medium (Level B MSA; 250,000 to 999,000 people), Suburban  
 Listing Area 52  
 Census Tract 24  
 Location This interior lot is just east of the Alaska Street and West Grant Street intersection.

INDICATORS

Site Size (Sq. Ft.) 4,000  
 Price per Square Foot \$2.50  
 Site Size (Ac) 0.092  
 Price per Acre \$108,696

CONVEYANCE DATA

Vendor	Raymond L. Simmons and Elaine S. Simmons
Vendee	Carrera Management Group, LLC
Recordation	Original 74, Bundle 12834
Date of Sale	August 16, 2017
Financing	Cash Sale; arm's length (unrelated parties)
Rights Conveyed	Fee Simple
Sale Price	\$10,000.00

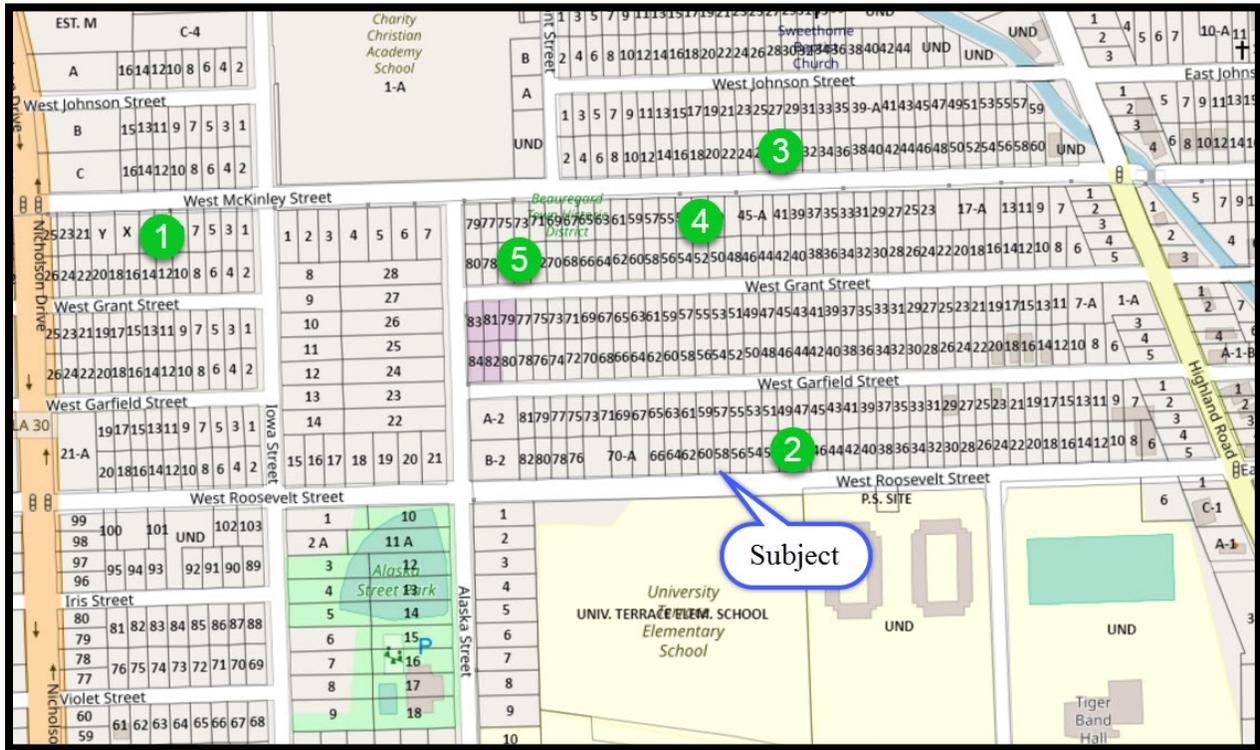
SITE ANALYSIS

Frontage	The site fronts 40 linear feet on West Grant Street.
Attributes	This is an interior site. The site is rectangular in shape (basically flat).
Flood Plain	According to the FEMA flood maps the site is in Flood Zone X, an area of moderate or minimal hazard from the principal source of area flood.
Zoning	According to the local zoning map the site is zoned A3.1 (Limited Residential).
Utilities	The utility services are reportedly available from public sources.
Remarks	The gross land area of the site is 0.092 acres, or 4,000 square feet. West Grant Street is two-lane, bi-directional, asphalt-paved. It is a tertiary artery.

REMARKS

The subject was listed for sale with the Multiple Listing Service, No. 2016008329. It was listed at an asking price of \$14,000.00. It was on the market for 122 days. Verification: Jerry James, Listing Agent, (225) 978-7828. Additional verification of the comparable data included a review of the aerial photograph, courthouse records, flood plain map, peripheral inspection, survey plat, zoning map.

### Location Map of Land Sales



All of the adjustments are shown on the following adjustment grid. No time adjustments are made to the sale; the sales are current and reflect achievable unit prices for this market area. Adjustments are made for frontages and site size differences. There are several recent land sales near the Alaska Street and Aster Street intersection. Buyers acquired the improved sites, demolished the homes and site improvements, installed gravel over the surface, and have converted the parcels to parking lots. The parcels are primarily used for parking and private parties for LSU football games. These lots are a block north of the LSU Natatorium and were acquired by end-users who needed them to serve their customers. The motivation to acquire these lots is unique to their location. The subject does not possess the locational attributes of these sales. These sales are cited for informational purposes only; they will not be used because they are not comparable.

### Adjustment Grid

	Subject	1	2	3	4	5
Appraisal Date/Sale Date	01/06/19	8/31/15	6/24/15	7/3/17	12/4/18	8/16/17
Sale Price		\$11,000	\$15,000	\$15,500	\$9,000	\$10,000
Site Size (Square Feet)	10,000	4,000	6,000	8,000	4,000	4,000
Unit Price (\$/Square Foot)		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Financing</b>		Cash Sale	Cash Sale	Cash Sale	Cash Sale	Cash Sale
Financing Adjustment		0%	0%	0%	0%	0%
Financing Adjusted Price		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Condition of Sale</b>		Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
Condition of Sale Adjustment		0%	0%	0%	0%	0%
Condition of Sale Adjusted Price		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Time Difference (Years)</b>		3.35	3.54	1.51	0.09	1.39
Time Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%
Time Adjusted Price		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Location Adjustment - Neighborhood</b>	Average	Similar	Similar	Similar	Similar	Similar
Location Adjustment - Neighborhood		0%	0%	0%	0%	0%
Location Adjusted Price		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Location Adjustment - Frontage</b>	West Roosevelt Street	West McKinley Street	West Roosevelt Street	West McKinley Street	West McKinley Street	West Grant Street
Locational Attributes	Interior site	Interior site	Interior site	Interior site	Interior site	Interior site
Location Adjustment - Frontage		0%	0%	0%	0%	0%
Location Adjustment - Corner		0%	0%	0%	0%	0%
Location Adjustment - Total		0%	0%	0%	0%	0%
Location Adjusted Price		\$2.75	\$2.50	\$1.94	\$2.25	\$2.50
<b>Size Difference</b>		-6,000	-4,000	-2,000	-6,000	-6,000
Size Adjustment		-7.5%	-3.3%	-1.3%	-7.5%	-7.5%
Size Adjusted Price		\$2.54	\$2.42	\$1.91	\$2.08	\$2.31
<b>Physical Difference: Flood Zone</b>	Zone X	Zone X	Zone X	Zone X	Zone X	Zone X
Flood Zone Adjustment		0%	0%	0%	0%	0%
Physical Difference Adjusted Price		\$2.54	\$2.42	\$1.91	\$2.08	\$2.31
<b>Physical Difference: Unusual shape</b>	Average	Average	Average	Average	Average	Average
Development Potential Adjustment		0%	0%	0%	0%	0%
Physical Difference Adjusted Price		\$2.54	\$2.42	\$1.91	\$2.08	\$2.31
Mean Unit Price		\$2.25				
Median Unit Price		\$2.31				

Sale 2 is the best sale in the adjusted array. An 'as cured' unit value of \$2.45 per square foot is selected and the 'as is' value is calculated as follows:

Subject site (sq ft)	10,000
x Estimated Unit Value:	\$2.45
Indicated 'as cured' market value	\$24,500
Less: Demolition costs	\$0
Indicated 'as is' market value	\$24,500
Rounded to:	\$25,000

## Addenda

## Last Conveyance



ORIG: 876 BNDL: 12598  
8/15/2014 10:56:22 AM

FILED AND RECORDED  
EAST BATON ROUGE PARISH, LA  
DOUG WELBORN  
CLERK OF COURT AND RECORDER

### CASH SALE

**BE IT KNOWN** that on this 13th day of August, 2014 before me, Notary Public for the Parish of East Baton Rouge, State of Louisiana, and in the presence of the subscribing witnesses, personally appeared as seller:

**BATON ROUGE SPEECH AND HEARING FOUNDATION, INC.**, an Incorporation, domiciled and organized under the laws of the State of Louisiana, having its principal place of business at 535 West Roosevelt Street, Baton Rouge, LA 70802, herein represented by **Jean-Paul Perrault**, its President, duly authorized by virtue of that Resolution of its Board of Directors dated August 11, 2014, the original copy of which being hereto attached and made part hereof.

who declared that for the price of **Twenty Thousand and 00/100 (\$20,000.00) DOLLARS**, cash in hand paid, receipt of which is hereby acknowledged, seller does hereby sell and deliver, with full warranty of title and subrogation to all rights and actions of warranty Seller may have unto buyer:

**DENOVO PROPERTIES, LLC**, a Limited Liability Company domiciled and organized under the laws of the State of Louisiana, having its principle place of business at 2 Oak Alley, Baton Rouge, LA 70806, appearing herein by and through **Kathryn Kissam**, its member, duly authorized by virtue of that Certificate of Authority, the original copy of which being recorded June 19, 2013 in the official records of the East Baton Rouge Parish Clerk and Recorder, a "True Copy" certified by Notary Patrick L. Miller being hereto attached and made part hereof.

who acknowledges delivery and possession of the following described property:

#### Parcel # 1:

The one (1) acre tract of land taken off of the three (3) acre tract in the City of Baton Rouge, Louisiana, Together with all the buildings and improvements thereon and all rights appertaining thereto acquired by the School Board from the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical college by Act of Sale acknowledged to said vendor on July 3rd, 1958 and by vendee on July 17th, 1958 and filed in the office of the Clerk of Court of East Baton Rouge Parish, Louisiana on July 18th, 1958 as Original No. 15 of Bundle No. 4205 of his records, said one (1) acre tract being more fully described as follows:

Commencing at the southeast corner of the intersection of Alaska Street and Aster Street and run thence in an easterly direction along the southerly right-of-way line of Aster Street a distance of 150 feet to concrete monument; thence run N-88°-10'E 460 feet to concrete monument; thence run N-88°- 52'W 730 feet; thence run N-88°-10'E 85 feet to point " L " and a place of beginning; thence run N-88°- 10' E 125 feet to point " H "; thence run S-1° 52'E 348.48 feet to point ' V "; thence run S-88°- 10'W 125 feet to point " K "; thence run N-1°-52'W 348.48 feet to the point of beginning. Containing 1 acre all on a map made by Howell L. Pearson, C.E., dated September 19, 1966, attached to and by reference made a part hereof.

#### Parcel #2:

The west half of Lot 56, and Lots 58 and 60, Square 100, South Baton Rouge Subdivision, Baton Rouge, East Baton Rouge Parish, Louisiana said lots or portions of lots having the dimensions as shown on the map of said subdivision on file and of record in the official records of East Baton Rouge Parish, in the office of the clerk and ex-officio recorder of said parish.

**Parcel #3:**

**One (1) certain lot or parcel of ground and a fractional part of another certain lot or parcel of ground, situated in the Parish of East Baton Rouge, State of Louisiana, and in that subdivision of said Parish known as SOUTH BATON ROUGE and designated on the plan thereof: made by R. Swartz, Surveyor, on file in the office of the Clerk and Recorder of said Parish, as Lot No. Forty-eight (48) and the East one-half (E 1/2) of Lot No. Fifty (50) of Square No. One Hundred (100), said Lot No. 48 measuring forty (40) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet and the said E 1/2 of Lot No. 50 measuring twenty (20) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet; the property herein conveyed forming a plot of ground measuring sixty (60) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet.**

This transfer is made and accepted subject to any applicable zoning ordinances and regulations, any and all servitudes, easements, restrictions, covenants, conditions, and any lease, grant, exception or reservation of mineral or mineral rights, if any, appearing in the public records of said the aforesaid Parish and State.

**The municipal address of said property is TBD WEST ROOSEVELT STREET, BATON ROUGE, LA 70802.**

**TAXES FOR THE CURRENT YEAR ARE TO BE PAID BY BUYER AND NOTICES FOR TAXES AND OTHER ASSESSMENTS ARE TO BE MAILED TO THE BUYER AT THE ADDRESS ABOVE.**

**"AS IS CLAUSE WITH WAIVER OF RIGHT OF REDHIBITION"**

**SALE "AS IS" WITHOUT WARRANTIES: SELLER and BUYER** hereby acknowledge and recognize that the property being sold and purchased is to be transferred in "as is" condition and further BUYER does hereby waive, relieve and release SELLER from any claims or causes of action for redhibition pursuant to Louisiana Civil Code Article 2520, et seq. and Article 2541, et seq. or for reduction of Sales Price pursuant to Louisiana Civil Code Articles 2541, et seq. Additionally, BUYER acknowledges that this sale is made without warranty of fitness for ordinary or particular use pursuant to Louisiana Civil Code Articles 2524. SELLER and BUYER agree that this clause shall be made a part of the Act of Sale.

The preceding paragraph has been called to the attention of the Buyer and fully explained to the Buyer, and Buyer acknowledges that Buyer has read and understands this waiver of all express or implied warranties and accepts the property without any express or implied warranties.

To have and to hold said property unto the buyer's heirs, successors and assigns, forever. All parties signing the within instrument, either as parties or witnesses, have declared themselves to be of full legal capacity.

Except as expressly provided in any separate writing, the parties hereto acknowledge that no title examination or title opinion has been requested or performed on behalf of the parties; and the parties expressly waive the necessity of the same and do hereby agree to release and relieve the Notary, attorney, settlement agent and/or title company from any responsibility or liability in connection therewith.

All agreements and stipulations herein, and all the obligations herein assumed shall inure to the benefit of and be binding upon the heirs, successors, and assigns of the respective parties.

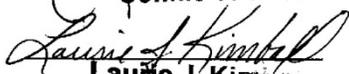
The parties hereto waive the production of all mortgage and conveyance certificates and release Notary from liability for the non-production thereof.

All Taxes assessed against the property herein conveyed have been prorated between the parties for the current year. Taxes for the current year are to be paid by the Buyer, and all notices for taxes and other assessments are to be mailed to the Buyer at the address listed above.

The parties hereto waive a current survey of said property and release and relieve me, Notary, of any responsibility and liability in connection therewith.

Thus done and signed at my office in Baton Rouge, Louisiana, on the date above written, in the presence of me, Notary, and the undersigned competent witnesses.

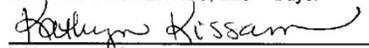
WITNESSES:

  
\_\_\_\_\_  
Connie F. Mier  
  
\_\_\_\_\_  
Laurie J. Kimball

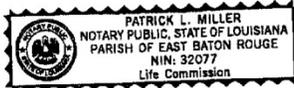
BATON ROUGE SPEECH AND  
HEARING FOUNDATION, INC. - Seller

  
\_\_\_\_\_  
JEAN-PAUL PERRAULT - President

DENOVO PROPERTIES, LLC - Buyer

  
\_\_\_\_\_  
KATHRYN KISSAM - Member

  
\_\_\_\_\_  
PATRICK L. MILLER, Notary Public  
32077  
14-10592



Title Underwriter: Security Title Guarantee Corporation  
Title Agent: Preferred Title Company License #225822  
4980 Bluebonnet Blvd. Ste A, Baton Rouge, LA 70809  
Title Exam by: PATRICK L. MILLER LSBA 09507  
Reference to the above does not impose title insurance coverage nor create a lawyer-client relationship for any party to this act. All as per 22:513.1

Act of Correction

ORIG: 986 BNDL: 12614  
10/28/2014 4:29:24 PM

FILED AND RECORDED  
EAST BATON ROUGE PARISH, LA  
DOUG WELBORN  
CLERK OF COURT AND RECORDER

ACT OF CORRECTION

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

\*\*\*\*\*

**BE IT KNOWN, that on this 27th day of October, 2014;**

**BEFORE ME**, the undersigned Notary Public, duly qualified in and for the Parish and State aforesaid, personally came and appeared **Patrick L. Miller**, a resident of legal age of the Parish of East Baton Rouge, who after being duly sworn by me did depose that he was the Notary before whom an "Act of Sale" was executed by **Denovo Properties, LLC, as the Buyer, represented by its Member Kathryn Kissam** dated August 13, 2014, and recorded on August 15, 2014, as Original 876 of Bundle 12598 in the Conveyance Records of the Clerk and Recorder for the Parish of East Baton Rouge. That the act was prepared in appearer's office and under his supervision; and that the Legal Description inadvertently included property that was not part of the Sale Transaction, when in the document it recited the following...

**"Parcel #1:**

**The one (1) acre tract of land taken off of the three (3) acre tract in the City of Baton Rouge, Louisiana,** Together with all the buildings and improvements thereon and all rights appertaining thereto acquired by the School Board from the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical college by Act of Sale acknowledged to said vendor on July 3rd, 1958 and by vendee on July 17th, 1958 and filed in the office of the Clerk of Court of East Baton Rouge Parish, Louisiana on July 18th, 1958 as Original No. 15 of Bundle No. 4205 of his records, said one (1) acre tract being more fully described as follows:

Commencing at the southeast corner of the intersection of Alaska Street and Aster Street and run thence in an easterly direction along the southerly right-of-way line of Aster Street a distance of 150 feet to concrete monument; thence run N-88°-10'E 460 feet to concrete monument; thence run N-88°- 52'W 730 feet; thence run N-88°-10'E 85 feet to point " L " and a place of beginning; thence run N-88°- 10' E 125 feet to point " H "; thence run S-1° 52'E 348.48 feet to point " V "; thence run S-88°- 10'W 125 feet to point " K "; thence run N-1°-52'W 348.48 feet to the point of beginning. Containing 1 acre all on a map made by Howell L. Pearson, C.E., dated September 19, 1966, attached to and by reference made a part hereof.

**Parcel #2:**

**The west half of Lot 56, and Lots 58 and 60, Square 100,** South Baton Rouge Subdivision, Baton Rouge, East Baton Rouge Parish, Louisiana said lots or portions of lots having the dimensions as shown on the map of said subdivision on file and of record in the official records of East Baton Rouge Parish, in the office of the clerk and ex-officio recorder of said parish.

**Parcel #3:**

**One (1) certain lot or parcel of ground and a fractional part of another certain lot or parcel of ground,** situated in the Parish of East Baton Rouge, State of Louisiana, and in that subdivision of said Parish known as SOUTH BATON ROUGE and designated on the plan thereof: made by R. Swartz, Surveyor, on file in the office of the Clerk and Recorder of said Parish, as Lot No. Forty-eight (48) and the East one-half (E 1/2) of Lot No. Fifty (50) of Square No. One Hundred (100), said Lot No. 48 measuring forty (40) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet and the said E 1/2 of Lot No. 50 measuring twenty (20) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet; the property herein conveyed forming a plot of ground measuring sixty (60) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet."

**When in truth and in fact the document should have recited the following as the correct legal description for the property purchased in the Sales Transaction...**

**“Parcel #1:**

The west half of Lot 56, and Lots 58 and 60, Square 100, South Baton Rouge Subdivision, Baton Rouge, East Baton Rouge Parish, Louisiana said lots or portions of lots having the dimensions as shown on the map of said subdivision on file and of record in the official records of East Baton Rouge Parish, in the office of the clerk and ex-officio recorder of said parish.

**Parcel #2:**

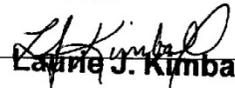
One (1) certain lot or parcel of ground and a fractional part of another certain lot or parcel of ground, situated in the Parish of East Baton Rouge, State of Louisiana, and in that subdivision of said Parish known as SOUTH BATON ROUGE and designated on the plan thereof: made by R. Swartz, Surveyor, on file in the office of the Clerk and Recorder of said Parish, as Lot No. Forty-eight (48) and the East one-half (E 1/2) of Lot No. Fifty (50) of Square No. One Hundred (100), said Lot No. 48 measuring forty (40) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet and the said E 1/2 of Lot No. 50 measuring twenty (20) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet; the property herein conveyed forming a plot of ground measuring sixty (60) feet front on the North side of Roosevelt Street by a depth between equal and parallel lines of one hundred (100) feet.”

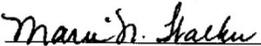
Therefore it is the intention of the appearer that, this instrument serves to amend and supplement the Act of Sale, to read as aforementioned.

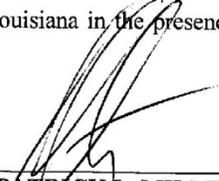
Appearer requests and directs the Clerk and Recorder for the Parish of East Baton Rouge, Louisiana to make note of the within instrument and this change in the margin of the Conveyance Records in the Parish of East Baton Rouge to serve as occasion may require.

Thus done and executed in Baton Rouge, Louisiana in the presence of the undersigned witnesses and me, Notary.

**WITNESSES**

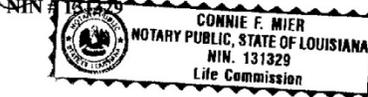
  
Carrie J. Kimball

  
Marie N. Walker

  
PATRICK L. MILLER

DENOVO PROPERTIES, LLC  
  
By: KATHRYN KISSAM – Member

  
NOTARY PUBLIC – Connie F. Mier



## Assumptions and Limiting Conditions

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent upon the following assumptions and limiting conditions:

**Limits of Liability:** The liability of The Lakvold Group, LLC, their employees and associates is limited to the client/intended user only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm is in any way to be responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant, or any other party, the client will hold the appraiser(s) and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

**Copies, Publication, Distribution and Use of Report:** Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The appraisal fee represents compensation only for the analytical services provided by the appraiser(s). The appraisal report remains the property of the appraisal firm, though it may be used by the client in accord with these assumptions and limiting conditions. The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate. Except as hereinafter provided the client may distribute copies of this appraisal report in its entirety to such third parties as he may select. However, selected portions of this appraisal report shall not be given to third parties without the prior written consent of those signing the appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior written consent of the appraisal firm. This appraisal is to be used only in its entirety, and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appear(s) on the appraisal report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser(s). The appraiser(s) and the appraisal firm shall bear no responsibility for any such unauthorized changes.

**Trade Secrets:** This appraisal has been obtained from The Lakvold Group, LLC, and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the appraiser(s) signing the report and the appraisal firm of any request to reproduce this appraisal in whole or part.

**Confidentiality:** Except as provided for subsequently, neither the appraiser(s) nor the appraisal firm may divulge the analyses, opinions, or conclusions developed in the appraisal report, nor may they give a copy of the report to anyone other than the client or her designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena.

**Information Supplied by Others:** Information provided by engineers, surveyors, informed local sources, governmental agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others, is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by the appraiser. Neither the appraiser(s) nor the appraisal firm is liable for any information or the work product provided by subcontractors. The client and others utilizing the appraisal report are advised that some of the individuals associated with The Lakvold Group, LLC, are independent contractors and may sign the appraisal report in that capacity. The comparable data relied upon in this report have been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. To the best of our judgment and knowledge, all such information is considered appropriate for inclusion. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease, or any other commitment of funds with respect to the subject property.

**Testimony, Consultation, Completion of Contract for Appraisal Service:** The contract for each appraisal, consultation, or analytical service is fulfilled, and the total fee is payable upon completion of the report. The appraisers(s) or those assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the appraisal, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges, regardless of the issuing party. Neither the appraiser(s) nor those assisting in the preparation of the report is required to engage in post-appraisal consultation with the client or other third parties, except under a separate and special arrangement and at an additional fee.

**Exhibits and Physical Descriptions:** It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser(s), and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced for this appraisal report are included for informational purposes. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

**Title, Legal Descriptions, and Other Legal Matters:** No responsibility is assumed by the appraiser(s) or the appraisal firm for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in the appraisal report. The legal description, as furnished by the client, her designee, or as derived by the appraiser(s), is assumed to be correct as reported. The appraisal is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.

**Engineering, Structural, Mechanical, and Architectural Conditions:** This appraisal should not be construed as a report on the physical items that are a part of any property described in the appraisal report. Although the appraisal may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is

only to be used as a general guide for property valuation and not as a complete or detailed report on these physical items. The appraiser(s) is/are not a construction, engineering, or architectural expert(s), and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the appraisal report. Any statement in the appraisal regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the appraisal report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems, and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations, and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report. Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed. Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we would strongly suggest that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect, or other experts. This appraisal report is based on the assumption that there are no hidden, unapparent, or apparent conditions on the property site or improvements which would materially alter the value as reported. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical, and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the appraisal as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type, and condition.

**Americans with Disabilities Act Compliance:** The Americans with Disabilities Act (ADA) became effective January 26, 1992. Unless otherwise noted in this report, we have not made a specific compliance survey or analysis of this property to determine whether or not it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, and since these appraisers are not experts at identifying whether a property complies or does not comply with the ADA, we did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

**Toxic Materials and Hazards:** Unless otherwise stated in the appraisal report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the appraisal report. Before committing funds to any property, it is strongly advised that

appropriate experts be employed to inspect both land and improvements for the existence of such toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected, and a re-appraisal at an additional cost may be necessary to estimate the effects of such circumstances.

**Soils, Sub-soils, and Potential Hazards:** It is assumed that there are no hidden or unapparent conditions of the soils or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made, and no liability is assumed for soil conditions. Unless otherwise noted, sub-surface rights (mineral and oil) were not considered in making this appraisal. Unless otherwise noted, the land and the soil in the area being appraised appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. Neither the appraiser(s) nor the appraisal firm is/are liable for any problems arising from soil conditions. The appraiser(s) strongly advise that, before any funds are committed to a property, the advice of appropriate experts be sought. If the appraiser(s) has/have not been supplied with a termite inspection report, survey or occupancy permit, no responsibility is assumed, and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. Neither the appraiser(s) nor the appraisal firm assumes responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

**Legality of Use:** This appraisal report assumes that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless non-compliance is stated, defined, and considered in the appraisal report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined, and considered in the appraisal report. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government, private entity, or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

**Component Values:** If the total property value set forth in this report is distributed between land and improvements, this distribution applied only under the existing program of utilization as set forth in the appraisal. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

**Auxiliary and Related Studies:** No environmental or impact studies, special market studies or analyses, special highest and best use studies, or feasibility studies have been requested or made by the appraiser(s) unless otherwise specified in an agreement for services and so stated in the appraisal report.

**Dollar Values and Purchasing Power:** The estimated market value set forth in the appraisal report and any cost figures utilized are applicable only as of the date of valuation of the appraisal report. All dollar amounts are based on the purchasing power and price of the dollar as of the date of value estimates.

**Value Change, Dynamic Market, and Alteration of Estimate by Appraiser:** All values shown in the appraisal report are projections based on our analysis as of the date of valuation of the appraisal. These values may not be valid in other time periods or as conditions

change. Projected mathematical models set forth in the appraisal are based on estimates and assumptions which are inherently subject to uncertainty and variations related to exposure, time, promotional effort, terms, motivation, and other conditions. The appraiser(s) do(es) not represent these models as indicative of results that will actually be achieved. The value estimates consider the productivity and relative attractiveness of a property only as of the date of valuation set forth in the report. In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value, or value in use is a reflection of such benefits and of the appraiser's interpretation of income, yields, and other factors derived from general and specific client and market information. Such estimates are as of the date of valuation of the report. They are subject to change as market conditions change. This appraisal is an estimate of value based on analysis of information known to us at the time the appraisal was made. The appraiser(s) do(es) not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance comes to light, the value given in this report is subject to change without notice. The appraisal report itself and the value estimates set forth therein are subject to change if either the physical or legal entity or the terms of financing are different from what is set forth in the report.

**Exclusions:** Furnishings, equipment, other personal property, and value associated with a specific business operation are excluded from the value estimate set forth in the report unless otherwise indicated. Only the real estate is included in the value estimates set forth in the report unless otherwise stated.

**Proposed Improvements, Conditioned Value:** It is assumed in the appraisal report that all proposed improvements and/or repairs, either on-site or off-site, are completed in a good and workmanlike manner in accord with plans, specifications, or other information supplied to these appraisers and set forth in the appraisal report. In the case of proposed construction, the appraisal is subject to change upon inspection of the property after construction is completed. The estimate of Market Value is as of the date specified in the report. Unless otherwise stated, the assumption is made that all improvements and/or repairs have been completed according to the plans and that the property is operating at levels projected in the report.

**Management of Property:** It is assumed that the property which is the subject of the appraisal report will be under typically prudent and competent management, which is neither inefficient nor super-efficient.

**Fee:** The fee for any appraisal report, consultation, feasibility, or other study is for services rendered and, unless otherwise stated in the service agreement, is not solely based upon the time spent on any assignment.

**Changes and Modifications:** The appraiser(s) reserve(s) the right to alter statements, analyses, conclusions, or any value estimates in the appraisal if any new facts pertinent to the appraisal process are discovered which were unknown when the appraisal report was prepared.

The acceptance and/or use of the appraisal report by the client or any third party constitutes acceptance of the Assumptions and Limiting Conditions set forth in the preceding paragraphs. The appraiser's liability extends only to the specified client/intended user, not to subsequent parties or users. The appraiser's liability is limited to the amount of the fee received for the services rendered. This appraisal was prepared in conformity with Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and that the report is subject to review by its duly authorized representatives

## Certification of Appraiser

I, David E. Lakvold, MAI, SRA, do hereby certify that I have personally inspected the identified property at:

Re: An Appraisal Report being the valuation of three vacant lots fronting on the north side of West Roosevelt Street in Baton Rouge, Louisiana  
Client and Intended User: Louisiana State University  
Owner: Denovo Properties, LLC  
Lakvold Group File Number: 2019-3448

I certify to the best of my knowledge and belief the following:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser has not provided any appraisal services, as an appraiser or in any other capacity, regarding the identified property of this report within the three year period immediately preceding acceptance of this assignment.

8. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
9. David E. Lakvold, MAI, SRA has made a personal inspection of the property that is the subject of this report.
10. No one other than the person(s) signing this report provided any significant real property appraisal assistance to the person signing this certification. Market data verification was performed by the appraisers and their staff. Data verification is not considered to be significant professional real estate appraisal practice as defined by USPAP but is disclosed here for clarification purposes.
11. As of the date of the report, I, David E. Lakvold, MAI, SRA, have completed the requirements of the continuing education program of the Appraisal Institute and the Louisiana Real Estate Appraisers Board.
12. The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
13. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
14. The report is subject to the requirements of the Louisiana Real Estate Appraisers Board.

I also certify that I have no interest, present or contemplated, in the property, and that neither the employment to make the appraisal, nor the compensation, is contingent upon the value of the property. If I can be of any further assistance in this matter, please do not hesitate to contact me at your convenience.

Respectfully submitted,



David E. Lakvold, MAI, SRA  
LA State Certified General Real Estate Appraiser #G0543

## Appraiser's Qualifications

DAVID E. LAKVOLD, MAI, SRA   
LOUISIANA STATE CERTIFIED GENERAL REAL ESTATE APPRAISER #0543

David E. Lakvold, MAI, SRA has more than 30+ years of real estate experience. The first seven years were spent as a residential appraiser in the Baton Rouge market area. The next year was spent as a review appraiser for Premier Bank Special Assets Department. The following three years was spent as a commercial appraiser trainee under John C. Doiron, MAI.

David E. Lakvold, MAI, SRA established his own full service appraisal firm and completed both commercial and residential appraisals. He was then recruited to become an Albertson's site selector and worked throughout Louisiana finding and acquiring store sites. Albertson's decided that they would no longer compete with Walmart and stopped expanding in the Louisiana market.

David E. Lakvold, MAI, SRA started The Lakvold Group with Angela Lemoine-Lakvold, MAI, SRA, R/W-AC, MBA. The appraisal practice offers a variety of services including traditional real estate appraisals, litigation services and consulting, expropriation appraisals, probate appraisal, and general real estate consultation.

David E. Lakvold, MAI, SRA is consistently engaged to value difficult or complicated property types. Some of the more difficult assignments have included valuing former hospitals, State owned parking garages and office buildings, Superfund sites, and litigated properties with socially sensitive issues.

## Education and Technical Training

Louisiana State University, 1985 - Bachelor of Science  
Appraisal courses and seminars that have been successfully completed;  
Courses 101 - Introduction to Real Estate Appraising; Society of Real Estate Appraisers  
Courses 102 - Residential Property Valuation; Society of Real Estate Appraisers  
Courses 201 - Income Property Valuation; Society of Real Estate Appraisers  
Courses 202 - Applied Income Property Valuation; Society of Real Estate Appraisers  
Principles of Real Estate; Louisiana State University  
Real Estate Valuation and Finance; Louisiana State University  
Courses 501 - Advanced Income Capitalization; Appraisal Institute  
Standards of Professional Practice, Part A; Appraisal Institute  
Standards of Professional Practice, Part B; Appraisal Institute  
Standards of Professional Practice, Part C; Appraisal Institute  
Demonstration Report for SRA designation; Society of Real Estate Appraisers  
Demonstration Report for MAI designation; Appraisal Institute  
Comprehensive Exam for MAI designation; Appraisal Institute

Measuring Economic Obsolescence; Society of Real Estate Appraisers  
Wetlands Seminar; Appraisal Institute  
Fair Value; what it is and How to Estimate; Appraisal Institute  
Subdivision Analysis Seminar; Appraisal Institute  
How to appraise Timberland; Appraisal Institute  
How to appraise HUD properties; Appraisal Institute  
Appraisal Theory and Practice Seminar; Appraisal Institute  
Employee Relocation Seminar; Merrill Lynch Relocation Company  
“At Home with Diversity;” National Association of REALTORS  
Appraising in a Distress Market; Society of Real Estate Appraisers  
FNMA Guidelines Seminar; Society of Real Estate Appraisers  
FNMA Appraisal Policy Seminar; Society of Real Estate Appraisers  
URAR Seminar; Society of Real Estate Appraisers  
Highest and Best Use Seminar; Appraisal Institute  
FIRREA Compliance and the Appraiser Seminar; Appraisal Institute  
Complex Residential Property Appraisal Seminar; Appraisal Institute  
Litigation Valuation; Appraisal Institute  
Special Purpose Properties Seminar; Appraisal Institute  
Partial Interest Valuation; Appraisal Institute  
Real Estate Trends in the Baton Rouge Market; Baton Rouge Board of REALTORS  
Attacking and Defending an Appraisal in Litigation; Appraisal Institute  
Case Studies in Highest and Best Use; Appraisal Institute  
Appraising Convenience Stores; Appraisal Institute  
Small Hotel/Motel Valuation; Appraisal Institute  
Analyzing Operating Expenses; Appraisal Institute  
Online Internet Search Strategies for real estate appraisers, Appraisal Institute  
Appraising Nursing Home; Appraisal Institute  
Self-Storage Economic and Appraisal, Appraisal Institute  
Analyzing Distressed Real Estate; Appraisal Institute  
Effective Appraising Writing; Appraisal Institute  
Business Practices and Ethics; Appraisal Institute  
Appraisal Handbook Seminar, LA Department of Transportation and Development  
Real Estate Acquisitions under the Uniform Act: An Overview; Nation Highway Institute  
Relocation courses and seminars that have been successfully completed;  
    Course 501, Relocation Assistance; International Right of Way Association  
    Course 502, Business Relocation; International Right of Way Association  
    Course 503, Mobile Home Relocation; International Right of Way Association  
    Course 504, Computing Replacement Housing Payments; IRWA  
    Course 505, Advanced Relocation Assistance I; IRWA

## Designations and Associations

Member of the Appraisal Institute, 1994  
Senior Residential Appraiser member of the Appraisal Institute, 1987  
Louisiana State Certified General Real Estate Appraiser #G0543  
Member of the Louisiana Board of Realtors  
Baton Rouge TRENDS – Industrial Committee

## Business Experience

The Lakvold Group, LLC; an independent real estate appraisal firm; the principals have been actively appraising in Louisiana for more than thirty years.

## Military Experience

January 1979 through December 1982  
United States Air Force, Offutt AFB, 544th Target Intelligence Materials Squadron  
Intelligence Specialist; E-4, Honorably Discharged December 1982  
December 1982 through December 1985  
LA Air National Guard, New Orleans Naval Air Station, 122nd Tactical Fighter Group  
Intelligence Specialist; E-5, Honorably Discharged December 1985

## Right-Of-Way Projects

- Atchafalaya Basin Levee District: Pointe Coupee Seepage Control Project in New Roads, Louisiana being the West Bank, Mississippi River Levee, Mississippi River and Tributaries Project (MRL)
- Calcasieu Parish Police Jury; Being the North Frontage Road project in Sulphur, Louisiana
- Calcasieu Parish Police Jury; Proposed Bessie Daniels Bypass, Starks, Louisiana
- City Parish Project Number 10-PS-MS-0009; Being the Kenilworth Parkway and Highland Road pipeline improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 10-PS-MS-0050; Being the O'Neal Lane Pump Stations sewer improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 10-GS-MS-0007; Being the Airline Highway pipeline project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 09-FM-MS-0047; Being the Nicholson Drive – Highland Road – Perkins Road sewer improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number: 10-FM-MS-008A and 10-FM-MS-008B being the O'Neal Lane Area Force Main and Gravity Improvements (Group A and B)

- Professional Engineering Consultants Corporation being a drainage improvement project for OCPR/St. Mary Parish Levee District (Franklin Canal flood gate)
- City Parish Project Numbers 09-PS-UF-0001 and 58A SGC-C-PS58A (Staring Lane–Overflow Pump Station) Sanitary Sewer System Upgrades South Force-main and Gravity Systems Pump Station
- City Parish Project Number 06-CS-HC-0018; Being the Fairchild Street / Badley Street road improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 06-CS-HC-0024; Being the Staring Lane, from Perkins Road to Highland Road, road improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 09-FM-MS-0047; Being the Nicholson Drive – Highland Road – Perkins Road Sanitary Sewer System Upgrades South Forced Lower Basin Capacity Improvements SFL-C-0006 project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 10-FM-MS-008A and 10-FM-MS-008B; Being the O’Neal Lane Area Force Main and Gravity Improvements project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 08-FM-ST-0023; South Forced Lower Basin – Highland-Burbank in East Baton Rouge Parish, Louisiana
- City Parish Project Number 06-CS-HC-0051; Being the Jones Creek Road improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number 06-TL-HC-0032; Being the Government Street at South Foster Road intersection improvement project in East Baton Rouge Parish, Louisiana
- City Parish Project Number CP CS-CI-0041; Being the North Harrell’s Ferry Road Corridor Project in East Baton Rouge Parish, Louisiana
- State Project Number 262-01-0036, 832-11-0010 and 832-15-0006; Being the Hatchell Lane Corridor Project in Livingston Parish, Louisiana
- State Project Number 832-32-0008 and 262-02-0002; Being the Range Avenue Corridor Project in Livingston Parish, Louisiana: LA Highway 16
- State Project Number 829-32-0004, F. A. P. No. 2904 (503); Being the Leeville/Phase 1B (LA 1 Relocation) and Bridge Connectors in Lafourche Parish, Louisiana
- State Project Number 023-02-0014; Junction La 3225 - Bentley Route US 167 in Grant Parish, Louisiana
- State Project Number 015-07-0044; Louisiana State Highway 847 to Ouachita Parish Line in Caldwell Parish, Louisiana
- State Project Number 025-02-0032; Being State Route in Many, Louisiana US Highway 171 in Sabine Parish, Louisiana

## Past Clients

### Attorneys and Others

Phelps, Dunbar  
Taylor, Porter  
Phillip W. Preis  
Jerry Davis  
R.W. Day and Associates  
Louisiana Timed Management  
Wampold Companies  
Numerous others

### Government Agencies

Fannie Mae  
Federal Deposit Insurance Corporation  
Federal Savings and Loan Insurance Corporation  
Resolution Trust Corporation  
Louisiana Department of Transportation and Development  
Louisiana Department of Administration  
West Baton Rouge Parish  
Iberville Parish  
West Baton Rouge Tourism Commission  
Greater Baton Rouge Port Commission  
City of Port Allen  
City of Denham Springs  
City of Baton Rouge  
Town of New Roads  
East Baton Rouge Parish Department of Public Works  
Numerous others

### Banks

Bank of West Baton Rouge  
Citizens Bank & Trust Company  
Hancock Bank  
Hibernia National Bank  
Iberville Bank & Trust  
JPM Chase Bank  
Regions Bank  
State Bank  
Washington State Bank  
Whitney National Bank  
Numerous others

## Corporations

- Ashland Chemicals
- DOW Chemicals
- G E Capital Corp.
- Volunteers of America
- General Electric
- Gateway Capital
- Numerous others

## Appraisal Experience

- Apartments
  - Proposed
  - Operating
  - Distressed
- Automotive dealerships
- Bowling alleys
- Carwash facilities
  - Full-service
  - Automated
  - Coin-operated
- Casino truck stop facilities
  - Proposed
  - Operating
  - Distressed
- Convenience stores
  - Proposed
  - Operating
  - Distressed
- Consultations on various property types
- Hotel and motels
  - Limited service
    - Operating
    - Distressed
  - Full service
- Feasibility studies for apartments and residential developments
- Fraternity and sorority houses
- Funeral home facilities
- Heavy equipment and farm equipment dealerships
- Highest and Best Use Study of various property types
- Industrial facilities
  - Single-tenant
    - Proposed
- Litigation on various property types
- Mobile home parks

- Office buildings
  - Single-tenant
  - Multi-tenant
  - Proposed
- Office warehouse facilities
  - Single-tenant
  - Multi-tenant
  - Proposed
- Recreational campground facilities
- Retail facilities
  - Single-tenant
  - Multi-tenant
  - Proposed
- Restaurants
- Right-of-way
- Self-storage facilities
- Subdivisions
  - Commercial office parks
  - Industrial parks
  - Single family residential - traditional and recreational
- Vacant land
  - Batture
  - Development tracts
  - Island in Mississippi River
  - Acreage
  - Wetland tracts

## Specialized Appraisal Experience

- Argus
- Fee simple
- Leased fee interests
- Leasehold improvements
- Partial interests

## STATE CERTIFICATION

A copy of the current state certification is presented on the following page.





## Request from LSU A&M to Authorize the President to Execute Agreements for the Development of the Greenhouse District – Phase 3

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

This is a significant board matter pursuant to Article VII, Section 8 of the Board’s Bylaws:

D.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the System or any of its campuses or divisions.

### **1. Summary of the Matter**

Since 2012, LSU has been planning for the revitalization of LSU’s student housing through a multi-phased initiative using a public-private partnership development model. The Nicholson Gateway Project (NGP-1), the first phase of the initiative, was approved by the Board in May 2016 and opened on-schedule and on-budget in Fall 2018<sup>1</sup>. The next phase, known as Greenhouse District Project – Phase 2 (GDP-2, which was called the “Replacement Housing Project” in the May 2016 Board report for NGP-1), was approved by the Board in May 2017, is currently under construction and remains on-schedule and on-budget.

This third phase (GDP-3) will construct approximately 881 beds of first-year housing on the site formerly occupied by the AgCenter greenhouses, which were removed and replaced at the AgCenter’s Ben Hur site as part of GDP-2.

#### *GDP-3 at a Glance*

- 881 new on-campus student beds in two new halls located on the site formerly occupied by the AgCenter greenhouses, near the University Recreation Center
- \$83 million development cost (inclusive of construction cost, but not including cost of issuance)<sup>2</sup>

The legal agreements and deal structure for GDP-3 will be virtually identical, other than for construction details, as for GDP-2, which themselves were substantially the same as for NGP-1. Bonds for the development will be issued by an independent non-profit company through the Louisiana Public Facilities Authority to fund the project. The bonds will be secured by a lease agreement between LSU and the non-profit. Funds to repay the bonds and operate the facilities will ultimately come from rent paid by students who choose to live on campus.

LSU will lease the land to the LSU Real Estate and Facilities Foundation (REFF), which will create a special-purpose entity for this purpose. The REFF special-purpose entity will sublease the land to Provident Group – Flagship Properties, a special purpose entity created by Provident Resources Group, a nationally-prominent non-profit firm which specializes in this type of activity, headquartered here in Baton Rouge.

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<sup>1</sup> Nicholson Gateway has been a strong success. The Office of Residential Life has currently received paid deposits for 93% of all on-campus apartments with more than 200 students on a waiting list.

<sup>2</sup> All figures are approximate, based on current estimates and design, and are subject to change. Detailed designs are still being prepared; final costs will be based on final designs. A Guaranteed Maximum Price will be agreed before the contracts are executed; the GMP is expected by September 2019.

The legal agreements and financing for GDP-3 are expected to close in late September, 2019, assuming approval by all required state agencies.

As provided for in the Intent to Lease Agreement with REFF approved by this Board to govern this project, the REFF Project Management Committee (PMC) and the REFF Board of Directors have been involved in the negotiation of these agreements. The PMC, with the assistance of the B&D/CSRS team of project advisors, has prepared a recommendation to this Board for approval of the project. The PMC and the REFF Board will have formally approved the recommendation included as Attachment III prior to the April 26 Board meeting.

#### *Change to Prior Plans*

When GDP-2 was presented to the Board, it was contemplated that GDP-3 would be a project to replace housing, and would include the demolition of 5 existing, older residence halls;

- Acadian Hall Extension
- Broussard Hall
- Herget Hall
- McVoy Hall
- Miller Hall

Since that time, LSU has set new targets for enrollment growth, and has experienced success in growing the incoming first-year class size. With that enrollment increase, GDP-3 has transformed to a project to add new capacity to the housing system to accommodate that growth and allow for the maintenance of the first-year on-campus residency expectation. The older halls are not expected to be demolished at this time, as their capacity will be needed to meet the expected enrollment growth.

#### *Private Partner*

The Master Developer for the entire initiative, including both the Nicholson Gateway Project and GDP-2 and GDP-3, was selected by the LSU Property Foundation and approved by this Board following a highly competitive process adopted and implemented by the LSU Property Foundation pursuant to the Nicholson Gateway Intent to Lease Agreement approved by the Board in October 2014. Throughout the development of both Nicholson Gateway and GDP-2 and GDP-3, the LSU Property Foundation and now the REFF have engaged the services of the joint venture of Brailsford & Dunlavey (B&D) and CSRS to provide project management and development advisor support. B&D/CSRS was likewise selected as the advisor for all phases of the overall initiative pursuant to a highly competitive process adopted and implemented by the LSU Property Foundation.

**RISE: A Real Estate Company** ([risere.com](http://risere.com)) is the Master Developer for the Nicholson Gateway project and, assuming approval by the Board, will remain as the Master Developer for the Greenhouse District. RISE, formerly known as Ambling, has over 20 years of experience in developing over \$2.3 billion in campus and multi-family housing and other developments. RISE primarily serves as a developer and long-term partner in the operation of the facilities it develops with its clients. Its portfolio currently includes over 41,000 beds, 7,600 parking spaces, 227,000 sf of retail, and 4,000 dining seats. It has projects in 21 states, including 16 facilities in Louisiana. University clients include University of Maryland, Appalachian State, Old Dominion, University of Georgia, Georgia State, Texas Tech, Grambling, Southern, McNeese, University of Louisiana - Lafayette, and many others.

RISE has selected a number of major subcontractors for this project, most of them Louisiana-based. They include the **Lemoine Company** for construction of NGP-1 and Cedar Hall as part of GDP-2, **Arkel International** for renovations to Evangeline and Highland Halls as part of GDP-2, **Stuart & Co.** for

construction of the new AgCenter greenhouse as part of GDP-2, **Niles Bolton & Associates**, a national firm, and **Remson Haley Herpin**, a Louisiana firm, as architects, **RBC Capital Markets**, a leading international bank, as financial adviser, and **Provident Resources Group**, a Louisiana-based firm that is the national leader in providing non-profit management services for public-private partnerships. RISE is also currently evaluating additional local architects and contractors to be responsible for components of GDP-3.

#### *Benefits to LSU*

Without the 881 new beds to be provided by GDP-3, LSU will not have the capacity to maintain an on-campus residency expectation for all incoming first-year students if LSU meets the anticipated enrollment growth targets. Providing this capacity is essential to meeting those enrollment targets. LSU students who live on-campus in our supportive residential life environment achieve significantly higher retention and graduation rates than students who live off-campus in their crucial first year.

The public-private partnership model followed for NGP-1, GDP-2, and GDP-3 allows LSU to retain control of one of its core functions, providing housing and residential life services to students wanting to live on-campus, while transferring to the private sector the physical operation, repair, and maintenance functions that are not core to LSU's mission. From the students' perspective, these will simply be LSU housing units, indistinguishable in function from LSU's other residence halls. LSU will make room assignments and provide the Resident Assistants and other student life staff and amenities.

#### *Risks*

LSU is transferring a number of risks to the private sector through this public-private partnership arrangement. However, to maximize the potential financial returns, LSU is also retaining key risks. Based on extensive analysis by the Foundation, B&D, RISE, and LSU, the University believes these risks are remote and unlikely to occur.

LSU bears *occupancy risk*. If demand for these units falls short of projections, LSU will still be responsible for paying the debt service and operating costs associated with the buildings. The key risk for LSU with GDP-3 is whether it meets enrollment growth targets or not, as these are first-year residence halls and LSU has the first-year residency expectation (which in practice results in approximately 80-85% of first-year students living on-campus).

In planning for GDP-3, LSU has balanced the risk of not building enough housing (which would result in difficulties recruiting and retaining the best students needed to meet the growth targets) with the risk of building too much housing (which would result in significant financial challenges as LSU would still owe debt service on underutilized housing stock). The existing, older housing stock is the key to that flexibility. If enrollment growth continues as projected, the new housing in GDP-3 will meet that need, and we will begin planning for the next phase of development to build even more capacity as well as to replace the older halls. On the other hand, if enrollment growth stalls, we will delay the next phase of expansion. If enrollment growth is so low that we can't fill all of GDP-3 and the existing 5 residence halls originally contemplated for demolition, then we can shutter one or more of those existing halls, and the GDP-3 buildings will functionally become replacement housing rather than new capacity housing. While the latter course of action will cause some financial challenges, because the existing 5 halls are largely debt-free and generate surplus revenue, those challenges can be overcome much more easily than new-construction beds remaining empty.

As with NGP-1 and GDP-2, LSU shares *completion risk* with RISE and the Foundation. If the various components of GDP-3 do not open on schedule, students who reserve spaces in the new housing units will have to be provided alternative housing in existing residence halls and elsewhere. Because the value of the damages to LSU in the event of a construction completion delay would be difficult to calculate,

LSU will require RISE to agree on a liquidated damages amount that will be owed if a building is not completed on time. If the buildings fail to open on time due to the fault of RISE or its contractors, RISE will be responsible for paying the agreed amount of liquidated damages. The precise amount is still being negotiated, but the liquidated damages amount is anticipated to be no less than the amount routinely used in state construction contracts. To date, RISE and its contractors have successfully completed all construction on-schedule and on-budget.

#### *Operations and Maintenance*

Both routine and long-term maintenance, operation, and repairs of the two new residence halls will be the responsibility of RISE. Quality standards and performance metrics will be the same as those in the existing Facilities Operation & Maintenance Agreement (FOMA) for NGP-1 and GDP-2. All plans, specifications, and performance standards must be approved by LSU, and LSU will be required to approve all expenditures from the long-term Maintenance Reserve Account established for that purpose in accordance with Board of Regents policy. The FOMA will contain performance standards that RISE must meet.

RISE's operations and maintenance obligations will be paid for through the FOMA. A specific budget and the annual payments for those services will be negotiated each year, within a framework (and with appropriate fee caps and inflation escalators) established by the Facilities Lease and other agreements. An advisory committee of Foundation, Provident, LSU, and RISE representatives meet regularly to ensure smooth coordination of operations. Engineering evaluations of the buildings will be conducted regularly over the term of the lease to ensure the facilities remain in sound condition and are being maintained as required by the agreements.

#### *Parking*

Because this is now new capacity housing rather than replacement housing, the project will substantially increase the parking needs for residents in this area. There will not be enough parking spaces within comfortable walking distance to accommodate all residents. The new Mobility Implementation Plan currently under development will provide safe, reliable, predictable, frequent shuttles from remote areas to the residence halls and elsewhere on campus. This will allow for remote parking for some students in the residence halls in this area to shuttle quickly and conveniently to their rooms.

With approval of this capacity increase as part of GDP-3, it will be imperative that the university approve and implement a new mobility plan prior to their opening in Fall 2021. The work of the Mobility Implementation Stakeholder Committee is nearly complete, and it will be making formal recommendations in the near future.

#### *Game Day Parking*

Because GDP-3 is sited at an area remote from Tiger Stadium and has never been used for parking previously, it will have no impact on football game day parking.

#### *Timetable*

In order for the two new residence halls to open in Fall 2021, construction must start in October 2019. Board approval at this April 26 meeting is needed to allow for timely submittal to and approval by the Board of Regents and the State Bond Commission.

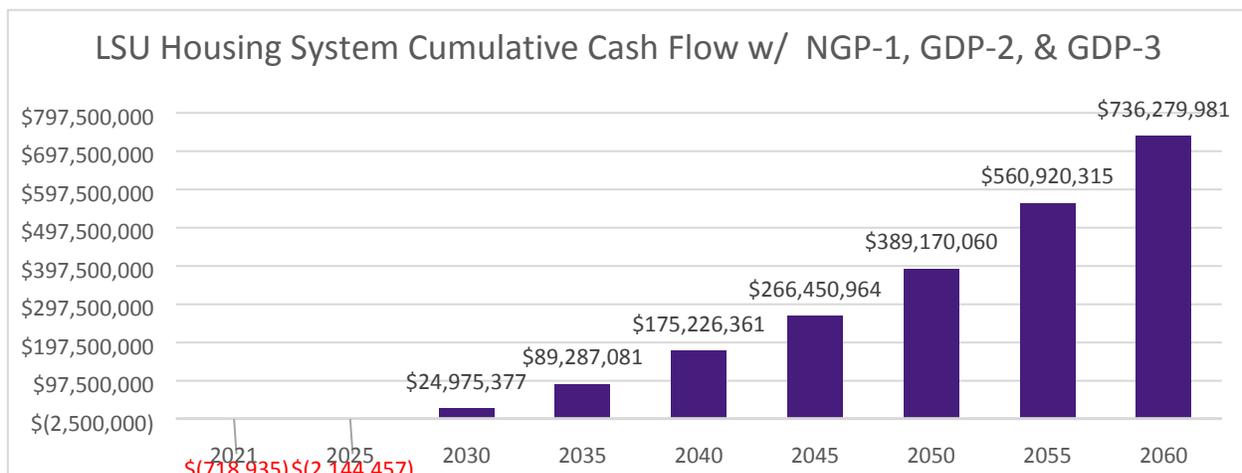
#### *Future Phases*

If LSU continues to meet its enrollment growth targets, or to replace the older housing, one or more additional phases of construction will be required. LSU and RISE will continue to plan for that future development. Multiple options are under consideration, including development of one or two additional buildings (already designed) at the Greenhouse site, as well as the potential for development of two or more buildings at other sites. LSU’s strategy is to monitor enrollment growth and be prepared to implement additional phases of development as necessary to meet proven growth trends.

## 2. Review of Business Plan

Current projections are that GDP-3 will have a total development cost of approximately \$83 million (including construction costs estimated at \$62 million), not including costs of issuance for the bonds. Prior to execution of the agreements, RISE will provide a Guaranteed Maximum Price which will be included in the Development Agreement. The total development cost will be financed with bonds issued by Provident Group – Flagship Properties, LLC (“Provident Flagship”) through the Louisiana Public Facilities Authority, payable solely from LSU’s Auxiliary Revenues through the Facilities Lease pursuant to which LSU will lease the completed student housing buildings. LSU will pay rent to Provident Flagship. The Facilities Lease is triple net to LSU and rent will be sufficient to cover: (1) debt service, (2) operations and maintenance services contracted to RISE in the FOMA, and (3) required maintenance reserve accounts.

The chart below shows the projected cumulative net cash flow of the entire LSU housing system, including NGP-1, GDP-2, and GDP-3. As noted in the May 2016 report to the Board on Nicholson Gateway, the goal of the Greenhouse District Project is to improve the residential life experience for LSU students by modernizing facilities. The analysis is therefore not whether the project will bring in new revenues to LSU, but whether the already-planned housing master plan renovations and replacements of older halls can be accelerated while maintaining the overall financial stability of the LSU housing system. This accelerated schedule will actually result in a short-term reduction in net cash flow, because many of the older units being replaced are currently debt-free and thus contribute substantially to the cash flow of the existing housing system. However, accelerating the replacement of this older housing will provide significant long term benefits to LSU.



As can be seen in the chart, there are several years which result in a negative cash flow. For approximately five years (2021-2025), these projections show the housing system as a whole in the red. At its lowest point, the cumulative negative cash flow is projected to be (\$3,507,178). Note that this amount is not an annual loss, but the sum of all the negative cash flow over a 3-year period. Once positive cash flow is restored, this temporary deficit is entirely replaced within the next 3-year period. LSU has multiple plans to address this potential negative cash flow. First, these revenue projections are based on

the assumption of 95% occupancy of new and renovated properties and 93% occupancy of older, non-renovated properties in the housing system. Even one or two percentage points of occupancy higher than that will substantially boost net revenues. Second, this does not show existing housing reserves, which may be available to pay any short-term shortfall. Third, if the project comes in under budget and without spending all contingency funds set aside, unspent bond proceeds may also be used to pay the debt service on the bonds. Fourth, the current interest rate projections are conservative, so it is possible the actual interest rate yield achieved at closing will be lower, which would help offset the short-term loss. Finally, LSU is constantly reviewing its operations to find increased efficiencies to reduce operating costs, and our collaboration with RISE has helped that process.

In order to meet this *pro forma*, it is also likely that the University will have to forgo, for a few years, assessing the 6% surcharge it normally assesses on housing gross revenues for the housing constructed as part of GDP-2 and GDP-3. The University has already done this for NGP-1 in order to facilitate using \$2 million annual revenues from that project to support the LSU capital campaign that recently launched. Once the project has a positive cash flow, it is projected that the 6% surcharge will resume on all housing stock other than NGP-1. Because GDP-3 is new-capacity housing, this is not projected to adversely affect the university's overall budget projections. Given the need to increase housing capacity to meet enrollment growth targets, the risk of a small, very short-term shortfall is a manageable risk, and forgoing the 6% surcharge is a manageable hurdle, if required. If interest rates or expenses are lower or occupancy rates greater than projected, forgoing the 6% surcharge may not be required. The University will have flexibility to adapt in light of actual conditions. As can be seen in the chart, the housing system will ultimately perform very well and generate ample operating revenue.

The early negative cash flow is entirely expected, for two reasons. First, the LSU housing system has always subsidized the early years of operations of each new housing facility constructed. This allows the initial heavy debt payments to be spread across LSU's entire housing stock, keeping rents lower than could otherwise be provided if each building had to carry itself entirely upon opening. Second, a substantial portion of the total development cost for GDP-2 was devoted to relocation of the AgCenter greenhouses and the demolition of Kirby-Smith Hall. The relocation of the greenhouses provides no revenue to the housing system and no benefit to the housing system other than to free up land for the housing being constructed as part of GDP-3.

Through 2060, which is when the last of the three 40-year leases anticipated for NGP-1, GDP-2, and GDP-3 will end, this results in a projected cumulative net cash flow of over \$725 million. This final figure is unlikely to be realized, as other housing units that are relatively young now may need to be replaced 20 or 30 years from now which will reduce long-term cash flow, but the projections demonstrate that LSU will have substantial financial capacity to meet those needs. Together, NGP-1, GDP-2, GDP-3, and a projected GDP-4 in the next 5-10 years should meet most of LSU's major housing capital improvement need for the next 15 to 20 years.

A detailed financial *pro forma*, from which these numbers are taken, is included with the REFF Project Management Committee Report provided as Attachment III.

#### *Assumptions*

The *pro forma* discussed in this section rely on key assumptions that may still change. This section lists a few of the most significant assumptions. These assumptions are based on extensive research, analysis, and experience from both RISE and LSU, and LSU believes they are the most realistic projections for the project. While not presented in this submission, RISE has made projections with several modifications to these assumptions to model more pessimistic assumptions, and the project will remain financially viable within a relatively broad range of these assumptions.

*MRA:* The Board of Regents, which must approve these leases, requires new construction to establish a Maintenance Reserve Account (MRA) to fund expected capital repairs and replacements over the life of the building. The Board of Regents has approved an annual MRA contribution of \$385 per bed for NGP-1 and GDP-2.

*Occupancy:* The *pro formas* assume a 95% occupancy of new and renovated properties and a 93% occupancy of older, non-renovated properties in the housing system for the academic year. The buildings will be used to support the summer conference program and some limited summer school outside of the fall and spring semesters of the academic year.

*Rents:* The *pro formas* are based on rates currently believed to be competitive in the market place, given the highly desirable location of the housing. Rents vary based on unit type and projections include a 3% annual escalation. Actual rates will be set by LSU and will be adjusted over time based on market conditions, financial needs of the housing system, and other factors.

### 3. Fiscal Impact, Including Credit Impact and LSU’s Bond Obligations

As noted above, financing will be through tax-exempt bonds issued by a private 501(c)(3) organization through the LPFA. The bonds will be secured by LSU’s obligations under the Facilities Lease with that 501(c)(3). LSU’s monetary obligations under the Facilities Lease will be payable solely from auxiliary revenues of the University and will be expressly subordinate to LSU’s existing auxiliary revenue bond obligations. This will allow the bonds to be rated just below LSU’s auxiliary revenue bonds. RISE’s financial partner, RBC, anticipates that the bonds may be rated A3/A, with a bond yield of 4.66%.

This financing arrangement will result in the lowest possible interest rate for the project, but this also means that the debt will be on LSU’s books, just as it would be if LSU continued its existing, traditional plans for constructing the replacement housing. LSU, the REFF, and RBC have conducted detailed analysis to ensure that LSU’s auxiliary enterprises have ample capacity to absorb this debt load and stay well above the minimum debt coverage ratio of 1.75 required by LSU’s General Bond Resolution.

The table below shows the debt coverage level of LSU’s Auxiliary Revenue system, at every 5 years through the life of the proposed project. Because the leases for Nicholson Gateway and this project will be subordinate to the debt owed under LSU’s outstanding auxiliary revenue bonds, the NGP-1, GDP-2, and GDP-3 debt is not included in the calculation of the senior gross debt service ratio for the General Bond Obligation. To take an appropriately conservative approach, LSU and RISE have also evaluated what the gross debt coverage ratio would be if these debts were included in the calculation (shown below as “Subordinate Debt Ratio”). Note that the 1.75 requirement is a gross coverage requirement, before expenses. The debt coverage ratio shown for NGP-1, GDP-2, GDP-3, and the adjusted housing system in the attached *pro forma* does not show the gross coverage, but instead shows the net coverage, after all expenses except MRA contributions and the funds transfer to the LSU Foundation for NGP-1 are accounted for.

	2021	2025	2030	2035	2040	2045	2050	2055	2060
Senior Gross Debt Ratio	9.50%	11.12%	13.80%	20.71%	42.05%	N/A	N/A	N/A	N/A
Subordinate Debt Ratio	1.54%	1.59%	1.85%	2.29%	2.89%	3.18%	3.47%	3.72%	8.13%

This is consistent with LSU’s overall debt expectations for its existing housing master plan. LSU was already planning to incur this level of debt over the next 15 years; this development only accelerates the

process, which will benefit LSU by reducing interest rate and construction cost risk and improving its student housing facilities faster.

LSU's outside counsel and lawyers for a variety of underwriters and other entities with an interest in LSU's bond obligations have been and will remain involved in reviewing the various lease and other agreements involved with this project. The essential lease forms have all been approved for NGP-1 and GDP-2 by the State Bond Commission. RISE has also selected the national law firm of Kutak Rock to review the proposed transaction and LSU's Auxiliary Revenue Bond Obligations under the General Bond Resolution and provide this Board with a written opinion that the execution and delivery of the Facilities Lease by LSU will not violate the provisions of the General Bond Resolution, just as they did with NGP-1 and GDP-2. Prior to execution of the various agreements proposed, the President will receive written opinions from LSU's outside counsel, Kutak Rock, and others that the proposed agreements do not conflict with LSU's General Bond Obligations, just as have been received for NGP-1 and GDP-2.

#### **4. Description of Competitive Process**

The history of the project and the extensive competitive process used to select RISE as the Master Developer is set forth in the Project Management Committee Report submitted by the LSU Real Estate and Facilities Foundation, Attachment III. The basic deal structure and key business terms remain essentially unchanged from that approved by this Board for NGP-1 and GDP-2.

The Project Management Committee formed by the REFF pursuant to the Greenhouse District Project Intent to Lease Agreement worked closely with B&D/CSRS and LSU staff to negotiate the final terms of the specific agreements for the development of GDP-3. As noted above, these agreements are very similar to the NGP-1 agreements and virtually identical to GDP-2 agreements, as was anticipated when those agreements were initially drafted.

#### **5. Review of Legal Documents**

Legal documents have been drafted and will be reviewed by the LSU Office of General Counsel and outside counsel as appropriate. The draft agreements are still being finalized; preliminary versions are attached. Even a few significant terms, such as liquidated damages, are still being negotiated between the parties, as LSU, the Foundation and RISE explore the most cost-effective ways to meet LSU's requirements and protect its interests. The specific language shown in the draft agreements provided will change before the agreements are executed. Key financial terms will not be set until much closer to closing, including the expected interest rates and the Guaranteed Maximum Price for construction.

Under the agreements, the liability of both Greenhouse District Project LLC ("GDP LLC"), the REFF's subsidiary) and Provident Group – Flagship Properties, LLC (an independent non-profit, tax exempt entity formed and managed by Provident Resources Group, hereafter "Provident Flagship") are limited to passing through liabilities and obligations of RISE and LSU, except to the extent caused by the actual negligence of those two entities themselves for the specific services they are providing directly (for example, if Provident Flagship failed to maintain its 501(c)(3) status or carry out its compliance management functions). Obligations owed by RISE generally pass through Provident Flagship and GDP LLC to LSU. Payments owed by LSU pass through Provident Flagship to RISE (debt service payments will be made directly by LSU to the Bond Trustee), except for the modest amount required to pay Provident Flagship's own management fees. There is a mechanism to require Provident Flagship to change its contractor for operation and maintenance services under certain circumstances, but the expectation is that this is a long-term agreement with RISE.

Similarly, each entity is generally required to obtain the approval of the entity from which it derives its rights and obligations in this project before moving forward, with ultimate review and approvals

flowing down to LSU. For example, any modifications to the construction plans and specifications that RISE proposes during the course of construction must be approved by Provident Flagship under the Development Agreement, which must obtain the approval of GDP LLC under the Ground Sublease, which must obtain the approval of LSU under the Ground Lease. In making the required approvals, both Provident Flagship and GDP LLC are only responsible for obtaining the approvals of the parties below them in the chain, and will not be independently reviewing or vouching for any documents or plans being approved, except in certain specified circumstances.

The primary legal agreements for this proposed transaction and the related parties for each are summarized below:

- **Ground Lease.** *Parties: LSU and GDP LLC, a wholly-owned subsidiary of the REFF.* Leases the land to GDP LLC. Authorizes and requires GDP LLC to enter into the Ground Sublease and cause the construction of GDP-3. Establishes the overall framework for the remaining agreements and includes the normal restrictions included by LSU in all leases for construction projects to ensure that under no circumstances can the building on LSU's campus be used for any purposes other than those specifically authorized by LSU.
- **Ground Sublease.** *Parties: GDP LLC and Provident Flagship.* Subleases the land from GDP LLC to Provident Flagship. Authorizes and requires GDP LLC to enter into a Development Agreement with RISE and cause the construction of GDP-3.
- **Development Agreement.** *Parties: Provident Flagship and RISE.* Requires RISE to construct GDP-3.
- **Facilities Lease.** *Parties: Provident Flagship and LSU.* Leases the constructed student housing facilities to LSU. Requires Provident Flagship to enter into the FOMA with RISE to provide certain operation and maintenance services; the FOMA will be attached as an exhibit to the Facilities Lease and must be approved by LSU and GDP LLC. The Facilities lease will secure Provident Flagship's payment obligations with respect to the bonds issued through the LPFA to finance the Project, and LSU's payment obligations under this agreement are payable solely from LSU's Auxiliary Revenues. Such payments will be expressly subordinate to LSU auxiliary revenue bond obligations.
- **Facilities Operations and Maintenance Agreement ("FOMA").** *Parties: Provident Flagship and RISE.* The Facilities Lease will require Provident Flagship to engage RISE to provide certain operations and management services and to operate the buildings in accordance with certain standards. Includes key performance indicators to evaluate RISE's performance. Provides for an annual budget to be agreed upon by both parties, with fee caps and appropriate inflation escalators over time. GDP LLC and LSU must approve the FOMA.

## 6. Parties of Interest

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

LSU

LSU Foundation and related entities, LSU Real Estate and Facilities Foundation and Greenhouse District Project, LLC

Brailsford & Dunlavey

CSRS

RISE: A Real Estate Company

Lemoine Construction

Niles Bolton & Associates

Remson Haley Herpin  
RBC Capital Markets  
Provident Resources Group and subsidiary Provident Group – Flagship Properties, LLC  
Potentially other contractors and architects who have not yet been selected by RISE to perform work on components of GDP-3.

## 7. Related Transactions

The LSU Property Foundation entered into an MOU with RISE covering key business terms to be included in both Nicholson Gateway and the Greenhouse District Project (in any phases). Among other things, this agreement provided RISE and certain of its partners to reduce some fees once they were selected to construct and operate the Greenhouse District Project phases in addition to NGP-1. It may be necessary to amend the MOU to prepare for the development of NGP-4.

## 8. Conflicts of Interest

None.

## ATTACHMENTS

- I. Transmittal Letter
- II. Schematic Designs
- III. Recommendation and Report from the LSU Real Estate & Facilities Foundation
- IV. Draft legal agreements

*Prior submissions to the LSU Board of Supervisors and prior reports of the Project Management Committee for NGP-1 and GDP-2 are available on the LSU Board's website and at [www.NicholsonGateway.com](http://www.NicholsonGateway.com), the website created by the REFF to document this project and make information about it publicly available..*

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Dr. F. King Alexander, President of LSU, or his designee, acting on behalf and in the name of the Board, and in consultation with general counsel, to execute and deliver a Ground Lease with the LSU Real Estate and Facilities Foundation or any of its subsidiaries specifically including, but not limited to, Greenhouse District Project, LLC, to provide for the development of the Greenhouse District Project – Phase 3 (“GDP-3”), with all such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Dr. F. King Alexander, President of LSU, or his designee, acting on behalf and in the name of the Board, and in consultation with general counsel, to execute a Facilities Lease and any related Facilities Operation and Maintenance Agreement with Provident Group – Flagship Properties, LLC, an independent non-profit, tax exempt entity, to lease, maintain, and operate any and all student housing or related facilities owned by LSU or developed pursuant to the Ground Lease Agreement with the LSU Real Estate and Facilities Foundation or its subsidiary Greenhouse District Project, LLC, with all such agreements and documents as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the schematic designs for the GDP-3

Project are in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the University Architect or his designee;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the GDP-3 facilities will constitute "Auxiliary Facilities" as defined in the General Bond Resolution adopted by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College on June 17, 1994, as supplemented and amended from time to time (the "General Bond Resolution"), and does hereby designate the GDP-3 facilities as Auxiliary Facilities and the revenues derived by LSU therefrom as "Auxiliary Revenues" as defined in the General Bond Resolution;

**BE IT FURTHER RESOLVED** that the payment obligations of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College under the Facilities Lease shall be expressly subordinate to the payment of debt service on the Bonds (as defined in the General Bond Resolution heretofore or hereafter issued pursuant to the General Bond Resolution);

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby find an acceptable university purpose, pursuant to the terms of the Uniform Affiliation Agreement between the Board and the LSU Real Estate and Facilities Foundation, for the LSU Real Estate and Facilities Foundation and any of its subsidiaries, including, but not limited to, Greenhouse District Project LLC, to execute and deliver the Ground Lease Agreement with LSU, a Ground Sublease with Provident Group – Flagship Properties, LLC, a Memorandum of Understanding or other agreement with RISE: A Real Estate Company to serve as Master Developer of GDP-3, GDP-4, and any and all other agreements reasonably connected with or required for the development of the Nicholson Gateway Project and related other housing developments, with the final terms and conditions of all such agreements subject to the approval of Dr. F. King Alexander, President of LSU or his designee; and

**BE IT FURTHER RESOLVED** that prior to final agreement execution, Dr. F. King Alexander, President of LSU, will notify the Board Chair, Chair-Elect, Immediate Past Chair, and the chair of the appropriate Board Committee of the final terms of all agreements authorized by this Resolution.



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## CAMPUS CORRESPONDENCE

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**To:** F. King Alexander, President of LSU  
Finance & Administration / CFO

**Date:** April 16, 2019

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration / CFO

**Through:** Tony Lombardo, Associate Vice President for  
Facilities & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance 

**Re:** Board of Supervisors Agenda, April 26, 2019  
Request from LSU A&M to Authorize the President to Execute Agreements for the  
Development of the Greenhouse District – Phase 3

LSU is requesting that the Board of Supervisors authorize the President to enter into a variety of agreements related to the Greenhouse District Project, Phase 3 for the development of student housing at LSU.

We request this item be placed on the agenda for the April 26, 2019 Board of Supervisors meeting.

Thank you.

LOUISIANA STATE UNIVERSITY  
BATON ROUGE, LA

# GREENHOUSE DISTRICT PROJECT PHASE III: PROJECT OVERVIEW

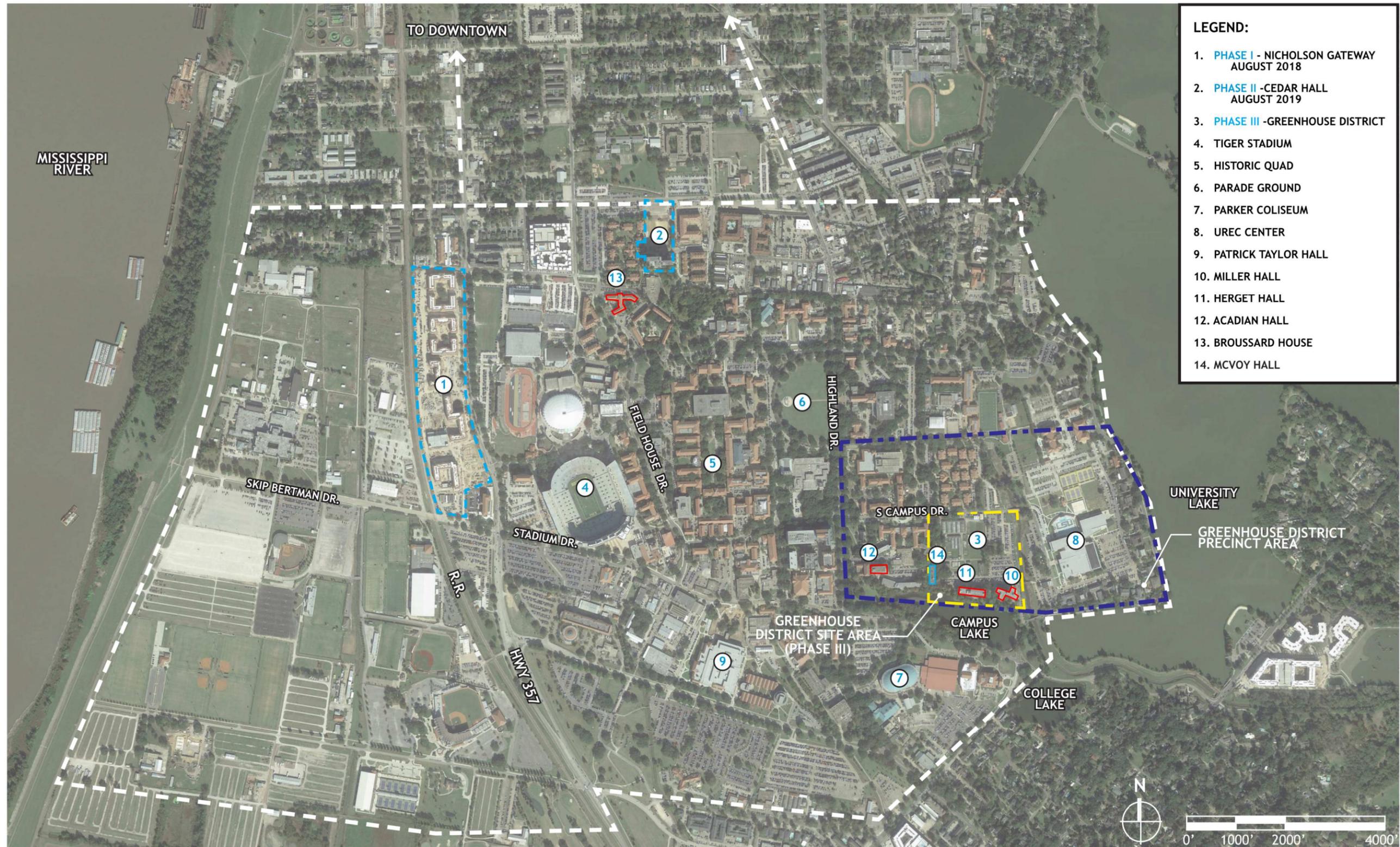
AN ON-CAMPUS STUDENT HOUSING COMMUNITY BY  
RISE: A REAL ESTATE COMPANY

**NILES BOLTON ASSOCIATES**

April 26th, 2019

# CAMPUS CONTEXT ANALYSIS

## Louisiana State University - GDP III Schematic Design



# GREENHOUSE DISTRICT PRECINCT

Louisiana State University - GDP III Schematic Design



# EXISTING SITE AERIAL

Louisiana State University - GDP III Schematic Design



Google Earth

© 2013 Google

# SITE PLAN - PHASE III

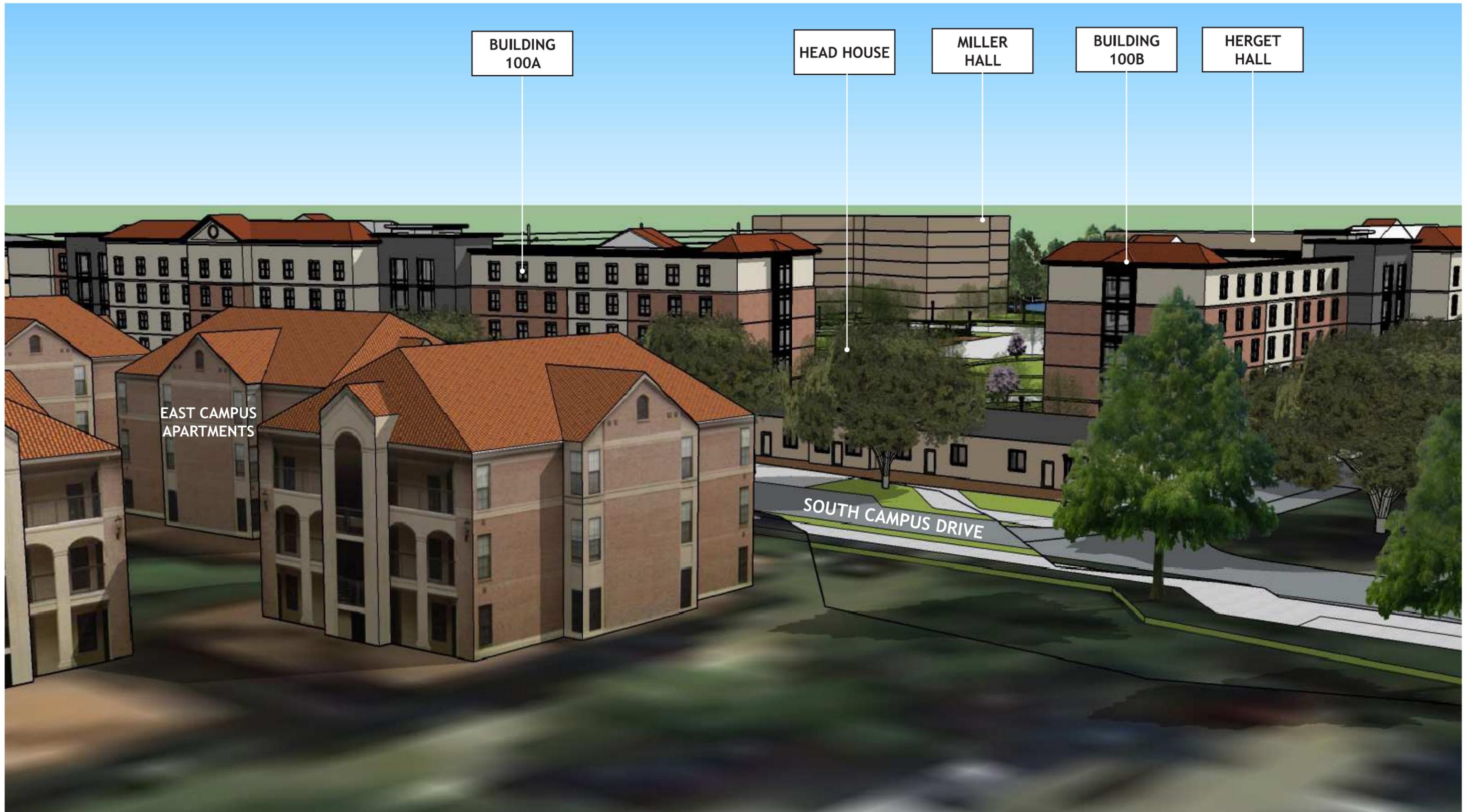
Louisiana State University - GDP III Schematic Design



<b>PHASE I DEVELOPMENT SUMMARY: 7 ACRES</b>	
<b>HISTORIC HEAD HOUSE: (RE-PURPOSED)</b>	BUS STOP, BIKE STORAGE, LIMITED RETAIL
<b>BUILDING 100A: (127,523 GSF)</b>	132 UNITS 458 BEDS
<b>BUILDING 100B: (119,937 GSF)</b>	122 UNITS 423 BEDS
<b>TOTAL:</b>	<b>254 UNITS 881 BEDS</b>
<b>PARKING:</b>	<b>685 TOTAL SPACES</b>

# NORTHWEST PERSPECTIVE

Louisiana State University - GDP III Schematic Design



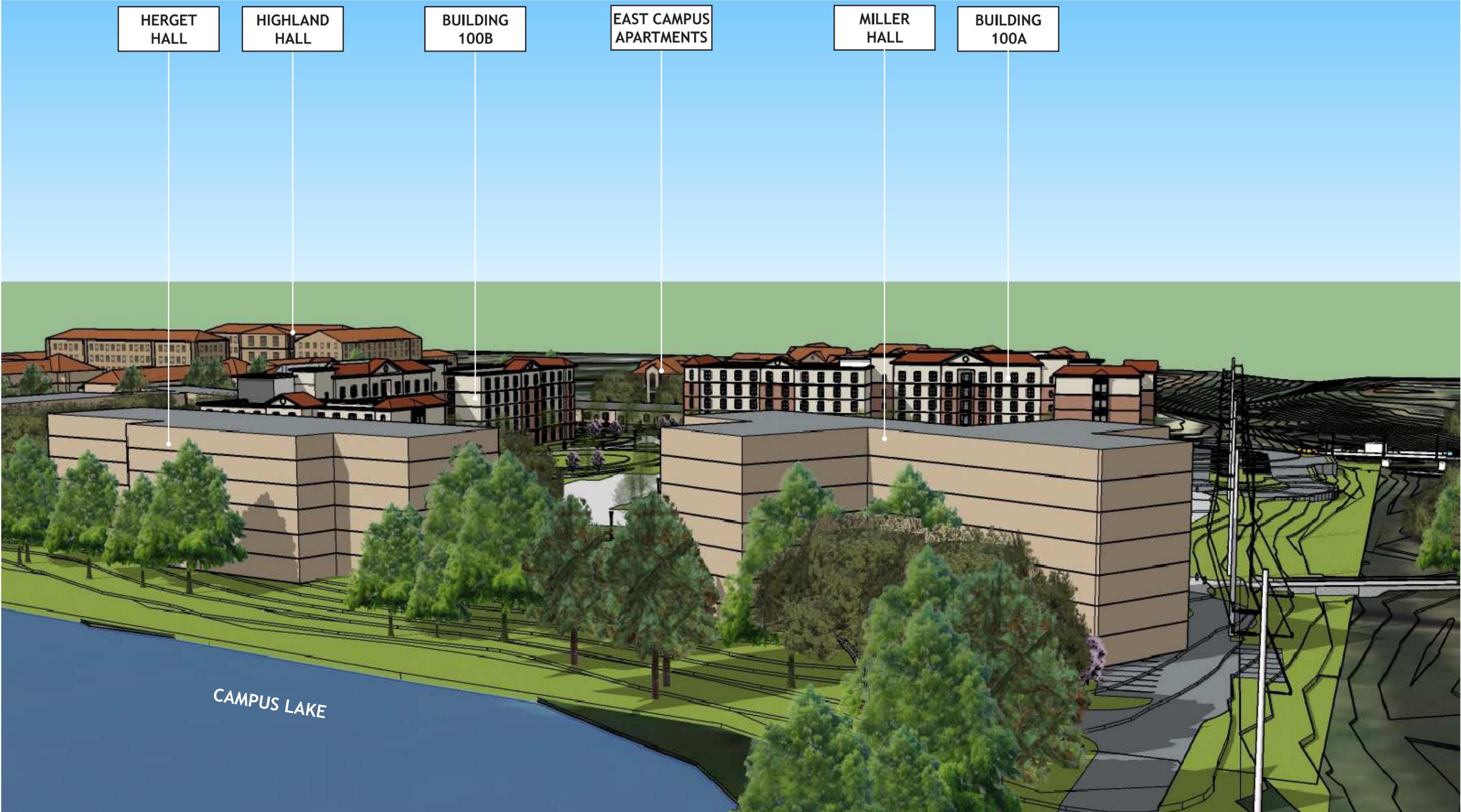
# NORTHEAST PERSPECTIVE

Louisiana State University - GDP III Schematic Design



# SOUTHEAST PERSPECTIVE

Louisiana State University - GDP III Schematic Design



HERGET  
HALL

HIGHLAND  
HALL

BUILDING  
100B

EAST CAMPUS  
APARTMENTS

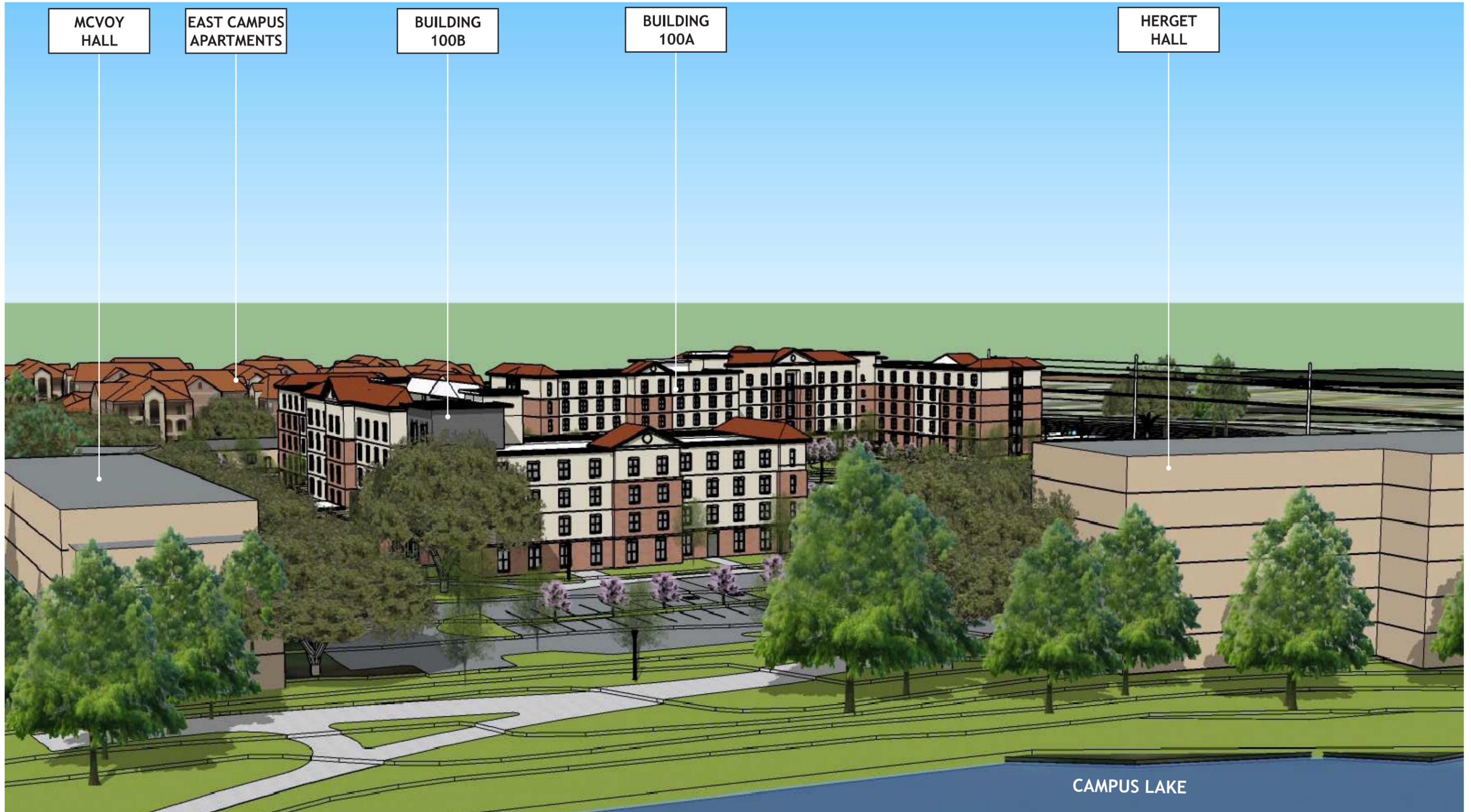
MILLER  
HALL

BUILDING  
100A

CAMPUS LAKE

# SOUTHWEST PERSPECTIVE

Louisiana State University - GDP III Schematic Design



# SOUTH CAMPUS DRIVE - BUILDING 100A

Louisiana State University - GDP III Schematic Design



# SOUTH CAMPUS DRIVE - HEAD HOUSE

Louisiana State University - GDP III Schematic Design



# HEAD HOUSE PLAZA

Louisiana State University - GDP III Schematic Design



# BUILDING 100B - COMMONS VIEW

Louisiana State University - GDP III Schematic Design



# BUILDING 100A COURTYARD - VIEW TO BUILDING 100B

Louisiana State University - GDP III Schematic Design



# NORTHERN PERSPECTIVE

Louisiana State University - GDP III Schematic Design



**REPORT OF LSU REAL ESTATE AND FACILITIES FOUNDATION PROJECT MANAGEMENT  
COMMITTEE FOR GREENHOUSE DISTRICT PROJECT**

**Greenhouse District Project Background & History**

LSU is implementing a multi-phased initiative (“Initiative”) to expand and improve the amount and quality of on-campus housing available to LSU students.

*PHASE 1: Nicholson Gateway Project and Spruce Hall*

The first phase of the Initiative, the Nicholson Gateway Project (“NGP-1”), focused on the development of new, apartment-style housing and supporting amenities for LSU’s upper division and graduate students. NGP-1 is complete. The project opened in the fall of 2018 with 1,529 new beds, retail outlets (50,000 sf), UREC satellite facility, and a new 800 space parking garage.

As it was originally conceived, there were subsequent phases of the Initiative, the Greenhouse District Project, which focus on the modernization of existing housing through facility renovations and replacements. Given the project’s sequencing requirements, the Greenhouse District Project consists of three phases, constituting the second, third, and fourth phases referred to herein as GDP-2, GDP-3, and GDP-4, respectively.

*PHASE 2: Cedar Hall, Existing Hall Renovations, and Greenhouse Site Preparation*

Approval of GDP-2 was given on May 5, 2017, and work is underway. When complete, it will consist of 682 total new (405 new beds) or renovated (277 renovated beds) beds in on-campus

student residence halls. To date, the following milestones have been achieved to complete GDP-2, including:

- Renovation of Evangeline Hall, January 2019 (165 renovated beds)
- Development of new greenhouses on the AgCenter property on Ben Hur Road
- Minor renovations to existing AgCenter greenhouses on Gourrier Ave
- Demolition of the existing AgCenter greenhouses from their current site near the University Recreation Center to provide a location for the development of GDP-3

*GPD-2 ongoing work includes:*

- Construction of Cedar Hall, opening Fall 2019 (405 beds)
- Renovation of Highland Hall, opening Fall 2020 (112 beds)
- Demolition of Kirby Smith Hall, Fall 2019 (577 beds)

#### *PHASE 3: Greenhouse District Project New Housing*

Planning and design of GDP-3 is underway and is scheduled to open in the fall of 2021. GDP-3 consists of construction of 881 beds (850 revenue beds) in two new residence halls located at the site once occupied by the AgCenter greenhouses near the University Recreation Center (“UREC”), referred to as the “Greenhouse District Site”.

#### *PHASE 4: Additional New Housing*

In order to meet projected enrollment targets and remove outdated halls, GDP-4 includes the construction of at least two additional residence halls (850 new beds) and demolition of Herget Hall, McVoy Hall, Miller Hall, Broussard Hall, and Acadian Hall.

### *Enrollment Assumptions*

In the fall of 2018, LSU welcomed its largest and most diverse freshman class ever with over 5,800 new freshmen. Since all first-year, full-time students are required to live on campus, with some minor exceptions, total bed demand is closely related to enrollment. The GDP Plan outlined above is based on a 5% annual growth strategy with a target of 7,000 first-year, full-time students. Assuming traditional capture rates of 80% of first-year, full-time students in on-campus housing, the GDP Plan of four new residence halls will be sufficient. If growth exceeds 7,000 first-year, full-time students the University may need to build additional new residence halls to meet housing demand. To avoid the risk of building beyond demand, the Project Manager and LSU professional staff will work closely with the RISE team to monitor enrollment and develop a plan that will accommodate demand.

The recommendations in this report focuses solely on GDP-3, which will start construction in October 2019.

- A complete list of the many public hearings, discussions, and reviews of the Initiative from its inception through the approval of NGP-1 can be found in the May 2016 PMC Report.
- Planning for GDP-4 is still ongoing, and it is not expected to begin construction until fall 2024 at the earliest. Additional approvals will be sought before that occurs; no approval of GDP-4 is sought at this time.

### **GDP-3 Intent to Lease Agreement**

The LSU Real Estate and Facilities Foundation (“REFF”) and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU Board”) entered into an Intent to Lease Agreement on March 24, 2017, which provided an outline of the process and

guidelines that the REFF would observe in connection with the negotiation of a proposed agreement with a Master Developer, and other related agreements. The Intent to Lease Agreement called for the formation of a Project Management Committee (“Committee”), composed of six (6) members appointed by the REFF and five (5) members appointed by the LSU President.

As stated in the Intent to Lease, “The purpose of the Committee is to manage the ‘Development Phase’ of the project,” including:

- The negotiation and approval of contract with the Project Manager;
- The negotiation and recommendation to the LSU Board of Supervisors for the approval of leases and other related agreements with the Master Developer and its team members;
- The development of a proposed Lease Agreement between the REFF and the LSU Board;
- The development of a report of the Project Management Committee (“Report”) documenting its work to be submitted to the REFF’s Board of Directors and then to the LSU Board for review and approval; and
- Making recommendations for the approval of contracts and other actions to the REFF’s Board of Directors.

At the time this Report is issued, the Committee members are:

- Rob Stuart, Committee Chair
- Jimmy Maurin
- Lee Griffin
- Gary Graphia
- Karen Deblieux
- Clarence Cazalot
- Dan Layzell, Vice President for Finance & Administration / CFO, LSU
- Tony Lombardo, Associate Vice President for Facilities and Property Oversight, LSU
- Patrick Martin, Asst. Vice President for Real Estate, Public Partnerships, and Compliance, LSU
- Roger Husser, Asst. Vice President for Planning, Design & Construction, LSU
- Steve Waller, Asst. Vice President for Residential Life, LSU

Note that the first phase of the Initiative, NGP-1, was conducted under the auspices of the LSU Property Foundation. The “LSU Property Foundation PMC” was formed specifically to manage NGP-1, whose work culminated in a May 2016 report and recommendation to the LSU Board of Supervisors (the “May 2016 PMC Report”, available at: [www.nicholsongateway.com](http://www.nicholsongateway.com) > “Access Public Info”). Since the financial close of NGP-1 in 2016, LSU and the LSU Foundation have cooperated in the formation of the REFF, which is now the primary affiliated foundation for assisting LSU with this type of project. Despite this organizational change, the modernization of LSU’s on-campus student housing remains a single coordinated Initiative, with GDP-2, GDP-3, and GDP-4 being a continuation of the work initially done by the LSU Property Foundation in the first phase of the Initiative.

### **GDP-3 Team Solicitation and Selection**

The LSU Property Foundation PMC selected the Brailsford & Dunlavey/CSRS team through a competitive process during NGP-1 to serve as the Project Manager for the development of the Initiative. The LSU Property Foundation PMC selected RISE: A Real Estate Company through a competitive process to serve as the Master Developer for the Initiative. The solicitations that resulted in these selections anticipated that a single Project Manager and a single Master Developer would be selected for all phases of the Initiative, including what was initially called the “Replacement Housing Project,” which is what has now become GDP-2, GDP-3, and GDP-4. Therefore, the same team continues as originally selected during NGP-1. A detailed description of these solicitations and contract negotiation processes can be found in the May 2016 PMC Report.

### **GDP-3 Program and Design**

The Project Manager, RISE, and LSU's professional staff, with regular consultations with the Project Management Committee, worked closely together to plan and design the new buildings and renovations. Through this planning and coordination, it was determined that GDP-3 will add 881 new beds and will incorporate the following components:

#### *Construction of two new residential buildings at the Greenhouse Site*

- Building 100A (125,190 GSF) will consist of 132 units, 458 Beds with limited adjacent parking and circulation drive
- Building 100B (119,937 GSF) will consist of 122 units, 423 Beds with limited adjacent parking and circulation drive
- The proposed development of Buildings 100A & 100B received schematic design approval by LSU's Facility Design & Development Committee on April 13, 2017.
- RISE will serve as the Master Developer and they have selected Niles Bolton Architects as the lead architect and The Lemoine Company as the general contractor.

#### *Demolition of Herget Hall, McVoy Hall, Miller Hall, Broussard Hall, and Acadian Hall*

#### *Renovation of the Historic Head House*

- The eastern end of the Head House will be demolished.
- The Head House will be abated to create a programmable shell. Design intervention is limited with the intent to ensure the structural integrity of the remaining building.
- Curblines along South Campus Drive adjacent to the Head House will be reconstructed to accommodate a bus pull-out alongside an existing bus stop on both sides of the street.

#### *New Pedestrian Bridge (alternate)*

- A new pedestrian bridge will cross Corporation Canal to provide a dedicated crossing for students walking along South Campus Drive.

### **GDP-3 Financial Considerations**

- The Project Manager and LSU professional staff have continually worked with the RISE team to refine and enhance the assumptions in the financial model to include the most updated project conditions. Updates to the financial model include reductions to the project budget, operating expenses, facility management, and asset management responsibilities and assumptions. A detailed pro forma can be found in Appendix A to this Report.
- The estimated cost for GDP-3 is approximately \$62 million in total construction cost and approximately \$83 million in total development cost (not including cost of issuance). The final Guaranteed Maximum Price for GDP-3 is anticipated by September 6, 2019.
- There is currently a one-time cumulative cash flow deficit in the housing system of approximately \$3.5M (fiscal year 2023/fall 2022). The housing system begins positive annual cash flow in fiscal year 2024/fall 2023. The housing system maintains a 1.09 debt service coverage ratio or above throughout the life of all of the projects and the auxiliary revenue system maintains a 1.47 debt coverage ratio or above.
- The implementation of GDP-3 is necessary to meet LSU enrollment projections and the vision of future on-campus housing; therefore, the Project Manager and LSU professional staff has recommended the following ways to cover potential deficits:
  - Utilize existing housing system reserves which exceed the projected deficit.
  - Utilize excess room revenues to help close the projected deficit. Occupancy projections for fall 2019 are currently on track to exceed projected occupancy assumptions in the pro forma (95% for new/renovated housing and 93% for non-renovated housing).
  - Defer the LSU surcharge “University Overhead” expenses for GDP-2 and GDP-3 until the housing system is cash flow positive.
  - Other items not yet identified at the time of this report.

**GDP-3 Schedule**

- GDP-3 will reach financial close by September 26, 2019 and will be developed per the following schedule:
  - Buildings 100A & 100B– start construction Fall 2019 / open Fall 2021

**The Negotiation of a Proposed Project Contract or Contracts**

- The LSU Property Foundation PMC worked with a legal team during NGP-1 to prepare a series of legal agreements that govern the partnership between the involved parties. The legal documents were drafted and reviewed by: (1) the LSU Foundation’s General Counsel, (2) LSU outside counsel, (3) LSU, (4) RISE and its legal and bond counsel, and (5) outside counsel for Provident Resources Group, the RISE team member providing the non-profit 501(c)(3) entity serving as the owner and financing entity for NGP-1.
- The legal agreements for NGP-1 were drafted with the anticipation that they would be reused for the subsequent phases, so relatively little additional legal work has been required for GDP-3.
- The draft agreements are still being finalized and are subject to change before the agreements are executed. However, the five anticipated agreements are listed below.

*Ground Lease*

- LSU and Greenhouse District Project LLC, a wholly-owned subsidiary of the REFF, will enter into a Ground Lease that authorizes and requires Greenhouse District Project LLC to enter into the Ground Sublease and cause the construction of GDP-3. The Ground Lease establishes the overall framework for the remaining agreements and includes the normal restrictions included by LSU in all leases for construction projects to ensure that under no circumstances can the building on LSU’s campus be used for any purposes other than those specifically authorized by LSU.
- Provident-Flagship (the non-profit entity that owns the facilities in NGP-1) will own Buildings 100A & 100B, which will be all new construction.
- There are no retail or parking garage facilities included in GDP-3 and no issues as to game

or other special event days, but GDP-3 will include all necessary access, parking, and utility rights needed to serve the Initiative.

- The LSU Property Foundation is not involved in GDP-3. All references in the legal agreements to the LSU Property Foundation or the special-purpose entity it created for the Nicholson Gateway, NGP LLC, have been changed to the LSU Real Estate and Facilities Foundation and the special purpose entity it has created for the project, Greenhouse LLC.

#### *Ground Sublease*

- Greenhouse District Project LLC and Provident-Flagship, an independent 501(c)(3) created and operated by Provident Resources Group, will enter into a Ground Sublease Agreement that subleases the land from Greenhouse District Project LLC to Provident-Flagship and authorizes and requires Provident-Flagship to enter into a Development Agreement with RISE and cause the construction of GDP-3.

#### *Development Agreement*

- Provident-Flagship and RISE will enter into a Development Agreement that requires RISE to construct GDP-3.
- RISE will be responsible for conducting some of the environmental surveys and testing on the GDP-3 site and existing facilities being abated and renovated and/or demolished.

#### *Facilities Lease*

- Provident Flagship and LSU will enter into a Facilities Lease, in which Provident Flagship leases Buildings 100A & 100B to LSU. The Facilities Lease requires Provident to enter into a Facilities Operations and Maintenance Agreement with RISE to provide certain operation and maintenance services subject to the approval of LSU. Rent owed under the Facilities Lease is payable solely from LSU's auxiliary revenues, subordinate to its general bond obligations, to secure the bonds issued by Provident-Flagship for GDP-3.
- Although GDP-3 will include student housing, demolition of five existing residence halls, and renovation of the Head House at the Greenhouse District site, only the student housing portion of the Project will be leased back by LSU. As with NGP-1, Provident-

Flagship will physically operate and maintain the GDP-3 student housing during the term of the lease, while LSU will be responsible for room assignments and student life functions.

- The Facilities Lease does not include a substantial ground lease payment to Greenhouse LLC.

#### *Facilities Operations and Maintenance Agreement (“FOMA”)*

- Provident-Flagship and RISE will enter into a FOMA that requires Provident to engage RISE to provide certain operations and management services and to operate the building in accordance with certain standards subject to the approval of LSU. The FOMA includes key performance indicators to evaluate RISE’s performance and provides for an annual budget to be agreed upon by both parties, with fee caps and appropriate inflation escalators over time.

#### **Recommendations**

Considering the foregoing, the Project Management Committee recommends that the LSU Board of Supervisors:

1. Authorize, as provided for in the Intent to Lease Agreement between LSU and the LSU Real Estate and Facilities Foundation relative to GDP-3, that LSU will enter into a Ground Lease with Greenhouse District Project LLC, a subsidiary of the LSU Real Estate and Facilities Foundation, as generally described herein, with the final agreement to contain such terms and conditions as are mutually acceptable to the parties;
2. Authorize, as required by the Uniform Affiliation Agreement, that Greenhouse District Project LLC enter into a Ground Sublease with Provident Group-Flagship LLC, a tax-exempt charitable organization, and cause Provident Group-Flagship LLC to enter into a Development Agreement with RISE: A Real Estate Company for the development and construction of GDP-3 as generally described herein, with the final agreement to contain such terms and conditions as are mutually acceptable to the parties and are approved by LSU; and
3. Enter into a Facilities Lease with Provident Group-Flagship LLC as generally described

herein to lease GDP-3 facilities constructed pursuant to the Development Agreement and requiring Provident Group-Flagship LLC to perform certain custodial, maintenance, and other operational services as may be specified in a Facilities Operations and Management Agreement between Provident Group-Flagship LLC and RISE or its subsidiary or subcontractor, subject to the approval of LSU, with the lease payments owed to Provident Group-Flagship LLC by LSU subordinate to LSU's auxiliary revenue bonds, and with the final agreement to contain such terms and conditions as are mutually acceptable to the parties.

### **Appendices**

Appendix A – Projected 40 Year Pro Forma

Louisiana Public Facilities Authority  
Lease Revenue Bonds  
(Provident Flagship Properties - LSU Projects)

Summary of Results - 1-B: Phase 3 No UO

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Existing Housing System</b>											
Total Revenues	\$41,156,286	\$39,730,981	\$40,922,911	\$39,267,926	\$42,248,258	\$43,515,706	\$44,821,177	\$46,173,325	\$47,558,525	\$48,985,281	\$50,454,839
Total Expenses	24,241,402	23,474,590	24,019,228	23,260,845	24,784,521	25,600,165	26,368,170	27,159,215	27,974,442	28,813,676	29,678,086
Net Operating Income	16,914,884	16,256,392	16,903,683	16,007,081	17,463,737	17,915,541	18,453,007	19,014,110	19,584,083	20,171,605	20,776,753
Annual Debt Service (including Evangeline)	12,621,021	12,614,515	12,578,663	12,566,230	12,536,428	12,488,968	12,470,805	12,429,845	10,945,202	10,944,418	10,947,136
Debt Service Coverage	1.34	1.29	1.34	1.27	1.39	1.43	1.48	1.53	1.79	1.84	1.90
MRA Deposit	1,529,605	1,551,778	1,596,780	1,643,086	1,690,736	1,739,767	1,790,221	1,842,137	1,895,559	1,950,530	2,007,096
Net Cash Flow	2,764,258	2,090,098	2,728,240	1,797,765	3,236,573	3,686,805	4,191,981	4,742,128	6,743,322	7,276,657	7,822,522
<b>Phase 1: Nicholson Gateway</b>											
Total Revenues	\$16,142,348	\$19,463,387	\$20,345,160	\$20,954,696	\$21,582,518	\$22,229,175	\$22,895,231	\$23,581,269	\$24,287,889	\$25,015,706	\$25,765,905
Total Expenses	7,861,737	8,102,922	8,339,833	8,576,767	8,818,154	9,066,724	9,322,426	9,586,221	9,858,100	11,560,048	10,220,742
Net Operating Income	8,280,611	11,360,465	12,005,327	12,377,929	12,764,364	13,162,451	13,572,805	13,995,049	14,429,788	13,455,659	15,545,162
Annual Net Debt Service	5,609,125	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250
Debt Service Coverage	1.48	1.01	1.07	1.10	1.14	1.17	1.21	1.25	1.29	1.20	1.39
MRA Deposit	751,520	773,314	795,740	818,817	842,562	866,997	892,140	918,012	944,634	972,028	1,000,217
Foundation Payment	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,058,200	2,118,094	2,179,730	2,243,160	2,308,436	2,375,612
Net Cash Flow	(80,034)	(2,631,099)	(2,008,663)	(1,659,138)	(1,296,449)	(980,995)	(655,678)	(320,943)	23,744	(1,043,056)	951,083
<b>Phase 2: Cedar Hall / Evangeline / Highland</b>											
Total Revenues	\$597,702	\$4,429,100	\$5,343,105	\$5,503,398	\$5,668,500	\$5,838,555	\$6,013,711	\$6,194,123	\$6,379,947	\$6,571,345	\$6,768,485
Total Expenses	605,515	2,304,831	2,777,558	2,835,334	2,918,271	3,004,169	3,092,644	3,183,773	3,277,636	3,376,254	3,480,842
Net Operating Income	(7,813)	2,124,269	2,565,547	2,668,063	2,750,229	2,834,386	2,921,068	3,010,350	3,102,310	3,195,091	3,287,643
Annual Net Debt Service	-	3,499,000	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800
Debt Service Coverage	N/A	0.61	0.61	0.64	0.66	0.68	0.70	0.72	0.74	0.76	0.78
MRA Deposit	65,367	225,814	274,759	282,727	290,926	299,363	308,044	316,977	326,170	335,629	345,362
Net Cash Flow	(73,180)	(1,600,545)	(1,908,012)	(1,813,463)	(1,739,497)	(1,663,777)	(1,585,776)	(1,505,428)	(1,422,660)	(1,339,338)	(1,256,519)
<b>Phase 3 Only: Greenhouse District</b>											
Total Revenues	\$0	\$0	\$0	\$7,322,011	\$7,541,671	\$7,767,922	\$8,000,959	\$8,240,988	\$8,488,218	\$8,742,864	\$9,005,150
Total Expenses	-	-	-	3,645,531	3,753,997	3,865,717	3,980,789	4,099,312	4,221,392	4,347,134	4,476,648
Net Operating Income	-	-	-	3,676,480	3,787,674	3,902,204	4,020,170	4,141,676	4,266,826	4,395,731	4,528,503
Annual Net Debt Service	-	-	-	3,650,026	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031
Debt Service Coverage	N/A	N/A	N/A	1.01	0.86	0.89	0.92	0.95	0.97	1.00	1.03
MRA Deposit	-	-	-	368,719	379,412	390,415	401,737	413,387	425,376	437,712	450,405
Net Cash Flow	-	-	-	(342,266)	(971,769)	(868,242)	(761,598)	(651,743)	(538,581)	(422,012)	(301,934)
<b>Adjusted Housing System</b>											
Total Revenues	\$57,896,337	\$63,623,468	\$66,611,176	\$73,048,031	\$77,040,947	\$79,351,357	\$81,731,079	\$84,189,705	\$86,714,577	\$89,315,196	\$91,994,379
Total Expenses	32,708,653	33,882,342	35,136,618	38,318,478	40,274,944	41,536,775	42,764,028	44,028,521	45,331,571	48,097,111	47,856,318
Net Operating Income	25,187,683	29,741,126	31,474,557	34,729,553	36,766,004	37,814,582	38,967,050	40,161,184	41,383,007	41,218,085	44,138,061
Annual Net Debt Service	18,230,146	27,331,765	27,995,713	31,633,306	32,333,509	32,286,049	32,267,886	32,226,926	30,742,283	30,741,499	30,744,217
Debt Service Coverage	1.38	1.09	1.12	1.10	1.14	1.17	1.21	1.25	1.35	1.34	1.44
MRA Deposit	2,346,492	2,550,906	2,667,279	3,113,349	3,203,636	3,296,542	3,392,141	3,490,513	3,591,738	3,695,899	3,803,080
Foundation Payment	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,058,200	2,118,094	2,179,730	2,243,160	2,308,436	2,375,612
Net Cash Flow	2,611,045	(2,141,545)	(1,188,434)	(2,017,102)	(771,142)	173,791	1,188,929	2,264,014	4,805,825	4,472,251	7,215,152
Cumulative Cash Flow	2,611,045	469,500	(718,935)	(2,736,037)	(3,507,178)	(3,333,387)	(2,144,457)	119,557	4,925,382	9,397,632	16,612,785
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	8.77	9.17	9.50	9.95	10.32	10.65	11.12	11.48	12.62	13.00	13.39
Subordinate Net Coverage	1.73	1.51	1.54	1.47	1.51	1.54	1.59	1.63	1.72	1.72	1.81
Net Cash Flow	\$31,762,561	\$27,756,250	\$30,045,154	\$28,743,400	\$31,407,337	\$33,861,694	\$36,808,196	\$39,494,231	\$44,048,891	\$45,412,330	\$49,891,051

Louisiana Public Facilities Authority  
Lease Revenue Bonds  
(Provident Flagship Properties - LSU Projects)

Summary of Results - 1-B: Phase 3 No UO

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>Existing Housing System</b>											
Total Revenues	\$51,968,484	\$53,527,539	\$51,873,451	\$53,429,654	\$57,680,816	\$59,411,241	\$61,193,578	\$54,020,586	\$55,641,204	\$67,829,466	\$69,864,350
Total Expenses	30,568,428	31,485,481	30,857,405	31,587,532	33,852,404	35,026,873	36,184,619	34,049,127	34,530,073	38,866,310	40,663,441
Net Operating Income	21,400,056	22,042,057	21,016,046	21,842,123	23,828,412	24,384,368	25,008,959	19,971,459	21,111,130	28,963,156	29,200,909
Annual Net Debt Service (including Evangeline)	10,945,046	9,457,650	9,480,925	9,258,500	11,396,859	7,823,409	7,773,059	7,787,409	7,776,159	11,798,811	11,794,911
Debt Service Coverage	1.96	2.33	2.22	2.36	2.09	3.12	3.22	2.56	2.71	2.45	2.48
MRA Deposit	2,065,301	2,125,195	1,964,626	2,021,600	2,204,366	2,268,293	2,334,073	1,967,010	2,024,053	2,544,447	2,618,236
Net Cash Flow	8,389,708	10,459,212	9,570,495	10,562,022	10,227,186	14,292,666	14,901,826	10,217,040	11,310,918	14,619,898	14,787,762
<b>Phase 1: Nicholson Gateway</b>											
Total Revenues	\$26,538,603	\$27,334,477	\$28,154,222	\$28,998,553	\$29,868,208	\$30,763,947	\$31,686,552	\$32,636,829	\$33,615,608	\$34,623,743	\$35,662,116
Total Expenses	10,524,059	10,836,475	11,158,264	11,489,706	11,831,091	12,182,718	12,544,893	12,917,933	13,302,165	13,697,923	14,105,554
Net Operating Income	16,014,544	16,498,002	16,995,958	17,508,847	18,037,117	18,581,230	19,141,659	19,718,895	20,313,443	20,925,820	21,556,562
Annual Net Debt Service	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250	11,218,250
Debt Service Coverage	1.43	1.47	1.52	1.56	1.61	1.66	1.71	1.76	1.81	1.87	1.92
MRA Deposit	1,029,223	1,059,071	1,089,784	1,121,388	1,153,908	1,187,371	1,221,805	1,257,237	1,293,697	1,331,214	1,369,820
Foundation Payment	2,444,742	2,515,884	2,589,096	2,664,439	2,741,974	2,821,766	2,903,879	2,988,382	3,075,344	3,164,836	3,256,933
Net Cash Flow	1,322,329	1,704,797	2,098,828	2,504,771	2,922,985	3,353,843	3,797,725	4,255,026	4,726,152	5,211,519	5,711,559
<b>Phase 2: Cedar Hall / Evangeline / Highland</b>											
Total Revenues	\$6,971,540	\$7,180,686	\$7,396,107	\$7,617,990	\$7,846,529	\$8,081,925	\$8,324,383	\$8,574,115	\$8,831,338	\$9,096,278	\$9,369,167
Total Expenses	3,588,567	3,699,524	3,813,810	3,931,524	4,052,770	4,177,653	4,306,283	4,438,771	4,570,882	4,704,709	4,842,550
Net Operating Income	3,382,973	3,481,162	3,582,297	3,686,465	3,793,759	3,904,272	4,018,100	4,135,343	4,260,456	4,391,569	4,526,616
Annual Net Debt Service	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	4,198,800	5,546,800	5,547,675	5,549,925
Debt Service Coverage	0.81	0.83	0.85	0.88	0.90	0.93	0.96	0.98	0.77	0.79	0.82
MRA Deposit	355,377	365,683	376,288	387,200	398,429	409,984	421,873	434,108	446,697	459,651	472,981
Net Cash Flow	(1,171,205)	(1,083,322)	(992,792)	(899,535)	(803,470)	(704,511)	(602,573)	(497,564)	(1,733,041)	(1,615,757)	(1,496,289)
<b>Phase 3 Only: Greenhouse District</b>											
Total Revenues	\$9,275,305	\$9,553,564	\$9,840,171	\$10,135,376	\$10,439,437	\$10,752,620	\$11,075,199	\$11,407,455	\$11,749,678	\$12,102,169	\$12,465,234
Total Expenses	4,610,047	4,747,448	4,888,972	5,034,741	5,184,883	5,339,530	5,498,816	5,662,880	5,831,866	6,005,922	6,185,200
Net Operating Income	4,665,258	4,806,115	4,951,199	5,100,635	5,254,554	5,413,090	5,576,383	5,744,575	5,917,812	6,096,246	6,280,034
Annual Net Debt Service	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031	4,380,031	4,661,969	5,104,359	5,106,438	5,101,984
Debt Service Coverage	1.07	1.10	1.13	1.16	1.20	1.24	1.27	1.23	1.16	1.19	1.23
MRA Deposit	463,467	476,907	490,738	504,969	519,613	534,682	550,188	566,143	582,561	599,456	616,840
Net Cash Flow	(178,241)	(50,823)	80,430	215,634	354,909	498,377	646,164	516,463	230,891	390,353	561,209
<b>Adjusted Housing System</b>											
Total Revenues	\$94,753,932	\$97,596,266	\$97,263,950	\$100,181,573	\$105,834,991	\$109,009,733	\$112,279,712	\$106,638,984	\$109,837,828	\$123,651,656	\$127,360,866
Total Expenses	49,291,102	50,768,929	50,718,450	52,043,503	54,921,149	56,726,773	58,534,611	57,068,712	58,234,987	63,274,865	65,796,746
Net Operating Income	45,462,830	46,827,337	46,545,500	48,138,070	50,913,843	52,282,960	53,745,101	49,570,272	51,602,841	60,376,791	61,564,121
Annual Net Debt Service	30,742,127	29,254,731	29,278,006	29,055,581	31,193,941	27,620,491	27,570,141	27,866,428	29,645,569	33,671,173	33,665,070
Debt Service Coverage	1.48	1.60	1.59	1.66	1.63	1.89	1.95	1.78	1.74	1.79	1.83
MRA Deposit	3,913,369	4,026,857	3,921,436	4,035,157	4,276,317	4,400,330	4,527,939	4,224,498	4,347,008	4,934,768	5,077,877
Foundation Payment	2,444,742	2,515,884	2,589,096	2,664,439	2,741,974	2,821,766	2,903,879	2,988,382	3,075,344	3,164,836	3,256,933
Net Cash Flow	8,362,592	11,029,865	10,756,962	12,382,893	12,701,611	17,440,374	18,743,142	14,490,964	14,534,920	18,606,013	19,564,241
Cumulative Cash Flow	24,975,377	36,005,241	46,762,203	59,145,095	71,846,707	89,287,081	108,030,223	122,521,188	137,056,107	155,662,120	175,226,361
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	13.80	15.16	15.48	16.98	17.80	20.71	21.33	32.88	38.81	40.83	42.05
Subordinate Net Coverage	1.85	1.94	1.96	2.06	2.14	2.29	2.33	2.61	2.67	2.85	2.89
Net Cash Flow	\$52,831,501	\$57,578,666	\$59,214,146	\$64,166,415	\$68,903,051	\$74,924,383	\$78,313,173	\$83,661,219	\$87,745,478	\$98,171,641	\$101,523,560

Louisiana Public Facilities Authority  
Lease Revenue Bonds  
(Provident Flagship Properties - LSU Projects)

Summary of Results - 1-B: Phase 3 No UO

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
<b>Existing Housing System</b>											
Total Revenues	\$71,960,280	\$66,430,390	\$68,423,302	\$79,424,877	\$81,807,624	\$84,261,852	\$86,789,708	\$89,393,399	\$92,075,201	\$94,837,457	\$97,682,581
Total Expenses	41,883,344	39,631,501	40,359,124	45,291,900	47,187,589	48,603,217	50,061,313	51,563,153	53,110,047	54,703,349	56,344,449
Net Operating Income	30,076,936	26,798,889	28,064,178	34,132,978	34,620,034	35,658,636	36,728,395	37,830,246	38,965,154	40,134,108	41,338,132
Annual Debt Service (including Evangeline)	7,910,111	7,907,911	7,908,311	9,786,463	9,786,463	9,786,463	9,786,463	9,786,463	9,786,463	9,786,463	9,786,463
Debt Service Coverage	3.80	3.39	3.55	3.49	3.54	3.64	3.75	3.87	3.98	4.10	4.22
MRA Deposit	2,694,165	2,411,177	2,481,101	2,935,421	3,020,548	3,108,144	3,198,280	3,291,030	3,386,470	3,484,678	3,585,733
Net Cash Flow	19,472,660	16,479,802	17,674,766	21,411,094	21,813,024	22,764,029	23,743,652	24,752,754	25,792,221	26,862,968	27,965,936
<b>Phase 1: Nicholson Gateway</b>											
Total Revenues	\$36,731,633	\$37,833,229	\$38,967,866	\$40,136,534	\$41,340,256	\$42,580,081	\$43,857,094	\$45,172,409	\$46,527,176	\$47,922,577	\$49,359,833
Total Expenses	14,525,414	14,957,870	15,403,298	15,862,090	16,334,645	16,821,377	17,322,711	17,839,084	18,370,949	18,918,769	19,483,024
Net Operating Income	22,206,219	22,875,360	23,564,567	24,274,444	25,005,610	25,758,704	26,534,383	27,333,325	28,156,227	29,003,808	29,876,809
Annual Net Debt Service	14,417,250	14,415,100	14,418,263	22,783,650	23,492,750	23,493,750	23,491,300	23,487,800	23,491,550	23,490,425	23,492,425
Debt Service Coverage	1.54	1.59	1.63	1.07	1.06	1.10	1.13	1.16	1.20	1.23	1.27
MRA Deposit	1,409,544	1,450,421	1,492,483	1,535,766	1,580,303	1,626,131	1,673,289	1,721,815	1,771,747	1,823,128	1,875,999
Foundation Payment	3,351,710	3,449,245	3,549,618	3,652,911	3,759,211	3,868,604	3,981,181	4,097,033	4,216,257	4,338,950	4,465,213
Net Cash Flow	3,027,715	3,560,594	4,104,204	(3,697,883)	(3,826,653)	(3,229,782)	(2,611,387)	(1,973,323)	(1,323,327)	(648,694)	43,172
<b>Phase 2: Cedar Hall / Evangeline / Highland</b>											
Total Revenues	\$9,650,242	\$9,939,749	\$10,237,941	\$10,545,079	\$10,861,432	\$11,187,275	\$11,522,893	\$11,868,580	\$12,224,637	\$12,591,376	\$12,969,118
Total Expenses	4,984,527	5,130,762	5,281,385	5,436,527	5,596,323	5,760,912	5,930,440	6,105,053	6,284,905	6,470,152	6,660,956
Net Operating Income	4,665,715	4,808,986	4,956,556	5,108,553	5,265,109	5,426,362	5,592,453	5,763,527	5,939,733	6,121,225	6,308,161
Annual Net Debt Service	8,234,425	8,236,550	8,227,550	6,257,175	5,544,800	5,547,175	5,548,425	5,552,800	5,545,425	5,546,050	5,544,175
Debt Service Coverage	0.57	0.58	0.60	0.82	0.95	0.98	1.01	1.04	1.07	1.10	1.14
MRA Deposit	486,697	500,811	515,335	530,280	545,658	561,482	577,765	594,520	611,761	629,502	647,758
Net Cash Flow	(4,055,407)	(3,928,375)	(3,786,329)	(1,678,902)	(825,349)	(682,294)	(533,737)	(383,793)	(217,453)	(54,327)	116,229
<b>Phase 3 Only: Greenhouse District</b>											
Total Revenues	\$12,839,191	\$13,224,366	\$13,621,097	\$14,029,730	\$14,450,622	\$14,884,141	\$15,330,665	\$15,790,585	\$16,264,303	\$16,752,232	\$17,254,799
Total Expenses	6,369,856	6,560,052	6,755,953	6,957,732	7,165,564	7,379,631	7,600,120	7,827,223	8,061,140	8,302,074	8,550,237
Net Operating Income	6,469,335	6,664,315	6,865,144	7,071,998	7,285,058	7,504,510	7,730,545	7,963,362	8,203,163	8,450,158	8,704,562
Annual Net Debt Service	5,101,219	5,103,703	5,104,656	5,098,750	5,104,750	5,098,625	5,100,125	5,099,000	5,105,000	5,107,500	5,107,000
Debt Service Coverage	1.27	1.31	1.34	1.39	1.43	1.47	1.52	1.56	1.61	1.65	1.70
MRA Deposit	634,728	653,135	672,076	691,567	711,622	732,259	753,495	775,346	797,831	820,968	844,776
Net Cash Flow	733,388	907,476	1,088,411	1,281,682	1,468,686	1,673,626	1,876,926	2,089,016	2,300,332	2,521,690	2,752,786
<b>Adjusted Housing System</b>											
Total Revenues	\$131,181,346	\$127,427,735	\$131,250,207	\$144,136,222	\$148,459,934	\$152,913,349	\$157,500,360	\$162,224,973	\$167,091,317	\$172,103,642	\$177,266,330
Total Expenses	67,763,141	66,280,185	67,799,762	73,548,249	76,284,121	78,565,137	80,914,584	83,334,513	85,827,041	88,394,344	91,038,666
Net Operating Income	63,418,205	61,147,550	63,450,445	70,587,973	72,175,812	74,348,212	76,585,776	78,890,460	81,264,276	83,709,299	86,227,664
Annual Net Debt Service	35,663,005	35,663,264	35,658,780	43,926,038	43,928,763	43,926,013	43,926,313	43,926,063	43,928,438	43,930,438	43,930,063
Debt Service Coverage	1.78	1.71	1.78	1.61	1.64	1.69	1.74	1.80	1.85	1.91	1.96
MRA Deposit	5,225,135	5,015,545	5,160,996	5,693,032	5,858,130	6,028,016	6,202,829	6,382,711	6,567,809	6,758,276	6,954,266
Foundation Payment	3,351,710	3,449,245	3,549,618	3,652,911	3,759,211	3,868,604	3,981,181	4,097,033	4,216,257	4,338,950	4,465,213
Net Cash Flow	19,178,355	17,019,496	19,081,052	17,315,991	18,629,708	20,525,579	22,475,454	24,484,654	26,551,772	28,681,636	30,878,123
Cumulative Cash Flow	194,404,716	211,424,213	230,505,265	247,821,256	266,450,964	286,976,543	309,451,998	333,936,651	360,488,424	389,170,060	420,048,182
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	83.20	84.52	87.01	N/A							
Subordinate Net Coverage	2.95	2.93	2.99	3.14	3.18	3.24	3.30	3.36	3.42	3.47	3.53
Net Cash Flow	\$105,608,782	\$105,995,727	\$110,675,991	\$119,880,582	\$123,975,947	\$128,736,839	\$133,637,609	\$138,686,149	\$143,883,707	\$149,237,838	\$154,755,233

Louisiana Public Facilities Authority										
Lease Revenue Bonds										
(Provident Flagship Properties - LSU Projects)										
Summary of Results - 1-B: Phase 3 No UO										
	2052	2053	2054	2055	2056	2057	2058	2059	2060	
<b>Existing Housing System</b>										
Total Revenues	\$100,613,058	\$103,631,450	\$99,086,414	\$100,970,533	\$108,134,477	\$106,957,467	\$109,268,504	\$112,124,140	\$122,999,354	
Total Expenses	58,034,783	59,775,826	57,258,470	57,849,975	61,809,164	61,671,347	61,324,003	62,461,275	68,706,186	
Net Operating Income	42,578,276	43,855,624	41,827,945	43,120,558	46,325,314	45,286,120	47,944,500	49,662,865	54,293,168	
Annual Debt Service (including Evangeline)	9,786,463	9,786,463	9,786,463	9,786,463	17,846,614	18,915,272	26,970,434	36,038,372	41,215,680	
Debt Service Coverage	4.35	4.48	4.27	4.41	2.60	2.39	1.78	1.38	1.32	
MRA Deposit	3,689,719	3,796,721	3,549,756	3,597,747	3,857,305	3,768,370	3,804,866	3,849,974	4,288,547	
Net Cash Flow	29,102,093	30,272,440	28,491,726	29,736,348	24,621,394	22,602,478	17,169,201	9,774,519	8,788,941	
<b>Phase 1: Nicholson Gateway</b>										
Total Revenues	\$50,840,197	\$52,364,964	\$53,935,465	\$55,553,072	\$57,219,198	\$58,935,299	\$60,702,873	\$62,523,465	\$64,398,665	
Total Expenses	20,064,206	20,662,823	21,279,399	21,914,472	22,568,597	23,242,346	23,936,306	24,651,086	25,387,308	
Net Operating Income	30,775,991	31,702,141	32,656,066	33,638,600	34,650,601	35,692,954	36,766,567	37,872,379	39,011,356	
Annual Net Debt Service	23,491,775	23,491,250	23,486,750	23,491,125	23,491,625	-	-	-	-	
Debt Service Coverage	1.31	1.35	1.39	1.43	1.48	N/A	N/A	N/A	N/A	
MRA Deposit	1,930,403	1,986,384	2,043,989	2,103,265	2,164,260	2,227,023	2,291,607	2,358,064	2,426,448	
Foundation Payment	4,595,151	4,728,870	4,866,480	5,008,094	5,153,830	5,303,806	5,458,147	5,616,979	5,780,433	
Net Cash Flow	758,663	1,495,637	2,258,847	3,036,116	3,840,887	28,162,124	29,016,813	29,897,337	30,804,476	
<b>Phase 2: Cedar Hall / Evangeline / Highland</b>										
Total Revenues	\$13,358,191	\$13,758,937	\$14,171,705	\$14,596,856	\$15,034,762	\$15,485,805	\$15,950,379	\$16,428,890	\$16,921,757	
Total Expenses	6,857,485	7,059,909	7,268,407	7,483,159	7,704,354	7,932,184	8,166,850	8,408,555	8,341,917	
Net Operating Income	6,500,706	6,699,027	6,903,298	7,113,697	7,330,408	7,553,620	7,783,529	8,020,335	8,579,840	
Annual Net Debt Service	5,549,175	5,547,125	5,552,575	5,548,925	5,547,700	29,038,250	-	-	-	
Debt Service Coverage	1.17	1.21	1.24	1.28	1.32	0.26	N/A	N/A	N/A	
MRA Deposit	666,543	685,872	705,763	726,230	747,291	768,962	791,262	814,208	837,821	
Net Cash Flow	284,989	466,030	644,961	838,542	1,035,418	(22,253,592)	6,992,267	7,206,126	7,742,019	
<b>Phase 3 Only: Greenhouse District</b>										
Total Revenues	\$17,772,443	\$18,305,616	\$18,854,785	\$19,420,428	\$20,003,041	\$20,603,132	\$21,221,226	\$21,857,863	\$22,513,599	
Total Expenses	8,805,844	9,069,119	9,340,293	9,619,601	9,907,289	10,203,608	10,508,816	10,823,181	11,146,976	
Net Operating Income	8,966,599	9,236,497	9,514,492	9,800,827	10,095,752	10,399,524	10,712,410	11,034,682	11,366,623	
Annual Net Debt Service	5,098,250	5,101,375	5,100,625	5,101,125	5,102,500	5,104,625	34,139,750	34,139,000	-	
Debt Service Coverage	1.76	1.81	1.87	1.92	1.98	2.04	0.31	0.32	#DIV/0!	
MRA Deposit	869,275	894,484	920,424	947,116	974,582	1,002,845	1,031,928	1,061,853	1,092,647	
Net Cash Flow	2,999,075	3,240,639	3,493,443	3,752,586	4,018,669	4,292,054	(24,459,268)	(24,166,171)	10,273,975	
<b>Adjusted Housing System</b>										
Total Revenues	\$182,583,889	\$188,060,967	\$186,048,369	\$190,540,890	\$200,391,479	\$201,981,703	\$207,142,982	\$212,934,359	\$226,833,375	
Total Expenses	93,762,317	96,567,678	95,146,568	96,867,208	101,989,404	103,049,485	103,935,976	106,344,097	113,582,388	
Net Operating Income	88,821,572	91,493,289	90,901,801	93,673,682	98,402,075	98,932,218	103,207,006	106,590,262	113,250,987	
Annual Net Debt Service	43,925,663	43,926,213	43,926,413	43,927,638	51,988,439	53,058,147	61,110,184	70,177,372	41,215,680	
Debt Service Coverage	2.02	2.08	2.07	2.13	1.89	1.86	1.69	1.52	N/A	
MRA Deposit	7,155,939	7,363,462	7,219,932	7,374,358	7,743,438	7,767,201	7,919,663	8,084,100	8,645,462	
Foundation Payment	4,595,151	4,728,870	4,866,480	5,008,094	5,153,830	5,303,806	5,458,147	5,616,979	5,780,433	
Net Cash Flow	33,144,819	35,474,745	34,888,976	37,363,592	33,516,368	32,803,064	28,719,013	22,711,811	57,609,411	
Cumulative Cash Flow	453,193,001	488,667,746	523,556,722	560,920,315	594,436,682	627,239,746	655,958,759	678,670,570	736,279,981	
<b>Auxiliary Revenue System</b>										
Senior Gross Debt Service Coverage	N/A									
Subordinate Net Coverage	3.59	3.65	3.66	3.72	3.81	3.84	3.92	3.98	8.13	
Net Cash Flow	\$160,442,375	\$166,295,267	\$169,338,059	\$175,549,994	\$183,612,259	\$187,932,328	\$195,986,987	\$203,253,669	\$247,660,589	

BSW DRAFT:TAM  
Version 2/April 2, 2019

**GREENHOUSE DISTRICT (PHASE III)  
GROUND LEASE AGREEMENT**

**dated as of September 1, 2019**

**by and between**

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

**and**

**GREENHOUSE DISTRICT PROJECT LLC**

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**GREENHOUSE DISTRICT (PHASE III)  
GROUND LEASE AGREEMENT**

This Greenhouse District (Phase III) Ground Lease Agreement ("Ground Lease") is dated for convenience of reference as of September 1, 2019, but effective as of the Effective Date (as defined herein) by and between

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** ("LSU" or "Board"), herein represented by F. King Alexander, the duly authorized President of LSU, and

**GREENHOUSE DISTRICT PROJECT LLC**, a limited liability company organized and existing under the laws of the State of Louisiana ("Greenhouse LLC"), the sole member of which is **LSU REAL ESTATE AND FACILITIES FOUNDATION**, a private nonprofit corporation organized and existing under the laws of the State of Louisiana (the "Foundation"), herein represented by J. Bryan Benchoff, Manager of Greenhouse LLC.

**WITNESSETH**

**WHEREAS**, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana (the "State");

**WHEREAS**, Louisiana State University and Agricultural and Mechanical College located in Baton Rouge, Louisiana (the "University") is the flagship institution of the State under the supervision and management of the Board;

**WHEREAS**, the Foundation is a Tax Exempt Organization, which is organized and operated for the purpose of supporting LSU, its programs, facilities, and research and educational activities, and to support the LSU Foundation, and is the sole member of Greenhouse LLC;

**WHEREAS**, the business of Greenhouse LLC shall at all times be carried out and operated exclusively for the tax exempt purposes of the Foundation;

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU is authorized to lease to a limited liability company such as Greenhouse LLC 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 therein;

**WHEREAS**, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes a lease to allow for demolition, construction and renovation of buildings, other structures and improvements by a limited liability company such as Greenhouse LLC on that portion of the grounds or campus of the University which is the subject of the lease;

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU, under certain circumstances, is expressly authorized to lease back all or any portion of the buildings, other structures, and improvements constructed by a limited liability company such as Greenhouse LLC on the leased property as more fully described therein;

**WHEREAS**, the University's master plan includes the development, in various phases, of new student housing facilities, including the demolition of existing student housing facilities such as Kirby Smith, Herget, Miller, McVoy, Acadian and Broussard Halls, the construction of new student housing facilities to replace and expand the foregoing, including, without limitation, a new Cedar Hall, and the renovation and/or expansion of existing student housing facilities such as Evangeline Hall and Highland Hall, as well as the parking and other infrastructure and the demolition, renovation and/or construction of certain facilities, including, without limitation, greenhouses and related facilities, to facilitate the foregoing (collectively, the "Greenhouse District");

**WHEREAS**, in October 2017, Greenhouse LLC commenced development of Greenhouse District Phase II, which includes without limitation, (a) the Design, acquisition, renovation, Development, Construction, furnishing and equipping of (i) student housing facilities consisting of the construction of a new Cedar Hall and the renovation of Evangeline Hall and the abatement and renovation of Highland Hall, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof (ii) new greenhouse facilities to be located on Ben Hur Drive and existing greenhouse facilities located on Gourrier Drive, including, without limitation, related facilities and associated site infrastructure and amenities necessary for the operation thereof; and (b) the demolition of the existing Kirby Smith Hall and certain existing greenhouse facilities located on the main Campus of the University, including, without limitation, related facilities, and associated site infrastructure, all as necessary for the development of Phase II of the Greenhouse District;

**WHEREAS**, LSU and Greenhouse LLC have determined that it is in the best interest of LSU for Greenhouse LLC to develop Phase III of the Greenhouse District for the benefit of LSU as described in this Ground Lease ("Phase III");

**WHEREAS**, Phase III will consist of the Design, acquisition, Development, Construction, furnishing and equipping of two new student housing facilities consisting of 881 beds, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof, to be located on the Land (collectively, the "Student Housing Facilities") and, together with the Student Housing Facilities Equipment (defined herein) and the Land (defined herein), the "Property"), all as necessary for the development of Phase III (collectively, the "Greenhouse District Project");

**WHEREAS**, in furtherance of the foregoing, Greenhouse LLC has agreed to enter into this Ground Lease for the lease of certain real property, including all improvements, parking areas, and existing facilities thereon, located on the Campus of the University, as more particularly described in **Exhibit A** attached hereto (the "Land"), incorporated herein and by reference made a part hereof, and construction servitudes for the purpose of implementing the master plan, as approved by LSU on behalf of the University, for the development of the Greenhouse District Project;

**WHEREAS**, LSU, Greenhouse LLC, Provident Group-Flagship Properties L.L.C. ("Provident-Flagship"), RISE (defined herein) and the Facilities Manager (defined herein) are engaging in a public-private partnership for the performance of the Greenhouse District Project

and the maintenance, management and operation of the Property, pursuant to which (a) Greenhouse LLC will sublease the Land and grant the necessary access, parking and utility servitudes to Provident-Flagship; (b) Greenhouse LLC will grant construction servitudes to Provident-Flagship to facilitate the performance of the Greenhouse District Project; and (c) Provident-Flagship will engage RISE Tigers LLC, a limited liability company organized and existing under the laws of the State of Georgia and authorized to do business in Louisiana ("RISE"), to perform the Greenhouse District Project pursuant to the Development Agreement dated as of September 1, 2019 (the "Development Agreement"), a copy of which is attached hereto as **Exhibit B**, incorporated herein and by reference made a part hereof;

**WHEREAS**, pursuant to the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019 (the "Facilities Lease"), Provident-Flagship will sublease or lease, as applicable, the Property to LSU, and LSU, for the benefit of the University, will make rental payments and will be responsible for residential life operations of the Student Housing Facilities, IT Support and certain other items as more particularly described therein, and Provident-Flagship will be responsible for performing or caused to be performed certain management and all other operations and maintenance of the Property pursuant to that certain Facilities Operations and Maintenance Agreement (Greenhouse District - Phase III) dated as of September 1, 2019 (the "FOMA"), by and between Provident-Flagship and the Facilities Manager, a copy of which is attached hereto as **Exhibit C**, incorporated herein and by reference made a part hereof; and

**WHEREAS**, pursuant to the terms of a Trust Indenture dated as of September 1, 2019 (the "Indenture") by and between the Louisiana Public Facilities Authority (the "Authority") and Hancock Whitney Bank, as trustee ("Trustee"), the Authority has determined to issue its Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III Project) Series 2019 (the "Series 2019 Bonds" and, together with any Additional Bonds (defined herein), the "Bonds") and, pursuant to a Loan Agreement dated as of September 1, 2019 (the "Loan Agreement") by and between the Authority and Provident-Flagship, to lend the proceeds of the Series 2019 Bonds to Provident-Flagship for the purpose of financing, among other things, the costs of the Greenhouse District Project.

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

[remainder of this page intentionally left blank]

## ARTICLE I DEFINITIONS

**Section 1.1. DEFINITIONS.** In addition to such other defined terms as may be set forth in this Ground Lease, the following terms shall have the following meanings:

**"Additional Bonds"** - as defined in the Indenture, to the extent the same are issued in accordance with the terms of the Indenture.

**"Annual Rent"** - as defined in Section 4.1.

**"Approved Operating Plan and Budget"** - as defined in the FOMA.

**"Architect"** - the Greenhouse District Project's architect(s) of record selected by RISE.

**"Architect's Agreement"** - the agreement(s) between the Architect and RISE (pursuant to the Development Agreement) for the Design and Development of the Student Housing 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.

**"Auxiliary Enterprises"** - as defined in the General Bond Resolution.

**"Auxiliary Facilities"** - as defined in the General Bond Resolution.

**"Auxiliary Revenues"** - as defined in the General Bond Resolution.

**"Auxiliary Revenue Bond"** or **"Auxiliary Revenue Bonds"** - any bond heretofore or hereafter authorized and issued by LSU pursuant to the General Bond Resolution.

**"Auxiliary Revenue Obligations"** - any and all obligations secured by and/or payable from the Auxiliary Revenues, including, without limitation, Auxiliary Revenue Bonds, Base Rental (as such term is defined in the Facilities Lease, the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease) and any Additional Indebtedness, but not including Additional Rent (as defined in the Facilities Lease, the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease).

**"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"** - Kutak Rock LLP or other counsel acceptable to the Trustee and the Authority and experienced in matters relating to tax-exemption of interest income on obligations issued by states and their political subdivisions.

**"Bond Documents"** - collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident-Flagship 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 bond document by which the Authority assigns any of the foregoing 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 2019 Bonds and any Additional Bonds.

**"Business Day"** or **"business day"** - a day excluding Saturday, Sunday, and any Holiday.

**"Campus"** - the campus of the University located in Baton Rouge, Louisiana.

**"Change Order"** - a Greenhouse District Project 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 this Ground Lease, given to the Authority, the Trustee or Provident-Flagship, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident-Flagship, RISE, the Facilities Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds, dated on or about the date hereof by Provident-Flagship, RISE or the Facilities Manager, that certain Assignment Agreement dated on or about the date hereof by the Authority to the Trustee, and any such assignments or pledges set forth in the Mortgage.

**"Commencement of Construction"** - as defined in the Development Agreement.

**"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 Student Housing Facilities.

**"Construction Contract"** - as defined in Paragraph I of Exhibit 6 to the Development Agreement.

**"Consultant"** - as defined in the Development Agreement.

**"Contract Documents"** - collectively, the Development Agreement, the FOMA, the Construction Contract, the Architect's Agreement, the Construction Documents and any and all contracts entered into by RISE or Provident-Flagship for the engagement of contractors, materialmen, and laborers from time to time in connection with the performance of the Greenhouse District 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 Greenhouse District Project, as such Contract Documents may be amended, modified or supplemented from time to time.

**"Contractor"** - as defined in the Development Agreement.

**"Construction Documents"** - collectively, the Plans and Specifications, Construction drawings and Change Orders prepared by RISE, the Architect or other Consultants for the performance of the Greenhouse District Project and any changes, modifications, or supplements to them, all as approved by Provident-Flagship, Greenhouse LLC 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 RISE's exclusive Construction obligations relative to the performance of the Greenhouse District Project.

**"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 Greenhouse District Project.

**"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 Greenhouse District Project, (b) obtain any required extension of public and private Utility Services for the Greenhouse District Project, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Greenhouse District Project Site (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the of the Greenhouse District Project.

**"Development Agreement"** - that certain Greenhouse District Project (Phase III) Development Agreement dated as of September 1, 2019, between Provident-Flagship and RISE, with the Trustee, Greenhouse LLC and LSU as intended third party beneficiaries, regarding the performance of the Greenhouse District Project, and any amendments, modifications and supplements thereto.

**"Development Costs"** - as defined in and determined consistently with the Development Agreement.

**"Effective Date"** - the date of issuance of the Series 2019 Bonds, which is September \_\_, 2019.

**"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.

**"Event of Default"** - any matter identified as an Event of Default under Sections 12.1 or 13.1.

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

**"Expiration Date"** - the date on which this Ground Lease terminates in accordance with its terms.

**"Facilities Lease"** - the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019, by and between Provident-Flagship and LSU, as amended, modified or supplemented from time to time.

**"Facilities Lease Term"** - the initial term of the Facilities Lease as set forth in Section 2 of the Facilities Lease.

**"Facilities Manager"** - initially, RISE Residential, LLC, a limited liability company organized and existing under the laws of the State of Georgia authorized to do business in the State, a wholly owned affiliate of RISE Development LLC, and its successors and assigns.

**"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 Article XIX of 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.

**"FOMA"** - that certain Facilities Operations and Maintenance Agreement (Greenhouse District (Phase III)) dated as of September 1, 2019, by and between Provident-Flagship and the Facilities Manager, as amended, modified and supplemented from time to time.

**"Force Majeure"** - as defined in the Development Agreement.

**"Foundation"** - the LSU Real Estate and Facilities Foundation, a nonprofit corporation organized and existing under the laws of the State and a Tax-Exempt Organization, and its successors and assigns.

**"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, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

**"Governmental Regulations"** - any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, Greenhouse LLC, the Property, the Greenhouse District Project or the Greenhouse District Project Site or affecting the Property, the Greenhouse District Project or the Greenhouse District Project Site, 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.

**"Greenhouse District"** - as defined in the Recitals of this Ground Lease.

**"Greenhouse District Project"** - as defined in the Recitals of this Ground Lease.

**"Greenhouse District (Phase II) Facilities Lease"** - the Greenhouse District (Phase II) Facilities Lease dated as of October 1, 2017, by and between LSU and Greenhouse LLC, as amended, modified and supplemented from time to time.

**"Greenhouse District Project Site"** - as defined, described and/or depicted in the Development Agreement.

**"Greenhouse LLC"** - Greenhouse District Project LLC, a limited liability company organized and existing under the laws of the State and the sole member of which is the Foundation, and its successors and assigns.

**"Greenhouse LLC Representative"** - the Person or Persons designated in writing by the Greenhouse LLC to serve as the Greenhouse LLC's representatives in connection with this Ground Lease, initially Leu Anne Greco, Esquire, and J. Bryan Benchoff, each of whom is a Manager of Greenhouse LLC and is authorized to represent Greenhouse LLC, and any other person(s) designated in writing by the Greenhouse LLC to LSU from time to time as person(s) who is (are) authorized to act on behalf of the Greenhouse LLC under this Ground Lease.

**"Ground Lease"** – this Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019, by and between LSU and Greenhouse LLC, as amended, modified and supplemented from time to time.

**"Ground Rent"** – as defined in Section 3(a) of the Ground Sublease.

**"Ground Rent Schedule"** – as defined in Section 3(a) of the Ground Sublease.

**"Ground Sublease"** - the Greenhouse District (Phase III) Ground Sublease dated as of September 1, 2019, by and between Greenhouse LLC and Provident-Flagship, as amended, modified and supplemented from time to time.

**"Guaranteed Maximum Price"** - as defined in the Development Agreement.

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

**"Holiday"** - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or the University is required by law to close, or a day on which LSU or the University is authorized to close or is closed.

**"Indemnitees"** - collectively or individually, as the context may require, the LSU Indemnitees, the Greenhouse LLC Indemnitees and the Provident-Flagship Indemnitees, each as defined in Section 20 of the Ground Sublease.

**"Indenture"** - as defined in the Recitals of this Ground Lease.

**"Land"** - as defined in the Recitals of this Ground Lease and more particularly described in **Exhibit A** hereto.

**"Lien"** - as defined in Section 6.1(h).

**"Loan Agreement"** - as defined in the Recitals of this Ground Lease.

**"LSU"** - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors or assigns.

**"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 Ground Lease. From the Effective Date until the Final Completion Date, the LSU Representative shall be the President or the Vice President for Finance or their respective designee(s); thereafter the LSU Representative shall be the Vice President for Finance or his designee(s).

**"LSU's Interest"** - the fee simple title to the Land, subject to Greenhouse LLC's rights under this Ground Lease, and LSU's interest under the Facilities Lease.

**"Maintenance Reserve Account" or "MRA"** - the Maintenance Reserve Account established in Section 8(j) of the Facilities Lease.

**"Maintenance Reserve Account Requirement"** - an amount equal to \$385 per bed per year, escalating 3% per year, commencing on the Rental Commencement Date.

**"Mortgage"** - that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2019 Bonds by Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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-Flagship 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.

**"Nicholson Gateway Facilities Lease"** - that certain Nicholson Gateway Facilities Lease dated as of September 1, 2016, by and between LSU and Provident-Flagship, as amended, modified or supplemented from time to time.

**"OFPC"** - the Office of Facility Planning and Control, Division of Administration of the State of Louisiana.

**"Operating Expenses"** - as defined in the Loan Agreement and the FOMA.

**"Other Contractors"** - as defined in Section XXI(A) of the Development Agreement.

**"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 as Exhibit 12 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 Ground Lease or the Ground Sublease, (ii) the Bond Documents, (iii) the memoranda of lease related to each of this Ground Lease, the Ground Sublease and the Facilities Lease, (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 Greenhouse LLC's benefit) in accordance with the provisions of this Ground Lease or the Ground Sublease, (vi) this Ground Lease, (vii) the Ground Sublease, (viii) statutory restrictions imposed on the improvement or use of the Land, (ix) the effects of any and all laws, ordinances, permits and Governmental Regulations, including, zoning, land use and Construction, or any violations thereof (provided that this clause does not constitute the consent of LSU to such violations), (x) the Facilities Lease, (xi) the Mortgage, (xii) those exceptions to title to the Land more fully described in the Title Insurance Policy, and (xiii) any additional exceptions or encumbrances created or consented to in writing by LSU.

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

**"Plans and Specifications"** - the plans and specifications for the performance of the Greenhouse District 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 Greenhouse District Project, all in accordance with the Loan Agreement, the Development Agreement, the Ground Sublease and this Ground Lease, to be approved by Greenhouse LLC, Provident-Flagship and the LSU Representative, as may be amended from time to time as permitted in Section 11(f) of the Ground Sublease and in the Development Agreement.

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

**"Prime Rate"** - the rate designated as the "prime rate" as published each business day in the Wall Street Journal, or, if at any time the Wall Street Journal shall cease to be published, the rate announced from time to time by the largest commercial bank with branches in New York City (as reasonably identified by LSU) as its "prime," "base" or "reference" rate.

**"Principal Account"** - as defined in the Indenture.

**"Project Committee"** - that certain advisory committee established by Provident-Flagship pursuant to the Ground Sublease, which committee is composed of three (3) representatives of LSU, two (2) representatives of Greenhouse LLC, one (1) representative of Provident-Flagship and one (1) representative of the Facilities Manager.

**"Project Fund"** - as defined in the Indenture.

**"Project Schedule"** - the construction schedule(s) for Substantial Completion of the Greenhouse District Project and defined as the "Project Schedule" and set forth in the Development Agreement.

**"Property"** - as defined in the Recitals of this Ground Lease.

**"Provident-Flagship"** - Provident Group-Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State, the sole member of which is Provident Resources, and its 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.

**"Rental Commencement Date"** - as defined in the Facilities Lease.

**"Replacement and Repair Account"** or **"RRA"** - as defined in the Facilities Lease.

**"Replacement and Repair Account Requirement"** - an amount of any Operating Expenses which remain after payment of all expenses and fees required to be paid under the Approved Operating Plan and Budget in any respective Fiscal Year together with any additional amount as may be mutually agreed upon by LSU and Provident-Flagship to be set forth in such Approved Operating Plan and Budget as monies to be specifically designated to be paid into the Replacement and Repair Account, if any, for any respective year.

**"Resident"** - a tenant of the Student Housing Facilities.

**"RISE"** - RISE Tigers, LLC, a limited liability company organized and existing under the laws of the State of Georgia authorized to do business in the State, a wholly owned affiliate of RISE Development LLC, and its successors and assigns.

**"RISE Development LLC"** - RISE Development LLC, a limited liability company organized and existing under the laws of the State of Georgia and the parent company of RISE.

**"Series 2019 Bonds"** - the Authority's Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019, to be issued pursuant to the Indenture in the aggregate principal amount of \$ \_\_\_\_\_.

**"State"** - the State of Louisiana.

**"Student Housing Facilities Equipment"** - all movable property, including without limitation, machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description and installed in, located on, or exclusively used in connection with, the Student Housing Facilities, excluding those items owned by Residents.

**"Student Housing Facilities"** – as defined in the Recitals of this Ground Lease.

**"Subcontractor"** - as defined in the Development Agreement.

**"Subordinate Collateral Assignment of Contract Documents"** - the Subordinate Assignment of Contract Documents, dated as of September, 2019, by Provident-Flagship, as assignor, in favor of Greenhouse LLC, as amended, modified or supplemented from time to time.

**"Substantial Completion," "Substantially Complete," and "Substantially Completed"** - as defined in Article XIX of the Development Agreement.

**"Substantial Completion Date"** - the date set forth in (and as so defined in) the Development Agreement, being the date by which RISE is committed under the Development Agreement to deliver the Greenhouse District Project to Provident-Flagship, 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 Ground Lease shall remain in full force and effect as set forth in Section 3.1 hereof.

**"Title Company"** means 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.

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

**"University Architect"** - the Assistant Vice President/LSU Architect and/or the Associate Vice President for Facility and Property Oversight of LSU and shall include any permanent or interim officer or any successor office.

**"University 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 RISE's Construction progress during the Construction phase of the Greenhouse District Project.

## **ARTICLE II LEASE OF LAND AND STUDENT HOUSING**

**Section 2.1. LEASE OF LAND.** LSU covenants that, for and in consideration of the Annual Rent to be paid by Greenhouse LLC hereunder and other good and valuable consideration, including, without limitation, the obligation of Greenhouse LLC to perform or cause to be performed the Greenhouse District Project, and of the performance and observance by Greenhouse LLC of the covenants, obligations, conditions and stipulations herein expressed on the part of Greenhouse LLC to be performed and observed, the receipt and sufficiency of which is hereby acknowledged, LSU does hereby lease unto Greenhouse LLC, and Greenhouse LLC does hereby lease from LSU, the Land for the duration of the Term under the terms and conditions hereinafter set forth, together with the right of uninterrupted nonexclusive utilities, access, ingress, egress, parking, and passage during the Term to and from all streets, roads, and parking areas now or hereafter adjoining the Land, including vehicular and pedestrian ingress and egress. Greenhouse LLC, by execution of this Ground Lease, accepts the leasehold estate in the Land herein demised. The Land is accepted by Greenhouse LLC in its present condition without warranty, and no repairs, replacements, additions, alterations, improvements, reconstruction or remodeling of any kind or nature shall be due by LSU, on or with respect to the Land.

**Section 2.2. SERVITUDES.** LSU hereby grants to Greenhouse LLC the rights to perform or cause to be performed the Greenhouse District Project on the Land and on the Greenhouse District Project Site and such other areas of Campus as shall be approved in writing by an LSU Representative, and hereby grants to Greenhouse LLC for the Term a nonexclusive servitude over, across, and upon that portion of the Campus as is necessary and as is set forth in this Ground Lease, the Development Agreement and Plans and Specifications in order to perform the Greenhouse District Project in accordance with this Ground Lease and the Development Agreement. LSU shall grant to Greenhouse LLC, Provident-Flagship and RISE and its Consultants temporary rights of passage and use over such other areas including "lay down" and "staging" areas as may be reasonably required to perform the Greenhouse District Project, the use of which by Greenhouse LLC, Provident-Flagship and RISE and its Consultants shall require the prior written consent of the LSU Representative. Such rights of passage and use as to the Consultants shall terminate upon Final Completion.

**Section 2.3. LEASE OF PROPERTY TO LSU.** LSU consents to Greenhouse LLC's sublease of the Land to Provident-Flagship and agrees, pursuant to the Facilities Lease, to lease the Property from Provident-Flagship effective on the date of issuance of the Series 2019 Bonds.

**Section 2.4. RIGHT OF ACCESS.** During the Term, LSU hereby grants to Greenhouse LLC the right to access on, over, upon, and across that portion of the Campus as is necessary or required for Greenhouse LLC's use of such areas. LSU agrees it will not materially

or unreasonably interfere with such access during the Term. Greenhouse LLC agrees not to materially and adversely interfere with LSU's use of the Campus with respect to Greenhouse LLC's use of the Land. LSU consents to Greenhouse LLC's assignment of rights of access to Provident-Flagship on, over, upon, and across that portion of the Campus as is necessary or required for Provident-Flagship's use of such areas.

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### ARTICLE III TERM

**Section 3.1. GROUND LEASE TERM.** The Term shall commence on the Effective Date and shall continue and remain in full force and effect until the later of (i) the fortieth (40<sup>th</sup>) anniversary of the Effective Date hereof, unless extended or sooner expired or terminated in accordance with this Ground Lease or by operation of law, and (ii) the date on which the Series 2019 Bonds have been fully repaid and all obligations under the Bond Documents and the Facilities Lease are fully discharged. Furthermore, this Ground Lease shall terminate when and if the Property is acquired by Greenhouse LLC and subsequently donated to LSU or acquired by LSU; provided, however, notwithstanding anything to the contrary contained herein, this Ground Lease shall not be terminated prior to the conclusion of its Term unless and until the Bonds are paid in full or legally defeased, as applicable, and all obligations under the Bond Documents and the Facilities Lease are fully discharged.

**Section 3.2. RESERVED.**

**Section 3.3. RENEWAL OF GROUND SUBLEASE.** Upon termination of the initial term of the Ground Sublease for any reason, LSU and Greenhouse LLC may renew or extend this Ground Lease, but not to exceed a term of ninety-nine (99) years, upon terms and conditions mutually agreeable to LSU and Greenhouse LLC; provided, however, the term of the Ground Sublease shall not expire prior to the expiration of the Facilities Lease.

**Section 3.4. EFFECTIVE DATE.** This Ground Lease shall not be effective until the Effective Date.

**Section 3.5. PAYMENT OR DEFEASANCE OF BONDS.** It is the intent of the parties hereto that this Ground Lease will remain in effect until the Bonds are paid in full or legally defeased and all obligations under the Bond Documents and the Facilities Lease, as applicable, are fully discharged, and the parties agree not to terminate this Ground Lease until the Bonds are paid in full or legally defeased and all obligations under the Bond Documents and the Facilities Lease are fully discharged, as applicable.

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**ARTICLE IV**  
**RENT**

**Section 4.1. GREENHOUSE LLC RENT.** Commencing on the Effective Date and continuing until such time as the Bonds are paid in full or legally defeased and all obligations under the Bond Documents and the Facilities Lease are fully discharged, as applicable, or, to the extent allowed by law, such longer term if so extended by LSU in its sole and unfettered discretion, and in addition to other consideration set forth herein, Greenhouse LLC shall pay to LSU, at such place as LSU may designate from time to time in writing, as Annual Rent for the Land the sum of One and 00/100 Dollars (\$1.00) (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.

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**ARTICLE V**  
**USE OF LAND AND STUDENT HOUSING FACILITIES**

**Section 5.1. PURPOSE OF GROUND LEASE.** Greenhouse LLC enters into this Ground Lease for the purpose, and shall have the continuing obligation, of performing (i) the Greenhouse District Project in accordance with the Plans and Specifications approved by LSU and as more particularly set forth in the Development Agreement and (ii) the maintenance, operation, management and replacement of the Property as more particularly set forth in the FOMA and the Facilities Lease. Greenhouse LLC shall use and operate, or cause the use and operation of (i) the Land and the Greenhouse District Project Site for the sole and exclusive purpose of performing the Greenhouse District Project and (ii) the Property for the sole and exclusive purpose of the maintenance, operation, management and replacement of the Property as required under this Ground Lease, the Facilities Lease and the FOMA, with a sublease and lease, as applicable, of the Property by Provident-Flagship to LSU pursuant to the Facilities Lease for use by students, faculty, administrators, staff and guests of the University and their visitors and authorized representatives.

**Section 5.2. TITLE TO STUDENT HOUSING FACILITIES.** During the Term, title to the Student Housing Facilities shall be vested in Provident-Flagship until the expiration date of the Ground Sublease. Notwithstanding anything to the contrary contained in this Ground Lease, 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 Student Housing Facilities Equipment, whether located in or about the Land or otherwise, for the purpose of securing Greenhouse LLC'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 and the Facilities Lease are fully discharged, LSU agrees not to exercise its rights with respect to any such lien or claim.

**Section 5.3. COMPLIANCE WITH STATUTORY REQUIREMENTS.** Louisiana Revised Statutes 17:3361, *et seq.* prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Ground Lease, 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 Student Housing 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 Greenhouse District Project referenced in Louisiana Revised Statute 17:3362A, other than those set forth in this Ground Lease or specifically referenced in this Ground Lease;

(b) the waiver by written consent of LSU's right to require removal of the Student Housing Facilities referenced in Louisiana Revised Statute 17:3362B, except as otherwise set forth in this Ground Lease, but LSU reserves the right to enforce any and all other remedies allowed by this Ground Lease in the event of Greenhouse LLC's failure or refusal to comply with this Ground Lease or any rules, regulations or requirements set forth herein; and

(c) the waiver by written consent of LSU's right to immediately terminate this Ground Lease and cause removal of the Student Housing Facilities for Greenhouse LLC's failure to conform to rules and regulations as referenced in Louisiana Revised Statute 17:3364, except as otherwise set forth in this Ground Lease, but LSU reserves the right to enforce any and all other remedies allowed by this Ground Lease for such default.

**Section 5.4. NO MERGER OF OBLIGATIONS.** No obligation herein between LSU or Greenhouse LLC, as obligor, and Greenhouse LLC or LSU, as obligee, shall be deemed to be terminated by the doctrine of confusion.

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**ARTICLE VI  
CONSTRUCTION**

**Section 6.1. GREENHOUSE LLC'S CONSTRUCTION AND RELATED OBLIGATIONS.**

(a) **Greenhouse LLC's and LSU's Approval Required for All Construction.**

The Ground Sublease shall provide that; (i) Provident-Flagship shall not make capital improvements upon the Land or the Greenhouse District Project Site or otherwise on the Campus necessary to perform the Greenhouse District Project, including, but not limited to, the Construction, alteration, repair, abatement, renovation or demolition of any future improvement upon the Land or the Greenhouse District Project Site, without the prior written approval of Greenhouse LLC, which shall obtain the prior written approval of LSU, which such approval shall not be unreasonably withheld, conditioned or delayed; (ii) Greenhouse LLC shall cause Provident-Flagship to submit complete Construction Documents, which shall include Plans and Specifications, regarding any work referenced in the preceding sentence to Greenhouse LLC and the LSU Representative for review and approval prior to Commencement of Construction and in accordance with the Development Agreement; (iii) LSU's approval of Construction Documents is for LSU's own benefit, cannot be relied upon by any Person other than Provident-Flagship and Greenhouse LLC, and does not change the standard of care as to the preparer of the Construction Documents and (iv) Greenhouse LLC shall cause Provident-Flagship to acknowledge and agree in the Ground Sublease that the Construction Documents for the Greenhouse District Project shall be approved by LSU in accordance with the Development Agreement.

LSU hereby acknowledges that full performance by Provident-Flagship of all its obligations and duties under the Development Agreement and delivery of the Student Housing Facilities as Finally Complete pursuant to and in accordance with the terms and provisions of the Development Agreement shall be deemed the satisfaction of Provident-Flagship's obligations to perform the Greenhouse District Project.

(b) **LSU's Approval of Development Agreement.** The Ground Sublease shall provide that Provident-Flagship shall cause (x) RISE to achieve Substantial Completion of Greenhouse District Project no later than the Substantial Completion Date, and (y) the Final Completion of the Greenhouse District Project no later than the Final Completion Date, in both cases (x) and (y) in compliance with the Construction Documents and all applicable Governmental Approvals and Governmental Regulations in accordance with and pursuant to the Development Agreement. The Ground Sublease shall further provide that, in addition, and without limitation to the generality of the foregoing:

(i) Provident-Flagship shall covenant to Greenhouse LLC that Provident-Flagship shall fully and timely pay and perform or cause to be paid and performed all the covenants, indemnities, liabilities, and obligations of Provident-Flagship under the Development Agreement and all other Contract Documents if any, in which Provident-Flagship is a party.

(ii) Provident-Flagship shall represent, warrant and covenant, and Provident-Flagship shall cause RISE to represent, warrant and covenant, that all representations, warranties, and covenants made by Provident-Flagship and RISE, respectively, under the Development Agreement and the other Contract Documents are true, correct and complete in all material respects as of the respective dates thereof and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Development Agreement or such other Contract Documents.

(iii) Provident-Flagship shall timely and diligently exercise and enforce all its rights and remedies under the Development Agreement and the other Contract Documents, and Provident-Flagship shall cause RISE to diligently exercise and enforce all its rights and remedies under the Development Agreement and the other Contract Documents (i) so as to require RISE and all other parties thereto to fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of RISE or such other parties thereunder, or (ii) in connection with any breach by RISE or any parties thereunder. The Ground Sublease shall further provide that Provident-Flagship shall not, without the prior written consent of Greenhouse LLC, which shall obtain the prior written consent of LSU, in each instance, (A) waive, forgive or agree to forbear, or allow RISE 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 RISE or any party to such Contract Documents from any of RISE's or such party's obligations under the Development Agreement or any such other Contract Documents, as applicable.

(iv) The Ground Sublease shall provide that Provident-Flagship shall (A) agree that it shall not, without the prior written consent of Greenhouse LLC, which shall obtain the prior written consent of LSU, in each instance, (1) assign, transfer, terminate or suspend the Development Agreement or any Contract Document or any of Provident-Flagship's rights thereunder, (2) extend any time periods or deadlines set forth therein (except only as required by the express terms thereof), (3) modify or permit the modification of the Development Agreement or any other Contract Document or (4) change the Guaranteed Maximum Price for performance of the Greenhouse District Project or reduce the retainage held by Provident-Flagship under the Development Agreement without prior written approval by Greenhouse LLC after having obtained the prior written consent of LSU; and (B) in addition, Greenhouse LLC shall cause Provident-Flagship to agree that it shall not, without the prior written consent of Greenhouse LLC, which shall obtain the prior written consent of LSU, in each instance, consent to any assignment or transfer by RISE or any other party to the Contract Documents of all or any part of RISE'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 RISE, the Facilities Manager or such party), to the extent Provident-Flagship's consent is required therefor.

(v) Notwithstanding any provision of this Ground Lease to the contrary, nothing in this Ground Lease (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 Flagship under the Development Agreement or of Provident Flagship (if any) or RISE under the Development Agreement or other Contract Documents.

(vi) The Ground Sublease shall provide that Provident-Flagship shall agree to provide or cause other Persons to provide to Greenhouse LLC, and Greenhouse LLC shall in turn provide to LSU, copies of each notice, correspondence, report or other information received or given by Provident-Flagship, or RISE under each of the Contract Documents, Bond Documents or Governmental Regulations (A) within three (3) Business Days after each receipt of same and (B) simultaneously with each giving of same.

(vii) The Ground Sublease shall provide that (A) if, before Final Completion of the Greenhouse District Project, the Development Agreement is terminated or RISE 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-Flagship shall agree not to enter into any replacement development agreement and/or retain any replacement developer without the prior written consent of Greenhouse LLC, which shall obtain the prior written consent of LSU, in each instance; (B) if, before the Final Completion of the Greenhouse District Project, any other Contract Document to which Provident-Flagship or RISE 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-Flagship 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 Greenhouse LLC, which shall obtain the prior written consent of LSU, in each instance, such consent to be given in Greenhouse LLC's and LSU's sole and unfettered discretion (except to the extent, if any, required otherwise in the Development Agreement).

(viii) In addition to the foregoing and without limitation to any of Greenhouse LLC's obligations in this Section 6.1(b) or elsewhere in this Ground Lease, Greenhouse LLC hereby agrees that, to the extent the Development Agreement and/or other Contract Documents are enforceable directly by Greenhouse LLC, 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-Flagship under the Development Agreement, Greenhouse LLC will provide in the Ground Sublease that Provident-Flagship shall irrevocably consent to Greenhouse LLC'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 Greenhouse District Project shall be subject to the approval of Greenhouse LLC, which shall obtain the prior written approval of LSU.

(c) **Default in Construction.** The Ground Sublease shall provide that (i) if there shall be a default by RISE, the General Contractor or the Architect in connection with the performance of the Greenhouse District Project (after expiration of any applicable notice and cure periods contained therein), Provident-Flagship shall exercise or cause to be exercised all of the rights and remedies available (A) to Provident-Flagship under the Development Agreement, subject to the terms and conditions thereof, or (B) to Provident-Flagship (if any) under the relevant Contract Documents; (ii) without limiting any other rights of Greenhouse LLC under this Ground Lease, if an Event of Default shall occur and be continuing, or if Provident-Flagship shall be in default under the Development Agreement beyond any applicable grace or cure period, or if (for more than thirty (30) days after notice to Provident-Flagship) Provident-Flagship shall fail to exercise its rights and remedies under the Development Agreement in the event of a default by RISE thereunder, subject to the terms and conditions thereof, Greenhouse LLC may, but shall not be obligated to, subject to the rights of the Trustee, exercise its rights under, or assert the rights of Provident-Flagship pursuant to, the Subordinated Assignment of Contract Documents and the Development Agreement; and (iii) all such rights and remedies of Greenhouse LLC are in addition to and shall not be deemed to limit or restrict any rights or remedies of Greenhouse LLC under the Development Agreement.

(d) **Commencement of Construction.** The Ground Sublease shall provide that Provident-Flagship shall commence and pursue to Final Completion the Greenhouse District Project on the Land and the Greenhouse District Project Site and associated site development within the boundaries of the Land and the Greenhouse District Project Site in accordance with the Contract Documents and in accordance with the Project Schedule (subject to adjustment if and to the extent provided in the Development Agreement). LSU hereby acknowledges receipt of a copy of the Construction Contract, including the Project Schedule, from Greenhouse LLC.

(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 Land and the Greenhouse District Project Site or the Greenhouse District Project, Provident-Flagship shall deliver or cause to be delivered one (1) set of Construction Documents to Greenhouse LLC 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 Greenhouse LLC 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 the University's activities therein, (iii) Greenhouse LLC and LSU shall have such period of time as is allowed under the Development Agreement to approve or reject such submissions, with any rejection being accompanied with a description of measures to be taken by Provident-Flagship 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 Greenhouse LLC and LSU, (v) approval of submissions by Greenhouse LLC shall not relieve Provident-Flagship from the obligation to obtain all other necessary approvals and permits required by various Governmental Authorities or from complying in all material respects with the Contract Documents and all applicable Governmental Regulations, and (vi) notwithstanding the foregoing, Provident-Flagship may request of Greenhouse LLC and, in turn, LSU, in writing, that Provident-Flagship be permitted to commence excavation, demolition, Construction, paving, or any other work associated with the Land and the Greenhouse District Project Site prior to delivery of complete Construction Documents and LSU's and Greenhouse LLC's approval thereof in accordance the Ground Sublease. LSU agrees it will not unreasonably withhold or delay such consent set for in item (vi) above, provided that, such request for consent must include reasonable detail as to the work to be done as well as an explanation of the need to begin such work prior to approval of complete Construction Documents in accordance with the Development Agreement. LSU agrees not to unreasonably withhold the approval required by this Section 6.1(e).

(f) **Change Orders.** Greenhouse LLC shall provide in the Ground Sublease that Provident-Flagship 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.

(g) **Construction According to Approved Construction Documents.** The Ground Sublease shall provide that (i) all building materials for the Greenhouse District Project must be new and of good quality in accordance with the Construction Documents; (ii) that Greenhouse LLC and the LSU Representative reserve the right to monitor (through their respective employees, construction consultant or the University Construction Monitor) Provident-Flagship's performance of the Greenhouse District Project from its inception to Final Completion thereof, including participation in all meetings contemplated by the Development Agreement and/or the Construction Contract; (ii) at a minimum, the following restrictions shall be placed upon Construction activities, and Greenhouse LLC shall cause Provident-Flagship to provide for the incorporation of all the following restrictions to be contained in the Development Agreement:

(A) access to the Land, the Greenhouse District Project Site and such other areas of Campus as shall be necessary for the performance of the Greenhouse District Project will be limited to those involved with the performance of the Greenhouse District Project and the employees or agents of Greenhouse LLC, Provident-Flagship and LSU employees or the University Construction Monitor monitoring same;

(B) Provident-Flagship must notify Greenhouse LLC and the LSU Representative in writing at least seventy-two (72) hours in advance of coordination meetings requiring the participation of Greenhouse LLC Representative and the LSU Representative;

(C) signage shall be in conformity with LSU's rules and regulations and the Development Agreement; and

(D) Construction activities will comply with all applicable Governmental Regulations.

LSU hereby agrees to not interfere with the orderly progression of the Greenhouse District 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-Flagship or RISE and shall provide reasonable notice of all site visits as required in the Development Agreement.

(h) **All Liens and Rights are Subordinate to LSU and Greenhouse LLC.** Greenhouse LLC 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 Greenhouse LLC's title, interest, and estate in the Land, (ii) other than Permitted Encumbrances, Provident-Flagship 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 Greenhouse District Project that might or does constitute a Lien, encumbrance or charge upon the Property, the Greenhouse District Project Site or the Greenhouse District Project, 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 Greenhouse LLC in the Land or any part thereof, or the proceeds therefrom, (iii) Provident-Flagship shall cause any Lien or to be discharged (including by bond) or insured over (to LSU's and Greenhouse LLC'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-Flagship shall be entitled to contest any such Lien or encumbrance, in good faith and by appropriate proceedings, as long as Provident-Flagship bonds or insures over in favor of LSU, Greenhouse LLC, the Authority and the Trustee such Lien in an amount not less than 125% of the amount of the Lien or encumbrance, and the execution of any such Lien is stayed such that the Property or the Greenhouse District Project Site 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, the Greenhouse District Project Site or the Greenhouse District Project, 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, the Greenhouse District Project Site or the Greenhouse District Project or any part thereof.

(i) **Payment of Bills for Construction.** The Ground Sublease shall provide that (i) Provident-Flagship shall covenant and agree to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Contract Documents and the Bond Documents, but solely from the proceeds of the Bonds, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, Contractors, and Subcontractors and all other costs and expenses incident to the performance of the Greenhouse District Project; provided, however, that Provident-Flagship 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-Flagship's or RISE's ability to perform the Greenhouse District 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-Flagship, all such items listed above shall be paid by Provident-Flagship 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 Greenhouse LLC.** The Ground Sublease shall provide that (i) Greenhouse LLC acknowledges that Provident-Flagship will assign (or cause the assignment of) all of Provident-Flagship'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 Greenhouse LLC pursuant to the Subordinated Collateral Assignment of Contract Documents; (ii) Provident-Flagship shall covenant and agree that, in the event Provident-Flagship shall abandon or fail to commence, continue or complete the performance of the Greenhouse District Project in accordance with the requirements of the Ground Sublease, Greenhouse LLC may, after providing written notice of such failure to Provident-Flagship and Provident-Flagship 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 Greenhouse LLC may have under the Ground Sublease) exercise its rights under the Subordinated Assignment of Contract Documents to exercise Provident-Flagship's rights and remedies under the Contract Documents against RISE, including the right to complete (or to cause to be completed) the performance of the Greenhouse District Project; (iii) if Greenhouse LLC shall not elect to exercise the option set forth above, the Trustee may elect to complete performance of the Greenhouse District Project pursuant to the terms of the Collateral Assignment of Contract Documents; and (iv) Greenhouse LLC and Provident-Flagship shall acknowledge that the Authority has no obligation, right or option to complete the performance of the Greenhouse District Project or to assume any obligations under the Contract Documents.

(k) **Title to the Student Housing Facilities.** The Ground Sublease shall provide that title to the Student Housing Facilities and all other improvements hereafter Constructed on the Land in accordance with the Construction Documents and the Contract Documents shall be vested in Provident-Flagship until the expiration date of the Ground Sublease, at which time (except as a result of the payment in full of the Bonds) all title to and ownership of the Student Housing Facilities shall automatically and

immediately vest (without the necessity of any further action being taken by Provident-Flagship or Greenhouse LLC or any instrument being executed and delivered by Provident-Flagship to Greenhouse LLC) in Greenhouse LLC, and Provident-Flagship shall assign its right, title and interest in and to the Facilities Lease to Greenhouse LLC, unless Greenhouse LLC shall notify Provident-Flagship in writing prior to the date of termination of the Ground Sublease, to transfer title and ownership to LSU, at LSU's direction, as set forth in the following paragraph.

The Ground Sublease shall provide that (i) Provident-Flagship shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by Greenhouse LLC (A) to acknowledge the date of termination of the Ground Sublease, all in recordable form, or (B) to convey title to Greenhouse LLC or LSU, as applicable, by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses, but only to the extent owned by Provident-Flagship, to the Student Housing Facilities and all other improvements to or upon the Land or related to the Student Housing 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-Flagship, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees including LSU; and (ii) if the Student Housing Facilities are not free from all Liens or encumbrances other than Permitted Encumbrances and any liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees including LSU on the expiration date of the Ground Sublease, Greenhouse LLC may (A) direct Provident-Flagship 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-Flagship for the costs of same, along with interest at the Default Rate and reasonable attorney's fees; or (C) require Provident-Flagship to remove such Liens or encumbrances before such title shall transfer to Greenhouse LLC or LSU, as applicable.

The Ground Sublease shall further provide that (i) in the event the Bonds are paid in full and all obligations under the Bond Documents and the Facilities Lease have been discharged, Provident-Flagship shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by LSU (A) to acknowledge the date of termination of the Ground Sublease, all in recordable form, or (B) to convey to LSU title (by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses) to the Student Housing Facilities and all other improvements to or upon the Land or related to the Student Housing 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-Flagship, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees, including LSU; and (ii) if the Student Housing Facilities owned by Provident-Flagship are not free from all Liens or encumbrances other than Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees including LSU on the date of termination of the Ground Sublease, LSU shall (A) direct Greenhouse LLC to cause Provident-Flagship to

correct or discharge such Liens or encumbrances within a reasonable time period; (B) elect to discharge such Liens or encumbrances and Greenhouse LLC shall seek reimbursement from Provident-Flagship for the costs of same, along with interest at the Default Rate and reasonable attorney's fees; or (C) direct Greenhouse LLC to cause Provident-Flagship 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-Flagship shall comply and cause RISE and its Contractors and Subcontractors to comply in all material respects with all building, life safety and other codes, ordinances, rules, regulations, orders, directives, and all Governmental Regulations and LSU or University requirements which may now or hereafter, from time to time, be established and which are or shall be applicable to Provident-Flagship as they relate to the Greenhouse District Project and shall take, as otherwise provided herein, all action necessary to cause the Greenhouse District Project to comply in all material respects with all provisions of the Contract Documents, the Bond Documents and the Ground Sublease applicable to Provident-Flagship; and (ii) Provident-Flagship 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-Flagship shall confine its operations and cause RISE to confine RISE's operations to the Land and Greenhouse District Project Site and shall not store, or permit RISE to store, any material or equipment or conduct any construction work, preparation or staging on property of LSU, Greenhouse LLC or other Persons outside the boundaries of the Land and Greenhouse District Project Site, except as approved in writing and subject to such conditions as may be reasonably specified and approved in writing by Greenhouse LLC, which shall obtain the prior written approval of LSU, provided that Provident-Flagship shall be deemed to comply with the foregoing sentence as to materials stored offsite provided the offsite storage location is secure, bonded and insured and title to the stored materials has not passed to Provident-Flagship until installed on the Land and Greenhouse District Project Site, (ii) Provident-Flagship shall protect all work and shall at all times keep and cause RISE and all Contractors to keep the Land and Greenhouse District Project Site reasonably clean and free from waste materials and rubbish, (iii) to the extent reasonably possible, the Greenhouse District Project shall be performed so as to minimize disruption of the University operations, (iv) all construction activities shall be coordinated with the appropriate departments of the University (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-Flagship and/or RISE prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Land and Greenhouse District Project Site and Construction coordination issues, and (vi) the meeting shall be attended, at a minimum, by the LSU Representative, Greenhouse LLC Representative, the Provident-Flagship Representative, the RISE 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-Flagship shall provide or cause to be provided to Greenhouse LLC the Performance Bond and Payment Bond, which shall name the General Contractor as principal and shall include a multiple rider naming RISE, Provident-Flagship and the Trustee as obligees.

(o) **Reports and Information.** The Ground Sublease shall require the following: (i) that Provident-Flagship shall (A) provide Greenhouse LLC with copies of all documents and correspondence provided to or generated by or for Provident-Flagship, 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 RISE to provide) Greenhouse LLC with Monthly Progress Reports (as defined in the Development Agreement), in form and detail reasonably satisfactory to Greenhouse LLC, 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-Flagship shall provide reports as to compliance or noncompliance with the Project Schedule, which shall be updated at least monthly to assure Greenhouse LLC that performance of the Greenhouse District Project will be Finally Complete in sufficient time to allow for occupancy by the University of the Student Housing Facilities on or before the Final Completion Date, (iii) that Provident-Flagship shall deliver or cause to be delivered to Greenhouse LLC (and Greenhouse LLC shall provide same to LSU) copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for or delivered to Provident-Flagship pursuant to the Contract Documents with respect to the Land and the Greenhouse District Project Site within ten (10) days after receipt by Provident-Flagship, (iv) that Greenhouse LLC, in turn, shall provide the LSU Representative with copies of all documents received by Greenhouse LLC 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 Greenhouse District Project shall be available for review and inspection by Greenhouse LLC and LSU at RISE's construction office on or near the Campus.

(p) **Final Completion of Greenhouse District Project.** The Ground Sublease shall provide that, as soon as practicable after Substantial Completion of the Greenhouse District Project (but in all events no later than the deadline in the Development Agreement for Final Completion of the Greenhouse District Project, which is the Final Completion Date), Provident-Flagship shall furnish to Greenhouse LLC and the LSU Representative:

(i) two complete sets of final record Construction Documents of the completed improvements as required by the Development Agreement;

(ii) a current, accurate, properly labeled and certified (by the hereafter stated surveyor or engineer) "as-built" plat of survey prepared by a registered land surveyor or professional engineer depicting to scale the location of the completed improvements, as the same have been Constructed;

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the completed Student Housing Facilities; and

(iv) copies of all other documents required in the Development Agreement for Final Completion.

(q) **Provident-Flagship Access.** The Ground Sublease shall provide that, during performance of the Greenhouse District Project, Provident-Flagship shall have access to the Land and the Greenhouse District Project Site twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

(r) **Failure to Perform Greenhouse District Project.** The Ground Sublease shall provide that (i) Provident-Flagship shall cause the performance of the Greenhouse District 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 Ground Lease, (ii) that if the Greenhouse District Project has not achieved Final Completion on or before the Final Completion Date, then Provident-Flagship, at its cost and expense, shall use its commercially reasonable efforts to collect Liquidated Damages, as defined in the Development Agreement, and enforce the provisions of Section IV(C), (D) and (E) set forth in the Development Agreement, and (iii) so long as Provident-Flagship pay to Greenhouse LLC, which shall in turn pay to LSU, in full the Liquidated Damages it receives (and uses its commercially reasonable efforts to collect the same) and enforces the provisions of Section IV(C), (D) and (E) of the Development Agreement in accordance with the terms thereof, Greenhouse LLC shall not have the right to place Provident-Flagship in default of its obligations under the Ground Sublease for failure to achieve Final Completion of the Greenhouse District Project and Provident-Flagship shall not be liable for any damages incurred by Greenhouse LLC.

(s) **Assignment by Provident Flagship and RISE.** The Ground Sublease shall provide that, as security for Provident-Flagship's performance under the Ground Sublease as it relates to the performance of the Greenhouse District Project and maintenance and operation of the Property, Provident-Flagship, RISE and Facilities Manager shall execute and deliver the Subordinate Collateral Assignment of Contract Documents as provided in Section 15(a) of the Ground Sublease.

The Ground Sublease shall further provide that (i) Provident-Flagship and RISE 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 Greenhouse LLC may request to perfect the subordinate collateral assignment of the Contract Documents to Greenhouse LLC; (ii) to the extent RISE receives funds from Provident-Flagship or the Trustee to pay all costs of Construction Documents, the Ground Sublease shall require RISE to indemnify, defend and hold harmless Greenhouse LLC and LSU from and against any and all costs, claims or liabilities, including mechanic's and materialmen's liens, caused by the failure of RISE to fully pay for all

Contract Documents and any adverse claim to or Lien upon the Contract Documents and (iii) Provident-Flagship's obligations set forth in Section 11(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-Flagship shall require and cause RISE to require (i) any architects, engineers, Contractors, Subcontractors, specialists, and consultants engaged by RISE or the General Contractor in connection with the performance of the Greenhouse District Project to perform their respective obligations under the terms of the Construction Documents and to be licensed in accordance with State law; (ii) any architects and engineers engaged by RISE 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 Ground Lease and the Development Agreement.

(u) **No Discriminatory Practices.** The Ground Sublease shall provide that:

(i) Provident-Flagship 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-Flagship shall additionally require and cause the General Contractor to agree: (A) not to discriminate in its employment practices; and (B) to render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities; and

(v) any act of discrimination committed by General Contractor or failure to comply with these statutory obligations, when applicable, shall be grounds for termination of the Ground Sublease. The Ground Sublease shall further provide, if the General Contractor does not comply with the provisions of Section 11(u) of the Ground Sublease, Provident-Flagship shall cause RISE to terminate the General Contractor.

(v) **Selection of Construction Professionals.** Subject to LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract and Change Orders as set forth herein, LSU agrees that RISE shall have the right to control the selection of construction professionals (all of whom shall comply with all applicable licensing requirements of Governmental Regulations) as provided in the Development Agreement, provided that the Ground Sublease shall provide that Provident-Flagship shall include the following provisions in Development Agreement with RISE and shall

exercise its rights under these provisions where necessary, only after consultation with, and obtaining approval from, Greenhouse LLC and LSU: (i) RISE 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 6 of the Development Agreement, unless Provident-Flagship reasonably objects in writing thereto, (ii) RISE shall furnish to Provident-Flagship and the LSU Representative a list of Consultants and Subcontractors to be utilized in connection with the Greenhouse District Project and RISE shall be required to replace any Consultant or Subcontractor to which the LSU Representative may at any time reasonably object, (iii) RISE shall supply qualified staff and employ qualified and appropriately licensed Consultants to perform RISE's responsibilities and obligations under the Development Agreement in a prompt and timely manner, and (iv) Provident-Flagship may require removal of any individual whose conduct is reasonably deemed inappropriate or inconsistent with University policies or applicable law and regulations. The Ground Sublease shall further provide that (i) Construction, alteration, renovation or additions to the Property and the Greenhouse District Project Site undertaken or caused to be undertaken by Provident-Flagship shall be in conformance with all Governmental Regulations; (ii) the Plans and Specifications shall comply with all applicable University design standards; and (iii) written approval by the LSU Representative of the Plans and Specifications shall be conclusive evidence that the applicable University 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 Greenhouse District Project, all moneys received by Provident-Flagship pursuant to the Development Agreement, including, without limitation, any unused or unapplied funds held outside the Indenture, including without limitation, in the Greenhouse District Project Contingency and any Cost Savings (as such terms are defined in the Development Agreement), shall be used in accordance with the provisions of the Indenture.

(x) **Other Contractors.** The Ground Sublease shall provide that (i) as more particularly set forth in Section XXI of the Development Agreement, Provident-Flagship, Greenhouse LLC or LSU may further develop or improve portions of the Campus not included in the Land or the Greenhouse District Project Site using Other Contractors and (ii) except for assisting RISE in coordinating with Other Contractors, Provident-Flagship shall not be responsible for delays or damages caused by such Other Contractors and LSU shall have no claims against Greenhouse LLC, Provident-Flagship or RISE and agrees to hold Greenhouse LLC, Provident-Flagship and RISE harmless from the same.

(y) **Draw Request Approvals.** The Ground Sublease shall provide that (i) as more particularly set forth in Section IX(A)(2) of the Development Agreement, Provident-Flagship shall cause RISE to submit each Draw Request to Provident-Flagship, Greenhouse LLC and LSU within sufficient time to permit Provident-Flagship, Greenhouse LLC and LSU to approve or disapprove each Draw Request within ten (10) Business Days after receipt thereof by Provident-Flagship, Greenhouse LLC and LSU and, if such Draw Request is not approved or disapproved by any such party within ten business days after receipt by Provident-Flagship, Greenhouse LLC and LSU, such Draw Request shall be deemed to be approved by such party, and (ii) promptly upon receipt of

approval of Provident-Flagship, Greenhouse LLC and LSU of any Draw Request, but in no event more than twenty-one (21) days after receipt by each of Provident-Flagship, Greenhouse LLC and LSU of such Draw Request, Provident-Flagship shall submit such Draw Request to the Trustee, together with a request for payment thereof to the extent of the approval of such Draw Request in accordance with the provisions of the Indenture.

(z) **Assignment of Instruments of Service.** The Ground Sublease shall provide that (i) upon payment by Provident-Flagship of RISE's first Draw Request, RISE shall require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns an irrevocable license permitting Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all construction plans, specifications and other design documents and Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, 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 Greenhouse District Project; (ii) upon payment by Provident-Flagship of RISE's first Draw Request, Provident-Flagship shall cause RISE to require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns ("Licensee") an irrevocable license permitting Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, 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 Greenhouse District Project; (iii) RISE shall cause Niles Bolton Associates, Inc. ("NBA") to acknowledge and agree that such license shall be construed to permit Provident-Flagship and its affiliates and assigns to utilize such Instruments of Service to design other improvements on the various campuses of LSU with identical or substantially similar elevations in an effort to cause such improvements to be consistent with and complimentary to the improvements designed hereunder; (iv) NBA's license of the Instruments of Service shall be non-exclusive, but Provident-Flagship shall cause RISE to include in its contract with NBA a prohibition against NBA reusing the elevations and aesthetic components of the design referenced in their Instruments of Service on other projects within the State of Louisiana without LSU's and Greenhouse LLC's prior written consent; and (v) Provident-Flagship shall cause RISE to further require the Design Professionals to covenant with Licensee that the Design Professionals shall not utilize their Instruments of Service to create student housing and retail facilities having similar exterior design elevations within the State of Louisiana without Licensee's prior written consent, which consent shall not be unreasonably withheld.

(aa) **Cost Savings to be Shared.** The Guaranteed Maximum Price is set forth in the Development Agreement. Notwithstanding same, the Ground Sublease shall provide that Provident-Flagship 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; and the Parties agree that any development savings realized from value engineering shall be deposited into the Owner's Contingency in accordance with Section IX(B)(4)(a) of the Development Agreement and shall not be part of any Cost Savings to be shared by the Parties.

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**ARTICLE VI****ENCUMBRANCES**

**Section 7.1 ENCUMBRANCE OF LAND.** Greenhouse LLC shall not, without the prior written consent of the LSU Representative, which consent shall not be unreasonably withheld, delayed or conditioned, mortgage, lien or otherwise encumber, or allow any mortgage, Lien or encumbrance, on the Land, or on Greenhouse LLC's interest in the Land, or on Greenhouse LLC's rights acquired pursuant to the Ground Sublease other than Permitted Encumbrances.

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**ARTICLE VIII  
UTILITIES AND MAINTENANCE AND REPAIR**

**Section 8.1. UTILITIES; SEWER.**

(a) The Ground Sublease shall provide that Provident-Flagship is to provide for the provision of all utilities to the Land and the Greenhouse District Project Site in a timely manner as provided for in the Development Agreement for the performance of the Greenhouse District Project and as needed for utilities to be available at the Property permanently after Final Completion of the Greenhouse District Project. The Ground Sublease shall further provide that Provident-Flagship shall make or cause to be made application for, obtain and pay for, and be solely responsible for, all utilities required at the Property, 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 necessary for the operation of the Property (hereinafter sometimes collectively referred to as "Utility Services"). Provident-Flagship shall pay for, and be solely responsible for, all Utility Services used or consumed at the Property. The Ground Sublease shall provide that (i) notwithstanding the foregoing, LSU, in its sole and unfettered discretion, may provide or cause to be provided some or all of the Utilities Services used or consumed at the Property during the term of the Facilities Lease, all as more particularly set forth and defined in the FOMA, the Facilities Lease or any exhibit or attachment to the Facilities Lease, (ii) in accordance with the Contract Documents, Provident-Flagship 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 Greenhouse District Project, the Greenhouse District Project Site, as applicable; (iii) after the infrastructure associated with Utility Services is completed or caused to be completed by Provident-Flagship, the costs of Utility Services shall be paid as Operating Expenses; (iv) in the event that any charge for any Utility Service supplied to the Property or, prior to Final Completion of the Greenhouse District Project, the Greenhouse District Project Site, as applicable, is not paid by Provident-Flagship to the utility supplier when due (subject to Section 8.1(b)), then Greenhouse LLC may (but shall not be obligated to) provide Provident-Flagship written notice of such failure and, if Provident-Flagship fails to pay the same within thirty (30) days after receipt of such notice, Greenhouse LLC may pay such charge for and on behalf of Provident-Flagship, in which event Provident-Flagship shall pay such amount, together with interest thereon at the Default Rate, to Greenhouse LLC as Additional Rent (as defined in the Ground Sublease) within thirty (30) days after demand by Greenhouse LLC, 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-Flagship shall also install or, under the Development Agreement, cause RISE to install, all connections and wiring for fully servicing the Land, the Property, and, prior to Final Completion of the Greenhouse District Project, the Greenhouse District Project Site, as applicable, in accordance with the Construction Documents as part of Substantial Completion.

(b) The Ground Sublease shall provide that, if the amount billed for any Utility Service shall be deemed by Provident-Flagship or Greenhouse LLC to be improper, illegal or excessive, Provident-Flagship 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-Flagship shall in writing first notify Greenhouse LLC 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 Land or the Property in danger of being seized or forfeited, (ii) the Utility Service shall not be terminated or suspended, and (iii) Provident-Flagship 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-Flagship 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 Land or 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 Greenhouse LLC) in accordance with Governmental Regulations and (if applicable) such contract.

(c) The Ground Sublease shall provide that (i) as part of the Greenhouse District Project, Provident-Flagship shall construct or install, or cause the construction or installation of, at Provident-Flagship's cost and expense, all sewer facilities within and outside the Land and the Greenhouse District Project Site (and within and outside the Campus) that are required or contemplated by the City of Baton Rouge/Parish of East Baton Rouge in its approval of the sewer facilities for the Student Housing Facilities, including all new and replacement sewer lines, expansions and connections within and outside the Land and/or the Campus; (ii) Provident-Flagship shall dedicate and cause RISE and all other parties to (x) dedicate (and Greenhouse LLC and LSU shall cooperate in the dedication of) ownership of such sewer facilities to Greenhouse LLC and/or LSU, respectively, to the extent such sewer facilities are located on the Campus or (y) to the City of Baton Rouge/Parish of East Baton Rouge to the extent such sewer facilities are outside the Campus, provided however, that Provident-Flagship shall confirm, and shall cause RISE to confirm, that all warranties to Greenhouse LLC's benefit related to performance of the Greenhouse District Project also apply to such sewer facilities (including the portions of such sewer facilities outside the Land 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 Greenhouse LLC's obligations under this Ground Lease or Provident-Flagship's obligations under the Ground Sublease, each of Greenhouse LLC and LSU shall reserve the right, easement and privilege (but has no obligation) to enter (and to have its agents and employees enter) on the Land or the Greenhouse District Project Site 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 Greenhouse LLC and LSU to service the Land or any other real property owned by Greenhouse LLC and affiliates or LSU or located on the Campus, provided LSU coordinates such work with RISE so as not to interfere with or delay the performance of the Greenhouse District 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 Facilities Manager and RISE pursuant to and accordance with the FOMA and Development Agreement, Greenhouse LLC's obligations in connection with any Utilities Services shall be deemed satisfied in accordance with the terms of this Ground Lease.

## **Section 8.2. MAINTENANCE AND REPAIRS.**

(a) The Ground Sublease shall provide that Provident-Flagship shall, at all times during the term of the Ground Sublease, keep and maintain, or cause to be kept and maintained, the Property in good and clean condition and repair and in working order in accordance with the FOMA (unless otherwise provided by Greenhouse LLC or LSU under the Facilities Lease), in order to maintain the Property in condition and order at least equal to the condition and order maintained by the University for its own facilities. Pursuant to the Ground Sublease, Greenhouse LLC shall have the right to review and approve any material changes to the exterior landscaping and façade and interior of the Property and shall obtain the prior written consent of the LSU Representative thereto. The Ground Sublease shall provide that (i) Greenhouse LLC shall have the right to review and approve, after obtaining approval from LSU, any material changes to the exterior landscaping and façade and integrity of the Property and (ii) in the event Provident-Flagship fails to perform any of its obligations as required under the Ground Sublease within thirty (30) days after receipt of written notice to Provident-Flagship from Greenhouse LLC of such failure to comply (or without notice if such failure jeopardizes the health, safety or welfare of Residents or other Persons), Greenhouse LLC may (but shall not be required to) perform and satisfy same, and Provident-Flagship shall agree in the Ground Sublease to reimburse Greenhouse LLC, as an Operating Expense, for the reasonable cost thereof, within ten (10) days of receiving an invoice therefor, together with interest at the Default Rate, which amounts shall constitute Additional Rent (as defined in the Ground Sublease), (iii) if Provident-Flagship fails to so reimburse Greenhouse LLC, then such amounts, together with interest at the Default Rate, shall be due and owing to Greenhouse LLC by Provident-Flagship as Additional Rent (as defined in the Ground Sublease) until paid, and (iv) that the parties shall agree that it shall be Provident-Flagship's responsibility at all times during the term of the Ground Sublease to maintain or cause to be maintained the Property pursuant to the FOMA consistent with the maintenance standards for the other premises located on the Campus. LSU acknowledges and agrees that if all obligations as to the operation and maintenance of the Property are fully performed by the Facilities Manager, pursuant to and accordance with the FOMA, Provident-Flagship's obligation to maintain the Property shall be deemed satisfied in accordance to the terms of the Ground Sublease.

(b) The Ground Sublease shall provide the following: (i) Provident-Flagship shall not commit or permit waste of the Property, (ii) except in the event of a casualty, condemnation or partial condemnation, Provident-Flagship shall not raze or demolish any improvements on the Property and (iii) Provident-Flagship shall keep and maintain the Property in accordance with the terms of the FOMA.

(c) The Ground Sublease shall provide that (i) in order to provide assurance for the costs of maintenance of the Property, in addition to the MRA, Provident-Flagship shall fund the RRA to be placed in an escrow account at an amount and in accordance with Section 8(k) of the Facilities Lease and any Approved Operating Plan and Budget; (ii) the RRA will be used as more particularly set forth in Section 8(k) of the Facilities Lease and any Approved Operating Plan and Budget and (iii) upon expiration or termination of the Ground Sublease, all funds in the RRA shall be the property of Greenhouse LLC. Provident-Flagship shall, at the time of establishing the RRA, sign, execute and provide to the bank holding the RRA a deposit account control agreement providing for an assignment of the RRA to Greenhouse LLC in the event of a termination of the Ground Sublease prior to the payment in full of the Bonds provided that, if the Bonds are fully paid or defeased and all obligations under the Bond Documents and Facilities Lease have been fully discharged, the RRA shall be assigned to LSU.

(d) The Ground Sublease shall provide that (i) in order to fund the cost of replacing any worn out, obsolete, inadequate, unusable or undesirable property, furniture, fixtures, or equipment placed upon and used in connection with the Property, Provident-Flagship shall fund the MRA to be placed in an escrow account in an amount and in accordance with Section 8(j) of the Facilities Lease; (ii) and upon expiration or termination of the Ground Sublease, all funds in the MRA shall be the property of Greenhouse LLC and (iii) Provident-Flagship shall, at the time of establishing the MRA, sign, execute and provide to the bank holding the MRA a deposit account control agreement providing for an assignment of the MRA to Greenhouse LLC in the event of a termination of the Ground Sublease prior to the payment in full of the Bonds, provided that, if the Bonds are fully paid or defeased and all obligations under the Bond Documents and Facilities Lease have been fully discharged, the MRA shall be assigned to LSU.

### **Section 8.3. DAMAGE TO PROPERTY.**

(a) The Ground Sublease shall provide that, after Final Completion of the Greenhouse District Project: (i) in the event all or substantially all of the Property or any component thereof shall be damaged or destroyed, Provident-Flagship shall promptly notify the Trustee and Greenhouse LLC, 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 Greenhouse LLC, (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, including but not limited to the MRA and RRA, being held pursuant to the Development Agreement and the FOMA, if any, shall be distributed to Greenhouse LLC or, if the Bonds have been fully

paid and all obligations under the Bond Documents and the Facilities Lease have been discharged, to LSU, subject to Section 3 of the Ground Sublease, upon which, (ii) the Ground Sublease shall terminate and Provident-Flagship shall be released from all of its obligations under the Facilities Lease, Bond Documents and Contract Documents, except for any such obligations of Provident-Flagship which shall survive the Facilities Lease, Bond Documents and Contract Documents; and (iii) this Ground Lease shall terminate.

(b) The Ground Sublease shall provide that, after Final Completion of the Greenhouse District Project, 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 Greenhouse LLC, which shall obtain the prior written consent of LSU, pursuant to Section 8.3(d), and Provident-Flagship 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 Greenhouse LLC 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-Flagship 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, Greenhouse LLC, after obtaining the prior written approvals of LSU, which approvals are in LSU's sole and unfettered discretion, to contribute the additional funds necessary to complete the Restoration or its remedy shall be to terminate this Ground Lease.

(c) The Ground Sublease shall provide that (i) any and all Restoration by Provident-Flagship under the Ground Sublease shall be performed in accordance with all Governmental Regulations, and (ii) if not theretofore delivered to Greenhouse LLC and LSU, Provident-Flagship shall deliver to Greenhouse LLC and LSU, within one hundred twenty (120) days of the completion of such Restoration, a complete set of "as built" record exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

(d) The Ground Sublease shall provide that all Net Insurance Proceeds shall be paid to the Trustee and deposited and held in accordance with the terms of the Indenture to hold the proceeds of insurance or condemnation Awards (including the Replacement Fund if so used) (the "Restoration Fund") to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by Greenhouse LLC, which shall obtain the prior written approval of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 8.3(g), such Net Insurance Proceeds shall be applied to the Restoration; or

(ii) such Net Insurance Proceeds shall be transferred to the Principal Account 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 Greenhouse LLC 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 Principal Account 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 Ground Lease 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 Greenhouse LLC; provided that, in the event the Bonds have been fully paid and all obligations of the Bond Documents have been discharged or in the event of termination of this Ground Lease, any such unapplied balance thereof shall inure to the benefit of LSU.

(g) The Ground Sublease shall provide that, before the Trustee may apply any Net Insurance Proceeds pursuant to Section 8.3(d)(i), Provident-Flagship shall have furnished to Greenhouse LLC and the Trustee (i) 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-Flagship, Greenhouse LLC or 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), Greenhouse LLC shall have sixty (60) days after such advice, at Greenhouse LLC's option, after obtaining prior written approvals from LSU, to commit to contributing such additional funds to the costs of Restoration as

shall be necessary for the Independent Engineer to give such certificate, in which case the Net Insurance Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 8.3(d)(i).

(h) The Ground Sublease shall provide that Provident-Flagship shall cause any balance of such Net Insurance Proceeds remaining after application pursuant to this Section 8.3 to be transferred to the Principal Account 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 Ground Lease 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. Greenhouse LLC shall agree or cause Provident-Flagship 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-Flagship's obligations under the Ground Sublease, Greenhouse LLC's obligations under this Ground Lease and LSU's obligations under the Facilities Lease, 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.

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**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 Greenhouse District Project or the Greenhouse District Project Site, Greenhouse LLC shall cause the same to be bonded over or released of record within thirty (30) days of filing, or, in the alternative, if Provident-Flagship in good faith desires to contest the same, Greenhouse LLC shall agree to allowing Provident-Flagship to do so, but in such case Provident-Flagship must agree to indemnify and save Greenhouse LLC and LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment. If LSU, in its sole and unfettered judgment, should consider LSU's Interest endangered by any such liens and shall so notify Greenhouse LLC, and Greenhouse LLC shall fail to cause Provident-Flagship 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 Greenhouse LLC shall recover from Provident-Flagship immediately as Additional Rent (as defined in the Ground Sublease) the amounts paid by LSU. If such amounts remain unpaid by Greenhouse LLC within thirty (30) days of written demand by LSU to Greenhouse LLC, and Greenhouse LLC shall fail or fail to cause Provident-Flagship to make such payment for said amount, interest shall be due and owing thereon from the date paid by LSU until repaid by Greenhouse LLC or if Greenhouse LLC shall cause repayment by Provident-Flagship at the rate set forth in the Ground Sublease.

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**ARTICLE X**  
**OPERATION AND MANAGEMENT OF PROPERTY**

**Section 10.1. OPERATIONS OF PROPERTY; PROVIDENT-FLAGSHIP'S OBLIGATION TO OPERATE.**

(a) The Ground Sublease shall provide that (i) upon Final Completion of the Greenhouse District Project, except for any operations LSU undertakes as to the Property or in accordance with the FOMA, the Ground Sublease shall provide that Provident-Flagship 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 Property in accordance with the Permitted Use, including, but not limited to, administrative support, all as more particularly set forth in the FOMA; and (ii) Provident-Flagship shall continuously operate and maintain, or cause to be operated and maintained, the Property 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 FOMA. LSU hereby acknowledges that full performance by the Facilities Manager of all its obligations and duties under the FOMA shall be deemed the satisfaction of all of Provident-Flagship's obligations to operate and maintain the Property.

(b) The Project Committee shall be created by Provident-Flagship pursuant to the Ground Sublease to advise Provident-Flagship and Facilities Manager with respect to the management, maintenance and operations of the Property. The Project Committee shall render non-binding advice to Provident-Flagship and the Facilities Manager so that Provident-Flagship and Facilities Manager may fulfill their obligations under the Ground Sublease, the Facilities Lease and the FOMA, as applicable. Without limiting the generality of the foregoing, the Project Committee shall render advice to Provident-Flagship and the Facilities Manager with respect to matters pertaining to the Ground Sublease, the Facilities Lease and the FOMA and with respect to (i) the Approved Operating Plan and Budget as same are created for each Fiscal Year in accordance with the FOMA; (ii) the expenditure of the Maintenance Reserve Account, the Replacement and Repair Account and any other required reserve; (iii) the FOMA and Facilities Manager; and (iv) any other matters agreed upon by Greenhouse LLC, LSU and Provident-Flagship.

The Project Committee shall be composed of seven (7) members, as follows: three (3) representatives designated by LSU; two (2) representatives designated by Greenhouse LLC; one (1) representative designated by Provident-Flagship and one (1) representative designated by Facilities Manager. One of Provident-Flagship's designees shall serve as the chair of the Project Committee, shall preside over the meetings of the Project Committee and have such other duties and responsibilities as may be determined by the Project Committee. One of the designees of Greenhouse LLC shall serve as vice chair. All actions of the Project Committee shall be by majority of vote.

**Section 10.2. CRIMINAL HISTORY CHECKS.** The Ground Sublease shall require that any employees, personnel, architects, engineers, contractors, subcontractors, vendors,

specialists, agents and consultants engaged by Provident-Flagship in connection with its management, maintenance and operations of the Property 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 Property, 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 the University upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Provident-Flagship and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants.

**Section 10.3. BOOKS AND RECORDS.** The books, accounts and records of Greenhouse LLC which pertain to this Ground Lease, the Ground Sublease and the Greenhouse District Project shall be maintained at the principal office of Greenhouse LLC.

**Section 10.4. UNIVERSITY MARKS.** The Ground Sublease shall provide that Provident-Flagship shall not use or allow any of its affiliates, agents, vendors, contractors or employees use the name of the University or any of its symbols, logos, trademarks or other representations of those of its affiliated organizations ("University Marks") without the express written consent of the LSU Representative and the applicable affiliated organizations. The LSU Representative's consent may be granted or withheld in the University 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 Greenhouse LLC directly relating to the Property, the Greenhouse District Project or the Bonds, to the extent necessary to verify compliance with this Ground Lease, the Ground Sublease, or any other agreements it enters into pursuant to the authority of this Ground Lease. 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 Greenhouse LLC. LSU covenants with Greenhouse LLC to keep all work papers, including all books and records of Greenhouse LLC, 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. Greenhouse LLC shall cause the Ground Sublease to require Provident-Flagship to grant LSU similar audit rights with respect to its books, bank accounts, records and accounts directly relating to the Property, the Greenhouse District Project or the Bonds to the extent necessary to verify compliance with this Ground Lease, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Ground Lease or the Ground Sublease.

Greenhouse LLC shall cause the Ground Sublease to require Provident-Flagship, RISE and the Facilities Manager to grant LSU similar audit rights with respect to their respective

books, bank accounts, records and accounts directly relating to the Property, the Greenhouse District Project or the Bonds to the extent necessary to verify compliance with this Ground Lease, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Ground Lease or the Ground Sublease.

**Section 10.6. ANNUAL AUDITED FINANCIAL STATEMENTS.** The Ground Sublease shall require Provident-Flagship to agree that annually, but no later than one hundred twenty (120) days following the close of Provident-Flagship's fiscal year, Provident-Flagship shall provide to the LSU Representative a copy of Provident-Flagship's annual audited financial statement(s) prepared in accordance with generally accepted accounting principles consistently applied and audited by an independent certified public accountant and acceptable to LSU, which audit shall reflect all revenues credited to the immediately preceding year and all payments on any debt or obligations of Greenhouse LLC for the period.

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**ARTICLE XI  
INDEMNITY AND INSURANCE**

**Section 11.1 INDEMNITY.**

(a) **Indemnification by Greenhouse LLC.** Subject to the limitations provided in Sections 11.2(f)(vi) and 11.6 of this Ground Lease, Greenhouse LLC shall and will indemnify, defend, and save harmless LSU and its board members, authorized agents, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Greenhouse District Project, the Greenhouse District Project Site, the Property and any servitudes, rights of attachment and air rights by Greenhouse LLC, its officers, employees, agents, contractors, guests, members, or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, Greenhouse LLC and LSU may use the same counsel if such counsel is approved by LSU, which approval shall not be unreasonably withheld, delayed or conditioned. It is expressly understood and agreed that Greenhouse LLC 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 Greenhouse LLC. Greenhouse LLC's obligation to indemnify LSU in accordance with the terms of this Section 11.1(a) shall be limited to the extent of its proportionate share of fault.

(b) **Indemnification by LSU.** Subject to the limitations provided in Sections 11.2(f)(vi) and 11.6 of this Ground Lease and to the extent allowed by law, LSU shall and will indemnify, defend, and save harmless Greenhouse LLC and its board members, authorized agents, officers and employees from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action of any and every kind and nature growing out of or in any way connected with the construction, use, occupancy, management, operation or control of the Greenhouse District Project, the Greenhouse District Project Site, the Property and any servitudes, rights of attachment and air rights by LSU, its officers, employees, agents, contractors, guests, members or patrons. This obligation to indemnify shall include fees of legal counsel and third-party investigation costs and all other reasonable costs, expenses, and liabilities incurred as a result thereof; however, Greenhouse LLC and LSU may use the same counsel if such counsel is approved by LSU, which approval shall not be unreasonably withheld, delayed or conditioned. It is expressly understood and agreed that Greenhouse LLC 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 Greenhouse LLC. LSU's obligation to indemnify Greenhouse LLC in accordance with the terms of this Section 11.1(b) shall be limited to the extent of its proportionate share of fault.

(c) **LSU Indemnity to Provident-Flagship and RISE.** LSU hereby agrees to defend, indemnify, and hold harmless Provident-Flagship, RISE and their respective

officers, employees, directors, agents and consultants as third-party beneficiaries of this Ground Lease (collectively, "P-F and RISE Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) arising out of, resulting from, or due to (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of LSU, its agents or employees, or others working at its direction or on its behalf [but in no instance including Provident-Flagship and RISE or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them] (the "LSU Group"), (ii) any violation of Governmental Regulations by the LSU Group, or (iii) any breach or misrepresentation by LSU under this Ground Lease, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, subject to the limitation that any indemnity obligation of LSU under this Section 11.1(c) shall be limited to the extent of its proportionate share of fault.

This indemnification will inure to the successors and assigns of P-F and RISE Indemnitees, and will also be binding upon the successors and assigns of LSU, and this indemnification will survive the expiration or termination of this Ground Lease and dissolution or, to the extent allowed by law, any Bankruptcy of LSU. This indemnification does not extend to claims to the extent arising out of the negligence of Provident-Flagship, RISE or their respective agents or employees, or others working at the direction of Provident-Flagship or RISE on the Greenhouse District Project, or claims exclusively between LSU and Provident-Flagship and RISE arising from the terms or regarding the interpretation of the Development Agreement.

## **Section 11.2. REQUIRED INSURANCE.**

(a) **Insurance required of Provident-Flagship, RISE Development and RISE Tigers, LLC.** Unless otherwise approved in writing by the LSU Representative, Greenhouse LLC shall, for the duration of the Ground Sublease, require Provident-Flagship to require RISE Development and RISE Tigers, LLC to maintain the insurance coverage required by the Development Agreement and the FOMA.

(b) **General.** It is the intent of the parties to this Ground Lease that risk of loss for the Greenhouse District Project and/or the Property be shifted to insurance to the maximum extent practicable.

(i) Each party to this Ground Lease shall be required to procure and maintain its own insurance coverage for the duration of the Ground Sublease in minimum limits as set forth below and with insurers financially acceptable and lawfully authorized to do business in Louisiana with a current A.M. Best rating of no less than A-VII.

(iii) Insurance required for the construction and operations phases of the Greenhouse District Project are as set forth in the Development Agreement, as Exhibits 10 and 11, and in the FOMA, respectively.

(iv) Each party to this Ground Lease shall have the right, but not the duty, to procure and maintain coverage required of the other in this Section 11.2 should it fail to procure and maintain such insurance. In such event, either party to this Ground Lease who procures such coverage under these conditions shall be entitled to recover the costs associated with the procuring and maintaining such the required insurance, including, but not limited to, a set-off against any sums otherwise due to the non-procuring party under this Ground Lease.

(c) **Minimum Scope of Insurance**. Each party to this Ground Lease shall maintain insurance coverage written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

(i) Workers' Compensation Insurance as is required by Louisiana law, or as may be available on a voluntary basis. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless the insured party can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. If either party to this Ground Lease exempts its officers and directors from such Workers' Compensation insurance, such officers and directors shall not be allowed in those Greenhouse District Project Site 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 Ground Lease.

(iv) Commercial General Liability Insurance on an occurrence coverage basis against claims for bodily injury, death and property damage (including loss of use), products completed operations, personal injury and advertising injury, at least as broad as the 1993-Insurance Services Office Commercial General Liability Policy form CG 0001©, as respects Blanket Contractual Liability, XCU, and Broad Form Property Damage or its equivalent. Unacceptable exclusions include exclusions for damage to work performed by contractors (e.g., CG 22 94 or CG 22 95); for equipment under their care, custody, and control; for contractual liability (e.g., CG 21 39); employee versus employee; explosion, collapse and underground; and for known loss. In addition to procuring and maintaining this insurance during the duration of the Ground Lease, each party to this Ground Lease agrees to continue to procure and maintain, or to cause its third party consultants, contractors, vendors, and their respective subcontractors to procure and maintain, products and completed operations liability insurance coverage through the applicable statute of repose period.

(v) Umbrella Liability Insurance, occurrence based follow form, providing additional limits in excess of the Commercial General Liability,

Automobile Liability and Employer's Liability policy limits. Endorsements shall include Pay on Behalf of Wording; Concurrency of Effective Dates with Primary; Aggregates; Follow Form Primary; and Drop Down Feature.

(d) **Minimum Limits of Insurance.** The limits below constitute minimum limits. Nothing in this Ground Lease shall be construed to limit a party to this Ground Lease from maintaining insurance with higher limits. If a party to this Ground Lease maintains insurance with higher limits, such limits carried shall constitute the minimum limits of liability insurance required for purposes of this Ground Lease.

<b><u>Type of Insurance</u></b>	<b><u>Minimum Limits Required (Per Claim/Occurrence)</u></b>	<b><u>Minimum Limits Required (Aggregate Policy Limits)</u></b>
1. Workers' Compensation	Statutory Limits	Statutory Limits
2. Employer Liability (bodily injury by accident)	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
3. Commercial Auto Liability (Symbol 1) (no deductible in excess of \$5,000)	Combined single limit/each accident	N/A
4. Commercial General Liability	\$1,000,000	\$2,000,000
a. Bodily Injury/Property Damage	\$1,000,000	\$2,000,000
b. Products/Completed Operation	\$1,000,000	\$2,000,000
c. Personal and Advertising Injury	\$1,000,000	\$2,000,000
d. Medical Expense limit (any one person)	\$10,000	
e. Loss of Use Insurance	\$1,000,000	\$2,000,000
5. Umbrella Liability Insurance (no deductible in excess of \$25,000)	\$10,000,000	\$10,000,000

(e) **Deductibles and Self-insured Retentions.** The funding of deductibles and self-insured retentions for insurance maintained pursuant to the requirements of this Ground Lease shall be the sole responsibility of the each party to this Ground Lease, 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, Greenhouse LLC, the Foundation, Provident-Flagship, the Trustee or their successors and assigns to make such payment shall be rejected. The party to this Ground Lease paying such deductible or self-insured retention shall be entitled to all rights and remedies under this Ground Lease 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-Flagship; LSU; Greenhouse LLC; the Foundation, the Trustee, Provident Resources Group

Inc., the State of Louisiana, the Authority and their respective officers and directors as additional insureds on the above-referenced Commercial General Liability and Automobile Liability policies. The additional insured endorsements shall be at least as broad as the Insurance Services Office, Inc.'s forms CG 20 10 and CG 20 37, 07/04 edition forms.

(ii) Loss Payee - All policies shall name the Trustee as a loss payee under the Standard 438BFU Lender's Loss Payable Endorsement for the Trustee to deposit such net proceeds in accordance with the Bond Documents for all property policies.

(iii) Severability of Interest - Except with respect to the limits of insurance, insurance required to be procured and maintained by each party to this Ground Lease pursuant to the requirements of this Ground Lease shall apply separately to each insured or additional insured.

(iv) Primary Coverage - The insurance required in this Ground Lease to be maintained by each party hereto shall be primary insurance, and any insurance or self-insurance maintained by the other party hereto, the Foundation or Provident-Flagship shall be excess of and non-contributory with the insurance obtained by each party hereto or its respective third party consultants, contractors, vendors, and their respective subcontractors. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its board members, officers, employees, agents, or other representatives.

(v) Notice of Cancellation - Each party to this Ground Lease shall provide thirty (30) days' written notice to the other party hereto, the Foundation, Provident-Flagship, and to the Trustee by certified mail, return receipt requested, prior to any suspension, cancellation or non-renewal of the required insurance. Notice of cancellation from the insurer shall be provided to all certificate holders in accordance with policy provisions; provided that each of LSU, Greenhouse LLC, the Foundation, Provident-Flagship and the Trustee shall be certificate holders.

(vi) Waiver of Subrogation - The parties to this Ground Lease agree to waive subrogation against each other, Provident-Flagship and the Trustee on behalf of itself and on behalf of anyone claiming under or through it by way of subrogation or otherwise, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:

(A) To real or personal property, such as vehicles, equipment, and tools owned, leased or used by each party to this Ground Lease by their employees, agents or third party consultants, contractors, vendors, and their respective subcontractors; and

(B) To the extent such loss, damage claims, suits, or demands are covered, or are typically covered, by the required or any other

insurance maintained by each party to this Ground Lease, Provident-Flagship, the Foundation or the Trustee. This waiver shall apply to all property, equipment, boilers, machinery and workers' compensation claims (unless prohibited under applicable statutes). This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance maintained by the insured party to this Ground Lease. Each party to this Ground Lease agrees to endorse the required insurance policies to permit waivers of subrogation in favor of each other, Provident-Flagship, the Foundation and the Trustee, as required hereunder. Each party further agrees to defend, indemnify and hold harmless Provident-Flagship, LSU, Greenhouse LLC, the Foundation and the Trustee for any loss or expense incurred as a result of such party's failure to obtain such waivers of subrogation from its insurer.

(vii) Each party to this Ground Lease agrees not to violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under this Ground Lease, including those provided by Provident-Flagship on behalf of each party to this Ground Lease.

(g) **Verification of Contractor-Provided Insurance.**

(i) Each Party to this Ground Lease shall furnish to LSU, Greenhouse LLC, Provident-Flagship, the Foundation and the Trustee a certificate of insurance on the most current version of the ACORD form evidencing the required coverage prior to the commencement of work or Facilities Manager Duties at or on the Greenhouse District Project or the Property, as applicable. When requested to do so, each Party to this Ground Lease shall provide renewal certificates to LSU, Greenhouse LLC, Provident-Flagship, the Foundation and the Trustee. Each Party to this Ground Lease shall promptly direct its broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by this Ground Lease.

(ii) Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. Each Party to this Ground Lease shall promptly deliver to the other party to this Ground Lease, Provident-Flagship, 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-Flagship, the Foundation or the Trustee to request certificates or identify deficiencies shall in no way limit or relieve the other of its obligations to maintain such insurance. Failure of a party to this Ground Lease 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 Ground Lease 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.** In specifying minimum insurance requirements, neither Greenhouse LLC nor LSU represents that such insurance is adequate to protect any Person against loss, damage or liability arising from the performance of the Greenhouse District Project or Facilities Manager Duties or otherwise. Provident-Flagship and each party to this Ground Lease are solely responsible to inform themselves of the types or amounts of insurance they may need beyond these requirements to protect themselves. The insurance requirements set forth in minimum amounts shall not be construed to relieve any party to this Ground Lease from liability in excess of such coverage, nor shall it preclude either LSU or Greenhouse LLC from taking such other actions as are available to it under any other provision of this Ground Lease. Compliance by a party to this Ground Sublease in providing the minimum insurance requirements contained in this Article shall not relieve it from liability under any indemnity or other provision set forth in the Contract Documents or limit its liability under the Contract Documents or Governmental Regulations.

**Section 11.3. NO RELEASE.** Neither the acceptance of the completed Student Housing Facilities nor the payment therefor shall release LSU or Greenhouse LLC or Provident-Flagship, RISE Development, RISE Tigers, or their third party-consultants, contractors, vendors, or their subcontractors or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein, including as required under the Development Agreement and the FOMA, as applicable.

**Section 11.4. CONSTRUCTION BONDS.** Any performance bond, labor, and material payment bond or completion bond provided by a contractor shall contain a dual obligee rider in favor of LSU, Greenhouse LLC, the Foundation, the Trustee and, as more specifically set forth in the Development Agreement and the FOMA, RISE and the Facilities Manager, subject, however, to the reasonable underwriting guidelines of the surety issuing the bond and rules of the governmental authorities regulating the surety.

**Section 11.5. CONTRIBUTORY ACTS.** Whenever in this Ground Lease any party is obligated to pay an amount or perform an act because of its negligence, willful misconduct or other legal fault (or that of its agents, employees, contractors, guests, or invitees), such obligations shall be mitigated to the extent of any comparative fault or other willful misconduct of the other party (or that of its agents, employees, contractors, guests, or invitees) as determined by a court of law, and in any disputes damages shall be apportioned based on the relative amounts of such negligence, willful misconduct or other legal fault as determined by a court of law.

**Section 11.6. LIMITATION ON LIABILITY.** The provisions of this Ground Lease 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 GREENHOUSE LLC.** Any one of the following events shall be deemed to be an "Event of Default" by Greenhouse LLC under this Ground Lease.

(a) Greenhouse LLC shall fail to pay any sum required to be paid to LSU under the terms and provisions of this Ground Lease and such failure shall not be cured within thirty (30) days after Greenhouse LLC'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 Greenhouse LLC's leasehold estate or the Property for the benefit of any Person.

(c) Greenhouse LLC 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 Greenhouse LLC under the terms and provisions of this Ground Lease and such failure shall not be cured within sixty (60) days after receipt of written notice from LSU of such failure; provided that if, during such sixty (60)-day period, Greenhouse LLC 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 ninety (90) days after such sixty (60)-day period to cure such failure.

(d) A court having jurisdiction shall enter an order for relief in any involuntary case commenced against Greenhouse LLC, 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 Greenhouse LLC or any substantial part of the properties of Greenhouse LLC or ordering the winding up or liquidation of the affairs of Greenhouse LLC, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.

(c) The commencement by Greenhouse LLC of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by Greenhouse LLC 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 Greenhouse LLC or any substantial part of the properties of Greenhouse LLC.

(d) Greenhouse LLC, after Commencement of Construction but prior to Final Completion of the Greenhouse District Project, abandons (with no intent to continue) performance of the Greenhouse District Project for a period of forty-five (45) consecutive days, excluding delays caused by Force Majeure.

**Section 12.2. LSU'S RIGHTS UPON DEFAULT BY GREENHOUSE LLC.** 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 Ground Lease or the Facilities Lease due to the default of Greenhouse LLC unless the Bonds are paid in full or legally defeased, as applicable, and all obligations under the Bond Documents and the Facilities Lease are discharged, except with the prior written consent of the Trustee, which may be granted or withheld in its sole discretion.

**Section 12.3. GREENHOUSE LLC'S OBLIGATIONS UPON DEFAULT.** Any termination of this Ground Lease as herein provided shall not relieve Greenhouse LLC 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 Greenhouse LLC 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 Greenhouse LLC for any Event of Default.

**Section 12.4. RIGHTS OF LSU CUMULATIVE.** All rights and remedies of LSU provided for in this Ground Lease 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 Ground Lease 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 Ground Lease, 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 Greenhouse LLC of any provision of this Ground Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties.

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**ARTICLE XIII  
DEFAULT BY LSU**

**Section 13.1. LSU DEFAULTS.** LSU shall be in default under this Ground Lease if (a) LSU shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 7 of the Facilities Lease by the close of business on the day such deposit is required to be made, or (b) LSU shall fail to pay or discharge any monetary obligation under the Facilities Lease (other than the payment of Base Rental) as and when due, or within thirty (30) days after receipt of Notice by Greenhouse LLC from Provident-Flagship that such sums are due and owing; or (c) LSU shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within sixty (60) days or if unable to remedy such breach within said sixty (60) days, LSU fails to take actions necessary to remedy such breach within said sixty (60) days and is not diligently pursuing same, (or such longer period as the Trustee may approve) after written notice thereof from Greenhouse LLC, to LSU, then and in any such event LSU shall be deemed to be in default hereunder. Subject to the preceding sentence, Greenhouse LLC 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 Ground Lease:

- (i) Require LSU to specifically perform its obligations under this Ground Lease or restrain or enjoin LSU from continuing the activities that constitute the default; and
- (ii) Exercise all other rights and remedies available to Greenhouse LLC under this Ground Lease or otherwise available to Greenhouse LLC at law or in equity as a consequence of the default.

**Section 13.2. RIGHTS OF GREENHOUSE LLC CUMULATIVE.** All rights and remedies of Greenhouse LLC provided for in this Ground Lease 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. Greenhouse LLC 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 Greenhouse LLC of a breach of any of the covenants, conditions or restrictions of this Ground Lease 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 Greenhouse LLC to insist in any one or more cases upon the strict performance of any of the covenants of this Ground Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future breaches of such covenant or option. Receipt or acceptance of payment by Provident-Flagship under the Facilities Lease, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach.

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**ARTICLE XIV  
IMPROVEMENTS; LSU'S OPTION**

**Section 14.1. TITLE TO IMPROVEMENTS.**

(a) At all times during the term of the Facilities Lease, title to the Student Housing 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-Flagship (or vested in Greenhouse LLC, if the Ground Sublease is terminated and this Ground Lease is not terminated).

(b) Pursuant to and under the terms of the Ground Sublease, title to the Student Housing Facilities shall automatically be transferred to Greenhouse LLC upon the termination of the Ground Sublease, provided that Greenhouse LLC shall require Provident-Flagship to transfer title to such Student Housing Facilities to LSU in the event the Bonds have been fully paid and all obligations under the Bond Documents and Facilities Lease have been fully discharged.

(c) Upon termination of the Ground Sublease and Ground Lease for any reason, Greenhouse LLC shall cause Provident-Flagship or Greenhouse LLC, as the case may be, to transfer title to the Student Housing Facilities to LSU.

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**ARTICLE XV  
CONDEMNATION**

**Section 15.1. CONDEMNATION.**

(a) In the event all or substantially all of the Property shall be subject to a Taking, or if so much of the Property or any component thereof shall be so taken so that the remainder of the affected Property shall not reasonably be capable of being used for its intended purpose, as reasonably determined by LSU, Greenhouse LLC shall cause Provident-Flagship to promptly notify the Trustee, LSU and Greenhouse LLC, 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 Greenhouse LLC. 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, including but not limited to the MRA and RRA, being held pursuant to the Development Agreement and the FOMA, if any, shall be distributed to Greenhouse LLC, or if the Bonds have been fully paid and all obligations under the Bond Documents and the Facilities Lease have been discharged, to LSU, subject to Section 3 of the Ground Sublease, upon which, (i) the Ground Sublease shall terminate and Provident-Flagship shall be released from all of its obligations under the Facilities Lease, Bond Documents, and Contract Documents, except for any such obligations of Provident-Flagship which shall survive the Facilities Lease, Bond Documents and Contract Documents; and (ii) this Ground Lease shall terminate.

(b) The Ground Sublease shall provide that, in the event less than all or substantially all of the Property or any component thereof shall be subject to a Taking, Provident-Flagship 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 Restoration Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by Greenhouse LLC, with the prior written consent of LSU, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably withheld):

(i) subject to the requirements of Section 15.1(e), such Net Condemnation Proceeds shall be applied to the Restoration (provided that in this Section 15.1, the "value or character of the Property" in the definition of "Restoration" shall take into account the portion of the Property so taken); or

(ii) such Net Condemnation Proceeds shall be transferred to the Principal Account 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 Greenhouse LLC 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 Principal Account 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-Flagship shall have furnished to Greenhouse LLC and the Trustee (i) 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-Flagship, Greenhouse LLC or the Independent Engineer to the effect that all permits, licenses, accreditations, and other governmental approvals necessary for Restoration are in full force and effect. If the Independent Engineer advises that he or she cannot give the certificate described in the preceding clause (i), then, before the Net Condemnation Proceeds are applied pursuant to Section 15.1(b)(ii), LSU shall have sixty (60) days after such advice, at the LSU's option, to commit to contributing such additional funds to the costs of Restoration pursuant to and in accordance with the Facilities Lease 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 Principal Account 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-Flagship shall agree that, except (i) to the extent otherwise expressly provided in this Section 15.1, or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, Greenhouse LLC's obligations hereunder, including the payment of Annual Rent, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

**ARTICLE XVI  
ASSIGNMENT, SUBLETTING, AND TRANSFERS OF  
GREENHOUSE LLC'S INTEREST**

**Section 16.1. ASSIGNMENT OF LEASEHOLD INTEREST.** Except as specifically set forth herein, Greenhouse LLC 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 Ground Lease without the prior written consent of LSU, and any such assignment, transfer, conveyance or sublease made or given without first obtaining LSU's prior written consent shall be null and void; provided, however, that Greenhouse LLC may, without LSU's prior written consent, grant rights pursuant to and in accordance with the Ground Sublease. Notice of any such assignment or transfer shall be furnished promptly to LSU.

**Section 16.2. REORGANIZATION BY GREENHOUSE LLC OR SUBLESSEE.** The provisions of Section 16.1 shall not prevent Greenhouse LLC from changing its name or reorganizing its operations provided such change or reorganization does not adversely impact LSU or adversely impact Greenhouse LLC's ability to fulfill its obligations under this Ground Lease.

**Section 16.3. TRANSFERS OF GREENHOUSE LLC'S INTEREST.** The obligation of Greenhouse LLC under this Ground Lease shall survive any conveyance, assignment or other transfer of Greenhouse LLC's interest, and Greenhouse LLC shall not be relieved of such obligation as a consequence of such transfer. Furthermore any Person succeeding to Greenhouse LLC's interest as a consequence of any such conveyance or other transfer shall succeed to all of the obligations of Greenhouse LLC hereunder and shall be subject to the terms and provisions of this Ground Lease and the Ground Sublease.

**Section 16.4. INCURRENCE OF DEBT.** The Ground Sublease shall provide that Greenhouse LLC shall not permit Provident-Flagship to issue the Bonds (other than the Series 2019 Bonds), increase the amount of the Bonds, refinance the Bonds or extend the due dates of payments on the Bonds without the prior written consent of LSU.

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**ARTICLE XVII**  
**COMPLIANCE CERTIFICATES**

**Section 17.1. GREENHOUSE LLC COMPLIANCE.** Greenhouse LLC agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by LSU, to execute, acknowledge and deliver to LSU or to such other party as LSU shall request, a statement in writing certifying (a) that this Ground Lease and the Ground Sublease are unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) to the best of its knowledge, whether or not there are then existing any offsets or defenses against the enforcement of any of the terms, covenants or conditions hereof upon the part of LSU to be performed (and if so specifying the same), (c) the dates to which the Annual Rent and other charges have been paid, and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this Section 17.1 may be relied upon by any Person.

**Section 17.2. LSU COMPLIANCE.** LSU agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by Greenhouse LLC, to execute, acknowledge and deliver to Greenhouse LLC a statement in writing, addressed to Greenhouse LLC or to such other party as Greenhouse LLC shall request, certifying, to the best of its knowledge, (a) that this Ground Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications); (b) the dates to which the Annual Rent and other charges have been paid; (c) whether an Event of Default has occurred and is continuing hereunder (and stating the nature of any such Event of Default); and (d) the dates of commencement and expiration of the Term and the term of the Ground Sublease, it being intended that any such statement delivered pursuant to this may be relied upon by any assignee or sublessee pursuant to this Ground Lease.

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**ARTICLE XVIII  
TAXES, FEES, AND LICENSES**

**Section 18.1. PAYMENT OF TAXES.** Greenhouse LLC 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 Greenhouse LLC's interest in the Land, the Greenhouse District Project or the Property, or upon Greenhouse LLC, or upon the business conducted on the Land, the Greenhouse District Project or the Property or imposed in connection with the construction, maintenance, alteration, or improvement of the Land, the Greenhouse District Project or the Property, as applicable, or upon any of Greenhouse LLC'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 Greenhouse LLC. LSU shall pay, and, upon request by Greenhouse LLC, 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. Greenhouse LLC 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 Greenhouse LLC to pay taxes and fees under this Section 18.1 shall apply only to the extent that LSU or Greenhouse LLC are not exempt from paying such taxes and fees and to the extent that such taxes and fees are not otherwise abated. Greenhouse LLC's payment of taxes shall be identified under Federal Tax Identification Number 32-0531084.

**Section 18.2. CONTESTED TAX PAYMENTS.** Greenhouse LLC shall not be required to pay, discharge or remove any such taxes or assessments so long as Greenhouse LLC is contesting the amount or validity thereof by appropriate proceeding which shall operate to prevent or stay the collection of the amount so contested. Greenhouse LLC 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, Greenhouse LLC shall deliver to LSU proof of the amount due as finally determined and proof of payment thereof. LSU, at Greenhouse LLC's expense, shall join in any such proceeding if any law shall so require.

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**ARTICLE XIX  
FORCE MAJEURE**

**Section 19.1. DISCONTINUANCE BY GREENHOUSE LLC DURING FORCE MAJEURE.** Whenever a period of time is herein prescribed for action to be taken by Greenhouse LLC, Greenhouse LLC 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 Greenhouse LLC shall, within ten (10) Business Days after Greenhouse LLC is aware of the existence of an event of Force Majeure, notify LSU 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, Greenhouse LLC 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 Greenhouse LLC thereof.

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**ARTICLE XX**  
**ENVIRONMENTAL CONDITION OF THE PROPERTY**

**Section 20.1. ENVIRONMENTAL CONDITION OF THE PROPERTY.** The Ground Sublease shall provide that:

(a) Provident-Flagship shall not:

(i) Direct, suffer, or permit RISE, the Facilities Manager, LSU, the University or any of their respective employees or any other Person or entity under their respective control to handle, transport, use, manufacture or store any Hazardous Materials in or about the Land and, prior to Final Completion only, the Greenhouse District Project Site, except as provided in Section 20.1(b) below; or

(ii) Suffer or permit (with or without negligence):

(A) Any Hazardous Materials to be used by any employee, officers, agents, contractors or third party directed or controlled by Provident-Flagship in any manner not fully in compliance with all Environmental Laws; or

(B) The Land or adjoining areas and, prior to Final Completion only, the Greenhouse District Project Site to become contaminated with any Hazardous Materials generated by Provident-Flagship; or

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

(b) Provident-Flagship may permit RISE and the Facilities Manager to handle, store, use, or dispose of Hazardous Materials to the extent customary and necessary for the performance of RISE's and the Facilities Manager's duties under the Development Agreement and the FOMA, respectively, provided same does not violate Environmental Laws and all disposal occurs offsite. Provident-Flagship shall cause RISE to pay and perform RISE's obligations regarding Environmental Laws, Hazardous Materials and Remediation as set forth in the Development Agreement and the FOMA.

(c) Provident-Flagship shall promptly provide Greenhouse LLC with complete and accurate copies of all disposal tickets for materials (hazardous or not) from the Land and, prior to Final Completion only, the Greenhouse District Project Site that are disposed of off the Land.

(d) in the event that Provident-Flagship, its affiliates, contractors, employees, officers or agents generate any Hazardous Materials that are required by any Environmental Law to be Remediated, and specifically excluding any Hazardous Materials that are generated by Greenhouse LLC, LSU, their affiliates, employees, officers or agents, Provident-Flagship 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 Land and, prior to Final Completion

only, the Greenhouse District Project Site, ("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 Land or the Greenhouse District Project Site or any Hazardous Materials that are required by any Environmental Law to be Remediated and were generated by Greenhouse LLC, LSU their affiliates, employees, officers or agents or any third party, Greenhouse LLC shall, at its sole cost and expense, promptly effectuate Remediation of any condition in, on, above, under or from the Land and the Greenhouse District Project Site as necessary. In the event that Provident-Flagship fails to perform said work after notice from Greenhouse LLC or the State Department of Environmental Quality, Greenhouse LLC may, as agent of Provident-Flagship, perform same, and Provident-Flagship agrees to reimburse Greenhouse LLC for the cost of such Remediation, together with interest at the Default Rate, as Additional Rent (as defined in the Ground Sublease).

(e) to the extent Provident-Flagship has knowledge, Provident-Flagship shall immediately notify Greenhouse LLC in writing of (A) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Property and, prior to Final Completion only, the Greenhouse District Project Site, (B) any non-compliance with any Environmental Laws related in any way to the Property and, prior to Final Completion only, the Greenhouse District Project Site; (C) any actual or potential environmental lien; (D) any required or proposed Remediation of Hazardous Site Condition relating to the Property and, prior to Final Completion only, the Greenhouse District Project Site; and (E) any written or oral notice or other communication of which Provident-Flagship 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 and, prior to Final Completion only, the Greenhouse District Project Site.

(f) notwithstanding anything contained in Section 30 of the Ground Sublease or any other provision of the Ground Sublease to the contrary, Provident-Flagship shall acknowledge and agree that the RISE or the Facilities Manager, as applicable, and not Greenhouse LLC, 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 FOMA or Section XIV(A)(2) of the Development Agreement. To the extent set forth in the Development Agreement and the FOMA, Provident-Flagship shall promptly effectuate or cause RISE or the Facilities Manager, as applicable, to effectuate, Remediation of any Hazardous Site Condition as necessary to comply with any Environmental Law or any other Governmental Regulations, subject to Section XIV of the Development Agreement.

**ARTICLE XXI  
MISCELLANEOUS**

**Section 21.1. NONDISCRIMINATION, EMPLOYMENT AND WAGES.** Any discrimination by Greenhouse LLC 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 Ground Lease, is prohibited.

**Section 21.2. NOTICES AND CONSENTS.** Notices or communications to LSU or Greenhouse LLC, and all necessary written consents required or appropriate under this Ground Lease 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 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 Facsimile: (225) 578-5403
if to Greenhouse LLC:	Manager Greenhouse LLC c/o LSU Real Estate and Facilities Foundation 3796 Nicholson Drive Baton Rouge, Louisiana 70802 Telephone: (225) 578-0525 Facsimile: (225) 578-0530
with copies to:	General Counsel LSU Real Estate and Facilities Foundation 3796 Nicholson Drive Baton Rouge, Louisiana 70802 Telephone: (225) 578-0525 Facsimile: (225) 578-0530

or to such other address or to the attention of such other person as hereafter shall be designated in writing by such party. Any such notice, communication or written consent shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail as of the date of deposit in the mail in the manner provided herein, or in the case of facsimile,

upon receipt, if receipt is acknowledged as required herein.

**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 Greenhouse LLC. In no event shall Greenhouse LLC's officers, directors, employees or agents be liable for any of the obligations of Greenhouse LLC hereunder. Furthermore, LSU and Greenhouse LLC agree to execute any and all documents necessary upon the termination of this Ground Lease, 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 Ground Lease, 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 Ground Lease shall be construed under and in accordance with the laws of the State of Louisiana, and the obligations of the parties created hereunder are performable in East Baton Rouge Parish, Louisiana. Venue shall be in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana.

**Section 21.6. WARRANTY OF PEACEABLE POSSESSION.** LSU covenants that Greenhouse LLC, on paying the Annual Rent and performing and observing all of the covenants and agreements herein contained and provided to be performed by Greenhouse LLC, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Land and the improvements existing thereon during this Ground Lease Term, and may exercise all of its rights hereunder; and LSU agrees to forever defend Greenhouse LLC's right to such occupancy, use, and enjoyment of the Land and the improvements existing thereon against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, subject only to the provisions of this Ground Lease.

**Section 21.7. CURATIVE MATTERS.** Except for the express representations of LSU set forth in this Ground Lease, 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 Greenhouse District Project useable for Greenhouse LLC's purpose shall be undertaken, in Greenhouse LLC's sole discretion, at no expense to LSU and only with LSU's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned.

**Section 21.8. TERMINOLOGY.** Unless the context of this Ground Lease 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 Ground Lease shall refer to this Ground Lease as a whole and not to any particular section or article in which such words appear. The section, article and other headings

in this Ground Lease are for reference purposes, and shall not control or affect the construction of this Ground Lease or the interpretation hereof in any respect. Article, section, subsection and exhibit references are to this Ground Lease unless otherwise specified. All exhibits attached to this Ground Lease constitute a part of this Ground Lease and are incorporated herein. All references to a specific time of day in this Ground Lease shall be based upon Central Time.

**Section 21.9. COUNTERPARTS.** This Ground Lease may be executed in multiple counterparts, each of which shall be declared an original.

**Section 21.10. SEVERABILITY.** If any clause or provision of this Ground Lease is illegal, invalid or unenforceable under present or future laws effective during the term of this Ground Lease, then and in that event, it is the intention of the parties hereto that the remainder of this Ground Lease shall not be affected thereby.

**Section 21.11. AUTHORIZATION.** By execution of this Ground Lease, Greenhouse LLC 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 Ground Lease have been taken and performed; and that the persons signing this Ground Lease 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 Ground Lease shall be binding unless the same is in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

**Section 21.13. SUCCESSORS AND ASSIGNS.** All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSU into another educational institution.

**Section 21.14. OWNERSHIP.** All records, reports, documents, and other material delivered or transmitted to Greenhouse LLC by LSU shall remain the property of LSU, and shall be returned by Greenhouse LLC to LSU, at Greenhouse LLC's expense, at termination or expiration of this Ground Lease. All records, reports, documents, or other material related to this Ground Lease and/or obtained or prepared by Greenhouse LLC in connection with the performance of the services contracted for herein shall become the property of LSU, and shall, upon request, be tendered by Greenhouse LLC to LSU, at Greenhouse LLC's expense, at termination or expiration of this Ground Lease.

**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 Greenhouse LLC with respect to the Bonds, no party other than LSU and Greenhouse LLC shall have rights with respect to this Ground Lease.

**Section 21.16. DISCRIMINATION CLAUSE.** Greenhouse LLC shall agree to abide by and the Ground Sublease shall provide that Provident Flagship 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-Flagship 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 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 Ground Lease, Greenhouse LLC shall require Provident-Flagship to cause RISE to terminate the General Contractor.

**Section 21.17. ENTIRE AGREEMENT.** This Ground Lease, together with the exhibits attached hereto, contains the entire agreement between the parties hereto with respect to the matters set forth herein and contains all of the terms and conditions agreed upon with respect to such matters, and no other agreements, oral or otherwise, regarding the subject matter of this Ground Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

**Section 21.18. CONSENTS.** Any provision of this Ground Lease to the contrary notwithstanding, all provisions of the Contract Documents and the Bond Documents requiring the approval or prior written consent of Greenhouse LLC or Provident-Flagship shall be deemed to also require the approval or prior written consent of LSU, through the LSU Representative.

[remainder of this page intentionally left blank]

*[Signature page for Greenhouse District (Phase III) Ground Lease Agreement]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Ground Lease on behalf of LSU on the \_\_\_\_ day of \_\_\_\_\_, 2019, to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

**WITNESSES**

**LOUISIANA STATE UNIVERSITY AND  
AGRICULTURAL AND MECHANICAL  
COLLEGE**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Name: F. King Alexander  
Title: President, Louisiana State University

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
Printed Name  
LSBA Roll No. \_\_\_\_\_  
My Commission is for life.

*[Signature page for Greenhouse District (Phase III) Ground Lease Agreement]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Ground Lease on behalf of Greenhouse LLC on the \_\_\_\_ day of \_\_\_\_\_, 2019, to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

**WITNESSES**

**GREENHOUSE DISTRICT PROJECT LLC,**  
a Louisiana limited liability company,

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: J. Bryan Benchoff

Title: Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

LSBA Roll No. \_\_\_\_\_

My Commission is for life.

**EXHIBIT A**

**LAND**

**EXHIBIT B**  
**DEVELOPMENT AGREEMENT**

[see Closing Transcript Item \_\_]

**EXHIBIT C**

**FACILITIES OPERATIONS AND MAINTENANCE AGREEMENT**

[see Closing Transcript Item \_\_]

**GREENHOUSE DISTRICT (PHASE III)  
GROUND SUBLEASE**

dated as of September 1, 2019

by and between

**GREENHOUSE DISTRICT PROJECT LLC**

and

**PROVIDENT GROUP-FLAGSHIP PROPERTIES L.L.C.**

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GREENHOUSE DISTRICT (PHASE III) GROUND SUBLEASE

This GREENHOUSE DISTRICT (PHASE III) GROUND SUBLEASE ("Ground Sublease"), made and entered into as of September 1, 2019 but effective as of September \_\_\_\_, 2019, is between GREENHOUSE DISTRICT PROJECT LLC, a limited liability company organized and existing under the laws of the State of Louisiana ("Greenhouse LLC"), the sole member of which is LSU REAL ESTATE AND FACILITIES FOUNDATION, a nonprofit corporation organized and existing under the laws of the State of Louisiana ("Foundation"), as sublessor, and PROVIDENT GROUP-FLAGSHIP PROPERTIES L.L.C., a limited liability company organized and existing under the laws of the State of Louisiana ("Provident-Flagship"), as lessee, the sole member of which is PROVIDENT RESOURCES GROUP INC., a non-profit corporation organized and existing under the laws of the State of Georgia ("Provident Resources").

WITNESSETH:

**WHEREAS**, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana;

**WHEREAS**, the University is the flagship institution of the State of Louisiana under the management and supervision of the Board;

**WHEREAS**, Provident Resources is a Tax Exempt Organization (defined herein), the charitable mission of which includes the advancement of education and the lessening burdens of government and Provident-Flagship is disregarded as an entity separate and apart from Provident Resources for federal income tax purposes;

**WHEREAS**, the Foundation is a Tax Exempt Organization, which is organized and operated for the purpose of supporting LSU, its programs, facilities, and research and educational activities, and to support the LSU Foundation, and is the sole member of Greenhouse LLC;

**WHEREAS**, the business of Greenhouse LLC shall at all times be carried out and operated exclusively for the tax exempt purposes of the Foundation;

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU is authorized to lease to a limited liability company, such as Greenhouse LLC, 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 therein;

**WHEREAS**, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes a lease to provide for or cause the demolition, construction and renovation of buildings, other structures and improvements by a limited liability company, such as Greenhouse LLC, on that portion of the grounds or campus of the University which is the subject of the lease;

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU, under certain circumstances, is expressly authorized to lease back all or any portion of the buildings, other structures and improvements constructed or caused to be constructed by a limited liability company, such as Greenhouse LLC, on the lessee's property as more fully described therein;

**WHEREAS**, the University's master plan includes the development, in various phases, of new student housing facilities, including the demolition of existing student housing facilities such as Kirby Smith, Herget, Miller, McVoy, Acadian and Broussard Halls, the construction of new student housing facilities to replace and expand the foregoing, including, without limitation, a new Cedar Hall, and the renovation and/or expansion of existing student housing facilities such as Evangeline Hall and Highland Hall, as well as the parking and other infrastructure and the demolition, renovation and/or construction of certain facilities, including, without limitation, greenhouses and related facilities, to facilitate the foregoing (collectively, the "Greenhouse District");

**WHEREAS**, in October 2017, Greenhouse LLC commenced development of Phase II of the Greenhouse District, which includes without limitation, (a) the Design, acquisition, renovation, Development, Construction, furnishing and equipping of (i) student housing facilities consisting of the construction of a new Cedar Hall and the renovation of Evangeline Hall and the abatement and renovation of Highland Hall, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof (ii) new greenhouse facilities to be located on Ben Hur Drive and existing greenhouse facilities located on Gourrier Drive, including, without limitation, related facilities and associated site infrastructure and amenities necessary for the operation thereof; and (b) the demolition of the existing Kirby Smith Hall and certain existing greenhouse facilities located on the main Campus of the University, including, without limitation, related facilities, and associated site infrastructure, all as necessary for the development of Phase II of the Greenhouse District;

**WHEREAS**, LSU and Greenhouse LLC have determined that it is in the best interest of LSU for Greenhouse LLC to develop Phase III of the Greenhouse District for the benefit of LSU ("Phase III");

**WHEREAS**, Phase III will consist of the Design, acquisition, renovation, Development, Construction, furnishing and equipping of two new student housing facilities consisting of 881 beds, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof, to be located on the Campus (collectively, the "Student Housing Facilities" and, together with the Student Housing Facilities Equipment (defined herein) and the Land (defined herein), the "Property"), all as necessary for the development of Phase III (collectively, the "Greenhouse District Project");

**WHEREAS**, in furtherance of the foregoing, LSU and Greenhouse LLC have agreed to enter into that certain Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019 (the "Ground Lease"), for the lease of certain real property, including all improvements, parking areas, and existing facilities thereon, located on the Campus of the University, as more particularly described in **Exhibit A** attached hereto and incorporated herein and by reference made a part hereof (the "Land"), and construction servitudes for the purpose of implementing the master plan, as approved by LSU on behalf of the University, for the development of the Greenhouse District Project;

**WHEREAS**, LSU, Greenhouse LLC, Provident-Flagship, RISE Tigers LLC, a limited liability company organized and existing under the laws of the State of Georgia and authorized to do business in Louisiana ("RISE"), and the Facilities Manager (defined herein) are engaging in a public-private partnership for the performance of the Greenhouse District Project and the maintenance, management and operation of the Property, pursuant to which (a) Greenhouse LLC will sublease the Land and grant the necessary access, parking and utility servitudes to Provident-Flagship; (b) Greenhouse LLC will grant construction servitudes to Provident-Flagship to facilitate the performance of the Greenhouse District Project; and (c) Provident-Flagship will engage RISE to perform the Greenhouse District Project pursuant to the Development Agreement dated as of September 1, 2019 (the "Development Agreement"), a copy of which is attached hereto as **Exhibit C** and incorporated herein and by reference made a part hereof;

**WHEREAS**, pursuant to the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019 (the "Facilities Lease"), Provident-Flagship will sublease or lease, as applicable, the Property to LSU, and LSU, for the benefit of the University, will make rental payments and will be responsible for residential life operations of the Student Housing Facilities, IT Support, and certain other items as more particularly described therein, and Provident-Flagship will be responsible for performing or causing to be performed certain management and all other operations and maintenance of the Property pursuant to that certain Facilities Operations and Maintenance Agreement (Greenhouse District - Phase III) dated as of September 1, 2019 (the "FOMA"), by and between Provident-Flagship and the Facilities Manager, a copy of which is attached hereto as **Exhibit D** and incorporated herein by reference and made a part hereof; and

**WHEREAS**, pursuant to the terms of the Trust Indenture dated as of September 1, 2019 (the "Indenture"), by and between the Louisiana Public Facilities Authority (the "Authority") and Hancock Whitney Bank, as trustee ("Trustee"), the Authority has determined to issue its Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019 (the "Series 2019 Bonds") and, together with any Additional Bonds (defined herein), the "Bonds") and, pursuant to a Loan Agreement dated as

of September 1, 2019 (the "Loan Agreement") by and between the Authority and Provident-Flagship, to lend the proceeds of the Bonds to Provident-Flagship for the purpose of financing, among other things, the costs of the Greenhouse District Project.

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby expressly acknowledged by each party hereto, Greenhouse LLC and Provident-Flagship do hereby mutually covenant and agree as follows:

Greenhouse LLC does hereby lease, demise and let the Land unto Provident-Flagship, and Provident-Flagship does hereby take, lease and hire the Land from Greenhouse LLC, subject to the terms and conditions hereinafter set forth.

**TOGETHER WITH** all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon, whether presently or in the future.

**TOGETHER, ALSO, WITH** a non-exclusive easement/servitude on, over, under, across, and through (i) the sidewalks, streets and drives on the Campus as they may exist from time to time for all forms of pedestrian and vehicular ingress, egress, and access between the Land, the Greenhouse District Project Site and the public and private streets and roadways abutting the Campus to provide access to the Land and Greenhouse District Project Site to Residents, Provident-Flagship and Facilities Manager and to contractors and suppliers of the Greenhouse District Project and RISE; and (ii) the Land and the Greenhouse District Project Site, for installation, construction, maintenance, transmission, distribution and storage of all forms of utilities, including electrical power, sanitary sewer, storm water, potable water, drainage, infrastructure, telephone, cable and telecommunication transmission, data, electronic communications and distribution for the Greenhouse District Project and the Property. Such non-exclusive easements/servitudes herein granted shall expire automatically upon termination of this Ground Sublease. The location of such non-exclusive easements/servitudes shall be subject to approval and relocation by Greenhouse LLC, having obtained the necessary approvals from LSU as required under the Ground Lease, in its reasonable discretion, at Greenhouse LLC's sole cost and expense; provided, further, that such relocation shall not materially nor adversely disrupt or interfere with the performance of the Greenhouse District Project or the operation and maintenance of the Student Housing Facilities. Use of the easements/servitudes shall be in accordance with LSU and University rules and regulations, as imposed by LSU or the University from time to time relative to use of the Campus.

**TO HAVE AND TO HOLD** the Land for the Term set forth herein unless this Ground Sublease shall be sooner terminated as hereinafter provided.

**PROVIDED, HOWEVER**, that Provident-Flagship, as sublessor or lessor, as applicable, of the Property, shall lease and sublease the Property to LSU, for the benefit and use of the University, as sublessee and lessee, as applicable, of the Property, to provide housing and other services for students, faculty and staff of the University and its visitors and authorized representatives.

This Ground Sublease and all rights of the parties hereunder are expressly subject to the terms and conditions set forth herein, all of which the parties hereto respectively agree to keep, abide by, and perform during the Term hereof.

Section 1. Definitions. The following terms as used in this Ground Sublease, shall have the following meanings, unless the context indicates otherwise:

**"Additional Bonds"** - as defined in the Indenture, to the extent the same are issued in accordance with the terms of the Indenture.

**"Approved Operating Plan and Budget"** - as defined in the FOMA.

**"Architect"** - the Greenhouse District Project's architect of record selected by RISE.

**"Architect's Agreement"** - the agreement between the Architect and RISE (pursuant to the Development Agreement), for the Design and Development of the Student Housing 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.

**"Auxiliary Enterprises"** - as defined in the General Bond Resolution.

**"Auxiliary Facilities"** - as defined in the General Bond Resolution.

**"Auxiliary Revenues"** - as defined in the General Bond Resolution.

**"Auxiliary Revenue Bond"** or **"Auxiliary Revenue Bonds"** - any bond heretofore or hereafter authorized and issued by LSU pursuant to the General Bond Resolution.

**"Auxiliary Revenue Obligations"** - any and all obligations secured by and/or payable from the Auxiliary Revenues, including, without limitation, Auxiliary Revenue Bonds, Base Rental (as such term is defined in the Facilities Lease, the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease) and any Additional Indebtedness, but not including Additional Rent (as defined in the Facilities Lease, the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease).

**"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"** - Kutak Rock LLP or other counsel acceptable to the Trustee and the Authority and experienced in matters relating to tax-exemption of interest income on obligations issued by states and their political subdivisions.

**"Bond Documents"** - collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident-Flagship 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 2019 Bonds and any Additional Bonds.

**"Business Day"** or **"business day"** - a day excluding Saturday, Sunday, and any Holiday.

**"Campus"** - the campus of the University located in Baton Rouge, Louisiana.

**"Change Order"** - a Greenhouse District Project 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 this Ground Sublease, given to the Authority or Trustee or Provident-Flagship, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident-Flagship, RISE, the Facilities Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds, dated on or about the date hereof by Provident-Flagship, RISE or the Facilities Manager, that certain Assignment Agreement dated on or about the date hereof by the Authority to the Trustee, and any such assignments or pledges set forth in the Mortgage.

**"Commencement of Construction"** - as defined in the Development Agreement.

**"Commencement Date"** - the Effective Date.

**"Construct," "Constructed," or "Construction"** - to Develop, improve, 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 Greenhouse District Project.

**"Construction Contract"** - as defined in Paragraph I of Exhibit 6 of the Development Agreement.

**"Consultant"** - as defined in the Development Agreement.

**"Contract Documents"** - collectively, the Development Agreement, the FOMA, the Construction Contract, the Architect's Agreement, the Construction Documents and any and all contracts entered into by RISE or Provident-Flagship for the engagement of contractors, materialmen, and laborers from time to time in connection with the performance of the Greenhouse District 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 Greenhouse District Project, as such may be amended, modified or supplemented from time to time.

**"Construction Documents"** - collectively, the Plans and Specifications, Construction drawings and Change Orders prepared by RISE, the Architect or other Consultants for the performance of the Greenhouse District Project and any changes, modifications, or supplements to them, all as approved by Provident-Flagship, Greenhouse LLC 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 RISE's exclusive construction obligations relative to the performance of the Greenhouse District Project.

**"Contractor"** - means any of the General Contractor, Subcontractors and sub-subcontractors providing work, labor, equipment or materials under the Construction Budget or the Soft-Cost Budget (each as defined in the Development Agreement), each of whom shall be appropriately licensed.

**"Date of Opening"** - the date the Student Housing Facilities are available to be occupied.

**"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 Greenhouse District Project.

**"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 Greenhouse District Project, (b) obtain any required extension of public and private Utility Services for the Greenhouse District Project, (c) obtain any required vehicular or pedestrian rights of way and access from or

to the Greenhouse District Project Site (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the of the Greenhouse District Project.

**"Development Agreement"** - that certain Greenhouse District (Phase III) Project Development Agreement dated as of September 1, 2019, between Provident-Flagship and RISE, with the Trustee, Greenhouse LLC and LSU as intended third party beneficiaries, regarding the performance of the Greenhouse District Project, and any amendments, modifications and supplements thereto.

**"Development Costs"** - as defined in and determined consistently with the Development Agreement.

**"Effective Date"** - the date of issuance of the Series 2019 Bonds, which is September \_\_\_\_, 2019.

**"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.

**"Event of Default"** - any matter identified as an Event of Default under Section 26(a) hereof.

**"Expiration Date"** - the date on which this Ground Sublease terminates in accordance with its terms.

**"Facilities Lease"** - the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019, by and between Provident-Flagship and LSU, as amended, modified or supplemented from time to time.

**"Facilities Lease Term"** - the initial term of the Facilities Lease as set forth in Section 2 of the Facilities Lease.

**"Facilities Manager"** - any entity defined as Facilities Manager in the FOMA.

**"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 Article XIX of 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.

**"FOMA"** - that certain Facilities Operations and Maintenance Agreement (Greenhouse District – Phase III) dated as of September 1, 2019, by and between Provident-Flagship and the Facilities Manager, as amended, modified and supplemented from time to time.

**"Force Majeure"** - as defined in the Development Agreement.

**"Foundation"** - the LSU Real Estate and Facilities Foundation, a nonprofit corporation organized and existing under the laws of the State and a Tax Exempt Organization, and its successors and assigns.

**"General Contractor"** - though expressed singularly, shall be interpreted in both singular and plural forms and shall be the Greenhouse District Project's general contractor(s) selected by RISE.

**"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, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

**"Governmental Regulations"** - any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, Greenhouse LLC, the Property, the Greenhouse District Project or the Greenhouse District Project Site or affecting the Property, the Greenhouse District Project or the Greenhouse District Project Site, including, without limitation, all applicable Environmental Laws and 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.

**"Greenhouse District"** - as defined in the Recitals of this Ground Sublease.

**"Greenhouse District Project"** - as defined in the Recitals of this Ground Sublease.

**"Greenhouse District (Phase II) Facilities Lease"** - the Greenhouse District (Phase II) Facilities Lease dated as of October 1, 2017, by and between LSU and Greenhouse LLC, as amended, modified and supplemented from time to time.

**"Greenhouse District Project Site"** - as defined, described and/or depicted in the Development Agreement.

**"Greenhouse LLC"** - Greenhouse District Project LLC, a limited liability company organized and existing under the laws of the State and the sole member of which is the Foundation, and its successors and assigns.

**"Greenhouse LLC Representative"** - the Person or Persons designated in writing by Greenhouse LLC to serve as Greenhouse LLC's representatives in connection with this Ground Sublease, initially Leu Anne Greco, Esquire, and J. Bryan Benchoff, each of which is a Manager of Greenhouse LLC and is authorized to represent Greenhouse LLC, and any other person(s) designated in writing by Greenhouse LLC to LSU from time to time as person(s) who is (are) authorized to act on behalf of Greenhouse LLC under this Ground Sublease.

**"Ground Lease"** - the lease of the Land by LSU to Greenhouse LLC, as defined in the Recitals of this Ground Sublease.

**"Ground Rent"** - as defined in Section 3(a) of this Ground Sublease.

**"Ground Rent Schedule"** - as defined in Section 3(a) of this Ground Sublease.

**"Ground Sublease"** - this Greenhouse District (Phase III) Ground Sublease, dated as of September 1, 2019, by and between Greenhouse LLC and Provident-Flagship, as amended, modified and supplemented from time to time.

**"Guaranteed Maximum Price"** - as defined in the Development Agreement.

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

materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws.

**"Holiday"** - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or the University is required by law to close, or a day on which LSU or the University is authorized to close or is closed.

**"Indemnitees"** - collectively or individually, as the context may require, the LSU Indemnitees, the Greenhouse LLC Indemnitees and the Provident-Flagship Indemnitees, each as defined in Section 20 of this Ground Sublease.

**"Indenture"** - the Trust Indenture dated as of September 1, 2019, by and between the Authority and the Trustee, as amended, modified and supplemented from time to time, relating to the Bonds.

**"Independent Engineer"** - a reputable civil engineering firm, qualified to transact business in the State, and experienced in facilities similar to the Student Housing Facilities.

**"Land"** - as defined in the Recitals of this Ground Sublease.

**"Lien"** - as defined in Section 11(h) hereof.

**"Loan Agreement"** - the Loan Agreement dated as of September 1, 2019, by and between the Authority and Provident Flagship, as amended, modified and supplemented from time to time, relating to the Bonds.

**"LSU"** - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors or assigns.

**"LSU Representative"** - one or more of the persons designated and authorized in writing from time to time by LSU to represent the Board and the University in exercising its rights under this Facilities Lease, the Ground Lease, the Ground Sublease and the FOMA. The LSU Representative throughout the Term of this Facilities Lease shall be the Vice President for Finance or his designee(s).

**"LSU's Interest"** - the fee simple title to the Land, subject to Greenhouse LLC's rights under this Ground Sublease, and LSU's interest under the Facilities Lease.

**"Maintenance Reserve Account" or "MRA"** - the Maintenance Reserve Account established in Section 8(j) of the Facilities Lease.

**"Maintenance Reserve Account Requirement"** - an amount equal to \$385 per bed per year, escalating 3% per year, commencing on the Rental Commencement Date.

**"Mortgage"** - that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2019 Bonds by Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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-Flagship 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.

**"Nicholson Gateway Facilities Lease"** - that certain Nicholson Gateway Facilities Lease dated as of September 1, 2016, by and between LSU and Provident-Flagship, as amended, modified or supplemented from time to time.

**"OFPC"** - the Office of Facility Planning and Control, Division of Administration of the State of Louisiana.

**"Operating Expenses"** - as defined in the Loan Agreement and the FOMA.

**"Other Contractors"** - as defined in Section XXI(A) of the Development Agreement.

**"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 as Exhibit 12 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 the Ground Lease or this Ground Sublease, (ii) the Bond Documents, (iii) the memoranda of lease related to each of the Ground Lease, this Ground Sublease and the Facilities Lease, (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 Greenhouse LLC's benefit) in accordance with the provisions of the Ground Lease or this Ground Sublease, (vi) the Ground Lease, (vii) this Ground Sublease, (viii) statutory restrictions imposed on the improvement or use of the Land, (ix) the effects of any and all laws, ordinances, permits and Governmental Regulations, including, zoning, land use and Construction, or any violations thereof (provided that this clause does not constitute the consent of LSU to such violations), (x) the Facilities Lease, (xi) the Mortgage, (xii) those exceptions to title to the Land more fully described in the Title Insurance Policy, and (xiii) any additional exceptions or encumbrances created or consented to in writing by LSU.

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

**"Plans and Specifications"** - the plans and specifications for the performance of the Greenhouse District 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 Greenhouse District Project, all in accordance with the Loan Agreement, the Development Agreement, the Ground Lease and this Ground Sublease, to be approved by Greenhouse LLC, Provident-Flagship and the LSU Representative, as may be amended from time to time as permitted in Section 11(f) of this Ground Sublease and in the Development Agreement.

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

**"Prime Rate"** - the rate designated as the "prime rate" as published each business day in the Wall Street Journal, or, if at any time the Wall Street Journal shall cease to be published, the rate announced from time to time by the largest commercial bank with branches in New York City (as reasonably identified by LSU) as its "prime," "base" or "reference" rate.

**"Principal Account"** - as defined in the Indenture.

**"Project Committee"** - that certain advisory committee established by Provident-Flagship pursuant to this Ground Sublease, which committee is composed of three (3) representatives of LSU, two (2) representatives of Greenhouse LLC, one (1) representative of Provident-Flagship and one (1) representative of Facilities Manager.

**"Project Fund"** - as defined in the Indenture.

**"Project Schedule"** - the construction schedule(s) for Substantial Completion of the Greenhouse District Project and defined as the "Project Schedule" and set forth in the Development Agreement.

**"Property"** - as defined in the Recitals of this Ground Sublease.

**"Provident-Flagship"** - Provident Group-Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State, the sole member of which is Provident Resources, and its successors and assigns.

**"Provident-Flagship Representative"** - the person or persons authorized to act for Provident-Flagship in connection with this Ground Sublease, initially Steve Hicks, Debra Lockwood or Donovan Hicks, who shall each, acting individually, have the authority to bind Provident-Flagship, or any other person designated by Provident-Flagship in writing as a representative of Provident-Flagship authorized to act on behalf of Provident-Flagship in connection with this Ground Sublease, the Facilities Lease and the FOMA.

**"Provident Resources"** - Provident Resources Group Inc., a nonprofit corporation duly organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, and its permitted successors and assigns.

**"Remediation"** - includes, but is not limited, to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Material; any actions to prevent, cure or mitigate any release of any Hazardous Material; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Materials.

**"Rent"** collectively means all Ground Rent and Additional Rent.

**"Rental Commencement Date"** - as defined in the Facilities Lease.

**"Replacement and Repair Account"** or **"RRA"** - as defined in the Facilities Lease.

**"Replacement and Repair Account Requirement"** - an amount of any Operating Expenses which remain after payment of all expenses and fees required to be paid under the Approved Operating Plan and Budget in any respective Fiscal Year together with any additional amounts as may be mutually agreed upon by LSU and Provident-Flagship to be set forth in such Approved Operating Plan and Budget as monies to be specifically designated to be paid into the Replacement and Repair Account, if any, for any respective year.

**"Resident"** - a tenant of the Student Housing Facilities.

**"Revenues"** - as defined in the Indenture.

**"RISE"** - RISE Tigers, LLC, a limited liability company organized and existing under the laws of the State of Georgia authorized to do business in the State, and a wholly owned affiliate of RISE Development LLC, and its successors and assigns.

**"RISE Development LLC"** - RISE Development LLC, a limited liability company organized and existing under the laws of the State of Georgia and the parent company of RISE.

**"Series 2019 Bonds"** - the Authority's Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019, to be issued pursuant to the Indenture in the aggregate principal amount of \$\_\_\_\_\_.

**"State"** - the State of Louisiana.

**"Student Housing Facilities"** as defined in the Recitals of this Ground Sublease.

**"Student Housing Facilities Equipment"** - all movable property, including without limitation, machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description and installed in, located on, or exclusively used in connection with, the Student Housing Facilities, excluding those items owned by Residents.

**"Subcontractor"** - any subcontractors and sub-subcontractors providing work, labor, equipment or materials under the Construction Budget or the Soft-Cost Budget (each as defined in the Development Agreement), each of whom shall be appropriately licensed.

**"Subordinate Collateral Assignment of Contract Documents"** - the Subordinate Assignment of Contract Documents, dated as of September 1, 2019, by Provident-Flagship, as assignor, in favor of Greenhouse LLC, as amended, modified or supplemented from time to time.

**"Substantial Completion," "Substantially Complete," and "Substantially Completed"** - as defined in Article XIX of the Development Agreement.

**"Substantial Completion Date"** - the date set forth in (and as so defined in) the Development Agreement, being the date by which RISE is committed under the Development Agreement to deliver the Greenhouse District Project to Provident-Flagship, 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 Ground Sublease shall remain in full force and effect as set forth in Section 2 hereof.

**"Title Company"** means 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

**"Total Development Budget Amount"** - \$\_\_\_\_\_.

**"Transfer"** - as defined in Section 16(a) hereof.

**"Trustee"** - Hancock Whitney Bank, a Mississippi state banking corporation, and its successors and assigns, as the trustee under the Indenture.

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

**"University Architect"** - the Assistant Vice President/LSU Architect and/or the Associate Vice President for Facility and Property Oversight of LSU and shall include any permanent or interim officer or any successor office.

**"University 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 RISE's Construction progress during the Construction phase of the Greenhouse District Project.

**"Utility Services"** - as defined in Section 6(a) hereof.

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

## Section 2. Term, Use and Name.

(a) **Term.** The term of the leasehold estate of Provident-Flagship in the Land created hereunder (the "**Term**") shall commence on the Commencement Date and shall expire at 12:00 midnight on the earlier of (i) the fortieth (40<sup>th</sup>) anniversary of the Commencement Date, unless otherwise extended or sooner expired or terminated in accordance with this Ground Sublease or by operation of law; (ii) the date this Ground Sublease terminates due to a default by LSU under the Facilities Lease; or (iii) the date on which the Bonds have been fully repaid and all obligations under the Bond Documents and this Ground Sublease are fully discharged.

(b) **Use.** Provident-Flagship shall use and operate the Land for the sole and exclusive purpose of performing the Greenhouse District Project and maintaining and operating the Student Housing Facilities as required under this Ground Sublease, with a lease and sublease, as applicable, of the Property to LSU for use by the University, students and staff of the University and their visitors and authorized representatives.

(c) **Name.** The buildings comprising the Student Housing Facilities shall be named as determined by Greenhouse LLC, which shall obtain the prior written approval of LSU, in its sole and unfettered discretion.

## Section 3. Ground Rent, Additional Rent and Development Costs.

(a) **Ground Rent.** On each date set forth in Schedule 1 hereto (the "**Ground Rent Schedule**"), Provident-Flagship shall pay the lesser of the following amounts to Greenhouse LLC as annual minimum rent hereunder ("**Ground Rent**"): (i) the amount corresponding to such date set forth in the Ground Rent Schedule; or (ii) such lesser amount actually received by Provident-Flagship from LSU as Rental (as defined in the Facilities Lease) pursuant to the Facilities Lease less any payments and obligations due under the Bond Documents, Development Agreement and FOMA or from proceeds of the Bonds which are available to pay such Ground Rent.

(b) **No Greenhouse LLC Responsibility to Pay Bonds.** Provident-Flagship acknowledges and agrees that Greenhouse LLC shall have no obligation whatsoever, under any circumstances, (i) to pay any Operating Expenses, or (ii) to pay any interest, principal or any other amounts due on any of the Bonds or under the Bond Documents.

(c) **Additional Rent.** Provident-Flagship shall pay or cause to be paid directly to Greenhouse LLC (or, subject to Provident-Flagship's contest rights expressly set forth in this Ground Sublease, to any Person entitled to such payment), as additional rent hereunder, all amounts (other than Ground Rent) payable by Provident-Flagship under this Ground Sublease (collectively, "**Additional Rent**"), including those amounts designated in other provisions of this Ground Sublease as "Additional Rent;" provided, however, that such amounts shall be payable by Provident-Flagship solely from Rental (as defined in the Facilities Lease) received by Provident-Flagship from LSU or from

proceeds of the Bonds available for such purpose and shall include, without limitation, those items set forth in Sections 7(c)(xv) and (xvi) of the Facilities Lease. Each item of Additional Rent shall be paid by Provident-Flagship as and when due pursuant to the applicable provisions of this Ground Sublease or the related legal or contractual obligation or, if not so specified, not later than thirty (30) days after receiving an invoice from Greenhouse LLC therefore (subject to Provident-Flagship's contest rights expressly set forth in this Ground Sublease as regards disputed payments to any Person). Greenhouse LLC shall have, without limitation, all the same rights and remedies hereunder or under applicable law for Provident-Flagship's failure to pay any item of Additional Rent as Greenhouse LLC has for Provident-Flagship's failure to pay any Ground Rent.

(d) Payment of Foundation Project Development Costs. Provident-Flagship shall pay or cause to be paid directly to Greenhouse LLC, from the proceeds of the Series 2019 Bonds on the Bond Closing, all Greenhouse District Project development and advance infrastructure costs incurred by Greenhouse LLC and/or the Foundation, relating to the Greenhouse District Project as more particularly described in the Tax Regulatory Agreement Arbitrage certificate relating to the Bonds and in the Development Agreement, which amounts shall be approved and paid pursuant to and in accordance with the terms of the Bond Documents.

(e) Payment of Rent. Rent shall be paid in lawful currency of the United States of America, to Greenhouse LLC by Provident-Flagship by wire transfer or any Automatic Clearing House ("ACH") banking transaction acceptable to Greenhouse LLC.

#### Section 4. Financing of the Greenhouse District Project.

(a) As of the date hereof, Provident-Flagship has obtained the financing required for the performance of the Greenhouse District Project through the issuance of the Series 2019 Bonds. Provident-Flagship agrees to provide Greenhouse LLC with copies of all the Bond Documents and material information and documentation relating to the Series 2019 Bonds. The proceeds of the Bonds shall be used solely to pay for the Development Costs and to pay for such other costs and the establishment of such other funds and accounts as are set forth in the Indenture.

(b) In addition, and without limitation to the generality of the foregoing:

(i) Provident-Flagship hereby covenants to Greenhouse LLC that Provident-Flagship shall fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of Provident-Flagship under the Bond Documents.

(ii) Provident-Flagship hereby represents, warrants and covenants to Greenhouse LLC that all representations and warranties made by Provident-Flagship under the Bond Documents are true, correct and complete in all material respects as of the date of the Bond Documents and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Bond Documents.

(iii) Provident-Flagship shall timely, fully, expeditiously and diligently exercise and enforce all the rights and remedies of Provident-Flagship under the Bond Documents (A) so as to require the Authority, the Trustee and all other parties thereto to fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of the Authority, the Trustee or such other parties thereunder, or (B) in connection with any breach by the Authority, the Trustee or any other parties thereunder.

(iv) Notwithstanding any provision of this Ground Sublease to the contrary, nothing in this Ground Sublease (including the provisions of this Section) shall be deemed to require Greenhouse LLC to pay or perform any of the covenants, indemnities, liabilities and obligations of the "Borrower" or any other party under the Bond Documents.

(v) Provident-Flagship hereby agrees to give to Greenhouse LLC copies of each notice, correspondence, report or other information received or given by Provident-Flagship under each of the Bond Documents or applicable Governmental Regulations (A) within three (3) Business Days after each receipt of same and (B) simultaneously with each giving of same.

(vi) Without limitation to the generality of the preceding provisions, Provident-Flagship shall neither cause, consent to nor permit the issuance of any Additional Bonds without the prior written consent of Greenhouse LLC, which shall obtain the prior written consent of LSU as required in the Ground Lease.

(vii) Provident-Flagship shall comply with and shall not violate or seek or purport to modify the Reserved Rights (as defined in the Loan Agreement) of the Authority without the prior written consent of both Greenhouse LLC and the Authority. Greenhouse LLC and Provident-Flagship agree and acknowledge that (A) this Ground Sublease does not modify the Reserved Rights and (B) Greenhouse LLC and Provident-Flagship have no right or power to modify the Reserved Rights.

(viii) Provident-Flagship shall not amend or modify, or permit the amendment or modification of, the Bond Documents without the prior written consent of Greenhouse LLC, after having obtained all necessary approvals from LSU as required by the Ground Lease.

#### Section 5. Taxes and Assessments.

(a) Greenhouse LLC and Provident-Flagship intend that the Greenhouse District Project and the Land will be exempt from ad valorem property taxes. Greenhouse LLC and Provident-Flagship will cooperate in good faith to obtain and ensure, to the extent allowed by applicable law, that such exemptions are at all times applicable to the Greenhouse District Project and the Land. In the event that additional ad valorem taxes or assessments or rental sales taxes with respect to the Land are levied (or levy is attempted) in the future, Provident-Flagship and Greenhouse LLC shall cooperate in good faith, at Provident-Flagship's cost, to defend against such levy of taxes or assessments. In the event that, despite Provident-Flagship's and Greenhouse LLC's cooperation in good faith to defend against the levy of ad valorem taxes or assessments, ad valorem taxes or assessments are levied against Provident-Flagship's leasehold interest in the Land or Greenhouse LLC's interest in this Ground Sublease (including the Ground Rent and Additional Rent), then Provident-Flagship shall timely pay the respective taxes or assessments as Additional Rent.

(b) Notwithstanding the preceding Paragraph (a) to the contrary, Provident-Flagship shall pay any and all real property, personal property or other taxes, municipal service fees or other assessments or charges which are levied against Provident-Flagship's interest in the Property, the leasehold estate or the rents collected therefrom and are payable with respect to any calendar or tax year or other period falling wholly or partly within the Term (all of which are hereinafter referred to collectively as "Taxes"), except that if any such tax, charge or assessment is levied with respect to a period beginning before the Commencement Date or ending after the Expiration Date, Provident-Flagship shall pay only that percentage thereof equaling the percentage of such period falling within the Term. Provident-Flagship shall pay the Taxes as and when due and payable and before any interest, charge, fee or penalty is incurred for late payment thereof. Provident-Flagship shall deliver to Greenhouse LLC the receipted bill for the payment of Taxes within ten (10) days after Greenhouse LLC requests it from Provident-Flagship in writing.

(c) If the imposition of any Taxes shall be deemed by Provident-Flagship or Greenhouse LLC to be improper, illegal, or excessive, Provident-Flagship may, in its own name, dispute and contest the same and, in such event and to the extent permitted by law, any such Taxes need not be paid until adjudged to be valid; provided, however, Provident-Flagship shall in writing first notify Greenhouse LLC of such dispute and contest, and then in good faith and by appropriate proceedings in accordance with applicable Governmental Regulations contest the same; provided that such contest does not place the Student Housing Facilities in danger of being seized or forfeited, and Provident-Flagship provides adequate reserves and/or security for the payment of the Taxes being contested. Unless so contested, any Taxes shall be paid by Provident-Flagship within the time provided by law, and if contested, any such Taxes shall be paid before the imposition of a lien on the Land with respect thereto, unless (within five (5) days after the imposition or occurrence of any such lien) such lien is bonded or insured over (to Greenhouse LLC) in accordance with applicable Governmental Regulations.

(d) In no event shall Greenhouse LLC be liable for the payment of Taxes, including any resulting from Provident-Flagship's failure to pay Taxes. If Greenhouse LLC determines, in its reasonable judgment, that the conditions set forth in this Section are not satisfied at any time, or if Provident-Flagship fails to pay the Taxes as and when due as set forth herein, and Provident-Flagship fails to cure such breach or violation within thirty (30) days after Greenhouse LLC gives notice thereof to Provident-Flagship (or within any short period of time during which any related lien or judgment may be enforced, as determined by Greenhouse LLC), Greenhouse LLC may pay such

Taxes and Provident-Flagship shall reimburse Greenhouse LLC on demand, as Additional Rent, for all payments, costs and expenses incurred by Greenhouse LLC in taking such actions, together with interest thereon at the Default Rate. Provident-Flagship, upon request of Greenhouse LLC, shall furnish to Greenhouse LLC, within ten (10) days after the date when any Taxes would be delinquent, official receipts of the appropriate taxing authority, or other evidence reasonably satisfactory to Greenhouse LLC evidencing the payment thereof.

Section 6. Utility Services; Sewer.

(a) Greenhouse LLC makes no representations or warranties regarding the availability or adequacy of any Utility Services (as defined below) to or at the Land. Provident-Flagship shall make, or shall cause to be made, application for, obtain and pay for, and be solely responsible for, all utilities required at the Property, 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 necessary for the operation of the Property (herein sometimes collectively referred to as "Utility Services"). Provident-Flagship shall pay for, and be solely responsible for, all Utility Services used or consumed at the Property. Notwithstanding the foregoing, LSU in its sole and unfettered discretion, shall provide or cause to be provided some or all of the Utility Services during the Term of this Ground Sublease, all as more particularly set forth and defined in the FOMA, the Facilities Lease or any exhibit or attachment to the Facility Lease. In accordance with the Contract Documents, Provident-Flagship shall be solely responsible for installing all infrastructure required to provide the Utility Services to the Property. After the infrastructure associated with Utility Services is completed or caused to be completed by Provident-Flagship, the costs of Utility Services shall be paid as Operating Expenses. In the event that any charge for any Utility Services supplied to the Property is not paid by Provident-Flagship to the utility supplier when due (subject to the following Paragraph (b)), then Greenhouse LLC may, but shall not be obligated to, give Provident-Flagship written notice of such failure, and if Provident-Flagship fails to pay the same within thirty (30) days after receipt of Greenhouse LLC's notice, Greenhouse LLC may pay such charge for and on behalf of Provident-Flagship, in which event Provident-Flagship shall pay such amount, together with interest thereon at the Default Rate, to Greenhouse LLC, as Additional Rent, within thirty (30) days after demand by Greenhouse LLC, 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. Provident-Flagship shall also install or, under the Development Agreement, cause RISE to install, all connections and wiring for fully servicing the Property and Greenhouse District Project Site in accordance with the Construction Documents as part of Substantial Completion.

(b) If the amount billed for any Utility Service shall be deemed by Provident-Flagship or Greenhouse LLC to be improper, illegal or excessive, Provident-Flagship 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-Flagship shall in writing first notify Greenhouse LLC of such dispute and contest, and then in good faith and by appropriate proceedings in accordance with applicable 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-Flagship 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-Flagship 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 Greenhouse LLC) in accordance with applicable Governmental Regulations and (if applicable) such contract.

(c) As part of the Greenhouse District Project, Provident-Flagship shall, at Provident-Flagship's cost and expense, construct and install (or cause to be constructed and installed) all sewer facilities within and outside the Land and Greenhouse District Project Site (and within and outside the Campus) that are required or contemplated by the City of Baton Rouge/Parish of East Baton Rouge in its approval of the sewer facilities for the Land and Greenhouse District Project, including all new and replacement sewer lines, expansions and connections within and outside the Land, the Greenhouse District Project Site and/or the Campus. Provident-Flagship shall disclaim and cause RISE and all other parties to disclaim any title or ownership in such sewer facilities and cooperate, to the extent necessary, in the dedication of such sewer facilities to: (x) Greenhouse LLC and/or LSU, respectfully, to the extent such sewer facilities are located on the Campus, or (y) the City of Baton Rouge/Parish of East Baton Rouge as to such sewer

facilities which are outside the Campus. Provident-Flagship shall confirm and shall cause RISE to confirm that all warranties to Greenhouse LLC's benefit related to Student Housing Facilities also apply to such sewer facilities (to the extent allowed by law, including the portions of such sewer facilities outside the Land but on the Campus) and shall run from the later of one (1) year (and such longer periods as may apply by law or any agreements) (i) after the Final Completion Date or (ii) the completion of punch list, repair or similar corrective work being performed after Final Completion.

(d) As part of the Greenhouse District Project, Greenhouse LLC shall, at Greenhouse LLC's cost and expense, construct and install or cause to be constructed or installed all electrical facilities, lines and connections in adequate supply, outside the Land and Greenhouse District Project Site and within and outside the Campus, that are required or contemplated by Provident-Flagship for the Greenhouse District Project. Greenhouse LLC shall dedicate and cause all other parties to publicly dedicate ownership of such electrical facilities, lines and connections if required by the electrical utility provider.

(e) Without in any manner limiting Provident-Flagship's obligations hereunder, each of Greenhouse LLC and LSU reserve the right, easement and privilege (but has no obligation) to enter (and to have its contractors and employees enter) on the Land and Greenhouse District Project Site in order to install, at its own cost and expense, any storm drains and sewer facilities and/or utility lines in connection therewith as may be required or desired by Greenhouse LLC and/or LSU to service the Land and Greenhouse District Project or any other real property owned by Greenhouse LLC, its affiliates and LSU, provided Greenhouse LLC and LSU coordinate such work with RISE so as not to interfere with or delay the Greenhouse District Project but if any such delays occur, the applicable Substantial Completion Date shall be extended one day for each day of such delays.

(f) Greenhouse LLC and LSU acknowledge and agree that, if all obligations as to Utility Services are fully performed by the Facilities Manager and RISE pursuant to and accordance with the FOMA and Development Agreement, Provident-Flagship's obligations in connection with any Utilities Services shall be deemed satisfied in accordance with the terms of this Ground Sublease.

Section 7. Payments for Provident-Flagship. If Provident-Flagship fails to procure the insurance required to be procured by Provident-Flagship under this Ground Sublease or fails to pay any premium of insurance, Taxes, or any other sum in this Ground Sublease required to be paid by Provident-Flagship, Greenhouse LLC may, after expiration of the applicable cure period specified in the relevant provisions hereof or (if not so specified) in Section 26(a)(i) or (ii), as applicable, at the option of Greenhouse LLC, either with or without declaring an Event of Default, procure on behalf of Provident-Flagship any such insurance, and pay on behalf of Provident-Flagship any such payment or payments as may be necessary. Any sum(s) so paid or expended by Greenhouse LLC shall be immediately due and payable by Provident-Flagship upon Greenhouse LLC's demand, together with interest thereon at the Default Rate, and shall constitute Additional Rent.

Section 8. Interest on Unpaid Amounts. Rent and other sums that are payable by Provident-Flagship to Greenhouse LLC under this Ground Sublease which are not paid to Greenhouse LLC within ten (10) days after the due date thereof shall bear interest at the Default Rate per annum from the due date thereof through the date payment of the same is made. If it becomes necessary for Greenhouse LLC to bring suit for collection of any Rent, Provident-Flagship agrees to pay any and all such reasonable expenses and costs as Greenhouse LLC may incur, including, but not limited to, reasonable attorneys' fees actually incurred or reasonably determined to be the cost of legal services supplied by salaried employees of Greenhouse LLC, plus interest at the Default Rate on any amounts therefore expended by Greenhouse LLC, in the collection of such Rent.

Section 9. Compliance by Provident-Flagship with Governmental Regulations. At all times during the Term of this Ground Sublease, Provident-Flagship shall or shall cause other persons to conform to, obey, and comply in all respects with all Governmental Regulations, including those applicable to this Ground Sublease, performance of the Greenhouse District Project prior to Final Completion, the operation and use of the Property, and any repair, replacement, renovation, Construction, Restoration, or excavation being done on or to the Property. Provident-Flagship, in its own name and at its sole cost and expense, shall have the right to contest the validity of any applicable Governmental Regulation, provided that Provident-Flagship notifies Greenhouse LLC of the contest, conducts such contest in accordance with any and all applicable Governmental Regulations, such contest does not place the Student Housing Facilities in danger of being seized or forfeited, such contest will not result in civil or

criminal penalties being imposed on Provident-Flagship or Greenhouse LLC, such contest will not jeopardize the health, safety or welfare of the Residents or other Persons, such contest will not adversely affect Provident-Flagship's or RISE's ability to perform the Greenhouse District Project for a cost not exceeding the Guaranteed Maximum Price or to Substantially Complete the Greenhouse District Project by the Substantial Completion Date, and Provident-Flagship posts adequate reserves or other security acceptable to Greenhouse LLC (including a bond or insurance over (to Greenhouse LLC) for payment of any amounts that may be deemed to be due and payable at the conclusion of such contest, as reasonably determined by Greenhouse LLC. Provident-Flagship shall not use, or suffer or permit the use of, the Property or any part thereof in any manner that would constitute a legal nuisance or create a risk of harm or loss to any Person on the Campus. In the event, at any time during the Term, as the result of Provident-Flagship's acts or failure to act when under affirmative duty to do so, any addition, alteration, change, or repair or other work of any nature, structural or otherwise, be lawfully required or ordered by an applicable Governmental Authority or becomes necessary on account of any applicable Governmental Regulation, the entire expense thereof, regardless of when the same shall be incurred or become due, shall be paid by Provident-Flagship, and in no event shall Greenhouse LLC be called upon to contribute thereto. Provident-Flagship shall obtain and maintain in force during the Term all licenses, permits and governmental approvals necessary or required for the operation of the Property. Upon any failure of Provident-Flagship to perform its obligations in this Section 9 for more than thirty (30) days after notice from Greenhouse LLC, Greenhouse LLC may perform the same at Provident-Flagship's cost, in which event Provident-Flagship shall reimburse Greenhouse LLC on demand, as Additional Rent, for all payments, costs and expenses incurred by Greenhouse LLC in taking such actions, together with interest thereon at the Default Rate.

Section 10. Quiet Enjoyment/Police Service. Greenhouse LLC covenants and agrees that, throughout the Term of this Ground Sublease, as long as there is no Event of Default, Provident-Flagship may peaceably and quietly enjoy and hold the Property, subject, however, to the Permitted Encumbrances and any express rights of Greenhouse LLC and LSU hereunder. Notwithstanding anything to the contrary contained in this Ground Sublease, (a) the Property shall be subject, at all times during the Term, to the jurisdiction of the University's Campus police force, which shall have access to the Property at all times and to the extent required under the police and security rules and regulations for the University, and (b) Greenhouse LLC shall have the right to inspect, and to have its agents and contractors inspect, the Property at all reasonable times and from time to time (i) during performance of the Greenhouse District Project, consistently with the provisions of Section 11(g), and (ii) after Substantial Completion of the Greenhouse District Project, in a manner that will not materially and adversely affect Provident-Flagship's operation of the Property. During periods of Construction, to the extent required under the Development Agreement, Provident-Flagship shall cause RISE to be responsible for safety and security of the Greenhouse District Project Site.

Section 11. Construction of Improvements.

(a) Greenhouse LLC's and LSU's Approval Required for All Construction. Provident-Flagship shall not be permitted to make capital improvements upon the Land or Greenhouse District Project Site, including but not limited to, the Construction of, alteration of, repair, renovation or demolition of any future improvement upon the Property or Greenhouse District Project Site, without Greenhouse LLC's prior written approval, after having obtained all necessary approvals from LSU required by the Ground Lease, which such approvals shall not be unreasonably withheld, conditioned or delayed. Complete Construction Documents, which shall include Plans and Specifications, regarding any work referenced in the preceding sentence must be submitted to Greenhouse LLC and the LSU Representative for review and approval prior to Commencement of Construction and in accordance with the Development Agreement. Greenhouse LLC's and LSU's approval of Construction Documents is for Greenhouse LLC and LSU's own benefit, cannot be relied upon by any person other than Provident-Flagship and does not change the standard of care from the preparer of the Construction Documents. Provident-Flagship acknowledges and agrees that the Construction Documents for the Greenhouse District Project must be approved by LSU in accordance with the Development Agreement. Greenhouse LLC hereby acknowledges that full performance by Provident-Flagship of all its obligations and duties under the Development Agreement and delivery of the Student Housing Facilities as Finally Complete pursuant to and in accordance with the terms and provisions of the Development Agreement shall be deemed the satisfaction of Provident-Flagship's obligation to perform the Greenhouse District Project.

Notwithstanding the foregoing, the Parties acknowledge and agree that Provident-Flagship or RISE shall be permitted to make changes to the Construction Contract with the General Contractor without the consent of LSU

and/or Greenhouse LLC; provided, that such changes do not (i) increase the Total Development Budget Amount; (ii) affect the overall character or aesthetics of the Greenhouse District Project or materially alter the Construction Documents; and (iii) extend the Substantial Completion Date.

(b) Greenhouse LLC's and LSU's Approval of Development Agreement. Provident-Flagship shall (x) cause RISE to achieve Substantial Completion of the Greenhouse District Project no later than the Substantial Completion Date, and (y) thereafter Finally Complete, or cause the Final Completion of the Greenhouse District Project, no later than the Final Completion Date, in both cases (x) and (y) in compliance with the Construction Documents and all applicable Governmental Regulations. In addition, and without limitation to the generality of the foregoing:

(i) Provident-Flagship also hereby covenants to Greenhouse LLC that Provident-Flagship shall fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of Provident-Flagship under the Development Agreement and all other Contract Documents, if any, to which Provident-Flagship is a party.

(ii) Provident-Flagship hereby represents, warrants and covenants to Greenhouse LLC that all representations and warranties made by Provident-Flagship under the Development Agreement and such other Contract Documents are true, correct and complete in all material respects as of the respective dates thereof and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Development Agreement or such other Contract Documents.

(iii) Provident-Flagship shall timely and diligently exercise and enforce all the rights and remedies of the Provident-Flagship under the Development Agreement and the other Contract Documents (x) so as to require RISE and all other parties thereto to fully and timely pay and perform all the covenants, indemnities, liabilities and obligations of RISE or such other parties thereunder, or (y) in connection with any breach by RISE or any other parties thereunder. Provident-Flagship shall not, without the prior written consent of Greenhouse LLC, after having obtained all necessary approvals of LSU required by the Ground Lease, in each instance, (A) waive, forgive or agree to forbear from exercising or enforcing any such rights and remedies, (B) consent to the continuation of any such breach, or (C) release RISE or any party to such a Contract Document from any of RISE's or such party's obligations under the Development Agreement or any such other Contract Documents.

(iv) Provident-Flagship shall not agree, without the prior written consent of Greenhouse LLC, after having obtained all necessary approvals of LSU required by the Ground Lease, in each instance, (A) to assign, transfer, terminate, or suspend the Development Agreement or any Contract Document or any of Provident-Flagship's rights thereunder, (B) to extend any time periods or deadlines set forth therein (except only as required by the express terms thereof), (C) to modify the Development Agreement or any other Contract Document or (D) to change the Guaranteed Maximum Price for performance of the Greenhouse District Project or reduce retainage held by Provident-Flagship under the Development Agreement without prior written approval of Greenhouse LLC, after having obtained all necessary approvals of LSU required by the Ground Lease. In addition, Provident-Flagship shall not, without the prior written consent of Greenhouse LLC, after having obtained all necessary approvals of LSU required by the Ground Lease, in each instance, consent to any assignment or transfer by RISE or any other party to the Contract Documents of all or any part of RISE'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 RISE or such party), to the extent Provident-Flagship's consent is required therefore.

(v) Notwithstanding any provision of this Ground Sublease to the contrary, nothing in this Ground Sublease (including the provisions of this Section) shall be deemed to require Greenhouse LLC to pay or perform any of the covenants, indemnities, liabilities and obligations of Provident-Flagship under the Development Agreement or other Contract Documents.

(vi) Provident-Flagship hereby agrees to provide or to cause other Persons to provide Greenhouse LLC copies of each notice, correspondence, report or other information received or given by Provident-Flagship under each of the Contract Documents, Bond Documents or applicable Governmental Regulations (i) within three (3) Business Days after each receipt of same and (ii) simultaneously with each giving of same.

(vii) If, before Final Completion of the Greenhouse District Project, the Development Agreement is terminated, or RISE is dismissed or suspended or withdraws from its capacity, as developer under the Development Agreement, whether due to a default under the Development Agreement or otherwise, then Provident-Flagship shall not enter into any replacement development agreement and/or retain any replacement developer without Greenhouse LLC's prior written consent in each instance. If, before Final Completion of the Greenhouse District Project, any other Contract Document to which Provident-Flagship 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, then Provident-Flagship shall not enter into any replacement of such Contract Document and/or retain any replacement party to such other Contract Document without Greenhouse LLC's prior written consent, after having obtained all necessary approvals of LSU required by the Ground Lease, in each instance, such consent to be given in Greenhouse LLC's sole and unfettered discretion (except to the extent, if any, required otherwise in the Development Agreement).

(viii) In addition to the foregoing and without limitation to any of Provident-Flagship's obligations in this Section 11 or elsewhere in this Ground Sublease, Provident-Flagship hereby agrees that, to the extent the Development Agreement and/or other Contract Documents are enforceable directly by Greenhouse LLC, 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-Flagship under the Development Agreement, Provident-Flagship hereby irrevocably consents to Greenhouse LLC'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 Subordinate 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, any Design as to the Greenhouse District Project shall be subject to the approval of Greenhouse LLC, after Greenhouse LLC has obtained all necessary approvals from LSU as required under the Ground Lease.

(c) Default in Construction. If there shall be a default by RISE, the General Contractor, or the Architect in connection with the performance of the Greenhouse District Project (after expiration of any applicable notice and cure periods contained therein), Provident-Flagship shall exercise or cause to be exercised all of the rights and remedies available (i) to Provident-Flagship under the Development Agreement, subject to the terms and conditions thereof, or (ii) to Provident-Flagship (if any) under the relevant Contract Documents. Without limiting any other rights of Greenhouse LLC hereunder, if an Event of Default shall occur and be continuing, or if Provident-Flagship shall be in default under the Development Agreement beyond any applicable grace or cure period, or if (for more than thirty (30) days after notice to Provident-Flagship) Provident-Flagship shall fail to exercise its rights and remedies under the Development Agreement in the event of a default by RISE thereunder, subject to the terms and conditions thereof, Greenhouse LLC may, but shall not be obligated to, subject to the rights of the Trustee, exercise its rights under, or assert the rights of Provident-Flagship pursuant to, the Subordinate Assignment of Contract Documents and the Development Agreement. All such rights and remedies of Greenhouse LLC are in addition to and shall not be deemed to limit or restrict any rights or remedies of Greenhouse LLC under the Development Agreement.

(d) Commencement of Construction. Provident-Flagship shall cause RISE to commence and pursue to Final Completion the performance of the Greenhouse District Project 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). Greenhouse LLC hereby acknowledges receipt of a copy of the Construction Contract, including the Project Schedule, from Provident-Flagship.

(e) Construction Approvals by Greenhouse LLC. Prior to commencing any excavation, Construction, paving, or any other work associated with the Land or the Greenhouse District Project, Provident-Flagship shall deliver or cause to be delivered to Greenhouse LLC and the LSU Representative for approval three (3) sets of the Construction Documents that are 100% complete. The right of approval of Greenhouse LLC 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 the University's activities therein. Greenhouse LLC shall have such period of time as is allowed under the Development Agreement to approve or reject such submissions, with any rejection being accompanied with a description of measures to be taken by Provident-Flagship that will result in approval on resubmission (or why resubmission of any similar proposal would

be rejected). Failure to approve or reject any submissions within such time period shall be deemed approval by Greenhouse LLC and LSU. Greenhouse LLC agrees not to unreasonably withhold the approval required by this Paragraph (e). Approval of submissions by Greenhouse LLC shall not relieve Provident-Flagship 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 Construction Documents, the Contract Documents, and all applicable Governmental Regulations. Notwithstanding the foregoing, Provident-Flagship may request of Greenhouse LLC in writing that Provident-Flagship be permitted to commence excavation, demolition, Construction, paving, or any other work associated with the Land or Greenhouse District Project Site, prior to delivery of complete Construction Documents and Greenhouse LLC's approval thereof in accordance with this paragraph, and Greenhouse LLC agrees that it will not unreasonably withhold or delay such consent, provided that such request for consent includes 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 all in accordance with the Development Agreement.

(f) *Change Orders*. Provident-Flagship shall not order, authorize, permit, consent to, suffer or perform any Change Order, except as expressly permitted and on the terms and conditions provided in the Development Agreement.

(g) *Construction According to Approved Construction Documents*. All building materials for the Greenhouse District Project must be new and of good quality in accordance with the Construction Documents. Greenhouse LLC and the LSU Representative reserve the right to monitor (through their respective employees, construction consultant or the University Construction Monitor) Provident-Flagship's performance of the Greenhouse District Project from its inception to its Final Completion, including participation in all meetings contemplated by the Development Agreement and/or the Construction Contract. Notwithstanding the foregoing, Greenhouse LLC shall not interfere with the orderly progression of the Greenhouse District 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-Flagship or RISE, and shall provide reasonable notice of all site visits as required in the Development Agreement. At a minimum, the following restrictions are placed upon Construction activities, and Provident-Flagship will provide for the incorporation of these restrictions in the Development Agreement:

(i) access to the Land and Greenhouse District Project Site and such other areas of Campus as shall be necessary for the performance of the Greenhouse District Project will be limited to those involved with the performance of the Greenhouse District Project and the employees or agents of Greenhouse LLC, Provident-Flagship and LSU or the University Construction Monitor monitoring same;

(ii) Provident-Flagship must notify Greenhouse LLC and the LSU Representative in writing at least seventy-two (72) hours in advance when coordination meetings requiring the participation of Greenhouse LLC Representative and LSU Representative are required;

(iii) signage shall be in conformity with the LSU's rules and regulations and the Development Agreement; and

(iv) Construction activities will comply with all applicable Governmental Regulations.

(h) *All Liens and Rights are Subordinate to Greenhouse LLC*. The rights of the Architect, the Contractor and each other architect, contractor, assignee, sublessee, sub-contractor, 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 Greenhouse LLC's title, interest, and estate in the Land. Other than Permitted Encumbrances, Provident-Flagship 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 Provident-Flagship's performance of the Greenhouse District Project that might or does constitute a Lien, encumbrance, or charge upon the Property, the Greenhouse District Project Site or the Greenhouse District Project, 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 Greenhouse LLC in the Land or any part thereof, or the proceeds therefrom. Nothing in this Ground Sublease shall be deemed or construed in any way as constituting the consent or request of Greenhouse LLC, express or implied, by inference or otherwise, to the filing of any Lien or other encumbrance (other than Permitted

Encumbrances) against the Property, the Greenhouse District Project Site or the Greenhouse District Project, or Greenhouse LLC's or LSU's interest in the 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, the Greenhouse District Project Site or the Greenhouse District Project, or any part thereof. Provident-Flagship shall cause any Lien or encumbrance (other than Permitted Encumbrances) to be discharged (including by bond) or insured over (to Greenhouse LLC's and LSU'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. Notwithstanding the foregoing, Provident-Flagship shall be entitled to contest any such Lien or encumbrance, in good faith and by appropriate proceedings, as long as Provident-Flagship bonds or insures over in favor of Greenhouse LLC, LSU, the Authority and the Trustee such Lien or encumbrance in an amount not less than 125% of the amount of the Lien or encumbrance, and the execution of any such Lien or encumbrance is stayed such that the Land and the Greenhouse District Project are not placed in imminent danger of being seized or forfeited, without being deemed to be in default hereunder.

(i) Payment of Bills for Construction. Provident-Flagship covenants and agrees to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Contract Documents and the Bond Documents, but solely from the proceeds of the Bonds, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, Contractors, and subcontractors and all other costs and expenses incident to the performance of the Greenhouse District Project; provided, however, that Provident-Flagship may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, in accordance with Paragraph (g) above, and on condition that such contest will not adversely affect Provident-Flagship's or RISE's ability to perform the Greenhouse District 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. Unless so contested by Provident-Flagship, all such items shall be paid by Provident-Flagship 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 Greenhouse LLC. Greenhouse LLC acknowledges that Provident-Flagship will assign (or cause the assignment of) all of Provident-Flagship's right, title, interest, and remedies in and to the Contract Documents (i) to the Trustee pursuant to the Collateral Assignment of Contract Documents and (ii) to Greenhouse LLC pursuant to the Subordinate Collateral Assignment of Contract Documents. Provident-Flagship covenants and agrees that, in the event Provident-Flagship shall abandon or fail to commence, continue or complete the performance of the Greenhouse District Project in accordance with the requirements of this Ground Sublease, Greenhouse LLC may, after providing written notice of such failure to Provident-Flagship and Provident-Flagship's failure 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 Greenhouse LLC may have under this Ground Sublease) exercise its rights under the Subordinate Assignment of Contract Documents, to exercise Provident-Flagship's rights and remedies under the Contract Documents against RISE, including the right to complete (or to cause to be completed) the performance of the Greenhouse District Project. If Greenhouse LLC shall not elect to exercise this option, the Trustee may elect to complete performance of the Greenhouse District Project pursuant to the terms of the Collateral Assignment of Contract Documents. Greenhouse LLC and Provident-Flagship acknowledge that the Authority has no obligation, right or option to complete the performance of the Greenhouse District Project or to assume any obligations under the Contract Documents.

(k) Title to the Student Housing Facilities. The title to the Student Housing Facilities shall be vested in Provident-Flagship until the Expiration Date, at which time (except as a result of the payment in full of the Bonds) all title to and ownership of the Student Housing Facilities shall automatically and immediately vest (without the necessity of any further action being taken by Provident-Flagship or Greenhouse LLC or any instrument being executed and delivered by Provident-Flagship to Greenhouse LLC) in Greenhouse LLC, and Provident-Flagship shall assign its right, title and interest in and to the Facilities Lease to Greenhouse LLC, unless Greenhouse LLC shall notify Provident-Flagship in writing prior to the Expiration Date to transfer title and ownership to LSU, at LSU's direction.

Provident-Flagship shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by Greenhouse LLC (i) to acknowledge the

Expiration Date of this Ground Sublease, all in recordable form, or (ii) to convey title to Greenhouse LLC or LSU of the Student Housing Facilities by standard limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses, but only to the extent owned by Provident-Flagship, 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-Flagship, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees, including LSU. If the Student Housing Facilities that are owned by Provident-Flagship are not free from all Liens or encumbrances other than Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees, including LSU, on the Expiration Date, Greenhouse LLC may (1) direct Provident-Flagship to correct or discharge such Liens or encumbrances within a reasonable time period; (2) elect to discharge such Liens or encumbrances and seek reimbursement from Provident-Flagship for the costs of same, along with interest at the Default Rate and reasonable attorneys' fees; or (3) require Provident-Flagship to remove such Liens or encumbrances before such title shall transfer to Greenhouse LLC or LSU, as applicable.

In the event the Bonds are paid in full and all obligations under the Bond Documents and Facilities Lease have been discharged, Provident-Flagship shall execute, acknowledge and deliver such deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by LSU (i) to acknowledge the date of termination of this Ground Sublease, all in recordable form, or (ii) to convey to LSU title (by limited warranty deed with covenants against grantor's acts and an assignment of leases and licenses) to the Student Housing Facilities that are owned by Provident-Flagship, 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-Flagship, free and clear of all Liens, subject only to Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees, including LSU. If the Student Housing Facilities that are owned by Provident-Flagship are not free from all Liens or encumbrances other than Permitted Encumbrances and any Liens or encumbrances caused by Greenhouse LLC or its agents, contractors or employees, including LSU, on the date of termination of this Ground Sublease, Greenhouse LLC shall (1) direct Provident-Flagship to correct or discharge such Liens or encumbrances within a reasonable time period; (2) elect to discharge such Liens or encumbrances and seek reimbursement from Provident-Flagship for the costs of same, along with interest at the Default Rate and reasonable attorneys' fees; or (3) require Provident-Flagship to remove such Liens or encumbrances before such title shall transfer to LSU.

(l) Permits, Laws, and Ordinances. Provident-Flagship shall comply and cause RISE, its Contractors and subcontractors to comply, in all material respects, with all Governmental Regulations and LSU or University requirements which may now or hereafter, from time to time, be established and which are or shall be applicable to Provident-Flagship as they relate to the Greenhouse District Project, and shall take, as otherwise provided herein, all action necessary to cause the Greenhouse District Project to comply (on the date of Final Completion), in all material respects with all provisions of the Contract Documents, the Bond Documents and this Ground Sublease applicable to Provident-Flagship. Without limitation to the foregoing, Provident-Flagship shall cause all Construction 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. Provident-Flagship shall confine its operations and cause RISE to confine RISE's operations to the Land and the Greenhouse District Project Site and shall not store, or permit RISE to store, any material or equipment or conduct any construction work, preparation or staging on property of Greenhouse LLC, LSU, or other Persons outside the boundaries of the Land and the Greenhouse District Project Site, except as approved in writing and subject to such conditions as may be reasonably specified and approved by Greenhouse LLC and LSU. Provident-Flagship shall be deemed to comply with the foregoing sentence as to materials stored offsite, provided the offsite storage location is secure, bonded and insured and title to the stored materials has not passed to Provident-Flagship until installed on the Land and the Greenhouse District Project Site. Provident-Flagship shall protect all work and shall at all times keep and cause RISE and all Contractors to keep the Land and the Greenhouse District Project Site reasonably clean and free from waste materials and rubbish. To the extent reasonably possible, performance of the Greenhouse District Project shall be done so as to minimize disruption of the University operations. All construction activities shall be coordinated with the appropriate departments of the University (such departments and representatives of those departments shall be identified in the pre-construction meeting). A mandatory pre-construction meeting shall be conducted by Provident-Flagship prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Land and the

Greenhouse District Project Site and Construction coordination issues. The meeting shall be attended, at a minimum, by the Greenhouse LLC Representative, the Provident-Flagship Representative, the LSU Representative, the RISE Representative and the General Contractor and key Subcontractors through their respective project managers and superintendents.

(n) Payment and Performance Bonds. Provident-Flagship shall provide or cause to be provided to Greenhouse LLC the Performance Bond and Payment Bond, which shall name the General Contractor as principal and shall include a multiple rider naming RISE, Provident-Flagship and the Trustee as obligees.

(o) Reports and Information. Provident-Flagship (i) shall provide Greenhouse LLC with copies of all documents and correspondence provided to or generated by or for Provident-Flagship 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 (ii) shall provide (or cause RISE to provide) Greenhouse LLC with Monthly Progress Reports (as defined in the Development Agreement) in form and detail reasonably satisfactory to Greenhouse LLC demonstrating compliance with the Contract Documents and this Ground Sublease for the previous month. In addition, reports as to compliance or noncompliance with the Project Schedule shall be updated at least monthly to assure Greenhouse LLC that performance of the Greenhouse District Project will be Finally Complete in sufficient time to allow for occupancy by the University of the Student Housing Facilities on or before the Final Completion Date. Provident-Flagship shall deliver or cause to be delivered to Greenhouse LLC 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-Flagship pursuant to the Contract Documents with respect to the Land within ten (10) days after receipt by Provident-Flagship. All correspondence and documents related to the performance of the Greenhouse District Project shall be available for review and inspection by Greenhouse LLC at RISE's construction office on or near the Campus.

(p) Final Completion of Project. As soon as practicable after the Substantial Completion of the Greenhouse District Project (but in all events no later than the deadline in the Development Agreement for Final Completion of the Greenhouse District Project), Provident-Flagship shall furnish, or cause to be furnished, to Greenhouse LLC:

(i) two complete sets of final record Construction Documents of the completed improvements as required by the Development Agreement;

(ii) a current, accurate, properly labeled, and certified (by the hereafter stated surveyor or engineer), "as-built" plat of survey prepared by a registered land surveyor or professional engineer depicting to scale the location of the completed improvements, as the same have been Constructed;

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the Student Housing Facilities; and

(iv) copies of all other documents required in the Development Agreement for Final Completion.

(q) Provident-Flagship Access. Notwithstanding anything to the contrary herein, during performance of the Greenhouse District Project, Provident-Flagship shall have access to the Land and the Greenhouse District Project Site twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year. Notwithstanding anything to the contrary herein, during the Term of this Ground Sublease, Provident-Flagship shall have access to the Property twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

(r) Failure to Provide Project on Schedule. Provident-Flagship shall cause the performance of the Greenhouse District Project to be Finally Complete in accordance with the Development Agreement and all Governmental Regulations, with all costs thereof fully paid, and all Liens fully paid or bonded, no later than the Final Completion Date or bonded, within the time period required by Paragraph (b) above. If the Greenhouse District Project has not achieved Final Completion on or before the Final Completion Date, then Provident-Flagship, at its cost and expense, shall use its commercially reasonable efforts to collect Liquidated Damages, as defined in the Development

Agreement, and enforce the provisions of Section IV (C), (D) and (E) set forth in the Development Agreement. For so long as Provident-Flagship provides in full, the Liquidated Damages it receives (and uses its commercially reasonable efforts to collect the same) and enforces the provisions of Section IV (C), (D) and (E) of the Development Agreement in accordance with the terms thereof, Greenhouse LLC shall not have the right to place Provident-Flagship in default of its obligations under this Ground Sublease for failure to achieve Final Completion of the Greenhouse District Project and Provident-Flagship shall not be liable for any damages incurred by Greenhouse LLC.

(s) Assignment by Provident-Flagship and RISE. As security for Provident-Flagship's performance hereunder as it relates to the performance of the Greenhouse District Project and maintenance and operation of the Property, Provident-Flagship, RISE and the Facilities Manager shall execute and deliver the Subordinate Collateral Assignment of Contract Documents as provided in Paragraph 15(a) hereof.

On the date hereof, Provident-Flagship, RISE and the Facilities Manager shall execute and deliver the Subordinate Assignment of Contract Documents, as well as any assignments and assurances as Greenhouse LLC may request to perfect the subordinate collateral assignment of the Contract Documents, to Greenhouse LLC. To the extent RISE receives funds from Provident-Flagship or the Trustee to pay all costs of the Construction Documents, RISE will indemnify, defend and hold harmless Greenhouse LLC and LSU from and against any and all costs, claims or liabilities, including mechanic's and materialmen's liens and attorney's fees and costs, caused by the failure of RISE, to fully pay for all Contract Documents, the work to be provided pursuant to the Contract Documents and any adverse claim to or lien upon the Contract Documents. Provident-Flagship's obligation to require RISE to perform its obligations pursuant to this Paragraph 11(s) shall survive termination of this Ground Sublease.

(t) Architects, Engineers, Contractors, Specialists and Consultants. Provident-Flagship shall require and cause RISE to require (i) any architects, engineers, Contractors, subcontractors, specialists, and Consultants engaged by RISE or the General Contractor in connection with the performance of the Greenhouse District Project to perform their respective obligations under the terms of the Construction Documents and to be licensed in accordance with State law; (ii) any architects and engineers engaged by RISE or the General Contractor to obtain and maintain errors and omissions insurance in accordance with Section 21(f) hereof and the Development Agreement; and (iii) the General Contractor to obtain and maintain commercial Performance and Payment Bonds pursuant to Paragraph 11(n) of this Ground Sublease and the Development Agreement.

(u) No Discriminatory Practices. Provident-Flagship shall require and cause the General Contractor to agree to abide by (i) 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; (ii) the requirements of the Americans with Disabilities Act of 1990 and (iii) any executive order issued by the governor of the State.

Provident-Flagship shall additionally require and cause the General Contractor to agree: (i) not to discriminate in its employment practices; and (ii) to render services under the Construction Contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

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 General Contractor. If the General Contractor does not comply with the provision of this Section 11(u), Provident-Flagship shall cause RISE to terminate the General Contractor.

(v) Selection of Greenhouse LLC and Construction Professionals. Subject to Greenhouse LLC's and LSU's right to the prior review and approval of the Plans and Specifications, the Construction Contract and Change Orders as set forth in the Ground Lease and this Ground Sublease, Greenhouse LLC agrees that RISE 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, subject to and in accordance with the following: Provident-Flagship shall include the following provisions in Development

Agreement with RISE and Provident-Flagship shall exercise rights under these provisions where necessary, only after consultation with, and obtaining approval from, Greenhouse LLC and LSU: (i) RISE 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 6 of the Development Agreement, unless Provident-Flagship reasonably objects in writing thereto. RISE shall furnish to Provident-Flagship and the LSU Representative a list of Consultants and Subcontractors to be utilized in connection with the Greenhouse District Project and RISE shall be required to replace any Consultant or Subcontractor to which the LSU Representative may at any time reasonably object, (ii) RISE shall supply qualified staff and employ qualified and appropriately licensed Consultants to perform RISE's responsibilities and obligations under the Development Agreement in a prompt and timely manner, and (iii) Greenhouse LLC may require removal of any individual whose conduct is reasonably deemed inappropriate or inconsistent with University policies or applicable law and regulations. All Construction, alteration, renovation or additions to the Property and Greenhouse District Project Site undertaken or caused to be undertaken by Provident-Flagship shall be in conformance with all Governmental Regulations. The Plans and Specifications shall comply with all applicable University design standards. Written approval by the LSU Representative of the Plans and Specifications shall be conclusive evidence that the applicable University design standards have been met.

Any architects, engineers, contractors, subcontractors, vendors, specialists, agents and Consultants engaged by Provident-Flagship, RISE or the General Contractor in connection with its management, maintenance and operations of the Property 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 Greenhouse District Project, 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) must be kept on file at the office of Provident-Flagship, RISE, the General Contractor and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and Consultants and (v) must be made available to LSU or the University upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Provident-Flagship, RISE, the General Contractor and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and Consultants.

(w) Payment of Moneys Received under Development Agreement. As soon as practicable after Final Completion, all moneys received by Provident-Flagship pursuant to the Development Agreement, including, without limitation, any unused or unapplied funds held outside the Indenture, including without limitation, in the Greenhouse District Project Contingency and any Cost Savings (as such terms are defined in the Development Agreement), shall be used in accordance with the provisions of the Indenture.

(x) Other Contractors. As more particularly set forth in Section XXI of the Development Agreement, Provident-Flagship, Greenhouse LLC or LSU may further develop or improve portions of the Campus not included in the Land or Greenhouse District Project Site using Other Contractors. Except for assisting RISE in coordinating with Other Contractors, Provident-Flagship shall not be responsible for delays or damages caused by such Other Contractors and Greenhouse LLC shall have no claims against Provident-Flagship and agrees to hold Provident-Flagship harmless from the same.

(y) Draw Request Approvals. As more particularly set forth in Section IX(A)(2) of the Development Agreement, Provident-Flagship shall cause RISE to submit each Draw Request to Provident-Flagship, Greenhouse LLC and LSU within sufficient time to permit Provident-Flagship, Greenhouse LLC and LSU to approve or disapprove each Draw Request within ten (10) Business Days after receipt thereof by Provident-Flagship, Greenhouse LLC, and LSU and if such Draw Request is not approved or disapproved by any such party within ten (10) Business Days after receipt by Provident-Flagship, Greenhouse LLC, and LSU, such Draw Request shall be deemed to be approved by such party, and promptly upon receipt of approval of Provident-Flagship, Greenhouse LLC, and LSU of any Draw Request, but in no event more than twenty-one (21) days after receipt by each of Provident-Flagship, Greenhouse LLC and LSU of such Draw Request, Provident-Flagship 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) Instruments of Service. Upon payment by Provident-Flagship of RISE's first Draw Request, RISE shall require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns an irrevocable license permitting

Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all construction plans, specifications and other design documents and Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, whether or not such activities are performed pursuant to this Ground Sublease or in the future and regardless of whether this Ground Sublease is subsequently terminated before Final Completion. Upon payment by Provident-Flagship of RISE's first Draw Request, RISE shall require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns an irrevocable license permitting Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Instruments of Service, for use in connection with constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, whether or not such activities are performed pursuant to this Ground Sublease or in the future and regardless of whether this Ground Sublease is subsequently terminated before Final Completion. In addition, RISE shall cause Niles Bolton Associates, Inc. ("NBA") to acknowledge and agree that such license shall be construed to permit Provident-Flagship and its affiliates and assigns to utilize such Instruments of Service to design other improvements on the various campuses of LSU with identical or substantially similar elevations in an effort to cause such improvements to be consistent with and complimentary to the improvements designed hereunder. NBA's license of the Instruments of Service shall be non-exclusive, but RISE shall include in their contract with NBA a prohibition against NBA reusing the elevations and aesthetic components of the design referenced in their Instruments of Service on other projects within the State of Louisiana without LSU's and NGP's prior written consent. RISE shall further require the Design Professionals to covenant with Licensee that the Design Professionals shall not utilize their Instruments of Service to create student housing having similar exterior design elevations within the State of Louisiana without Licensee's prior written consent, which consent shall not be unreasonably withheld.

(aa) Cost Savings To Be Shared. The Guaranteed Maximum Price is set forth in the Development Agreement. Notwithstanding same, the Parties shall continue working together after the execution of the Development Agreement to reduce development expenses below the Guaranteed Maximum Price by cooperating in value engineering. The Parties agree that any development savings realized from value engineering shall be deposited into the Owner's Contingency in accordance with Section IX(B)(4)(a) of the Development Agreement and shall not be part of any Cost Savings to be shared by the Parties.

#### Section 12. Sublease and Lease of the Property.

(a) Sublease and Lease to LSU. Simultaneous with the execution and delivery of this Ground Sublease, Provident-Flagship shall execute the Facilities Lease with LSU, for the benefit of the University, to lease or sublease the Property, as applicable, to be continuously operated, in accordance with the terms of this Ground Sublease and the Facilities Lease, subject only to (i) closings or reduced operations as set forth on the operating calendar of University (which permitted closings or reduced operations will include closing or reduced operation of the Property during the summer, Holiday and school recess periods), (ii) damage due to casualty or condemnation (but subject to Section 22), (iii) acts of Greenhouse LLC, its agents, contractors and employees (other than in the performance of any unperformed covenant of Provident-Flagship) and (iv) the occurrence of any Force Majeure events.

(b) Permitted Uses of the Student Housing Facilities Generally. Provident-Flagship shall cause LSU to use the Student Housing Facilities only for residential student housing, 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, for summer conferences and meetings for use by the University, students and staff of the University and the visitors, guests and invitees and for no other use without the prior written consent of Greenhouse LLC and Provident-Flagship.

(c) Facilities Lease.

(i) Provident-Flagship hereby covenants to Greenhouse LLC that Provident-Flagship shall fully and timely perform all its covenants, indemnities, liabilities and obligations under the Facilities Lease.

(ii) Provident-Flagship hereby represents, warrants and covenants to Greenhouse LLC that all representations and warranties made by Provident-Flagship under the Facilities Lease are true, correct and

complete in all material respects as of the date of the Facilities Lease and shall remain true, correct and complete in all material respects to the extent (if any) required pursuant to the Facilities Lease.

Section 13. Greenhouse LLC's Obligations. After Substantial Completion of the Greenhouse District Project (or at such other times as are expressly noted below) and, to such end, Greenhouse LLC agrees with Provident-Flagship:

(i) not to take any action with respect to the Student Housing Facilities that would adversely affect the exemption of interest on the Series 2019 Bonds from gross income for federal tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of Provident-Flagship as set forth in the Bond Documents; and

(ii) to use good faith efforts not to engage in activities or take action that might reasonably be expected to impair the Student Housing Facilities' exemption from Taxes.

Section 14. Operations of Project.

(a) Provident-Flagship's Obligation to Operate. Upon Final Completion of the Greenhouse District Project and the Rental Commencement Date of the Facilities Lease, except for any operations LSU undertakes as to the Property or in accordance with the FOMA, Provident-Flagship shall be responsible for procuring and maintaining or shall 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 Property in accordance with the Permitted Use described in Section 12(b), including but not limited to administrative support, all as more particularly set forth in the FOMA. Provident-Flagship shall continuously operate and maintain, or cause to be operated and maintained, the Property from Date of Opening and shall continue for the remainder of the Term all in accordance with all Governmental Regulations and the terms of the FOMA. Greenhouse LLC hereby acknowledges that full performance by the Facilities Manager of all its obligations and duties under the FOMA shall be deemed the satisfaction of all of Provident-Flagship's obligations to operate and maintain the Property.

(b) Project Committee. The Project Committee is hereby created by Provident-Flagship for the purposes of this Ground Sublease, the Facilities Lease and the FOMA to advise Provident-Flagship and the Facilities Manager with respect to the management, maintenance and operations of the Property. The Project Committee shall render non-binding advice to Provident-Flagship and the Facilities Manager in order that Provident-Flagship may fulfill its obligations under this Ground Sublease, the Facilities Lease and the FOMA. The Project Committee shall also render non-binding advice to the Facilities Manager in order that the Facilities Manager may fulfill its obligations under the FOMA. Without limiting the generality of the foregoing, the Project Committee shall render advice to Provident-Flagship and the Facilities Manager with respect to matters pertaining to this Ground Sublease, the Facilities Lease and the FOMA and with respect to (i) the Approved Operating Plan and Budget as same are created for each Fiscal Year in accordance with the FOMA; (ii) long term planning for capital repairs and replacements, repairs and replacement of furniture, fixtures and equipment, including expenditures of the Maintenance Reserve Account, the Replacement and Repair Account, any other required reserve account, and projections of annual operating budget needs for furniture, fixtures and equipment; (iii) the FOMA and the Facilities Manager; and (iv) any other matters agreed upon by Greenhouse LLC, LSU and Provident-Flagship.

The Project Committee shall be composed of seven (7) members, as follows: three (3) representatives designated by LSU; two (2) representatives designated by Greenhouse LLC; one (1) representative designated by Provident-Flagship and one (1) representative designated by Facilities Manager. Provident-Flagship's designee shall serve as the chair of the Greenhouse District Project Committee, shall preside over the meetings of the Greenhouse District Project Committee and have such other duties and responsibilities as may be determined by the Greenhouse District Project Committee. One of the designees of Greenhouse LLC shall serve as vice chair. All actions of the Greenhouse District Project Committee shall be by majority vote.

Section 15. Security Interest.

(a) Pledge, Assignment, and Grant of Security. As security for Provident-Flagship's performance of its obligations hereunder and subject to the rights of the Trustee and the Authority under the Bond Documents, Provident-Flagship hereby and by the Subordinate Collateral Assignment of Contract Documents assigns and pledges to Greenhouse

LLC, and hereby and by the Subordinate Collateral Assignment of Contract Documents grants to Greenhouse LLC a security interest in all of Provident-Flagship's right, title and interest in and to the Contract Documents, including, without limitation (i) all rights of Provident-Flagship to receive moneys due and to become due under or pursuant to the Contract Documents, including, without limitation, and to the extent permitted by the Bond Documents, any unused or unapplied funds in the Greenhouse District Project Contingency, any Cost Savings and any Liquidated Damages (as such terms are defined in the Development Agreement); (ii) all rights of Provident-Flagship to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Contract Documents; (iii) claims of Provident-Flagship for damages arising out of or for breach of or default under the Contract Documents; and (iv) the right of Provident-Flagship to terminate the Contract Documents, to perform thereunder, and to complete performance and otherwise exercise all remedies thereunder, exercisable following an Event of Default under this Ground Sublease. Greenhouse LLC acknowledges that Provident-Flagship and RISE will grant to the Trustee pursuant to the Collateral Assignment of Contract Documents, respectively, security interests in various items of collateral including, but not limited to, the Contract Documents and certain rights and remedies with respect thereof (collectively the "Lender Security Interest"). Any and all security interests granted to Greenhouse LLC by Provident-Flagship and RISE pursuant to this Ground Sublease (including, but not limited to, the security interest granted in this Section 15) shall be subordinate in all respects to the Lender Security Interest and the interest of any permitted leasehold Mortgagee including, without limitation, the Trustee.

(b) Further Action and Documents. Provident-Flagship agrees from time to time, at its expense, to promptly execute and deliver all further instruments and documents and take all further action that may be reasonably necessary or required or that Greenhouse LLC may reasonably request to perfect and protect any pledge, assignment or security interest granted or purported to be granted by Provident-Flagship to Greenhouse LLC pursuant to the Subordinate Collateral Assignment of Contract Documents.

(c) Financing Statements. Provident-Flagship authorizes Greenhouse LLC to file in the appropriate public records financing and/or continuation statements describing the same collateral as in the Subordinate Collateral Assignment of Contract Documents, without Provident-Flagship's signature, to perfect the security interests granted under the Subordinate Collateral Assignment of Contract Documents.

(d) Greenhouse LLC Appointed Attorney-in-Fact. Provident-Flagship hereby irrevocably appoints Greenhouse LLC as Provident-Flagship's limited attorney-in-fact, with full authority in place and stead of Provident-Flagship and in the name of Provident-Flagship or otherwise, if an Event of Default or an event which, with the passage of time or giving of notice or both, would constitute an Event of Default shall have occurred, following applicable notice and cure periods and such Event of Default or other event is not cured, to take any action and to execute any instrument that Greenhouse LLC may deem necessary or advisable to accomplish the purposes of this Ground Sublease, subject in all cases to the rights of the Authority and the Trustee, including without limitation:

(i) to obtain insurance required to be paid to Greenhouse LLC pursuant hereto in the event Provident-Flagship shall fail to obtain such insurance;

(ii) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in connection with the Contract Documents; and

(iii) to file any claims or take any action or institute any proceedings that Greenhouse LLC may deem necessary or desirable to enforce compliance with the terms and conditions of, or the rights of Greenhouse LLC with respect to any of, the Contract Documents.

(e) Greenhouse LLC May Perform. If Provident-Flagship shall fail to perform any agreement contained herein, and such failure constitutes an Event of Default or following a failure which, with the passage of time or giving of notice or both, would constitute an Event of Default by Provident-Flagship, Greenhouse LLC may itself perform, or cause performance of, such agreement, and the reasonable expenses of Greenhouse LLC incurred in connection therewith shall be reimbursed by Provident-Flagship to Greenhouse LLC.

(f) Greenhouse LLC's Duties. The powers conferred on Greenhouse LLC hereunder are solely to protect its interest in the Contract Documents and shall not impose any duty upon it to exercise such powers. Greenhouse LLC

shall have no duty to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Construction Documents.

Section 16. Assignment of Lease.

(a) No Transfers without Greenhouse LLC's Consent. Except as otherwise expressly provided in this Ground Sublease (including this Section 16 and Section 28), Provident-Flagship, and its successors and assigns, shall not (and shall not have the right to) assign, pledge, mortgage, grant a security interest in, encumber or otherwise transfer or dispose of this Ground Sublease or any interest herein or in the Property or any right or privilege appurtenant hereto, or lease, ground lease or sublease the Property or any portion thereof, except for the Facilities Lease, or permit or suffer any of the same to occur (each, a "Transfer"), unless in each case the prior written consent of Greenhouse LLC, after having obtained all necessary approvals from LSU in accordance with Ground Lease, is first obtained. After Final Completion of the Greenhouse District Project, except as may be expressly otherwise provided herein, Greenhouse LLC shall not unreasonably withhold, delay or condition such consent if there is no Event of Default, such Transfer is permitted under the Bond Documents and all Contract Documents to which Provident-Flagship is a party and the lessee hereunder shall continue to be a Tax Exempt Organization. Any Transfer made without such written consent of Greenhouse LLC shall be void *ab initio*. Notwithstanding the foregoing, Provident-Flagship shall have the right to assign or transfer its interest in this Ground Sublease, or any interest herein or in the Property, or sublease the Property or any portion thereof, to an entity affiliated with Provident Resources, with the consent of Greenhouse LLC and LSU, which consent shall not be unreasonably withheld, conditioned or delayed ("Permitted Transfer").

(b) Assignment; Assumption by Assignee. No Transfer shall occur unless the assignee or transferee shall expressly, in writing, assume all the obligations of the assignor under this Ground Sublease, the Facilities Lease, the Bond Documents and all Contract Documents to which Provident-Flagship is a party, such written instrument expressly to be for the benefit of, enforceable by and delivered to Greenhouse LLC, and Provident-Flagship shall first obtain Bond Counsel's opinion that such transfer shall not adversely affect the tax exempt status of the Series 2019 Bonds under the Code.

Section 17. Maintenance of Property.

(a) Provident-Flagship to Maintain Property. Provident-Flagship shall, at all times during the Term, keep and maintain the Property or cause the Property to be kept and maintained, in good and clean condition and repair and in working order in accordance with the FOMA (unless otherwise provided by Greenhouse LLC or LSU under the Facilities Lease) to maintain the Property in condition and order at least equal to the condition and order maintained by the University for its own facilities. Greenhouse LLC shall have the right to review and approve any material changes to the exterior landscaping, and façade and interior of the Property. In the event Provident-Flagship fails to perform any of its obligations as required hereunder, within thirty (30) days after receipt of written notice to Provident-Flagship from Greenhouse LLC of such failure to comply (or without notice if such failure jeopardizes the health, safety or welfare of Residents or other Persons), Greenhouse LLC may (but shall not be required to) perform and satisfy same, and Provident-Flagship hereby agrees to reimburse Greenhouse LLC, as an Operating Expense, for the reasonable cost thereof within ten (10) days of receiving an invoice therefore, together with interest at the Default Rate, which amounts shall constitute Additional Rent. If Provident-Flagship fails to reimburse Greenhouse LLC, then such amounts, together with interest thereon at the Default Rate, shall be due and owing to Greenhouse LLC by Provident-Flagship as Additional Rent hereunder until paid. The parties agree that it shall be Provident-Flagship's responsibility at all times during the Term of this Ground Sublease to maintain or cause to be maintained the Property pursuant to the FOMA consistent with the maintenance standards for the other premises located on the Campus. Greenhouse LLC acknowledges and agrees that, if all obligations as to the operation and maintenance of the Property are fully performed by the Facilities Manager pursuant to and accordance with the FOMA, Provident-Flagship's obligation to maintain the Property shall be deemed satisfied in accordance to the Terms of this Ground Sublease.

(b) No Waste. Provident-Flagship shall not commit or permit waste of the Property.

(c) Event of Casualty or Condemnation. Except as expressly provided otherwise herein or in the Development Agreement, or in the event of a casualty in the event of a casualty, condemnation or partial condemnation, Provident-Flagship shall not raze or demolish any improvements on the Property.

(d) Sidewalks, Curbs, Courtyards and Parking Areas. Provident-Flagship shall keep and maintain the Student Housing Facilities in accordance with the terms of the FOMA.

(e) Replacement and Repair Account or RRA. In order to provide assurance for the costs of maintenance of the Student Housing Facilities, in addition to the MRA, Provident-Flagship shall fund the RRA to be placed in an escrow account at an amount and in accordance with Section 8(k) of the Facilities Lease and any Approved Operating Plan and Budget. The RRA will be used as more particularly set forth in Section 8(k) of the Facilities Lease and any Approved Operating Plan and Budget. Upon expiration or termination of this Ground Sublease, all funds in the RRA shall be the property of Greenhouse LLC. Provident-Flagship shall sign, execute and provide to the bank holding the RRA at the time of establishing the RRA, a deposit account control agreement providing for an assignment of the RRA to Greenhouse LLC in the event of a termination of this Ground Sublease prior to the payment in full of the Bonds, provided that, if the Bonds are fully paid or defeased and all obligations under the Bond Documents and Facilities Lease have been discharged, the RRA shall be assigned to LSU.

(f) Maintenance Reserve Account or MRA. In order to fund the cost of replacing any worn out, obsolete, inadequate, unusable or undesirable property, furniture, fixtures, or equipment placed upon and used in connection with the Student Housing Facilities, Provident-Flagship shall fund the MRA to be placed in an escrow account in an amount and in accordance with Section 8(j) of the Facilities Lease. Upon expiration or termination of this Ground Sublease, all funds in the MRA shall be the property of Greenhouse LLC. Provident-Flagship shall sign, execute and provide to the bank holding the MRA at the time of establishing the MRA a deposit account control agreement providing for an assignment of the MRA to Greenhouse LLC in the event of a termination of this Ground Sublease prior to the payment in full of the Bonds, provided that, if the Bonds are fully paid or defeased and all obligations under the Bond Documents and Facilities Lease have been fully discharged, the MRA shall be assigned to LSU.

#### Section 18. Reservation and Grant of Rights.

(a) Pedestrian/Vehicular Access Reservation. Each of Greenhouse LLC and LSU, pursuant to the Ground Lease, as applicable, reserve the right, at any time and from time to time, following the Substantial Completion Date, to construct, install, repair, maintain, remove, and replace one or more pedestrian walkways, connections, overhead walkways, and similar improvements providing pedestrian ingress and egress to and from the Property to other lands or property owned from time to time by Greenhouse LLC and LSU. Additionally, following the Substantial Completion Date, each of Greenhouse LLC and LSU, pursuant to the Ground Lease, further reserves for itself and the users and occupants from time to time of land or other property owned from time to time by Greenhouse LLC or LSU the non-exclusive right to use, for vehicular and pedestrian ingress and egress purposes, all roads, streets, drives, sidewalks, plazas, and other areas of the Property that are, from time to time, intended for use for vehicular and pedestrian ingress, egress and enjoyment of the Property. The rights reserved by Greenhouse LLC in this Section and LSU pursuant to the Ground Lease, as described in this Section are herein called the "Pedestrian Access Reservation." Greenhouse LLC expressly agrees herein, and shall cause LSU, pursuant to the Ground Lease, to expressly agree that their respective use of the Pedestrian Access Reservation shall be reasonable, and neither Greenhouse LLC nor LSU shall take any action in exercise of such rights that would interfere with the performance of the Greenhouse District Project or the maintenance or operation of the Property by the Provident-Flagship pursuant to this Ground Sublease.

(b) Greenhouse LLC's Mineral Reservation. Greenhouse LLC hereby reserves for itself and for LSU pursuant to the Ground Lease all of each of Greenhouse LLC's and LSU's interest in and to the oil, gas, casinghead gas, condensate, and associated liquid or liquefiable hydrocarbons and all other minerals of any nature whatsoever, including, but not limited to sulfur, coal, lignite, uranium, thorium, fissionable materials, bentonite, Fuller's earth, sand, gravel, building stone, limestone, shale, caliche, and precious metals in, on, and under and that may be produced from the Land. Greenhouse LLC hereby expressly releases and waives and shall cause LSU pursuant to the Ground Lease to expressly release and waive, each on behalf of itself and its successors and assigns, all rights of ingress and egress to enter upon the surface of the Land for purposes or exploring for, developing, drilling, producing, transportation, mining, treating, storing or any other purposes incident to the development or production

of the oil, gas and other minerals reserved to either Greenhouse LLC or LSU pursuant to the Ground Lease (or owned or held by any other persons) as described hereinabove in, on, and under the Land. However, nothing herein contained shall ever be construed to prevent either, respectively, from developing or producing the oil, gas, and other minerals reserved to Greenhouse LLC or LSU pursuant to the Ground Lease as described hereinabove in, on, and under the Land by pooling, by directional drilling under the Land from well sites located on tracts other than the Land or otherwise so long as no penetration of the subsurface of the Land is made at a depth that is less than three hundred (300) feet below the natural surface of the Land and such production shall not interfere with the development or operation of the Land or the improvements to be constructed thereon by the Provident-Flagship pursuant to this Ground Sublease.

(c) Infrastructure Rights. Pursuant to the Development Agreement, Provident-Flagship has reserved and retained for Greenhouse LLC and LSU the right, exercisable by Greenhouse LLC or LSU from time to time in accordance with this Section, to connect to the utility mains, lines, conduit, and other facilities providing water, sanitary sewer, and stormwater discharge service and capacity to the Land and the Greenhouse District Project Site (as a whole or in material part, and as opposed to lines and conduit servicing only particular buildings or a limited set of improvements), and to transmit through such mains, lines, conduits, and other facilities water, sanitary sewer, and stormwater. Any such connections shall be at Greenhouse LLC's and/or LSU's sole cost and expense, coordinated with the Provident-Flagship so as to minimize any disruption in services to the Land and the Greenhouse District Project Site, and shall only be permitted to be made if, in the reasonable opinion of engineers selected by LSU, the lines and conduit all are of adequate size to accommodate the incremental flow or transmission capacity resulting from Greenhouse LLC's and/or University's intended use (if such lines are not of adequate size, LSU shall have the right to increase the size at the University's sole cost and expense). The rights reserved by Greenhouse LLC and/or LSU in this Section are herein called the "Infrastructure Rights." Greenhouse LLC expressly agrees that its use of the Infrastructure Rights shall be reasonable and Greenhouse LLC and LSU shall not take any action in exercise of such rights that would interfere with the performance of the Greenhouse District Project or the operation or maintenance of the Land and the Greenhouse District Project Site.

(d) LSU Construction. Greenhouse LLC hereby reserves for itself and for LSU, pursuant to the Ground Lease, the right of access for the purpose of constructing, installing, maintaining, and/or expanding any roads and utility and other infrastructure on, around and within the Land and Greenhouse District Project Site prior to completion of the Greenhouse District Project. Greenhouse LLC and LSU agree not to materially or unreasonably interfere with the performance of the Greenhouse District Project.

(e) Replacement and Repair. Greenhouse LLC shall at all times have the right to enter the Property for the purpose of repairing the Property upon the occurrence of any damage or destruction. Greenhouse LLC agrees to employ its reasonable efforts to minimize any interruption to the business operations of Provident-Flagship resulting from Greenhouse LLC (or its designated representatives') work in or on the Property during the course of such repair.

(f) Connection Rights. To the extent provided in the Development Agreement, Greenhouse LLC hereby grants to Provident-Flagship the right to connect to the utility mains, lines, conduit, and other facilities providing water, sanitary sewer, electrical and stormwater discharge service and capacity to the Land and Greenhouse District Project Site and to transmit through such main, lines, conduits, and other facilities water, sanitary sewer, electrical and stormwater (whether located on the Land or the Greenhouse District Project Site or elsewhere on Campus).

(g) Grant of Parking Servitudes. LSU shall provide surface parking and shall operate the parking lots and/or parking structures that will provide parking for the entirety of the Property. Greenhouse LLC hereby grants Provident-Flagship and its assignees and lessees a servitude of access and parking (both pedestrian and vehicular) across such parking lots and/or parking structures.

(h) Grant of Construction and Access Servitudes. Greenhouse LLC hereby grants Provident-Flagship and its assignees and lessees a temporary construction servitude and servitude of access over and across portions of the Campus, the Greenhouse District Project Site and the Property as more particularly set forth and described on **Exhibit A** attached hereto and in the Development Agreement and the locations mutually and reasonably agreed to by Greenhouse LLC and Provident-Flagship.

Section 19. Use Restrictions. Provident-Flagship shall not use or allow any of its affiliates, agents, vendors, contractors or employees to use the name of the University or any of its symbols, logos, trademarks or other representations of those of its affiliated organizations ("University Marks") without the express 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 20. Indemnification.

(a) Indemnification by Provident-Flagship. Provident-Flagship hereby agrees to defend, indemnify, and hold harmless Greenhouse LLC and its trustees, officers, employees, directors, agents and consultants (hereinafter collectively referred to as the "Greenhouse LLC Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) ("Losses") arising out of, resulting from, due to, but only to the extent caused by its proportionate share of (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of Provident-Flagship, its agents or employees, or others working at the direction of Provident-Flagship or on its behalf (but in no instance including Greenhouse LLC, LSU, RISE, RISE Development, LLC, the Facilities Manager or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them) (the "Provident-Flagship Group"), (ii) any violation of Governmental Regulations by the Provident-Flagship Group, or (iii) any breach or misrepresentation by the Provident-Flagship Group under any Contract Document or the Facilities Lease, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, and in each case regardless of whether caused in part by the negligent act or omission of a party indemnified hereunder, provided it is not caused by the sole negligence or willful misconduct of a party indemnified hereunder.

This indemnification is in addition to any indemnification available to the Greenhouse LLC Indemnitees under the Development Agreement, will also inure to the successors and assigns of Greenhouse LLC Indemnitees, will also be binding upon the successors and assigns of Provident-Flagship and will survive the expiration or termination of this Ground Sublease and the dissolution or, to the extent allowed by law, the bankruptcy of Provident-Flagship. This indemnification does not extend to claims to the extent arising out of the negligence of Greenhouse LLC, LSU, RISE, RISE Development LLC, the Facilities Manager or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them at the Greenhouse District Project, or claims exclusively between the undersigned parties arising from the terms or regarding the interpretation of this Ground Sublease.

(b) Indemnification by Greenhouse LLC. Greenhouse LLC hereby agrees to defend, indemnify and hold harmless Provident-Flagship and its members, trustees, officers, employees, directors, agents and consultants (hereinafter collectively referred to as the "Provident-Flagship Indemnitees") of and from any and all claims, demands, liabilities, losses, costs or expenses for any loss (including expenses and reasonable attorneys' fees) arising out of, resulting from, due to, but only to the extent caused by its proportionate share of (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of Greenhouse LLC, its agents or employees, or others working at the direction of Greenhouse LLC or on its behalf (but in no instance including Provident-Flagship, LSU, RISE, RISE Development, LLC, the Facilities Manager, or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them) (the "Greenhouse Group"), (ii) any violation of Governmental Regulations by the Greenhouse Group or (iii) any breach or misrepresentation by the Greenhouse Group under any Contract Document or this Ground Sublease, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, and in each case regardless of whether caused in part by the negligent act or omission of a party indemnified hereunder, provided it is not caused by the sole negligence or willful misconduct of a party indemnified hereunder.

This indemnification is in addition to any indemnification available to a Provident-Flagship Indemnitee under the Development Agreement, will also inure to the successors and assigns of Provident-Flagship Indemnitees, will also be binding upon the successors and assigns of Greenhouse LLC and will survive the expiration or termination of this Ground Sublease and the dissolution or, to the extent allowed by law, the bankruptcy of Greenhouse LLC. This indemnification does not extend to claims to the extent arising out of the negligence of Provident-Flagship, its agents or employees, or others working at the direction of Provident-Flagship at the Greenhouse District Project, or claims exclusively between the undersigned parties arising from the terms or regarding the interpretation of this Ground Sublease.

Section 21. Insurance. Provident-Flagship shall provide the following insurance coverages:

(a) General. It is the intent of the parties to this Ground Sublease that risk of loss for the Greenhouse District Project and/or the Property be shifted to insurance to the maximum extent practicable.

(i) Provident-Flagship shall require each of RISE and the Facilities Manager, as applicable, (each a “Procuring Party”) to procure and maintain its own insurance coverage for the duration of this Ground Sublease in minimum limits as set forth in the Development Agreement and in the FOMA and with insurers financially acceptable and lawfully authorized to do business in Louisiana with a current A.M. Best rating of no less than A-VII.

(ii) Insurance required for the construction and operation phases of the Greenhouse District Project and for the construction of the Property, as applicable, are as set forth in the Development Agreement, as Exhibits 10 and 11, and in the FOMA, respectively.

(iii) Provident-Flagship shall have the right, but not the duty, to procure and maintain coverage required of a Procuring Party in this Section should the Procuring Party fail to procure and maintain such insurance. In such event, the Provident-Flagship shall be entitled to recover the costs associated with the Procuring Party’s failure to procure and maintain the required insurance, including, but not limited to, a set-off against any sums otherwise due to Provident-Flagship to reimburse such costs to procure and maintain the insurance.

(b) Minimum Scope of Insurance. Each Party to this Ground Sublease shall procure and maintain insurance coverage written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

(i) Workers' Compensation Insurance as is required by Louisiana law, or as may be available on a voluntary basis. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless the insured party to this Ground Sublease can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. If an insured party to this Ground Sublease exempts its officers and directors from such Worker’s Compensation insurance, such officers and directors shall not be allowed in those Greenhouse District Project or the 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 to this Ground Sublease.

(iv) Commercial General Liability Insurance on an occurrence coverage basis against claims for bodily injury, death, and property damage (including loss of use), products completed operations, personal injury, and advertising injury, at least as broad as the 1993 *Insurance Services Office Commercial General Liability Policy form CG 0001* ©, as respects Blanket Contractual Liability, XCU, and Broad Form Property Damage or its equivalent. Unacceptable exclusions include exclusions for damage to work performed by contractors (e.g., CG 22 94 or CG 22 95); for equipment under their care, custody, and control; for contractual liability (e.g., CG 21 39); employee versus employee; explosion, collapse and underground; and for known loss. In addition to procuring and maintaining this insurance during the duration of this Ground Sublease, Provident-Flagship agrees to continue to procure and maintain, or to cause RISE or the Facilities Manager, as applicable, to cause its third party Consultants, contractors, vendors, and their respective subcontractors to procure and maintain, products and completed operations liability insurance coverage through the applicable statute of repose period.

(v) Umbrella Liability Insurance, occurrence based follow form, providing additional limits in excess of the Commercial General Liability, Automobile Liability, and Employers 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.

(vi) Professional Liability Insurance – Such policy shall cover wrongful acts made by or on behalf of each Design Professional providing any services on the Greenhouse District Project or at the Property. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement of professional services rendered, and through Final Completion or completion of subsequent construction, on the Greenhouse District Project or at the Property through the applicable statute of repose period.

(vii) Other insurance – Greenhouse LLC and Provident-Flagship hereby agree that neither is obligated to maintain All Risk/Property, Boiler and Machinery, Flood, Terrorism, Earthquake, Fine Art, or Liquor Liability coverage as such coverage shall be required under the Facilities Lease.

(c) *Minimum Limits of Insurance.* The limits below constitute minimum limits. Nothing in this Ground Sublease shall be construed to limit Provident-Flagship from maintaining insurance with higher limits. If either Party maintains insurance with higher limits at the time a claim occurs, such limits carried shall constitute the minimum limits of liability insurance for purposes of this Agreement but such additional coverage shall not be required of either Party for the remaining term of this Ground Sublease.

<b>Type of Insurance</b>	<b>Minimum Limits Required (Per Claim/Occurrence)</b>	<b>Minimum Limits Required (Aggregate Policy Limits)</b>
<b>1. Workers' Compensation</b>	Statutory Limits	Statutory Limits
<b>2. Employers Liability (bodily injury by accident)</b>	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
<b>3. Commercial Auto Liability (Symbol 1) (no deductible in excess of \$5,000.00)</b>	\$1,000,000 Combined single limit/each accident	N/A
<b>4. Commercial General Liability</b>	\$ 1,000,000	\$ 2,000,000
a. Bodily Injury/Property Damage	\$ 1,000,000	\$ 2,000,000
b. Products/Completed Operation	\$ 1,000,000	\$ 2,000,000
c. Personal and Advertising Injury	\$ 1,000,000	\$ 2,000,000
d. Medical Expense limit (any one person)	\$10,000	
e. Loss of Use Insurance	\$ 1,000,000	\$ 2,000,000
<b>5. Umbrella Liability Insurance (no deductible in excess of \$25,000.00)</b>	\$ 10,000,000	\$ 10,000,000

(d) *Deductibles and Self-insured Retentions.* The funding of deductibles and self-insured retentions for insurance maintained under this Ground Sublease shall be the sole responsibility of the party procuring the insurance, 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 parties to this Ground Sublease and the LSU Representative. Any self-insured retention endorsement that would limit the right of LSU, Greenhouse LLC, the Foundation, Provident-Flagship, the Trustee, or their successors and assigns to make such payment shall be rejected. The party to this Ground Sublease who would be paying such deductible or self-insured retention shall be entitled to all rights and remedies under this Ground Sublease and Governmental Regulations.

(e) Additional Insurance Policy Requirements. The required insurance shall contain the following additional provisions:

(i) Additional Insured – Each policy shall name Provident-Flagship, LSU, Greenhouse LLC, the Foundation, the Trustee, Provident Resources, the State, the Authority and their respective officers and directors as additional insureds on the above-referenced Commercial General Liability, Automobile Liability, and Umbrella Liability policies. The additional insured endorsements shall be at least as broad as the Insurance Services Office, Inc.'s forms CG 20 10 and CG 20 37, 07/04 edition forms.

(ii) Loss Payee – All policies shall name the Trustee as a loss payee under the Standard 438BFU Lender's Loss Payable Endorsement for the Trustee to deposit such net proceeds in accordance with the Bond Documents for all property policies.

(iii) Severability of Interest – Except with respect to the limits of insurance, insurance required to be procured and maintained by the parties to this Ground Sublease under this Section shall apply separately to each insured or additional insured.

(iv) Primary Coverage – The insurance required of each party to this Ground Sublease in this Section shall be primary insurance and any insurance or self-insurance maintained by LSU or the Foundation shall be excess of and non-contributory with the insurance obtained by RISE or the Facilities Manager or their respective third party Consultants, contractors, vendors, and their respective subcontractors. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its board members, officers, employees, agents, or other representatives.

(v) Notice of Cancellation – Each party to this Ground Sublease shall provide notice of cancellation from its insurer in accordance with policy provisions.

(vi) Waiver of Subrogation – Each party to this Ground Sublease agrees to waive subrogation against each other and against LSU, Greenhouse LLC, the Foundation, and the Trustee on behalf of itself and on behalf of anyone claiming under or through it by way of subrogation or otherwise, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:

(A) To real or personal property, such as vehicles, equipment, and tools owned, leased or used by such party's employees, agents or third party Consultants, contractors, vendors and their respective subcontractors; and

(B) To the extent such loss, damage claims, suits, or demands are covered, or are typically covered, by the required or any other insurance (except professional liability to which this requirement does not apply) maintained by any other Person. This waiver shall apply to all property, equipment, boilers, machinery and worker's compensation claims (unless prohibited under applicable statutes). This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance (except professional liability to which this requirement does not apply), maintained by a Person. Each party agrees to endorse the required insurance policies to permit waivers of subrogation in favor of LSU, Greenhouse LLC, the Foundation, Provident-Flagship and the Trustee as required hereunder.

(vii) Waiver of all Claims – Greenhouse LLC and Provident-Flagship, on behalf of themselves and on behalf of their respective officers, directors, agents and employees, waive all claims against each other and their respective officers, directors, agents (excluding RISE and Facilities Manager) and employees resulting from any peril typically covered under the Workers' Compensation Insurance or under Builder's Risk

during construction or LSU's Master Property Program (which covers All Risk/Property, Boiler and Machinery, Flood, Terrorism, Earthquake, and Fine Art, and Fidelity coverage) during operation of the Property and Greenhouse District Project Site regardless of cause or origin. This waiver shall apply to all deductibles, retentions, or self-insured layers applicable to the coverage identified in this provision. This waiver will be complete and total, even if such loss or damage may have been caused by the negligence of the other party, its officers, employees, agents, employees or invitees and will not be affected or limited by the amount of insurance proceeds available to the waiving party, regardless of the reason for such deficiency in proceeds. Provident-Flagship shall not grant RISE or the Facilities Manager a waiver of all claims.

(viii) Each party to this Ground Sublease agrees and each Procuring Party shall agree not to violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under this Ground Sublease, including those provided by Provident-Flagship or on its behalf.

(f) *Verification of Contractor-provided Insurance.* Each party to this Ground Sublease and each Procuring Party shall furnish to Greenhouse LLC, Provident-Flagship, LSU and the Trustee a certificate of insurance on the most current version of the ACORD form evidencing the required coverage prior to the commencement of work or Facilities Manager Duties at or on the Greenhouse District Project or the Property, as applicable. Each Procuring Party shall provide renewal certificates to Greenhouse LLC, Provident-Flagship, LSU and the Trustee. Each party to this Ground Sublease shall promptly direct its broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by this Ground Sublease.

(i) Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. Each Procuring Party shall promptly deliver to Greenhouse LLC, Provident-Flagship, LSU and the Trustee copies of written endorsements that are subsequently issued amending coverage or limits upon receipt or upon written demand by Greenhouse LLC, Provident-Flagship, LSU and the Trustee.

(ii) Failure of either party to request certificates or identify deficiencies shall in no way limit or relieve the other of its obligations to maintain such insurance. Failure of either party to this Ground Sublease to maintain the required insurance or to require its third party Consultants, contractors, vendors, and their respective subcontractors to maintain the required insurance shall allow Provident-Flagship to withhold payment and/or purchase the required insurance at the Procuring Party's expense.

(g) *No Representation of Coverage Adequacy.* In specifying minimum insurance requirements, Greenhouse LLC does not represent that such insurance is adequate to protect Provident-Flagship for loss, damage or liability arising from its work or duties. Provident-Flagship is solely responsible to inform itself of the types or amounts of insurance it may need beyond these requirements to protect itself. The insurance requirements set forth in minimum amounts shall not be construed to relieve Provident-Flagship for liability in excess of such coverage, nor shall it preclude Greenhouse LLC from taking such other actions as are available to it under any other provision of this Ground Sublease

#### Section 22. Damage and Destruction.

(a) After Final Completion of the Greenhouse District Project, in the event all or substantially all of the Property shall be damaged or destroyed, Provident-Flagship shall promptly notify the Trustee and Greenhouse LLC, 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 Greenhouse LLC. 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 FOMA, if any, shall be distributed to Greenhouse LLC, or if the Bonds have been fully paid and all obligations under the Bond Documents have been discharged, to LSU, subject to Section 3, upon which this Ground Sublease shall terminate and Provident-Flagship shall be released from all of its obligations under the Facilities Lease, Bond Documents, and Contract Documents, except for any such obligations of Provident-Flagship which shall survive the Facilities Lease, Bond Documents and Contract Documents.

(b) In the event the Property 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 Paragraph (h) below (or some combination of the above); provided, however, that if the Indenture and Trustee permit the Net Insurance Proceeds to be used for the Restoration (defined below) of the Property, this Ground Sublease may continue and at the election of Greenhouse LLC, after obtaining necessary approvals from LSU pursuant to the Ground Lease, pursuant to Paragraph (d) of this Section, Provident-Flagship shall repair, replace, rebuild, restore, and/or re-equip the 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 Greenhouse LLC shall approve in writing (if any) as will not impair the value or the character of the 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 Paragraph (h) below (or some combination of the above). Notwithstanding the foregoing, in no event shall Provident-Flagship 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, Greenhouse LLC may choose, in its sole and unfettered discretion, to contribute the additional funds necessary to complete the Restoration or its remedy shall be to terminate this Ground Sublease.

(c) Any and all Restoration by Provident-Flagship hereunder shall be performed in accordance with all applicable Governmental Regulations. If not theretofore delivered to Greenhouse LLC and the LSU Representative, Provident-Flagship shall deliver to Greenhouse LLC 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) 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 Greenhouse LLC after obtaining necessary approvals from LSU in accordance with the Ground Lease, 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 Paragraph (g) of this Section, such Net Insurance Proceeds shall be applied to the Restoration; or

(ii) such Net Insurance Proceeds shall be transferred to the Principal Account 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) of this Paragraph (d),

provided that if Greenhouse LLC does not within such sixty (60) day period direct 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) After completion (and payment in full of the costs) of the Restoration (pursuant to the preceding Paragraph 22(d)(i)), all remaining Net Insurance Proceeds (if any) shall be first transferred to the Principal Account to be applied in redemption of the Bonds pursuant to the Indenture and then applied in accordance with Paragraph (f) of this Section 22.

(f) In the event of the termination of this Ground Sublease 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 Net Insurance Proceeds, including any interest previously earned by such balance, shall, subject to Paragraph (h) of this Section 22, inure to and become the sole property of Greenhouse LLC.

(g) Before the Trustee may apply any Net Insurance Proceeds pursuant to Paragraph (d)(i) of this Section, Provident-Flagship shall have furnished to Greenhouse LLC and the Trustee (i) a certificate of an Independent

Engineer (A) to the effect that the Student Housing Facilities 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-Flagship, Greenhouse LLC or 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. If the Independent Engineer advises that he cannot give the certificate described in the preceding clause (i), then, before the Net Insurance Proceeds are applied pursuant to Paragraph (d)(ii) of this Section, Greenhouse LLC shall have sixty (60) days after such advice, at Greenhouse LLC's option, after obtaining approval from LSU, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to give such certificate, in which case the Net Insurance Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Paragraph (d)(i) of this Section.

(h) Any balance of such Net Insurance Proceeds remaining after application pursuant to the preceding Paragraphs of this Section shall be first transferred to the Principal Account to be applied in redemption of the Bonds pursuant to the Indenture and then applied in accordance with Paragraph (f) of this Section 22.

(i) Except as otherwise expressly contemplated hereby, this Ground Sublease shall not terminate or be forfeited by reason of damage to or total, substantial or partial destruction of the Student Housing Facilities or any part thereof or by reason of the untenability of the same or any part thereof resulting from fire or other casualty. Provident-Flagship agrees that, except (a) to the extent otherwise expressly provided in this Section 22, or (b) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, Provident-Flagship's obligations hereunder, including the payment of Ground Rent, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

### Section 23. Condemnation.

(a) In the event all or substantially all of the Property shall be subject to a Taking, or if so much of the Property or any component thereof shall be so taken so that the remainder of the Property shall not reasonably be capable of being used for its intended purpose, as reasonably determined by Greenhouse LLC, Provident-Flagship shall promptly notify the Trustee and Greenhouse LLC, 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 Greenhouse LLC. 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, together with all funds remaining in any reserve accounts being held pursuant to the Development Agreement and the FOMA, if any, shall be distributed to Greenhouse LLC, upon which this Ground Sublease shall terminate upon which this Ground Sublease shall terminate.

(b) In the event less than all or substantially all of the Property or any component thereof shall be subject to a Taking, Provident-Flagship 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 Restoration Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by Greenhouse LLC after obtaining the necessary approvals from LSU in accordance with the Ground Lease 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 Paragraph (e) of this Section, such Net Condemnation Proceeds shall be applied to the Restoration of the Property (provided that in this Section 23, 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 Principal Account 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) of this Paragraph (b),

provided that if Greenhouse LLC 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 the preceding Paragraph 23(b)(i)), all remaining Net Condemnation Proceeds (if any) shall be transferred to the Principal Account 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 Paragraph (b)(i) of this Section, Provident-Flagship shall have furnished to Greenhouse LLC and the Trustee (i) a certificate of an Independent Engineer (A) to the effect that the 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-Flagship, Greenhouse LLC or the Independent Engineer to the effect that all permits, licenses, accreditations, and other governmental approvals necessary for Restoration of the Property are in full force and effect. If the Independent Engineer advises that he cannot give the certificate described in the preceding clause (i), then, before the Net Condemnation Proceeds are applied pursuant to Paragraph (b)(ii) of this Section, Greenhouse LLC shall have sixty (60) days after such advice, at Greenhouse LLC'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 (A) the Net Condemnation Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Paragraph (b)(i) of this Section.

(f) Any balance of such Net Condemnation Proceeds remaining after application pursuant to the preceding Paragraphs of this Section shall be transferred to the Principal Account to be applied in redemption of the Bonds pursuant to the Indenture.

(g) Except as otherwise expressly contemplated hereby, this Agreement 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. Provident-Flagship agrees that, except (a) to the extent otherwise expressly provided in this Section 23, or (b) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, Provident-Flagship's obligations hereunder, including the payment of Ground Rent, and any other sums of money and charges hereunder, shall continue as though said damage or destruction had not occurred and without abatement, suspension, diminution or reduction of any kind.

#### Section 24. Estoppel Certificates.

(a) Each of Greenhouse LLC and Provident-Flagship will execute, acknowledge and deliver to the other promptly upon request a certificate certifying as to the following, to the extent true and accurate (or stating modifications to make the same true and accurate):

(i) Validity of Lease: that this Ground Sublease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Sublease is in full force and effect, as modified, and stating the modifications) and, if requested, attaching a copy of this Ground Sublease and any and all modifications;

(ii) Defaults by Provident-Flagship: that no notice has been given by Greenhouse LLC to Provident-Flagship of any failure to comply under this Ground Sublease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same);

(iii) Amounts and dates of Payment of Rent; such information as may be requested about the Bonds and Mortgage; that Provident-Flagship has no defenses, rights of setoff or counterclaims; that Provident-Flagship has no option to purchase the Land; stating then applicable Expiration Date; and any other matters requested that are reasonably or typically required by landlords and tenants under similar ground leases.

(b) Certificates from Greenhouse LLC and Provident-Flagship pertaining to the same matters may be relied upon by any prospective mortgagee or by any prospective assignee of an interest under this Ground Sublease or by any prospective sublessee as to all or any portion of the Property.

(c) Upon request from Provident-Flagship, the Foundation shall obtain a certificate containing the information above as it applies to the Ground Lease.

Section 25. Access to Property. Greenhouse LLC, the Trustee, the Authority, and their respective authorized representatives, agents, employees, and attorneys may, but shall be under no duty to, enter the Land, the Greenhouse District Project Site and the Property, as applicable, at reasonable times and hours subject to the rights of Residents, to inspect the Land, the Property and the Greenhouse District Project Site in order to determine whether Provident-Flagship, RISE or Facilities Manager is complying with their respective undertakings, duties, and obligations under this Ground Sublease or any Contract Document, to exercise Greenhouse LLC's remedies as set forth in this Ground Sublease for any default or Event of Default, and to exhibit the same to prospective purchasers, operators, mortgagees, or tenants of the Property, in addition to any other rights of Greenhouse LLC hereunder. Such entry, inspection and remedies as set forth in this Ground Sublease or any Contract Documents as Greenhouse LLC may make of the Land, the Property and the Greenhouse District Project Site shall not constitute an eviction of the Provident-Flagship in whole or in part, and the annual Ground Rent shall in no way abate by reason of loss or interruption of the business of the Provident-Flagship or otherwise while such work is being done. Greenhouse LLC agrees to employ its reasonable efforts to minimize any interruption to the business operations of the Provident-Flagship resulting from Greenhouse LLC's (or its designated representatives') work in or on the Land, the Greenhouse District Project Site or the Property. Nothing herein contained, however, shall be deemed or construed to impose upon Greenhouse LLC any obligation or liability whatsoever for care, supervision, repair, improvement, additions, improvement, change, or alteration to the Land, the Greenhouse District Project Site or the Property other than as herein expressly provided. During the term of Construction any person who enters the Land, the Greenhouse District Project Site or the Property pursuant this Section 25, shall register with the General Contractor's representative for the Greenhouse District Project and shall follow all of the General Contractor's safety instructions and guidelines.

Section 26. Events of Default and Remedies.

(a) Events of Default Defined. The following shall be "Events of Default" under this Ground Sublease, and the term "Event of Default" shall mean, whenever it is used herein, any one or more of the following events; provided however, failure by Provident-Flagship to comply with any obligations required of it herein which are passed through to LSU pursuant to and in accordance with the terms of the Facilities Lease shall not be deemed an Event Default hereunder:

(i) Provident-Flagship shall fail to pay any annual Ground Rent, if, as and when due at the times specified herein.

(ii) Provident-Flagship shall fail to pay any Additional Rent, if, as and when due at the times specified herein.

(iii) Provident-Flagship shall fail to perform or cause to be performed any term, covenant, condition, or provision hereof, subject to any events of Force Majeure, and to correct such failure within sixty (60) days after written notice specifying such is given to Provident-Flagship and to Trustee by Greenhouse LLC. In the case of any such failure that cannot with due diligence be corrected within such sixty (60) day period but can be wholly corrected within a period of time not materially detrimental to the rights of Greenhouse LLC (and in any case not exceeding ninety (90) days after such initial written notice), it shall not constitute an Event of Default if corrective action is instituted by Provident-Flagship within the applicable period and diligently pursued until the failure is corrected, on condition that such failure is corrected within such ninety (90) day period.

(iv) Provident-Flagship shall be adjudicated insolvent and/or a Bankrupt.

(v) The appointment of a custodian (as defined in the federal bankruptcy code) or a receiver for, or a custodian or receiver taking charge of all or any substantial part of the Property and such appointment is not revoked or dismissed within ninety (90) days after such appointment is made.

(vi) Provident-Flagship commences any proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect, or any such proceeding is commenced against Provident-Flagship and is not dismissed within ninety (90) days after the commencement thereof.

(vii) Provident-Flagship shall make a general assignment of its assets for benefit of creditors.

(viii) Provident-Flagship commences any proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect, or any such proceeding is commenced against Provident-Flagship and is not dismissed within ninety (90) days after the commencement thereof.

(ix) Provident-Flagship calls a general meeting of substantially all of its creditors (either in number or in amount) with a view to arranging a composition or adjustment of its debts.

(x) All or a substantial part of the Property is attached, and such attachment or levy is not released within ninety (90) days thereafter.

(xi) Provident-Flagship indicates in writing its consent to, approval of, or acquiescence, in any of the matters identified above in subparts (iv) through (x) above.

(xii) There is any Event of Default by Provident-Flagship, under (and as defined in) the Development Agreement or the FOMA, respectively, if Provident-Flagship fails to cause RISE or the Facilities Manager to perform under the Development Agreement or FOMA, which default (if after applicable notice or grace period expressly provided therein) continues uncured beyond such notice or grace period, unless (in either such case) within forty-five (45) days after notice thereof by Greenhouse LLC to Provident-Flagship and the Trustee, a replacement Development Agreement or FOMA, respectively, is entered into with a replacement developer or manager, respectively, all subject to Greenhouse LLC's prior written consent (as required herein).

(xiii) The Greenhouse District Project shall not be Finally Complete by the Final Completion Date, without extension of such deadline except only for any extension that may become effective pursuant to the express provisions of the Development Agreement and this Ground Sublease, provided that if and for so long as Provident-Flagship and RISE shall be complying timely and fully with the terms and provisions of this Ground Sublease and of the Development Agreement in connection therewith, there shall be no Event of Default under this clause

(xiv) A Determination of Taxability (as defined in the Indenture) caused solely by Provident-Flagship shall occur with respect to the Series 2019 Bonds.

(xv) A default by Provident-Flagship under the Facilities Lease, beyond any applicable grace or cure periods therefore.

(b) *Remedies.* Subject to the provisions of Section 28 and so long as such remedies do not conflict with the terms and conditions of the Indenture or Bond Documents, upon the occurrence of an Event of Default, Greenhouse LLC may pursue one of the following remedies:

(i) Subject to Paragraphs (c) and (h) of this Section 26, terminate this Ground Sublease, by giving written notice of such termination ("Notice of Termination") to Provident-Flagship and to the leasehold

Mortgagee and Trustee, which termination shall be effective as of the date given in the Notice of Termination, and the Term shall expire on such date;

(ii) Subject to Paragraphs (c) and (h) of this Section 26 and the giving of written notice to Provident-Flagship, the Mortgagee, and the Trustee, re-enter and repossess any or all of the Greenhouse District Project or the Property, as applicable, provided that, as long as any of the Bonds shall remain Outstanding, (A) Greenhouse LLC shall continue to comply with its obligations under Section 13, and (B) the pledge of Revenues under the Bond Documents shall not be negated, impacted or adversely affected;

(iii) Perform, on behalf and at the expense of Provident-Flagship, of any obligation of Provident-Flagship under this Ground Sublease which Provident-Flagship has failed to perform, the cost of which performance by Greenhouse LLC, together with interest thereon at the Default Rate from the date of such expenditure, shall be payable by Provident-Flagship to Greenhouse LLC, upon demand;

(iv) Enforce, in the name of and on behalf of Provident-Flagship, any and all rights and remedies with respect to the Contract Documents and any security therefore, under and pursuant to the Subordinate Assignment of Contract Documents;

(v) Cure such Event of Default in any other manner, the cost of which cure by Greenhouse LLC, together with interest thereon at the Default Rate from the date of such expenditure, shall be payable by Provident-Flagship to Greenhouse LLC, upon demand; and

(vi) Pursue any combination and/or sequence of such remedies and/or any other right or remedy available to Greenhouse LLC in respect to Provident-Flagship on account of such Event of Default under this Ground Sublease or at law or in equity, at any time and from time to time, provided that termination of this Ground Sublease shall be subject to Paragraphs (c) and (h) hereof.

(c) Greenhouse LLC shall not exercise its remedies set forth in Paragraphs (b)(i) or (b)(ii) above (such remedies in any event being also subject to Paragraph (h) of this Section 26 unless (i) Greenhouse LLC shall first give notice to the Trustee that an Event of Default has occurred and is continuing and (ii) such Event of Default shall remain uncured for ten (10) days after the giving of such notice in the case of an Event of Default of the type described in clause 26(a)(i) or 26(a)(ii) (a "Rent Event of Default") or for ten (10) business days (increased to sixty (60) days upon Substantial Completion) after the giving of such notice as to any other Event of Default (a "Non-Rent Event of Default"), provided, however, that in the case of a Non-Rent Event of Default and notwithstanding the passage of such ten (10) business day period (sixty (60) days upon Substantial Completion), Greenhouse LLC shall continue to refrain from exercising its remedies set forth in Paragraphs (b)(i) or (b)(ii) above if and for so long as the Trustee is diligently pursuing the cure of any Non-Rent Event of Default by taking all necessary, reasonable and appropriate actions to attempt to cure such Non-Rent Event of Default, notwithstanding the fact that such Non-Rent Event of Default may never be cured or be capable of being cured. Notwithstanding the foregoing provisions to the contrary, if (x) a Rent Event of Default is not cured within the ten (10) days period described above or (y) a Non-Rent Event of Default (other than solely an Event of Default of the types described in clauses 26(a)(iv), (v) and (vi) ("Non-Curable Event of Default")) is not cured within one hundred twenty (120) days after Greenhouse LLC shall have given the notice of such Event of Default to the Trustee, then Greenhouse LLC may at any time or times, but subject always to Paragraph (h) of this Section 26, terminate this Ground Sublease and/or give the Notice of Termination.

(d) Without limiting the generality of the foregoing provisions of Paragraphs (b)(i) or (c) above, Greenhouse LLC shall not be deemed to have accepted any abandonment or surrender by Provident-Flagship of any or all of the Land or Provident-Flagship's leasehold estate under this Ground Sublease unless Greenhouse LLC has so advised Provident-Flagship expressly and in writing, regardless of whether Greenhouse LLC has reentered or re-let any or all of the Land or exercised any or all of Greenhouse LLC's other rights under this Section 26 or applicable law. No termination of this Ground Sublease, or summary dispossession proceedings, abandonment, re-letting, bankruptcy, re-entry by Greenhouse LLC vacancy, or exercise of any of Greenhouse LLC's rights and remedies shall relieve Provident-Flagship of any of its liabilities and obligations under this Ground Sublease (whether or not any or all of the Land is re-let).

(e) If an Event of Default occurs, Provident-Flagship, in connection with the failure to perform its respective obligations shall, immediately on its receipt of a written demand therefore from Greenhouse LLC, reimburse Greenhouse LLC for all reasonable expenses (including but not limited to any and all repossession costs, management expenses, operating expenses, legal expenses and attorneys' fees) incurred by Greenhouse LLC (i) in curing or seeking to cure any such Event of Default (ii) in exercising or seeking to exercise any of Greenhouse LLC's rights and remedies under the provisions of this Ground Sublease and/or at law or in equity on account of any such Event of Default, and/or (iii) otherwise arising out of any such Event of Default, with interest at the Default Rate, payable immediately upon written demand of Greenhouse LLC.

(f) Until this Ground Sublease shall be terminated or shall expire, including under Section 26(b)(i) or (c), or the Bonds shall be paid, all Revenues shall be subject to the operation, lien and effect of the Indenture and the other Bond Documents and shall be collected, deposited and applied as set forth therein.

(g) In addition to and not in limitation of the foregoing, upon the occurrence of an Event of Default that remains uncured after applicable cure periods, Provident-Flagship shall, upon the written election of Greenhouse LLC, notice of which election shall be delivered in writing to Provident-Flagship, the Mortgagee, and the Trustee,

(i) effect an optional redemption of the Bonds pursuant to the terms of the Indenture with funds to be provided by Greenhouse LLC (subject to any limitation to effect such optional redemption before the date specified in such section of the Indenture),

(ii) effect a defeasance of the Bonds (as designated by Greenhouse LLC) pursuant to the terms of the Indenture with funds to be provided by Greenhouse LLC (without any such limitation as to time),

(iii) assign to Greenhouse LLC or its designee all the right, title and interest of Provident-Flagship under (x) the Loan Agreement and the other Bond Documents and any and all disbursements to be made thereunder and proceeds thereof (other than for any Bonds redeemed or defeased pursuant to the two preceding clauses) and (y) (via the Subordinate Assignment of Contract Documents) the Contract Documents, and/or

(iv) cause all of the membership interests in Provident-Flagship (to the extent designated by Greenhouse LLC) to be assigned and transferred to Greenhouse LLC or its designee, provided that

(A) in the case of an assignment under the preceding clause (iii), Greenhouse LLC or its designee, as the case may be, shall assume Provident-Flagship's obligations under the Loan Agreement, the Note and the other Bond Documents; and

(B) in the case of an assignment under the preceding clause (iii), Provident-Flagship shall assign all its right, title and interest in this Ground Sublease to Greenhouse LLC or its designee, as the case may be, as and when required by Greenhouse LLC, pursuant to instruments of assignment satisfactory to Greenhouse LLC, on condition that Greenhouse LLC shall simultaneously enter into a new lease of the Land with Greenhouse LLC or its designee, as the case may be, as the lessee thereunder and on the same terms and conditions as this Ground Sublease, and, in either such case,

[1] the interest of the lessee under this Ground Sublease or such new lease, as the case may be, shall be and remain subject to the lien of the Mortgage,

[2] Greenhouse LLC shall remain obligated to perform its covenants set forth in Section 13,

[3] the pledge of the Revenues under the Indenture and the Bond Documents shall continue and shall not be deemed to have been negated, impaired or adversely affected,

[4] the fee title to the Land and the leasehold in the Land shall not merge but shall remain separate and distinct, notwithstanding that Greenhouse LLC may be both the lessor and lessee under this Ground Sublease or any such new lease, and

[5] Greenhouse LLC and any designee shall confirm the foregoing by written instruments reasonably satisfactory to the Trustee.

(C) in the case of an assignment under the preceding clause (iii) or (iv), it shall be a condition to any such assignment that the Trustee shall receive an opinion of Bond Counsel in standard form and subject to standard qualifications that such assignment to and assumption by Greenhouse LLC or its designee shall not adversely affect the rights and remedies of the Bondholders under the Bond Documents, and

(D) in the case of an assignment under the preceding clause (iii) or an assignment or transfer under the preceding clause (iv), then it shall be conditions to any such assignment or transfer that both:

[1] Greenhouse LLC or its designee, as the case may be, shall be a Tax-Exempt Organization, and

[2] the Trustee shall receive an opinion of bond counsel in standard form and subject to standard qualifications that interest on Series 2019 Bonds that remain outstanding will be or remain exempt or excluded from gross income for federal income tax purposes.

(h) Notwithstanding any other provision of this Section 26 to the contrary, if and for so long as any of the Bonds shall remain Outstanding, Greenhouse LLC shall not terminate this Ground Sublease or reenter or repossess the Land due to an Event of Default unless (x) Greenhouse LLC shall exercise one or more of Greenhouse LLC's options in clauses (i) or (ii) in the preceding Paragraph (g) to redeem and/or defease all Bonds then Outstanding or (y) there shall be a new lease as described in clause (B) in the preceding Paragraph (g) and the conditions to an assignment of the type described in clause (iii) in the preceding Paragraph (g) shall be satisfied, including the opinions of counsel described in clauses (C) and (D)(2) in the preceding Paragraph (g) if applicable, and (2) Greenhouse LLC acquires all right, title and interest in all of Provident-Flagship's rights and obligations under the Facilities Lease, Development Agreement, FOMA and Bond Documents, Contract Documents and other related documents.

Notwithstanding any other provision of this Section 26 to the contrary, in no event shall Provident-Flagship be liable for any monetary amounts, or be obligated to perform any obligations, in excess of (i) the monetary payments and obligations actually paid or performed by LSU (to or on behalf of Provident-Flagship) pursuant to the Facilities Lease less any payments and obligations due under the Bond Documents, Development Agreement and FOMA, and less Additional Rent due under this Ground Sublease; or (ii) the liquidated damages and obligations actually paid or performed by RISE (to or on behalf of Provident-Flagship) pursuant to the Development Agreement.

Section 27. Expiration of Provident-Flagship Rights. Upon the termination or expiration of this Ground Sublease prior to the payment in full of the Bonds from any cause, all right, title and interest of Provident-Flagship hereunder and under any Contract Document, and all persons whomsoever claiming by, through or under Provident-Flagship, shall immediately cease and terminate, and all of the Student Housing Facilities, including without limitation, all buildings, structures, improvements, amenities, equipment, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Property, and all Student Housing Facilities Equipment and any other personal property located thereon, shall thence forward constitute and belong to and be the absolute property of Greenhouse LLC or Greenhouse LLC's successors and assigns, provided that if the Bonds have been fully paid or defeased and all obligations under the Bond Documents have been fully discharged, then to LSU, without further act or conveyance, and without liability to make such compensation to Provident-Flagship or to anyone whomsoever, and to the extent required of RISE in the Development Agreement and the Facilities Manager in the FOMA, except for Permitted Encumbrances, free and discharged from all and every Lien, encumbrance, claim and charge of any character created or attempted to be created by Provident-Flagship, RISE and Facilities Manager at any time. Provident-Flagship agrees, at the termination of this Ground Sublease, to surrender unto Greenhouse LLC, all and singular the Property with then existing buildings, other structures and improvements Constructed and located on and in the Property, in good and clean condition, natural and normal wear and tear excepted, and comply with all of its obligations relating to termination under the FOMA.

Notwithstanding anything to the contrary contained herein, in the event this Ground Sublease terminates or expires, prior to the date the Bonds are paid in full or legally defeased, Greenhouse LLC shall acquire and assume all right, title and interest in all of Provident-Flagship's rights and obligations under the Facilities Lease, Bond Documents, Contract Documents and other related documents, and the parties agree to execute any and all documents required to effectuate such transfer and assumption of all rights, title and interest in and to the Property and without liability to make such compensation to Provident-Flagship or to anyone whomsoever, and to the extent required of RISE in the Development Agreement and the Facilities Manager in the FOMA, except for Permitted Encumbrances, free and discharged from all and every Lien, encumbrance, claim and charge of any character created or attempted to be created by Provident-Flagship, RISE and Facilities Manager at any time. Provident-Flagship agrees, at the termination of this Ground Sublease, to surrender unto Greenhouse LLC, all and singular the Property with then existing buildings, other structures and improvements Constructed and located on and in the Property, in good and clean condition, natural and normal wear and tear excepted, and comply with all of its obligations relating to termination under the FOMA.

Section 28. Mortgaging the Leasehold. Notwithstanding the provisions of Section 16 to the contrary, Provident-Flagship shall have the right to encumber its leasehold interest in this Ground Sublease (but not LSU's fee interest in the Land, or Greenhouse LLC's leasehold interest in this Ground Sublease or reversionary interest in the Land) under the Mortgage to secure the payment of the Bonds upon the conditions that (i) all rights acquired under any such Mortgage shall be subject to each of the provisions set forth in this Ground Sublease and to all rights and interests of Greenhouse LLC therein, and (ii) the Mortgagee shall be required by the terms of the Mortgage to provide Greenhouse LLC, simultaneously, with a copy of any notice of a default, failure to comply, or termination of the Mortgage given by the Mortgagee to Provident-Flagship, sent to Greenhouse LLC at the address set forth in this Ground Sublease. In accordance with the foregoing, Greenhouse LLC hereby consents to the Bond Documents and to Provident-Flagship's encumbrance of its interest in this Ground Sublease pursuant to the Mortgage.

Section 29. Reserved.

Section 30. Environmental Condition of the Land, Greenhouse District Project Site and Property.

(a) Provident-Flagship shall not:

(i) Direct, suffer, or permit RISE, the Facilities Manager, LSU, the University or any of their respective employees or any other Person or entity under their respective control to handle, transport, use, manufacture or store any Hazardous Materials in or about the Land, and, prior to Final Completion only, the Greenhouse District Project Site, except as provided in Section 30(b) below; or

(ii) Suffer or permit (with or without negligence):

(A) Any Hazardous Materials to be used by any employee, officers, agents, contractors or third party directed or controlled by Provident-Flagship in any manner not fully in compliance with all Environmental Laws; or

(B) The Land or adjoining areas, and prior to Final Completion only, the Greenhouse District Project Site, to become contaminated with any Hazardous Materials generated by Provident-Flagship; or

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

(b) Provident-Flagship may permit RISE and the Facilities Manager to handle, store, use, or dispose of Hazardous Materials to the extent customary and necessary for the performance of RISE's and the Facilities Manager's duties under the Development Agreement and the FOMA, respectively, provided same does not violate Environmental Laws and all disposal occurs offsite. Provident-Flagship shall cause RISE to pay and perform RISE's obligations regarding Environmental Laws, Hazardous Materials and Remediation as set forth in the Development Agreement and in the FOMA.

(c) Provident-Flagship shall promptly provide Greenhouse LLC with complete and accurate copies of all disposal tickets for materials (hazardous or not) from the Land, and, prior to Final Completion only, the Greenhouse District Project Site that are disposed of off the Land.

(d) In the event that Provident-Flagship, its affiliates, contractors, employees, officers or agents generate any Hazardous Materials that are required by any Environmental Law to be Remediated, and specifically excluding any Hazardous Materials that are generated by Greenhouse LLC, LSU, their affiliates, employees, officers or agents. Provident-Flagship 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 Land, and prior to Final Completion only, the Greenhouse District Project Site ("Hazardous Site Condition") as necessary to comply with any Environmental Law or any breach of this Section. In the event that any Hazardous Materials currently exist within the Land, the Greenhouse District Project Site or the Property or any Hazardous Materials that are required by any Environmental Law to be Remediated and were generated by Greenhouse LLC, LSU their affiliates, employees, officers or agents or any third party, Greenhouse LLC shall, at its sole cost and expense, promptly effectuate Remediation of any condition in, on, above, under or from the Land, the Greenhouse District Project Site and the Property as necessary. In the event that Provident-Flagship fails to perform said work after notice from Greenhouse LLC or the State Department of Environmental Quality, Greenhouse LLC may, as agent of Provident-Flagship, perform same, and Provident-Flagship agrees to reimburse Greenhouse LLC for the cost of such Remediation, together with interest at the Default Rate as Additional Rent.

(e) To the extent Provident-Flagship has knowledge, Provident-Flagship shall immediately notify Greenhouse LLC in writing of (1) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Land, and prior to Final Completion only, the Greenhouse District Project Site, (2) any non-compliance with any Environmental Laws related in any way to the Land, and prior to Final Completion only, the Greenhouse District Project Site; (3) any actual or potential environmental lien; (4) any required or proposed Remediation of Hazardous Site Condition relating to the Land, and prior to Final Completion only, the Greenhouse District Project Site; and (5) any written or oral notice or other communication of which Provident-Flagship becomes aware from any source whatsoever (including but not limited to a governmental entity) 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 Land, and prior to Final Completion only, the Greenhouse District Project Site.

(f) Notwithstanding anything contained in this Section 30 or any other provision of this Ground Sublease to the contrary, Provident-Flagship acknowledges and agrees that the RISE or the Facilities Manager, as applicable, and not Greenhouse LLC, 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 FOMA or Section XIV(A)(2) of the Development Agreement. To the extent set forth in the Development Agreement and the FOMA, Provident-Flagship shall promptly effectuate or cause RISE or the Facilities Manager, as applicable, to effectuate, Remediation of any Hazardous Site Condition as necessary to comply with any Environmental Law or any other Governmental Regulations, subject to Section XIV of the Development Agreement.

### Section 31. Notices.

(a) Each notice, request, and communication required under this Ground Sublease shall be in writing. It will be deemed to have been received: (i) on personal delivery; (ii) on the second business day after its deposit for overnight delivery with a recognized overnight delivery service; (iii) if by facsimile, on receipt of electronic confirmation of its receipt (but only if the facsimile is followed by delivery by United States mail); or (iv) if mailed, on actual receipt (but only if sent by registered or certified or U.S. Express mail, with return receipt requested, addressed to the other Party's address below):

If to Provident-Flagship: PROVIDENT GROUP – FLAGSHIP PROPERTIES L.L.C.  
c/o Provident Resources Group Inc.  
Attn: President  
5565 Bankers Avenue  
Baton Rouge, LA 70808  
Telephone: (225) 766-3977  
Facsimile: (225) 766-3988

With a Copy to: PHELPS DUNBAR LLP  
Attention: Ragan Richard  
400 Convention, Suite 1100  
Baton Rouge, LA 70802  
Telephone: (225) 346-0285  
Facsimile: (225) 381-9197

And with a copy to each Mortgagee of whom notice of identity and address has been given to Greenhouse LLC, provided that no notice need be given for the identity or address of the Trustee under the Indenture on the date hereof.

If to Greenhouse LLC: GREENHOUSE DISTRICT PROJECT LLC  
Attention: General Counsel  
3796 Nicholson Drive  
Baton Rouge, LA 70802  
Telephone: (225) 578-0525  
Facsimile: (225) 578-0530

With a copy to: Vice President for Finance and Administration and CFO  
Louisiana State University and Agricultural and Mechanical College  
330 Thomas Boyd Hall  
Baton Rouge, Louisiana 70803  
Facsimile: (225) 578-4749

(b) Either party hereto may, by notice given to each of the other, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

(c) Notwithstanding anything contained herein to the contrary, any notice, correspondence, report or other information required to be given by Greenhouse LLC or Provident-Flagship hereunder shall also be provided to LSU and shall be deemed to have been given and shall be effective as of the date such notice is received or refused reflected on said notice. All notices, certificates, demands, requests, or other communications made by either party to the other which are required or permitted by the provisions of this Ground Sublease shall be in writing.

Section 32. Submission of Matters to Greenhouse LLC for Approval. Any matter that must be submitted to and consented to or approved in writing by Greenhouse LLC or any matter that must be submitted to Greenhouse LLC that may become effective if not denied by Greenhouse LLC, as required under this Ground Sublease, shall be submitted to Greenhouse LLC by hand or mailed by United States certified or registered mail, return receipt requested, to the address of Greenhouse LLC designated for the giving of notice to Greenhouse LLC under Section 31 hereof and shall either be approved or rejected by Greenhouse LLC within thirty (30) days after receipt unless a shorter period of time is expressly stated elsewhere herein. If Greenhouse LLC should fail so to approve or reject within such thirty (30) day period as provided for herein, Greenhouse LLC's approval shall be deemed to have disapproved or rejected such submitted proposal, and Provident Flagship shall not have the right to proceed on such matter so submitted. Greenhouse LLC shall inform Provident-Flagship in writing of its rejection or approval of such submitted matter by facsimile or United States certified or registered mail, return receipt requested, to the address of the Provident-Flagship designated for the giving of notice to the Provident-Flagship in Section 31 hereof. Any review by Greenhouse LLC of any matter submitted to Greenhouse LLC is for Greenhouse LLC's own convenience and purpose only. By undertaking such review, Greenhouse LLC does not obtain or have any liability

to Provident-Flagship or any other person, including, without limitation, the insurers and lenders of Provident-Flagship. Greenhouse LLC's approval of design documents (including Plan and Specifications) and Construction Documents does not relieve the parties to those documents from their respective standards of care, nor from their duties and obligations under those documents.

Section 33. Holding Over by Provident-Flagship. Provident-Flagship shall not use or remain in possession of the Property after the termination of this Ground Sublease. Any holding over, or continued use or occupancy by Provident-Flagship after the termination of this Ground Sublease without the written consent of Greenhouse LLC shall not constitute a tenant-at-will interest in behalf of Provident-Flagship, but Provident-Flagship shall become a tenant-at-sufferance and liable for Rent and all other expenses, obligations and payments in effect for the immediately preceding year of the Term of this Ground Sublease, regardless of the amount of funds available from LSU pursuant to the Facilities Lease or from proceeds of the Bonds. There shall be no renewal whatsoever of this Ground Sublease by operation of law.

Section 34. Representations and other Covenants of Provident-Flagship. Provident-Flagship makes the following representations and warranties and other covenants as the basis for the undertakings on its part herein contained, as of the date hereof:

(a) Organization and Power. Provident-Flagship is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Louisiana, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted. Provident Resources is a tax exempt entity duly organized, validly existing, and in good standing under the laws of the State of Georgia, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(b) Provident Resources is Sole Owner. Provident-Flagship is a Louisiana limited liability company, with Provident Resources as the sole member thereof.

(c) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of Provident-Flagship, threatened against or affecting Provident-Flagship or Provident Resources in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the ability of Provident-Flagship to perform its obligations under this Ground Sublease, or the transactions contemplated by this Ground Sublease, or that, in any way, would adversely affect the validity or enforceability of this Ground Sublease or any agreement or instrument to which Provident-Flagship or Provident Resources is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, or that could result in a claim against Provident-Flagship's interest in this Ground Sublease, the Land, the Property or the Revenues; nor are Provident-Flagship or Provident Resources aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. Neither Provident-Flagship nor Provident Resources is in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of Provident-Flagship or Provident Resources have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by Provident-Flagship or Provident Resources in good faith, have been paid or adequate reserves have been made for the payment thereof.

(d) Agreements Are Legal and Authorized. The execution and delivery by Provident-Flagship of this Ground Sublease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of Provident-Flagship, (ii) are legal and will not conflict with or constitute on the part of Provident-Flagship or Provident Resources a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of Provident-Flagship or Provident Resources under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which Provident-Flagship or Provident Resources is a party or by which Provident-Flagship or Provident Resources or their respective properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ,

injunction, decree, or demand of any court or governmental agency or body having jurisdiction over Provident-Flagship or Provident Resources or any of their respective activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of Provident-Flagship and Provident Resources, as the sole member of Provident-Flagship. This Ground Sublease is the valid, legal, binding, and enforceable obligation of Provident-Flagship. The officer or officers of Provident Resources executing this Ground Sublease on behalf of Provident Resources as the sole member of Provident-Flagship are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of Provident-Flagship.

(e) Governmental Consents. No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of Provident-Flagship or Provident Resources in connection with the execution, delivery, and performance of this Ground Sublease or the consummation of any transaction herein contemplated, is required except as shall have been obtained.

(f) No Defaults. To Provident-Flagship's knowledge, no event has occurred and no condition exists that would constitute an Event of Default or that, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of Provident-Flagship, neither Provident-Flagship nor Provident Resources is in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound. For purposes of this Paragraph (f), a default or violation shall be deemed "material" if it would adversely affect the ability of Provident-Flagship to perform its obligations hereunder.

(g) Compliance with Law. To the knowledge of Provident-Flagship, neither Provident-Flagship nor Provident Resources is in violation of any Governmental Regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of Provident-Flagship or Provident Resources.

(h) No Broker. Neither Provident-Flagship nor Provident Resources has dealt with any broker in connection with this Ground Sublease, the Greenhouse District Project, or the Property, and Provident-Flagship hereby agrees to defend, indemnify and hold harmless all Indemnitees from and against any and all claims for commissions, fees, remuneration or reimbursement of expenses that may be made by any broker or similar person with whom Provident-Flagship or Provident Resources has dealt in connection with this Ground Sublease, the Greenhouse District Project or the Property.

(i) Tax Exempt Organization. As of the date of this Ground Sublease, (i) Provident Resources is a Tax Exempt Organization, (ii) Provident Resources received a determination letter from the IRS to the effect that it is a Tax-Exempt Organization, (iii) Provident Resources is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax-Exempt Organization has not been adversely modified, limited, or revoked, and (v) the facts and circumstances that formed the basis for the status of Provident Resources, as represented to the Internal Revenue Service in Provident Resources' application for a determination letter, either substantially exist for Provident Resources or differ in a manner consistent with the requirements of §501(c)(3) of the Internal Revenue Code. Provident Resources is organized and operated exclusively for religious, educational, and charitable purposes, and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder, or individual. Provident-Flagship is disregarded as an entity separate and apart from Provident Resources for federal income tax purposes.

(j) Preservation of Tax Exempt Status.

(i) Provident-Flagship shall maintain its legal existence as a single member, limited liability company the sole member of which is a Tax Exempt Organization. Provident-Flagship will be disregarded as an entity separate and apart from its sole member Tax Exempt Organization for federal income tax purposes.

(ii) Provident-Flagship shall cause Provident Resources to maintain its legal existence as a Tax Exempt Organization.

(iii) Provident-Flagship shall not, without the consent of Greenhouse LLC, consolidate with or merge into another entity or permit another entity to consolidate with or merge into it.

(iv) Provident-Flagship shall not dissolve or otherwise dispose of all or substantially all of its assets.

(v) Provident-Flagship shall not operate the Property in any manner nor engage in any activities or take any action that might reasonably be expected to result in Provident Resources ceasing to be a Tax Exempt Organization.

(vi) Provident-Flagship shall promptly notify Greenhouse LLC of any loss of Provident Resources' status as a Tax Exempt Organization or of any investigation, proceeding, or ruling that might result in such loss of status.

(vii) Provident-Flagship shall preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

(viii) Provident-Flagship shall take such actions, or cause Provident Resources to take such actions, as are necessary or appropriate and within its control to take to comply with the provisions of the Code in order to preserve the exclusion of the interest paid on the Series 2019 Bonds from the gross income of the owners thereof for federal income tax purposes and shall not act or fail to act in any other manner that would adversely affect such exclusion.

(k) *Disclosure.* The representations of Provident-Flagship contained in this Ground Sublease and any certificate, document, written statement, or other instrument furnished by or on behalf of Provident-Flagship or Provident Resources to Greenhouse LLC in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading.

**Section 35. Representations of Greenhouse LLC.** Greenhouse LLC makes the following representations and warranties as the basis for the undertakings on its part herein contained, as of the date hereof:

(a) *Status.* Greenhouse LLC is a single member, limited liability company, the sole member of which is a Tax Exempt Organization duly organized, validly existing, and in good standing under the laws of the State, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(b) *Pending Litigation and Taxes.* To the best of its knowledge, there are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of Greenhouse LLC, threatened against or affecting Greenhouse LLC in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the ability of Greenhouse LLC to perform its obligations under this Ground Sublease, or the transactions contemplated by this Ground Sublease, or that, in any way, would adversely affect the validity or enforceability of this Ground Sublease or any agreement or instrument to which Greenhouse LLC is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, or that could result in a claim against Greenhouse LLC's interest in this Ground Sublease or the Land; nor is Greenhouse LLC aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. Greenhouse LLC is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of Greenhouse LLC (if any) have been duly filed, and any and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by Greenhouse LLC in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) *Agreements Are Legal and Authorized.* The execution and delivery by Greenhouse LLC of this Ground Sublease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with

all of the provisions hereof (i) are within the power, legal right, and authority of Greenhouse LLC, (ii) are legal and will not conflict with or constitute on the part of Greenhouse LLC a violation of or a breach of or a default under, or result in the creation or imposition of any Lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of Greenhouse LLC under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which Greenhouse LLC is a party or by which Greenhouse LLC or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over Greenhouse LLC or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate limited liability company action on the part of Greenhouse LLC. This Ground Sublease is the valid, legal, binding and enforceable obligation of Greenhouse LLC. The officer or officers of Greenhouse LLC are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of Greenhouse LLC.

(d) Governmental Consents. No consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of Greenhouse LLC in connection with the execution, delivery, and performance of this Ground Sublease or the consummation of any transaction herein contemplated, is required except as shall have been obtained.

(e) No Defaults. To Greenhouse LLC's knowledge, no event has occurred and no condition exists that would constitute a default by Greenhouse LLC hereunder or that, with the lapse of time or with the giving of notice or both, would become such a default. To the knowledge of Greenhouse LLC, Greenhouse LLC is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound. For purposes of this Paragraph (d), a default or violation shall be deemed "material" if it would adversely affect the ability of Greenhouse LLC to perform its obligations hereunder.

(f) Compliance with Law. To the knowledge of Greenhouse LLC, Greenhouse LLC is not in violation of any Governmental Regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its or their properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of Greenhouse LLC, but excluding any and all licenses, permits, franchises, or other governmental authorizations that are or may be required for the performance of the Greenhouse District Project and operation of the Property.

(g) No Broker. Greenhouse LLC has not dealt with any broker in connection with this Ground Sublease, the Greenhouse District Project or the Property.

(h) No Other Representations. Except as expressly set forth in this Ground Sublease, Greenhouse LLC has made and makes no representations or warranties whatsoever to Provident-Flagship, and any and all statements made by Greenhouse LLC in any and all communications and documents heretofore given by any Person to Provident-Flagship are deemed merged into and superseded by this Ground Sublease and not enforceable in any manner.

#### Section 36. Miscellaneous.

(a) No Waiver of Rights by Greenhouse LLC. No failure of Greenhouse LLC to exercise any power given Greenhouse LLC hereunder or to insist upon strict compliance by Provident-Flagship with its undertakings, duties and obligations hereunder, and no custom or practice of the parties hereto at variance with the provisions hereof shall constitute a waiver of Greenhouse LLC's right to demand exact compliance with the provisions contained in this Ground Sublease.

(b) Rights are Cumulative. All rights, powers, and privileges conferred herein upon both parties hereto shall be cumulative.

(c) Provisions are Binding Upon Assigns and are Real Covenants. It is mutually covenanted, understood and agreed by and between the parties hereto, that each of the provisions of this Ground Sublease shall apply to, extend to, be binding upon and (subject to the restrictions in Section 16 as regards Provident-Flagship) inure to the benefit

of not only the parties hereto, but also the University, the legal representatives, successors and assigns of Greenhouse LLC and Provident-Flagship hereto, and shall be deemed and treated as real covenants running with the Property during the Term of this Ground Sublease. The parties further acknowledge and agree that the Authority, the Trustee and their respective successors and assigns shall be deemed third party beneficiaries of such provisions herein that are for their express benefit. Except as set forth in the preceding sentence, the provisions of this Ground Sublease are solely and exclusively for the benefit of the parties hereto, and no other Person shall, under any circumstances, be deemed to be a beneficiary of or entitled to enforce this Ground Sublease. Whenever a reference to the parties hereto is made, such reference shall be deemed to include (subject to the restrictions in Section 16 as regards Provident-Flagship) the legal representatives, successors and assigns of said party, the same as if in each case expressed.

(d) Applicable Law. This Ground Sublease shall be governed, construed, performed and enforced in accordance with the laws of the State of Louisiana without regard to conflicts of law principles.

(e) All Genders and Numbers Included; Interpretation. Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Ground Sublease, it shall equally apply to, extend to, and include the other. The words "**including**", "**inclusive**" and the like shall be interpreted as if they were followed by the phrase "without limitation" except only where expressly provided otherwise. References herein to "**Sections**," "**Paragraphs**," "**Exhibits**," "**Schedules**" and the like shall mean Sections, Paragraphs, Exhibits or Schedules of this Ground Sublease except where expressly provided otherwise.

(f) Invalidity of Provision or Part Thereof. In the event any provision or any portion of any provision of this Ground Sublease is determined to be invalid or unenforceable, that provision (or portion thereof) shall be deemed stricken and the remainder of this Agreement shall continue in full force and effect insofar as it remains a workable instrument to accomplish the original intent and purposes of the parties hereto and, if possible, the parties shall replace the severed provision with a provision that reflects the intention of the parties with respect to the severed provision but that shall be valid and enforceable.

(g) Time is of the Essence. All time limits stated in this Ground Sublease are of the essence of this Ground Sublease.

(h) Section Captions are to be Disregarded. The captions of the numbered sections of this Ground Sublease are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Sublease.

(i) Property Condition. **EXCEPT AS MAY BE SET FORTH OR PROVIDED FOR IN THIS GROUND SUBLEASE (INCLUDING SECTION 30), GREENHOUSE LLC AND PROVIDENT-FLAGSHIP ACKNOWLEDGE AND AGREE THAT NEITHER GREENHOUSE LLC NOR ANY OF ITS OFFICERS, AGENT, EMPLOYEES, OR REPRESENTATIVES MAKES OR HAS MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE LAND OR ANY PORTION THEREOF, THE LAND'S PHYSICAL CONDITION, INCOME TO BE DERIVED OR EXPENSE TO BE INCURRED WITH RESPECT TO THE LAND, THE LAND'S FITNESS OR SUITABILITY FOR ANY PARTICULAR USE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE SAME, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE LAND OR ANY PORTION OF IT, EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THE GROUND LEASE, AND THAT PROVIDENT-FLAGSHIP HAS INSPECTED THE LAND AND LEASES THE LAND "AS IS, WHERE IS."**

(j) Entire Agreement Contained Herein. The making, execution and delivery of this Ground Sublease by Provident-Flagship has not been induced by any representations, statements, covenants or warranties by Greenhouse LLC except for those contained in this Ground Sublease. This Ground Sublease and all of the exhibits and schedules hereto (and any appendix or exhibit to any such schedule or exhibit) constitutes the full, complete and entire agreement between and among the parties hereto; no agent, employee, officer, representative or attorney of the parties hereto has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith modifying, adding to or changing the provisions of this Ground

Sublease. No amendment of this Ground Sublease shall be binding unless such amendment shall be in writing, signed by both parties hereto, with any approvals of LSU required by the Ground Lease.

(k) No Partnership or Agency. Nothing in this Ground Sublease is intended, or shall in any way be construed, so as to create any form of joint venture, partnership or agency relationship between the parties. The parties hereby expressly disclaim any intention of any kind to create any joint venture, partnership or agency relationship between themselves. Nothing in this Ground Sublease shall be construed to make either party liable for any of the indebtedness of the other, except as specifically provided herein.

(l) Limitation of Liability. Notwithstanding anything herein to the contrary, the liability of Provident-Flagship hereunder and each obligation of Provident-Flagship hereunder (including, but not limited to its indemnity obligations) under this Ground Sublease shall be "limited recourse obligations" and, accordingly, Greenhouse LLC's sole source of satisfaction of such obligations shall be limited to Provident-Flagship's interest in this Ground Sublease, the Land, the Property, the Greenhouse District Project, the rents, issues, insurance proceeds and surplus related thereto and (but only for so long as Provident-Flagship shall be lessee hereunder, and not any other Person) the other assets of Provident-Flagship, and Greenhouse LLC shall not seek to obtain payment from any person or entity comprising Provident-Flagship or from any assets of Provident-Flagship other than those described in this sentence (but only for so long as Provident-Flagship shall be lessee hereunder, and not any other Person), notwithstanding the survival of any obligation of Provident-Flagship beyond the Term. (Nothing in the preceding sentence is intended to modify, reduce or increase the manner or degree in or to which Provident-Flagship shall be liable or obligated under the Bond Documents, whether on a "recourse", "limited recourse", "non-recourse" or other basis.) Notwithstanding anything herein to the contrary, the liability of Greenhouse LLC hereunder and each obligation of Greenhouse LLC hereunder (including, but not limited to its indemnity obligations, if any) under this Ground Sublease shall be "non-recourse" and, accordingly, Provident-Flagship's sole source of satisfaction of such obligations shall be limited to Greenhouse LLC's interest in this Ground Sublease, the Land, the Greenhouse District Project, the Property and the rents, issues, insurance proceeds and surplus related thereto, and Provident-Flagship shall not seek to obtain payment from any person or entity comprising Greenhouse LLC or from any assets of Greenhouse LLC other than those described in this sentence, notwithstanding the survival of any obligation of Greenhouse LLC beyond the Term. Notwithstanding anything herein to the contrary, neither Provident Resources nor any other member in Provident-Flagship shall have any personal liability to Greenhouse LLC whatsoever arising under this Ground Sublease, and none of Provident Resources' or such member's assets shall be subject to judgment, foreclosure or seizure by Greenhouse LLC for any matter arising under this Ground Sublease.

(m) Recordation of Memorandum of Lease. Greenhouse LLC and Provident-Flagship have executed, acknowledged and delivered simultaneously with the execution of this Ground Sublease, in recordable form, a memorandum of lease setting forth the basic terms hereof. The same shall be submitted for recording.

(n) Counterparts. This Ground Sublease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

(o) Preservation of Tax Exemption. Neither Greenhouse LLC nor Provident-Flagship shall take any action with respect to the Student Housing Facilities that would adversely affect the exclusion of interest on any Series 2019 Bonds from gross income for federal income tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of Provident-Flagship as set forth in the Bond Documents. Provident-Flagship shall not operate the Student Housing Facilities or engage in activities or take action that might reasonably be expected to impair the Student Housing Facilities' exemption from ad valorem taxation.

(p) Redemptions Required by Authority. Nothing in this Ground Sublease, including, without limitation, Section 26(g) hereof, is intended to affect or impair the Reserved Rights of the Authority to redeem, or to require a redemption of the Bonds as set forth in the Bond Documents.

(q) Consents by LSU. Anything to the contrary contained in this Ground Sublease notwithstanding, all matters to which Greenhouse LLC must consent hereunder shall also require the prior written consent of LSU, through the LSU Representative, and such consent shall be timely requested by Greenhouse LLC.

(r) Provident Resources Not Obligated to Contribute Funds to Provident-Flagship. Greenhouse LLC acknowledges that Provident Resources, as the sole member of Provident-Flagship, shall have no obligation to contribute funds to Provident-Flagship to pay any costs, expenses, obligations or liabilities of Provident-Flagship hereunder, recourse being limited as set forth in Section 36(l).

(s) No Presumption against Drafter. Although the provisions of this Ground Sublease have been drafted in part by each of Greenhouse LLC, Provident-Flagship and/or other Persons, they are the result of arm's length negotiations and accordingly shall not be construed for or against Greenhouse LLC, Provident-Flagship and/or other Persons, but shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

(t) No Implied Limitation of Remedies. The failure of any party hereto to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Ground Sublease, shall not prevent a subsequent act, which originally would have constituted a violation, from having all the force and effect of an original violation. The mention herein of any particular remedy shall not preclude any party here to from any other remedy it might have, either in law or in equity, provided that Greenhouse LLC's termination of this Ground Sublease as a remedy shall be subject to Sections 26(c) and (h). The failure of any party here to insist upon the strict performance of anyone of the covenants, agreements, terms, provisions or conditions of this Ground Sublease or to exercise any right, remedy or election herein contained or permitted by law shall not constitute or be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, right, remedy or election, but the same shall continue and remain in full force and effect. Any right or remedy of any party to this Ground Sublease specified or any other right or remedy that it may have at law, in equity or otherwise upon breach of any covenant, agreement, term, provision or condition in this Ground Sublease contained upon the part of the other party to be performed shall be distinct, separate and cumulative rights or remedies and no one of them whether exercised or not, shall be deemed to be in exclusion of any other, provided that Greenhouse LLC's termination of this Ground Sublease as a remedy shall be subject to Sections 26(c) and (h). No covenant, agreement, term, provision or condition of this Ground Sublease shall be deemed to have been waived by any party hereto unless such waiver be in writing, signed by such party or its agent duly authorized in writing. Consent of any party hereto to any act or matter must be in writing and shall apply only with respect to the particular act or matter in which such consent is given and shall not relieve the other party hereto from the obligations wherever required under this Ground Sublease to obtain any required consent to any other act or matter. This Paragraph is subject to Sections 36(l) and 36(r).

(u) No Merger. So long as the Mortgage is in existence, unless the Mortgagee shall have otherwise agreed in writing, the fee title to the Land and the leasehold created hereby shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold by Greenhouse LLC or the Provident-Flagship or by a third party, by purchase or otherwise.

(v) Audits. Each of Greenhouse LLC and 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 Provident-Flagship, RISE and the Facilities Manager directly relating to the Property, the Greenhouse District Project or the Bonds, to the extent necessary to verify compliance with this Ground Sublease, the Ground Lease or any other agreements each may enter into pursuant to the authority of this Ground Sublease and the Ground Lease. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU and/or Greenhouse LLC, by independent auditors retained by LSU and/or Greenhouse LLC, 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 Provident-Flagship, RISE or the Facilities Manager. Each of LSU and Greenhouse LLC covenants with Provident-Flagship, RISE and the Facilities Manager to keep all work papers, including all books and records of Provident-Flagship, RISE and the Facilities Manager, their 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.

(w) Inconsistent Provisions. To the extent that any of the terms or provisions of this Ground Sublease, including the remedies provided to Greenhouse LLC hereunder, are inconsistent with any terms or provisions of the Development Agreement, FOMA or Construction Documents, Greenhouse LLC and Provident-Flagship agree that the terms of this Ground Sublease shall govern. To the extent that any of the terms or provisions of this Ground Sublease, including the remedies provided to Greenhouse LLC hereunder are inconsistent with any terms or provisions of the Bond Documents, Greenhouse LLC and Provident-Flagship agree that the terms of the Bond Documents shall govern. To the extent any terms and provisions of this Ground Sublease are inconsistent with the terms of the Ground Lease, Greenhouse LLC and Provident-Flagship agree that the terms of the Ground Lease shall govern.

(x) No Amendment of Contract Documents or Bond Documents Without Greenhouse LLC's Consent. Provident-Flagship covenants and agrees with Greenhouse LLC that it will not enter into any amendment or modification of, or supplement to, any of the Bond Documents or the Contract Documents and will not consent to any amendment or modification of, or supplement to, the Bond Documents and the Contract Documents without the prior written consent of Greenhouse LLC, after having obtained all necessary approvals of LSU as required by the Ground Lease.

(y) Prevailing Party Fees. In the event of any litigation arising out of a breach or claimed breach of this Ground Sublease, the prevailing party shall be entitled to recover from the non-prevailing party all costs and expenses incurred, including reasonable attorney's fees, costs and expenses. References to "reasonable attorney's fees" herein shall be deemed to include all such fees in connection with litigation, including any pre-trial proceedings, trial or appeal.

(z) Venue. The venue for any actions, proceeding, claim or counterclaim shall be a court of competent jurisdiction located in East Baton Rouge Parish, Louisiana.

(aa) Annual Audited Financial Statements. Commencing with the first Fiscal Year after Final Completion of the Student Housing Facilities, annually, but no later than the later of (i) one hundred twenty (120) days following the close of Provident-Flagship's fiscal year, or (ii) ten (10) Business Days from Provident-Flagship's receipt of the information from LSU required to complete Provident-Flagship's audit, Provident-Flagship shall provide to Greenhouse LLC and LSU a copy of Provident-Flagship'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 Greenhouse LLC and LSU, which audit shall reflect all revenues credited to the immediately preceding year and all payments on any debt or obligations of Provident Flagship for the period.

(bb) Release Of Recorded Liens. If in the course of maintenance, operations and repair during the Term hereof, any mechanics' Liens or materialmen's Liens shall be recorded against the Land, the Property or, prior to Final Completion, the Greenhouse District Project Site, not caused by the actions of Greenhouse LLC, its trustees, officers, employees, directors, agents and consultants or LSU, its trustees, officers, employees, directors, agents and consultants, Provident-Flagship shall, to the extent required of RISE in the Development Agreement and the Facilities Manager in the FOMA, cause the same to be bonded over or released of record within thirty (30) days of filing, or, in the alternative, if Provident-Flagship in good faith desires to contest the same, Greenhouse LLC shall agree to allowing Provident-Flagship to do so, but in such case Provident-Flagship must agree to indemnify and save Greenhouse LLC and LSU harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said Lien, cause the same to be discharged and released prior to the execution of such judgment. If Greenhouse LLC, in its sole and unfettered judgment, and/or LSU, in its sole and unfettered judgment, should consider LSU's Interest endangered by any such Liens and Greenhouse LLC so notifies Provident-Flagship, and Provident-Flagship shall fail, to the extent required of RISE in the Development Agreement and the Facilities Manager in the FOMA, to cause adequate security to be provided for the payment of such Liens in the form of a surety bond, cash deposit or cash equivalent or indemnity agreement reasonably satisfactory to Greenhouse LLC and/or LSU within thirty (30) days after such notice, then Greenhouse LLC and/or LSU, at its sole and unfettered discretion, may discharge such Liens and Greenhouse LLC shall recover from Provident-Flagship immediately, as Additional Rent under this Ground Sublease, the amounts paid by LSU. If such amounts remain unpaid by Provident-Flagship thirty (30) days after written demand by Greenhouse LLC, interest at the rate set forth in this Ground Sublease shall be due and owing thereon from the date paid by Greenhouse LLC and/or LSU until repaid by Provident-Flagship or until Provident-Flagship shall cause repayment.

*[Signatures and acknowledgments on following pages.]*

*[Signatures and acknowledgments for Greenhouse District (Phase III) Ground Sublease.]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Ground Sublease on behalf of Provident-Flagship on the \_\_\_\_\_ day of September, 2019, to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

**WITNESSES:**

**PROVIDENT GROUP – FLAGSHIP PROPERTIES  
L.L.C.**, a Louisiana limited liability company

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: Provident Resources Group, Inc., a Georgia  
nonprofit corporation, its sole member

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Steve E. Hicks  
Title: Chief Executive Officer

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
LSBA Roll No. \_\_\_\_\_  
My Commission Expires \_\_\_\_\_.

*[Signatures and acknowledgments for Greenhouse District (Phase III) Ground Sublease.]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Ground Sublease on behalf of Greenhouse LLC on the \_\_\_\_\_ day of September, 2019, to be effective on the \_\_\_\_\_ day of \_\_\_\_\_, 2019 in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

**WITNESSES:**

**GREENHOUSE DISTRICT PROJECT LLC**, a  
Louisiana limited liability company

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: J. Bryan Benchoff  
Title: Manager

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
LSBA Roll No. \_\_\_\_\_  
My Commission Expires \_\_\_\_\_.

**EXHIBIT A**

**DESCRIPTION OF PROPERTY**

**EXHIBIT B**

**RESERVED**

**EXHIBIT C**

**DEVELOPMENT AGREEMENT**

**EXHIBIT D**

**FACILITIES OPERATIONS AND MAINTENANCE AGREEMENT BY AND BETWEEN PROVIDENT-  
FLAGSHIP AND THE FACILITIES MANAGER ("FOMA")**

**SCHEDULE 1**

**GROUND RENT SCHEDULE**

On the Bond Closing, ground rent was prepaid for the entire Term in the amount of \$1.00 per year.

BSW DRAFT:TAM  
Version 1/April 2, 2019

**GREENHOUSE DISTRICT (PHASE III)  
PROJECT DEVELOPMENT AGREEMENT**

**dated as of September 1, 2019**

**by and between**

**PROVIDENT GROUP – FLAGSHIP PROPERTIES L.L.C.**

**and**

**RISE TIGERS, LLC**

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EXHIBIT 1. GROUND SUBLEASE

EXHIBIT 2. DEFINED TERMS

EXHIBIT 3. THE GREENHOUSE DISTRICT PROJECT

EXHIBIT 4. PUNCH LIST FORM

EXHIBIT 5. CONSTRUCTION DOCUMENTS

EXHIBIT 6. THE SERVICES

EXHIBIT 7. DEVELOPMENT BUDGET

EXHIBIT 8. DEVELOPMENT SCHEDULE

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**GREENHOUSE DISTRICT (PHASE III)  
PROJECT DEVELOPMENT AGREEMENT**

**PREAMBLE**

This Greenhouse District (Phase III) Project Development Agreement (this "Agreement") is made as of September 1, 2019 (the "Effective Date") by RISE Tigers, LLC, a Georgia limited liability company ("RISE"), and Provident Group-Flagship Properties L.L.C., a Louisiana limited liability company ("Provident-Flagship") the sole member of which is Provident Resources Group, Inc., a Georgia non-profit corporation ("Provident").

**RECITALS**

- A. Pursuant to that certain Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019 (the "Ground Lease"), by and between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") and Greenhouse District Project LLC ("Greenhouse LLC"), the sole member of which is LSU Real Estate and Facilities Foundation, a Louisiana nonprofit corporation ("LSUREFF"), LSU has leased to Greenhouse LLC certain real property, including all improvements, parking areas, and existing facilities thereon, located on the campus of Louisiana State University and Agricultural and Mechanical College (the "University") in the City of Baton Rouge (the "City"), Parish of East Baton Rouge (the "Parish"), State of Louisiana (the "State"), as more particularly described in Exhibit A to the Ground Lease (the "Land"), and granted such construction servitudes as are necessary for the purpose of implementing the master plan, as approved by LSU on behalf of the University, for the Development of Phase III of the Greenhouse District, including, without limitation, the Design, acquisition, Development, Construction, furnishing and equipping of two new student housing facilities consisting of 881 beds, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof, to be located on the Campus (collectively, the "Student Housing Facilities" and, together with the Student Housing Facilities Equipment (defined herein) and the Land (defined herein), the "Property"), all as necessary for the Development of Phase III (collectively, the "Greenhouse District Project") as more particularly described in **Exhibit 3**. A copy of the Ground Lease is attached as **Exhibit 18**.
- B. Pursuant to the Greenhouse District (Phase III) Ground Sublease dated as of September 1, 2019 (the "Ground Sublease"), by and between Greenhouse LLC and Provident-Flagship, among other things, (i) Greenhouse LLC will sublease the Land and grant the necessary access, parking and utility servitudes to Provident-Flagship; (ii) Greenhouse LLC will grant construction servitudes to Provident-Flagship to facilitate the performance of the Greenhouse District Project; and (iii) Provident-Flagship is obligated to engage RISE to perform the Greenhouse District Project pursuant to this Agreement. A copy of the Ground Sublease is attached as **Exhibit 1**.
- C. Provident-Flagship wishes to facilitate the performance of the Greenhouse District Project on the Greenhouse District Project Site (defined herein).
- D. RISE and/or its affiliated entities are experienced managers of planning, Development, Design, Construction, operations and management of post-secondary student housing and related projects.
- E. The Greenhouse District Project is to be financed by the issuance of \$\_\_\_\_\_ original aggregate principal amount of Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Group - Flagship Properties L.L.C. - Louisiana State University Greenhouse District

- (Phase III) Project) Series 2019 (the "Series 2019 Bonds" and, together with any Additional Bonds, the "Bonds").
- F. Provident-Flagship requires the Greenhouse District Project to be completed on a turnkey basis by a guaranteed date (as referenced in the Development Schedule attached as **Exhibit 8**) and further requires the total cost of the Greenhouse District Project not to exceed the Total Development Budget Amount (which consists of the Guaranteed Maximum Price plus the Development Fee), all as set forth more fully herein.
- G. Pursuant to a competitive process, the LSU Property Foundation, a Louisiana nonprofit corporation (the "LSU Foundation"), requested proposals for the Greenhouse District Project from interested developers. The proposal submitted by RISE included Provident-Flagship as the party selected by RISE to, among other things, finance the Greenhouse District Project. The LSU Foundation selected RISE to perform the Greenhouse District Project, and Provident-Flagship and RISE (each a "Party," together the "Parties") have negotiated this Agreement.
- H. The Parties wish to enter into this Agreement to evidence their respective rights and obligations concerning the Greenhouse District Project.
- I. Capitalized terms used, and not otherwise defined herein, shall have the meanings assigned thereto in **Exhibit 2**.

NOW, THEREFORE, in consideration of the mutual covenants and agreements in this Agreement, the Parties agree as follows:

### **I. Introduction**

The Preamble, Recitals, and **Exhibits 1** through **21** are integral parts of this Agreement and are incorporated herein by reference. The Exhibits are as follows:

<b>Exhibit 1</b>	Ground Sublease
<b>Exhibit 2</b>	Defined Terms
<b>Exhibit 3</b>	The Greenhouse District Project
<b>Exhibit 4</b>	Punch List Form
<b>Exhibit 5</b>	Construction Documents
<b>Exhibit 6</b>	The Services
<b>Exhibit 7</b>	Development Budget
<b>Exhibit 8</b>	Development Schedule
<b>Exhibit 9</b>	Greenhouse District Project Schedule
<b>Exhibit 10</b>	RISE Insurance
<b>Exhibit 11</b>	Principal Consultants' Insurance
<b>Exhibit 12</b>	Performance Bonds and Payment Bonds
<b>Exhibit 13</b>	Guarantee Agreement
<b>Exhibit 14</b>	Dispute Resolution
<b>Exhibit 15</b>	Intentionally Left Blank
<b>Exhibit 16</b>	Value Engineering Log
<b>Exhibit 17</b>	Lien Waivers
<b>Exhibit 18</b>	Ground Lease
<b>Exhibit 19</b>	Environmental Reports
<b>Exhibit 20</b>	Facility Equipment
<b>Exhibit 21</b>	Insurance Manual

Capitalized terms used, and not otherwise defined, herein shall have the meanings assigned thereto in **Exhibit 2** hereto.

## **II. The Greenhouse District Project.**

- A. The "Greenhouse District Project" is generally described and defined in **Exhibits 3, 5, and 6** and includes the Design, acquisition, Development, Construction, furnishing and equipping of the Student Housing Facilities. These Exhibits provide general descriptions of all master planning services and deliverables, Development, Design and associated Construction Services required to be performed to complete the Greenhouse District Project, including, but not limited to, the following:
1. Preparation for approval by Provident-Flagship, Greenhouse LLC and LSU of the Construction Documents; and
  2. Performance of the Greenhouse District Project in accordance with the approved Construction Documents.
- B. The Construction Documents approved by Provident-Flagship, LSU and Greenhouse LLC are attached as **Exhibit 5**. It is hereby acknowledged by the Parties hereto that any reference to an approval by Provident-Flagship, Greenhouse LLC or LSU of any of the Design documents or deliverables hereunder shall constitute only an approval by Provident-Flagship, Greenhouse LLC or LSU of the conformance of such Design documents and deliverables to Provident-Flagship's, Greenhouse LLC's or LSU's programmatic requirements and shall in no event be construed as an approval of the technical adequacy or constructability of such Design documents and deliverables, it being acknowledged that such responsibilities lie with RISE and its Consultants. The Construction Documents are the basis of RISE's Guaranteed Maximum Price and set forth RISE's obligations for Services to be performed hereunder. In the event that any of Provident-Flagship, Greenhouse LLC or LSU requires changes to the Construction Documents after Provident-Flagship's, Greenhouse LLC's or LSU's approval of said Construction Documents, which changes result in an increase in either the cost or time of the performance of the Services, then the changes shall be implemented by a Greenhouse District Project Change Order in accordance with Article XXI.
- C. Provident-Flagship, Greenhouse LLC, LSU and their respective designated representatives may inspect or monitor the Greenhouse District Project and the Services at all reasonable times; provided, however, that Provident-Flagship, Greenhouse LLC, LSU and their designated representatives must conduct such inspections or monitoring in a manner that does not delay, hinder or interfere with RISE's performance of the Services. When conducting inspections or monitoring at the Greenhouse District Project Site, Provident-Flagship, Greenhouse LLC, LSU and their designated representatives, as applicable, shall sign in with RISE at its offices and follow RISE's General Contractor's safety regulations. Except as otherwise provided for in this Agreement (including, without limitation, Section V(B)(2)), none of Provident-Flagship, Greenhouse LLC, LSU and their designated representatives shall have the authority to modify the Construction Documents absent the execution of a written Change Order or Change Directive.
- D. Except as otherwise agreed in writing by LSU, Greenhouse LLC, Provident-Flagship and RISE, the Student Housing Facilities shall be Designed and Constructed in accordance with all applicable Governmental Regulations and standards including, without limitation, the Americans With Disabilities Act of 1990 and the Occupational Safety and Health Standards of the State and

the United States. Without limitation to the foregoing, RISE shall cause all Construction work to occur only at such times as are permitted by Governmental Regulations and in compliance with any restrictions in this Agreement. In addition and except as otherwise agreed in this Agreement or by Greenhouse District Project Change Order, RISE shall cause the Greenhouse District Project to be Designed and Constructed in accordance with all applicable Government Regulations and requirements of LSU and at least meet the minimum applicable requirements set forth by LSU's Design Standards, including OFS Standards, Wayfinding Standards, Exterior Architecture Standards, Site Standards, Sustainability Standards, IT Standards and Residential Life Standards, all of which have been provided to RISE. Unless approved otherwise in writing by LSU, Greenhouse LLC and Provident-Flagship, the Student Housing Facilities must also be consistent and in compliance with the LSU Campus Master Plan, Residential Life Master Plan, and Lakes Master Plan goals, objectives and policies. All Design and Construction activities shall be subject to the approval of Provident-Flagship, Greenhouse and LSU to ensure compliance with these standards.

- E. RISE acknowledges that none of Provident-Flagship, Greenhouse LLC or LSU has made any representations or warranties whatsoever to RISE regarding the Greenhouse District Project Site or anticipated conditions pertaining thereto and each of Provident-Flagship, Greenhouse LLC and LSU disclaims any representations or warranties to RISE regarding conditions of the Greenhouse District Project Site. Any information about the Greenhouse District Project or Greenhouse District Project Site provided to RISE by Provident-Flagship, Greenhouse LLC or LSU was provided for informational purposes, although none of Provident-Flagship, Greenhouse LLC or LSU can vouch for the accuracy of said information and none of said information was provided as an inducement, representation or warranty to RISE upon which RISE is intended to rely. RISE shall perform its own due diligence and investigation regarding all Greenhouse District Project Site conditions, whether or not readily observable, and RISE shall not rely on any representation, warranty, statement or omission of Provident-Flagship, Greenhouse LLC or LSU in entering into this Agreement. RISE shall rely solely and exclusively upon the results of its own due diligence and investigation as inducement to enter into this Agreement.

Greenhouse LLC will deliver the Greenhouse District Project Site to Provident-Flagship, and Provident-Flagship will deliver same to RISE, as-is, where-is, with all improvements, buildings, structures, infrastructure, defects and deficiencies, and with no representation, warranty, guarantee, promise, indemnity or other undertaking, express or implied, regarding the condition of the Greenhouse District Project Site or the marketability or suitability for intended use or value thereof.

### III. RISE's Turnkey Services.

- A. In return for Provident-Flagship's commitment to pay RISE in accordance with the terms of this Agreement, RISE shall perform the Services subject to the terms of this Agreement, deliver the completed Student Housing Facilities on a turnkey basis on or before the Substantial Completion Date (as defined in Section IV(C)) and Construct the Greenhouse District Project in accordance with the approved Construction Documents, all at a total cost to Provident-Flagship not greater than the Total Development Budget Amount, subject to changes as contemplated in Article XXI.
- B. RISE shall provide the Services generally described in **Exhibit 6**. Subject to the terms of this Agreement, these Services shall include, without limitation, all Design, Development, Construction, work and Services necessary to complete the Greenhouse District Project, other services customarily and reasonably within the general scope of the Services and responsibilities, and other services reasonably designated from time to time by Provident-Flagship, even though

not expressly stated in **Exhibit 6**; provided, however, that such services are directly related to the Greenhouse District Project and do not increase the cost or time associated with the Services to be performed pursuant to the approved Construction Documents. In the event Provident-Flagship makes a request for a material change in the Services to be provided by RISE, such request will be considered a Greenhouse District Project Change Order subject to the provisions of Article XXI and shall require prior written approval from Greenhouse LLC and LSU.

- C. In accordance with Section VI(A), RISE shall contract with qualified and properly licensed Consultants and Subcontractors to perform any one or more of the Services set forth on **Exhibit 6**, unless Provident-Flagship, Greenhouse LLC or LSU reasonably objects in writing thereto. RISE shall furnish to Provident-Flagship a list of Consultants and Subcontractors to be utilized in connection with the Greenhouse District Project and RISE shall replace any Consultant or Subcontractor to which Provident-Flagship, Greenhouse LLC or LSU may at any time reasonably object.
- D. RISE shall perform the Services in accordance with the standard of care and expertise normally employed by development firms performing similar services, and all duties under this Agreement shall be measured and interpreted in accordance with such standard of care. RISE shall, within the parameters of such standard of care, ensure compliance with all applicable Governmental Regulations.
- E. RISE shall warrant that the materials and equipment furnished under this Agreement shall be free from defects, and shall cause to be warranted by the Contractor that the completed Student Housing Facilities will be free of defects, in workmanship and materials, for 12 months after Substantial Completion of the Greenhouse District Project. As to any component or system of the Student Housing Facilities on which Punch List, repair or similar corrective work is being performed after Substantial Completion, the warranty thereon shall commence upon completion of said corrective work. On or before the expiration of the 12-month warranty period, Provident-Flagship, Greenhouse LLC or LSU may deliver to RISE a list of defects in workmanship and materials. RISE shall cause Contractor or any other Person to repair or replace any defective part of the Student Housing Facilities promptly after its discovery during that 12-month period. Notwithstanding the 12-month warranty, nothing shall preclude Provident-Flagship or its assignees from enforcing RISE's obligations under this Agreement in accordance with any applicable statute of limitations or statute of repose. For purposes of this Section, "defects in workmanship and materials" shall not include ordinary wear and tear, misuse, abuse, or improper maintenance. All warranties to Provident-Flagship's benefit related to the Greenhouse District Project Site shall apply to all sewer facilities required under Sections XII(B) and (C) (including the portions of such sewer facilities outside the Greenhouse District Project Site but on the Campus) and shall run for the later of one (1) year (and such longer periods as may apply by law or any agreements) after (1) the applicable Substantial Completion Date, or (2) the completion of Punch List, repair or similar corrective work being performed on the sewer facilities after Substantial Completion. Notwithstanding and without limiting the generality of the foregoing, 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 shall commence upon completion of such work.
- F. RISE shall obtain and pay for all construction permits and all certificates of occupancy.
- G. RISE shall comply, and shall cause its Design Professionals to comply, as applicable, with all insurance and bonding requirements of this Agreement, including the insurance requirements referenced in **Exhibits 10** and **11**. The intent of the Parties is for the insurance required under

this Agreement to be consistent with the insurance requirements of the Ground Sublease to the extent applicable to the performance of the Services of RISE hereunder.

- H. RISE shall confine its operations to the Greenhouse District Project Site and may not perform any Construction work, preparation or staging on property of Greenhouse LLC, LSU or other persons or entities outside the boundaries of the Greenhouse District Project Site, except as approved in advance in writing by Provident-Flagship, Greenhouse LLC and LSU and subject to such conditions as may be reasonably specified and approved by Provident-Flagship, Greenhouse LLC or LSU. RISE shall not store any material or equipment on property of Greenhouse LLC, LSU, or other Persons outside the boundaries of the Greenhouse District Project Site unless the off-site storage facility is properly secured, insured and bonded. Title to the stored materials shall pass to Provident-Flagship upon payment for the materials. Notwithstanding same, any loss or damage to stored materials or equipment before installation on the Greenhouse District Project Site shall be the responsibility of RISE, and RISE shall ensure it and the General Contractor have appropriate insurance in place to protect against damage or expenses due to such loss or damage. RISE shall be responsible for safety at, and securing of, the Greenhouse District Project Site. LSU's campus police shall have jurisdiction over, and access to, the Greenhouse District Project Site. RISE shall protect all work in place and materials stored offsite and shall at all times keep, and cause the General Contractor and all Consultants to keep, the Greenhouse District Project Site reasonably clean and free from waste materials and rubbish. To the extent reasonably possible, Development and Construction of the Greenhouse District Project shall be done so as to minimize disruption of the University operations. All Construction activities shall be coordinated with the appropriate departments of the University (such departments and representatives of those departments shall be identified in the pre-construction meeting). A mandatory pre-construction meeting shall be conducted by Provident-Flagship and RISE prior to commencement of Construction for the purpose of reviewing security procedures, utility coordination, access to the Greenhouse District Project Site, and Construction coordination issues. The meeting shall be attended, at a minimum, by Provident-Flagship, Greenhouse LLC, LSU, RISE, General Contractor, and key Subcontractors, through their respective project managers and superintendents.

#### **IV. The Term; Time of Essence.**

- A. The term of this Agreement begins on the Effective Date and ends on the Termination Date or otherwise as provided in this Agreement (the "Term"). The Parties recognize that RISE may have performed some Services prior to the Effective Date pursuant to the terms of the MOU. Upon execution of this Agreement, this Agreement shall supersede and replace the MOU and the MOU shall be of no further force or effect as it applies to the Greenhouse District Project.
- B. Time is of the essence in the performance of this Agreement and RISE shall perform the Services in accordance with the Greenhouse District Project Schedule set forth in **Exhibit 9**. RISE may from time to time modify interim Construction schedules, including sequences of activities or activity durations shown on the Greenhouse District Project Schedule, without changing the dates of Substantial Completion and Final Completion of the Greenhouse District Project, to address or react to events or circumstances occurring on the Greenhouse District Project. The dates of Substantial Completion and Final Completion of the Greenhouse District Project may be modified only by a written Greenhouse District Project Change Order executed in accordance with Article XXI.
- C. RISE acknowledges that the Greenhouse District Project Schedule requires delivery of the Student Housing Facilities, associated parking, and related facilities and services as referenced in

**Exhibit 3**, which shall be Substantially Completed on or before [June 25], 2021 (the "Substantial Completion Date"). RISE shall further achieve Final Completion of the Student Housing Facilities, associated parking and related facilities and services as referenced in **Exhibit 3** no later than [July 27], 2021 (the "Final Completion Date"). RISE's failure to achieve Final Completion of the Greenhouse District Project on or before the Final Completion Date will result in substantial damages to Provident-Flagship which are extremely difficult and impractical to ascertain or compute at the outset of this Agreement. In lieu of all other damages related to untimely completion only, other than RISE's obligations specified in Section IV(E), Provident-Flagship and RISE, desiring to stipulate to a measure of damages reasonably proportionate to the amount of actual damages that would be sustained by Provident-Flagship in the event of RISE's delay in performance, notwithstanding RISE's compliance with the obligations specified in Section IV(E), agree to liquidated damages as set forth in this Section IV(C). RISE shall pay Liquidated Damages, as hereafter defined, calculated on a per diem basis for each day after the Final Completion Date that RISE fails to deliver occupancy of the Greenhouse District Project. These damages will be calculated on a building-by-building basis, so as RISE delivers occupancy of one, but not both, buildings comprising the Student Housing Facilities, Liquidated Damages shall be calculated and due only as to a building comprising the Student Housing Facilities which "Cannot Yet Be Occupied", defined as a building which cannot be occupied either because Construction work remains to be done to permit legal and beneficial occupancy or because any portion of the building is not yet furnished or equipped to permit beneficial occupancy. In the event of a dispute over whether a building Cannot Yet Be Occupied, LSU's decision regarding same shall be binding, subject to the dispute resolution procedures set forth in **Exhibit 14**; provided that LSU shall exercise its discretion in good faith and after consulting with RISE on methods to resolve the dispute. RISE shall pay Provident-Flagship, by the first day of each month after the Final Completion Date through [August 10], 2021, the sum of \$1,000 per day per residential building that Cannot Yet Be Occupied. Beginning on [August 11], 2021, the amount RISE shall pay Provident-Flagship by the first day of each month for every day through [September 28], 2021 that any portion of the Student Housing Facility Cannot Yet Be Occupied shall increase to the sum of **\$4,000** per day per residential building that Cannot Yet Be Occupied (in lieu of the amount previously stated beginning on [August 11], 2021 and not in addition thereto; the increased amount represents the amount of rent the incomplete residential facilities in the Student Housing Facilities would generate for the University each day). If any portion of the Student Housing Facilities Cannot Yet Be Occupied after [September 28], 2021, then the amount of Liquidated Damages RISE shall pay Provident-Flagship by the first day of each month after [September 28], 2021 and thereafter up to [May 24], 2022 shall change to \$37.00 per unoccupied bed per day from [September 29], 2021 through [May 24], 2022. These daily sums owed by RISE to Provident-Flagship after the Final Completion Date shall be collectively referred to as "Liquidated Damages." The intent of this provision is that RISE would pay Provident-Flagship the amount of lost residential rental income for each day on which a building Cannot Yet Be Occupied past the Final Completion Date on a building-by-building basis. As such, the parties agree to the above-foregoing staged Liquidated Damages because, if the Student Housing Facilities are Finally Completed by [September 28], 2021, then LSU shall require students with leases in the Student Housing Facilities to abide by their leases effective on the date of Final Completion. If, however, Final Completion of the Student Housing Facility is not achieved by [September 28], 2021, then LSU reserves the right, in its sole and absolute discretion, to allow students to terminate their commitment to rent a room in the Student Housing Facilities, thereby increasing the amount of LSU's and, accordingly, Provident-Flagship's damages, for the remainder of the academic year through [May 24], 2022. In that event, students who would have been residents of the Student Housing Facility ("Displaced Students") will not move into the Student Housing Facilities until the beginning of the next academic year. Hence, beginning on [September 29], 2021, the Liquidated Damages payment due every month for each unoccupied

bed pursuant to this Section VI(C) shall continue until [May 25], 2022, when occupancy of the Student Housing Facilities may begin for the next academic year. Liquidated Damages will be due to Provident-Flagship every day from [September 29], 2021 through [May 25], 2022 for every unoccupied bed as of [September 28], 2021, regardless of whether the affected building becomes Finally Complete or if the building can be occupied before [May 25], 2022. During the period after Final Completion of either of the Student Housing Facilities buildings during which RISE is making Liquidated Damages payments after [September 28], 2021, Provident-Flagship will coordinate with the University to use best efforts and diligence to attract tenants, including allowing, for the period from [September 28], 2021 to [May 24], 2022 only, University faculty and staff to move into the Student Housing Facilities and providing reduced rental rates to entice student renters. The Liquidated Damages payable by RISE under this Section shall be reduced by the amount the University realizes as revenue from the Student Housing Facilities as pertains to the particular building for which Liquidated Damages are being assessed.

- D. The Parties acknowledge and agree that, notwithstanding the vernacular of Liquidated Damages, the Liquidated Damages are intended to be stipulated damages for mere delay assuming RISE will comply with its obligation to provide alternative housing in accordance with Section IV(E). The Liquidated Damages specified in Section IV(C), being stipulated damages for mere delay, do not include damages or costs pertaining to alternative housing, such costs not being charged to RISE in reliance upon RISE's agreement to perform its obligations to provide alternative housing in accordance with Section IV(E). RISE's failure to comply with such alternative housing obligations shall entitle Provident-Flagship, Greenhouse LLC or LSU to perform those requirements, in which case RISE shall be responsible, in addition to the Liquidated Damages, for all costs incurred in performing said obligations. Payment of any Liquidated Damages shall be in addition to, and not in lieu of, RISE's other obligations under this Agreement and shall in no way affect Provident-Flagship's right to terminate this Agreement under Article XVIII or seek other remedies contemplated in this Agreement or under applicable Governmental Regulations for any other aspect of RISE's obligations hereunder.
- E. In addition to the Liquidated Damages, if any portion of the Student Housing Facilities is not Finally Complete by the Final Completion Date, RISE shall locate and pay for substitute living quarters of like quality as the Student Housing Facilities for all Displaced Students. If the substitute living quarters are not located within walking distance to the Campus, then RISE shall provide and pay for shuttle services to and from the Campus for all Displaced Students, the frequency of operation and other material details of which shall be subject to Provident-Flagship's, Greenhouse LLC's and LSU's advance written approval (such approval not to be unreasonably withheld, conditioned or delayed). In addition, RISE shall be obligated to pay any necessary moving and storage expenses for the Displaced Students occasioned by the unavailability of any portion of the Greenhouse District Project. If RISE fails to fulfill its obligations under this Section IV(E), then Provident-Flagship, Greenhouse LLC or LSU shall be entitled to fulfill such obligations, in which case RISE shall be liable for the costs thereof and any payments due or to become due to RISE under this Agreement may be reduced by the amount of such costs. If such costs exceed the remaining balance due to RISE under this Agreement, then RISE shall be liable to Provident-Flagship for any sums not offset against remaining payments due or to become due hereunder. Provident-Flagship agrees that if, in the sole and unfettered discretion of LSU, the Displaced Students may be accommodated in existing on-Campus housing and LSU determines that such placement will best meet the academic and other needs of the Displaced Students and is in the best interest of the University, the Displaced Students may be housed on-Campus and such obligations as described above for alternative housing and related costs with respect to such students shall be waived as to any Displaced Student housed on-

Campus. It is agreed that LSU's determination as to the suitability of such on-Campus placement is final.

- F. Payment of Liquidated Damages hereunder, which the Parties agree are stipulated damages, and RISE's obligations pursuant to Section IV(E) shall be RISE's sole liability for delayed performance of the Services hereunder and under no circumstances shall RISE be responsible to Greenhouse LLC, LSU, LSUREFF or Provident-Flagship for any other delay related costs, expenses or damages. The parties have bargained for this stipulated damages provision, giving consideration to the following: the parties recognize that failure to open the Student Housing Facilities by the Final Completion Date would cause Provident-Flagship, LSU and Greenhouse LLC to suffer loss of reputation, loss of rental income, loss of services available to LSU students, upheaval and distress to LSU students during their school year, additional burden on LSU's Residential Life staff in coordinating and communicating with LSU students forced into alternative housing and other losses, which damages are impossible to determine with certainty. As such, the damages to be suffered by Provident-Flagship, LSU and Greenhouse LLC in the event of a failure by RISE to timely reach Final Completion of the Student Housing Facilities are difficult to quantify and the parties wish to stipulate to the amount thereof. In addition, the parties expressly agree that all stipulated damages herein are not in any way a penalty.

#### V. Limitations and Restrictions.

- A. RISE shall comply with the Ground Sublease to the extent the Ground Sublease relates to RISE's obligations set forth in this Agreement. RISE shall not take or allow any action within its control to be taken which would, with the passage of time, the giving of notice, or otherwise, cause an Event of Default under the Ground Sublease.
- B. RISE, Consultants and their respective Contractors, Subcontractors, subconsultants, agents, employees and others supplying labor, equipment or materials by or through them to the Greenhouse District Project may not do any of the following without Provident-Flagship's, Greenhouse LLC's and LSU's prior written consent:
1. Make any expenditure or incur any obligation on behalf of Provident-Flagship unless otherwise permitted by this Agreement; or
  2. Make any changes (as described in Section XXI(A)) to the approved Construction Documents except to the extent the changes do not alter the character, aesthetics, Guaranteed Maximum Price or Substantial Completion Date of the Greenhouse District Project. Provident-Flagship expects, and RISE agrees, to complete the Greenhouse District Project on schedule and within budget, without expectation of additional funds for acceleration or otherwise. RISE expects, and Provident-Flagship agrees, that funds may be reallocated by RISE between the various line items within the Development Budget and Provident-Flagship acknowledges that RISE is not providing a line item guaranty with respect to any item within the Development Budget. Notwithstanding the foregoing, it is acknowledged and agreed that RISE may not reallocate amounts to increase the sum for which Provident is otherwise liable to pay for the Development Fee.
- C. Notwithstanding Sections V(A) and (B), RISE may act, if RISE in its reasonable, good faith judgment considers that such action is necessary, prior to obtaining Provident-Flagship's written consent, to (1) preserve the structural integrity of the Greenhouse District Project; (2) protect the safety and welfare of people or property; (3) comply with the requirements of a Governmental Authority, or (4) avoid an Event of Default under the Ground Sublease (an "Emergency"). If

RISE takes such action in the event of an Emergency, RISE will immediately notify Provident-Flagship in writing of the action taken and, if appropriate, a Greenhouse District Project Change Order shall be issued in connection with such Emergency action, subject to written approval of Provident-Flagship, Greenhouse LLC and LSU. This is without prejudice to Provident-Flagship's rights under this Agreement and Governmental Regulations should Provident-Flagship, Greenhouse LLC or LSU object to any Emergency action taken by RISE.

- D. RISE shall not, without the prior written consent of Provident-Flagship, LSU and Greenhouse LLC in each instance, knowingly (1) waive, forgive or agree to forbear from exercising or enforcing any such rights and remedies, (2) consent to the continuation of any such breach, or (3) release any Consultant, Contractor, Subcontractor, Supplier or Design Professional from such party's obligations under the Construction Contract or any other contract document pertaining to the Greenhouse District Project.
- E. All signage at the Greenhouse District Project Site must be approved in advance by Provident-Flagship, Greenhouse LLC and LSU.

**VI. Development Team**

- A. RISE shall supply qualified staff and employ qualified and appropriately licensed Consultants to perform RISE's responsibilities and obligations under this Agreement in a prompt and timely manner. Provident-Flagship, Greenhouse LLC or LSU may require removal of any Person whose conduct is reasonably deemed inappropriate or inconsistent with LSU or University policies or Governmental Regulations.
- B. Throughout the performance of the Services, RISE shall maintain and assign to the Greenhouse District Project sufficient qualified and competent staff to perform RISE's responsibilities and obligations under this Agreement in a skilled, professional and satisfactory manner. RISE has assigned to the Greenhouse District Project the following persons (collectively referred to herein as "Key Personnel"), who shall be available to Provident-Flagship for consultation at all reasonable times:

<u>NAME</u>	<u>POSITION</u>
Jeremy Doss	RISE Representative
Gregory Blais	RISE Project Executive
Paul Morgan	RISE Project Manager

- C. The RISE Representative shall be the liaison and coordinator between Provident-Flagship and RISE, shall be the principal person responsible to Provident-Flagship for the management of the Greenhouse District Project and shall have the full authority to bind RISE hereunder, including the authority to negotiate and execute Greenhouse District Project Change Orders.
- D. The Key Personnel shall provide such time commitments as may be reasonably necessary so that the Services are properly performed in accordance with this Agreement. RISE agrees that it shall not replace any of the Key Personnel without prior approval of Provident-Flagship. In the event that Key Personnel become unavailable to perform due to circumstances beyond the control of RISE, candidates for substitute Key Personnel shall be agreed upon between Provident-Flagship and RISE.

- E. In the performance of this Agreement, RISE and Consultants shall comply with all applicable Governmental Regulations, including those affecting employees.
- F. RISE, Consultants, and all personnel used or employed by RISE and Consultants to perform the Services and all Contractors, Subcontractors and Suppliers performing work on the Greenhouse District Project shall have and keep all required or necessary licenses and permits. RISE and its Consultants shall maintain the necessary insurance coverages required hereunder.

#### **VII. Development Budget.**

- A. The Parties have negotiated the Development Budget as set forth in **Exhibit 7**. It is the total budget for all costs related to the Services, including, without limitation, Greenhouse District Project Design, acquisition, Development, Construction, furnishing and equipping. The Development Budget contains the following categories:
  - 1. The Total Construction Budget Amount plus the Total Soft-Cost Budget Amount equals the Guaranteed Maximum Price.
  - 2. The Total Development Budget Amount equals the Guaranteed Maximum Price plus the Development Fee.

Under this Agreement, RISE shall perform the Services in their entirety in exchange for payment in the amount of the Actual Development Costs in an amount not to exceed the Guaranteed Maximum Price, as modified from time to time by Greenhouse District Project Change Orders in accordance with Article XXI, plus the Development Fee and any Greenhouse District Project Savings payable to RISE hereunder. RISE is not providing a line item guarantee of each component line item cost, but instead guarantees complete performance of the Services will not exceed the Total Development Budget Amount as modified by Greenhouse District Project Change Orders in accordance with Article XXI. Any costs or expenses incurred by RISE or amounts expended by RISE in excess of the Guaranteed Maximum Price as modified by Greenhouse District Project Change Orders in accordance with Article XXI in performing the Services (defined as "Excess Development Costs" in Section XVI(H)) shall be to RISE's account and shall be RISE's sole and exclusive responsibility, provided that Provident-Flagship shall still be responsible for payment of the Development Fee. Any savings in any component line item shall automatically be reallocated to increase the Greenhouse District Project Contingency and may be used for any of the purposes set forth in Section VII(C), unless savings in component line items are reallocated from building to building in accordance with Section IX(B)(2)(a)(i). For the avoidance of doubt, savings under the Total Construction Budget Amount shall be allocated to increase the Greenhouse District Project Contingency.

- B. The Total Development Budget Amount may be revised from time to time to reflect changes to the Services approved by Provident-Flagship, Greenhouse LLC and LSU. Changes to the Services may only be accomplished by written Greenhouse District Project Change Order in accordance with Article XXI.
- C. RISE has included a "Greenhouse District Project Contingency" in the Development Budget which shall be used consistently with the provisions in Section IX.
- D. Upon Final Completion of the Greenhouse District Project, RISE shall submit to Provident-Flagship a final accounting of the Actual Development Costs for the Greenhouse District Project. To the extent the Actual Development Costs are less than the Guaranteed Maximum Price, the

difference shall be considered Greenhouse District Project Savings and shall be shared equally between Provident-Flagship and RISE in accordance Section XVI(H). Any Greenhouse District Project Savings payable to RISE hereunder shall be paid with the final payment of RISE's Development Fee in accordance with Section XVI(C)(4); provided, however, payment of Greenhouse District Project Savings to RISE and Provident-Flagship may be made prior to Final Completion of the Greenhouse District Project upon written agreement by LSU, RISE and Provident-Flagship in the event such parties determine the Development Budget is adequately protected from risk taking into account remaining funds on hand available for the Greenhouse District Project. Provident-Flagship's share of any Greenhouse District Project Savings shall be reinvested into the Greenhouse District Project in accordance with Governmental Regulations and the Bond Documents.

- E. RISE may have funded all costs and expenses necessary to comply with the MOU ("Pre-Development Activities Costs"). RISE submitted to LSUREFF a schedule showing any Pre-Development Activities Costs, including those involving the preparation and Development of any type of plans or specifications. Any Pre-Development Activities Costs for the Greenhouse District Project shall be included in the Development Budget and reimbursed to RISE from proceeds of the Series 2019 Bonds on the date of delivery thereof.
- F. RESERVED.
- G. The Development Budget shall include LSUREFF's obligation to pay Development-related costs incurred after the date of delivery of the Series 2019 Bonds and any pre-Development costs that were not reimbursed to LSUREFF on such date due to the timing of incurring said obligations. The parties agree that these costs are not part of the Services required by this Agreement and RISE shall have no obligation pertaining thereto other than to include these costs in the Development Budget, submit Draw Requests as said costs are incurred, and pay same to LSUREFF once each Draw Request is funded.

#### **VIII. The Greenhouse District Project Development Account.**

- A. Within ten (10) days after the execution of this Agreement, RISE shall open and thereafter maintain one operating account (the "Greenhouse District Project Development Account"). The Greenhouse District Project Development Account shall be held at KeyBank National Association, Valdosta, Georgia. The Greenhouse District Project Development Account shall be in the name of RISE for the benefit of Provident-Flagship and Provident-Flagship shall be an authorized signatory thereon. RISE and Provident-Flagship shall advise the bank in which the Greenhouse District Project Development Account is held that Provident-Flagship is to have a secured possessory interest in the Greenhouse District Project Development Account, permitting Provident-Flagship to take control of the Greenhouse District Project Development Account in the event of a termination of this Agreement. The Parties shall sign and give to the bank, at the time of establishing the Greenhouse District Project Development Account, a deposit account control agreement providing for an assignment of the Greenhouse District Project Development Account to Provident-Flagship in the event of a termination of this Agreement.
- B. The Draws and Development Fee installments requisitioned from the Trustee shall be deposited into the Greenhouse District Project Development Account. Provident-Flagship shall not be obligated to requisition funds from the Trustee until the conditions to a Draw Request under Article IX, including compliance with the Indenture and Loan Agreement, have been satisfied.

- C. RISE shall make all Greenhouse District Project payments from the Greenhouse District Project Development Account to itself and to Consultants, Contractors and Suppliers with whom it has contractual privity. RISE shall ensure payment to all Contractors, Consultants and Suppliers working on the Greenhouse District Project with whom RISE has contractual privity in accordance with Section IX(A)(4). RISE shall require all Contractors and Consultants with whom RISE has contractual privity to include in their subcontracts with any Consultant, Contractor or Supplier a similar provision requiring the Contractors and Consultants in privity with RISE to ensure payment to their Consultants, Contractors and Suppliers with whom they have contractual privity. In the event Provident-Flagship, LSU or Greenhouse LLC receives written notice of a claim of non-payment from any Contractor, Consultant or Supplier working on the Greenhouse District Project, RISE shall use its best efforts to ensure payment of sums justly due to said Contractor, Consultant or Supplier in accordance with the requirements of their respective agreements.
- D. RISE shall make, keep and furnish to Provident-Flagship upon request accurate records of all deposits and withdrawals from the Greenhouse District Project Development Account. Each withdrawal record made by RISE shall indicate the associated Draw Request, the payee, the amount, the date, and the type of Development Cost involved.
- E. RISE shall send to Provident-Flagship full and accurate copies of each month's Greenhouse District Project Development Account statement showing all deposits, payments and withdrawals from the Greenhouse District Project Development Account and shall promptly and fully respond to any inquiry from Provident-Flagship pertaining to same.
- F. All funds in the Greenhouse District Project Development Account shall be separate from all other funds of RISE. RISE may not commingle any of RISE's funds with funds in the Greenhouse District Project Development Account.

#### **IX. Draw Requests and Draws.**

- A. RISE shall make all requests ("Draw Requests") for payments of Development Costs ("Draws") in writing to Provident-Flagship for review and approval, with a simultaneous copy of each Draw Request provided to Greenhouse LLC and LSU to the attention of any individual Greenhouse LLC and LSU may designate in writing for this purpose.
  - 1. Only one Draw shall be made in any 30-day period.
  - 2. Each Draw Request shall be submitted by RISE to each of Provident-Flagship, Greenhouse LLC and LSU. Provident-Flagship shall require LSU, pursuant to the Facilities Lease, and Greenhouse LLC, pursuant to the Ground Sublease, to either approve or disapprove each Draw Request within ten (10) business days after receipt thereof by each of Greenhouse LLC, LSU and Provident-Flagship and if such Draw Request is not so approved or disapproved by any such party within such time period, such Draw Request shall be deemed to be approved by such party. Promptly upon receipt of approval of LSU and Greenhouse LLC of any Draw Request, but in no event more than twenty-one (21) days after receipt by each of Provident-Flagship, Greenhouse LLC and LSU of such Draw Request, Provident-Flagship 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 by LSU and Greenhouse LLC in accordance with the provisions of the Indenture.

3. Prior to submitting its initial Draw Request, RISE shall prepare a schedule of values for the Greenhouse District Project and submit it to Provident-Flagship for approval. RISE's schedules of values shall itemize all Development Costs in sufficient detail to permit Provident-Flagship to properly analyze RISE's Draw Requests. Once approved, RISE's schedules of values will form the basis for all Draw Requests and review and approval thereof by Provident-Flagship, Greenhouse LLC and LSU. RISE shall update the approved schedules of values and submit same to Provident-Flagship for approval upon the execution of Greenhouse District Project Change Orders. For the purpose of complying with this Section IX(A)(3), RISE may incorporate its Contractor's schedules of values into RISE's schedules of values, subject to Provident-Flagship's approval. The schedules of values, subject to approval of Provident-Flagship, LSU and Greenhouse LLC, may provide for progress payments for soft costs and contingency funds as provided for in this Agreement or in accordance with the parties' mutual agreement as to those line items for which monthly payments are not going to be made based upon job progress.
4. Draw Requests shall comply with the terms of the Indenture and Loan Agreement. Draws may be used only to pay for Development Costs associated with the Greenhouse District Project. Except to the extent of any payments due to RISE under this Agreement that have not been paid, RISE shall pay or cause to be paid, in accordance with Section VIII(C), the Architect, General Contractor, Contractors, Consultants, Suppliers and Design Professionals working on the Greenhouse District Project with whom RISE has contractual privity out of funds received from Draw Requests on the Greenhouse District Project Development Account. If any Architect, General Contractor, Contractor, Consultant, Subcontractor, or Supplier working on the Greenhouse District Project records a lien or otherwise asserts any claim against Provident-Flagship, Greenhouse LLC, LSU, or LSUREFF arising from a claim of non-payment for work performed on the Greenhouse District Project, RISE shall cause same to be satisfied or discharged by bond or otherwise within a reasonable time after written notice pertaining to same, unless such claim is the result of Provident-Flagship's failure to satisfy its payment obligations under this Agreement. Failure by RISE to satisfy or discharge same in accordance with the terms of this Agreement may be grounds for the withholding of payments otherwise due hereunder to RISE in an amount sufficient to protect Provident-Flagship, LSU, LSUREFF or Greenhouse LLC until RISE has caused said payments to be made. A violation of Section VIII(C) may be grounds for termination of this Agreement in accordance with Section XVIII.
5. Draw Requests shall be reduced by retainage as follows:
  - (a) Each Draw Request for line items within the Construction Budget (identified in the AIA Documents G702 and G703) shall be reduced by a retainage amount equal to five percent (5%) of the total completed Services for the Greenhouse District Project for each line item in the Draw Request. All retainage shall be withheld until released or applied in accordance with this Agreement.
  - (b) Upon achieving Substantial Completion of all the Services with respect to the Greenhouse District Project, the previously retained amounts (less an amount equal to one hundred fifty percent (150%) of the costs reasonably estimated by Provident-Flagship and Architect necessary to correct or complete any outstanding, incomplete or defective work relating to the Greenhouse District Project (the "Punch List Work")) shall be released to RISE. Amounts withheld

for completed Punch List Work shall be paid to RISE on a monthly basis as such Punch List Work is completed and approved by Provident-Flagship, Greenhouse LLC and LSU.

- (c) Notwithstanding the foregoing:
    - (i) On a case-by-case basis, Provident-Flagship, Greenhouse LLC and LSU, at their sole discretion, may agree to reduce retainage amounts from the levels set forth in this Section IX(A)(5). LSU shall have the right to approve any reduction in retainage as a condition precedent to Greenhouse LLC or Provident-Flagship's agreement to such reduction.
    - (ii) No retainage shall be withheld on (a) the General Contractor's original "general conditions" costs identified in the applicable schedule of values, including the premium costs associated with the Contractor's payment and performance bonds, general liability insurance, permits and related fees and gross receipts taxes, or (b) materials purchased directly by the General Contractor, if approved in writing in advance by Provident-Flagship, Greenhouse LLC and LSU, provided that such materials are stored on site or at an off-site location, bonded and approved in writing by Provident-Flagship.
    - (iii) Retainage of 5% as pertains to the Greenhouse District Project shall be withheld on the General Contractor's Fee until Final Completion of the Greenhouse District Project has been achieved.
  - (d) All retained amounts shall be paid upon Final Completion of the Greenhouse District Project, provided that RISE and its General Contractor are in full compliance with their respective obligations relative to this Agreement and the Construction Documents.
- B. Draw Requests for the Greenhouse District Project shall include the following and any other information reasonably required by Provident-Flagship:
- 1. Summary Report: A listing, by Development Budget line item, of Development Costs incurred, in the form and specificity required by Provident-Flagship.
  - 2. Detail Report: A listing by vendor (that is, RISE, Consultant, Contractor, Subcontractor or Supplier) for each of the Development Budget line items listed in the Summary Report, in the form and specificity required by Provident-Flagship.
- (a) Supporting Documentation:
    - (i) An Application and Certificate of Payment (AIA Document G702), or other document acceptable to Provident-Flagship. That document shall include a certification by the General Contractor that Construction through the date of the Draw Request is in substantial accordance with the Construction Documents. RISE shall also certify on the Application and Certificate of Payment that, to the best of RISE's knowledge, information and belief, Construction through the date of the Draw Request is in substantial accordance with the Construction Documents.

Provident-Flagship and RISE acknowledge and agree that a separate AIA G702 shall be submitted for each individual building comprising the Greenhouse District Project. In addition, RISE shall provide to Provident-Flagship for its approval a separate Schedule of Values allocating the Construction Budget into separate line items of scopes of work on a building-by-building basis, which together comprises the Greenhouse District Project; provided, however, that Provident-Flagship acknowledges that neither RISE nor its General Contractor is providing a line item guaranty with respect to either individual building of the Greenhouse District Project and that savings from either building of the Greenhouse District Project may be reallocated to the other building. RISE shall provide documentation to Provident-Flagship of any such line item change. All Draw Requests will designate the percentage of completion of each line item in the applicable Schedule of Values as of the date of the Draw Request. The amount of payment requested in the Draw Requests shall be based upon the percentage of line item work completed during that pay period.

- (ii) A copy of the General Contractor's application for payment, including its interim lien waivers and lien waivers from all Subcontractors and Suppliers, as well as applications for payment from the General Contractors' Subcontractors and material Suppliers. RISE shall also provide interim lien waivers for itself on a monthly basis.
  - (iii) Detailed documentation supporting costs incurred by RISE's General Contractor(s).
  - (iv) Detailed backup for all soft costs.
  - (v) Other documents reasonably requested to support Development Costs to be paid by the Draw.
- (b) Statement of Cash Receipts and Disbursements – A listing of all sources and uses of cash from the date of the most recent Draw Request to the date of the current Draw Request.
- (c) Other Supporting Documentation – All other documents and information reasonably required by Provident-Flagship.
3. A copy of the most recently updated Greenhouse District Project Schedule shall be furnished to Provident-Flagship and its representatives on a monthly basis at a Provident-Flagship/Architect/Contractor ("OAC") meeting.
4. All Draw Requests shall be submitted to Provident-Flagship, with copies to Greenhouse LLC and LSU.
- (a) RISE has included in the Development Budget, a "Greenhouse District Project Contingency" in the aggregate amount of \$ \_\_\_\_\_, which may be used for costs incurred in performing the Services that are not included in a specific line item of the Development Budget or form the basis for a Greenhouse District Project Change Order under the Contract Documents. The Greenhouse District

Project Contingency will be reflected by two separate line items within the Development Budget and, to the extent RISE requests payment for any portion of same, said request shall be reflected in RISE's Draw Requests. Seventy-five percent (75%) of the Greenhouse District Project Contingency shall be reflected in a line item titled "Developer's Contingency" and twenty-five percent (25%) shall be referenced in a line item titled "Owner's Contingency." The Developer's Contingency may only be applied towards Development Costs which are occasioned by (1) conditions encountered at the Greenhouse District Project Site which differ materially from those indicated in the feasibility studies, surveys, hazardous materials reports and geotechnical reports which LSU or LSU Foundation provided to RISE pursuant to the MOU; (2) conditions encountered at the Greenhouse District Project Site which differ materially from those normally encountered at other construction project sites in the same geographic area as the Greenhouse District Project; (3) Force Majeure events; or (4) project acceleration, Design errors and Design omissions, and defective, damaged, or nonconforming work, unless such defective, damaged or nonconforming work is attributable to the negligent acts or omissions of RISE. The Owner Contingency may be applied towards the costs of changes in the Services pursuant to a Greenhouse District Project Change Order. Unapplied portions of any Greenhouse District Project Contingency line item may not be used to pay for costs in any other line item in the Draw Request unless otherwise approved in advance in writing by Provident-Flagship, LSU and Greenhouse LLC. In the event RISE utilizes Greenhouse District Project Contingency amounts in the Developer's Contingency line item to correct defective, damaged or nonconforming work or to accelerate job progress, RISE shall, after consultation with Provident-Flagship and its representatives, where commercially reasonable to do so, attempt to recoup such costs from the responsible party and shall replenish such Developer's Contingency line item with any amounts recovered by RISE less RISE's expenses incurred in connection with the recovery of same. RISE may "back-charge" the General Contractor's contract balance in the amount of the applied Greenhouse District Project Contingency amounts and replenish the Greenhouse District Project Contingency accordingly. Under no circumstances shall the Greenhouse District Project Contingency be available for the payment of Liquidated Damages or any costs resulting from RISE's negligent acts or omissions. RISE shall provide Provident-Flagship and Provident-Flagship's Representative with a monthly itemization of charges against the Greenhouse District Project Contingency and supporting documentation therefor. Any portion of the Developer's Contingency funds that are not applied towards costs in accordance with this Section IX(B)(4)(a) shall be included in the calculations for determining Cost Savings to be distributed between RISE and Provident-Flagship pursuant to Section XVI(H). Any unapplied portion of the Owner's Contingency shall not be included in the calculation of the Cost Savings, but rather shall be, at Provident-Flagship's sole and exclusive discretion, reinvested into the Greenhouse District Project and applied towards other Actual Development Costs or shall be paid to Provident-Flagship in addition to the share of the Cost Savings to be distributed to Provident-Flagship, as provided for in Section XVI(H) and in accordance with Governmental Regulations.

- (b) For Draw Requests and portions of Draw Requests not disputed by Provident-Flagship, funding of such Draw Requests shall proceed as provided under this Section IX(B)(4)(b).
- (i) Provident-Flagship may withhold, in full or part, payment of amounts requested in a Draw Request for the grounds specified in Section XVI(D). If Provident-Flagship intends to withhold payment of amounts in dispute or intends to either partially approve or reject in its entirety a Draw Request, Provident-Flagship will notify RISE in writing of the reason(s) for such withholding, partial approval or rejection. The Parties acknowledge and agree that notice concerning Draws and Draw Requests may be made by electronic correspondence. Provident-Flagship will provide RISE with such written notice before the date submission of the Draw to the Trustee is due under this Agreement. Any failure by Provident-Flagship to provide RISE such written notice within such timeframe shall be deemed to constitute acceptance of such Draw Request by Provident-Flagship unless the grounds supporting rejection or withholding of payment are discovered after the date on which payment is due or unless Provident-Flagship's failure to provide timely written notice is due to circumstances beyond its control, in which case Provident-Flagship shall provide written notice of same to RISE as promptly as reasonably possible. Approval of a Draw Request shall not constitute acceptance of Services not performed in accordance with the terms of this Agreement or the Construction Documents.
- (ii) In the event (x) Provident-Flagship withholds disputed amounts or (y) either partially approves or rejects in its entirety a Draw Request, RISE may immediately provide any additional information or documentation to satisfy or eliminate the reasons supporting the withholding, partial approval or rejection of the Draw Request. Under no circumstances shall Provident-Flagship withhold payment of or fail to requisition the Trustee for undisputed amounts due and owing to RISE.
- (iii) In addition to any other grounds set forth in this Agreement, Provident-Flagship may withhold the whole or a part of any payment of a Draw due RISE to such extent reasonably necessary to protect Provident-Flagship from loss on account of any of the following circumstances, regardless of when such circumstances are discovered: defective Services not remedied; Claims (as defined in **Exhibit 14**) filed or reasonable evidence indicating probable filing of Claims; failure of RISE to make proper payments to those parties with whom RISE has contractual privity; damage to Provident-Flagship, LSU, Greenhouse LLC, a separate contractor or a third party caused by RISE or those for whom RISE is legally responsible; Liquidated Damages or damages arising from RISE's failure to perform as required under this Agreement; or any material breach of this Agreement.

**X. RISE Records.**

- A. RISE shall make and keep records and accounts on an accrual basis. They shall be sufficient for financial statements in accordance with generally accepted accounting principles, consistently applied, to be prepared from them.
- B. All books and records made or kept by RISE pertaining to the Greenhouse District Project shall be accessible or present at RISE's office in Valdosta, Georgia, and, with respect to any of the Construction Documents (including, but not limited to, RFI's, responses to RFI's, PCO logs, Greenhouse District Project Change Orders, etc.), on the Greenhouse District Project Site:
1. Unless protected by the attorney client privilege, such documents shall be available for and subject to audit, inspection and copying by Provident-Flagship and Provident-Flagship's representative during normal business hours, after reasonable written notice.
  2. Within 15 days after Provident-Flagship's written request to audit or inspect RISE's books and records, RISE shall make available originals or copies of those books and records to Provident-Flagship at RISE's office in Valdosta, Georgia. Copies of such documents shall be made at the expense of the party requesting the same. When possible, RISE shall furnish scanned copies of requested documents to Provident-Flagship. RISE shall allow all other rights of inspection that Provident-Flagship may be required to perform or provide to Greenhouse LLC or LSU under the Ground Sublease.
  3. All books, records and documents subject to this Section X(B) shall be retained by RISE and available to Provident-Flagship for five years following Final Completion of the Greenhouse District Project.
  4. LSU and Greenhouse LLC may, at their option and at their own expense, during normal business hours and after reasonable written notice, conduct internal audits of the books, bank accounts, records and accounts of RISE directly relating to the Greenhouse District Project or the Services to the extent necessary to verify compliance with the requirements and conditions of the Ground Lease or Ground Sublease. Audits may be made on either a continuous or a periodic basis or both, and may be conducted by employees of LSU or Greenhouse LLC, by independent auditors retained by LSU or Greenhouse LLC, by the Louisiana Legislative Auditor or the Office of the Governor or the Division of Administration of the State, 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 RISE. LSU and Greenhouse LLC shall keep all work papers, including all books and records of RISE and its agents, employees, consultants, contractors, Consultants and vendors, confidential and further keep the results of any such audits confidential except as required by rules and regulations of LSU and by Governmental Regulations.

**XI. Protecting Tax-Exempt Status of Bonds.**

- A. RISE acknowledges that Provident-Flagship is financing the Actual Development Costs using proceeds of the Series 2019 Bonds. RISE will not act or allow others within its control to act in any way that would cause the tax-exempt status of the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis to be revoked.

- B. All Services Agreements into which RISE enters in connection with the Greenhouse District Project shall comply with Section 141 of the Internal Revenue Code of 1986, as amended, the Income Tax Regulations promulgated by the Department of Treasury thereunder, and Revenue Procedure 97-13, as modified by Revenue Procedures 2001-39 and 2016-44, and as may be modified in the future.
- C. To the extent amendments, modifications, or changes to this Agreement are required by law to maintain the tax-exempt status of the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis, RISE will consent to and execute such amendments, modifications and changes as are reasonably necessary to maintain the tax-exempt status of the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis as may be mutually agreed upon by the Parties. If said amendments, modifications and changes increase the Actual Development Costs or extend a Substantial Completion Date, then RISE shall be entitled to a Greenhouse Project District Change Order.

## **XII. Greenhouse District Project Site Safety; Utilities.**

- A. RISE will have full and exclusive responsibility for Greenhouse District Project Site safety during the course of performance of this Agreement.
- B. Included as an Actual Development Cost will be all costs and expenses for the provision of all utilities to the Greenhouse District Project Site in a timely manner for purposes of enabling RISE to perform the Services in accordance with this Agreement and as needed for utilities to be available at the Property permanently after Final Completion. Such utilities shall include electricity, water, sewer, gas, telephone and fiber optic cable (including internet service), including the Utility Services as defined in Section 6(a) of the Ground Sublease. None of Greenhouse LLC, LSU or Provident-Flagship makes any representation or warranty regarding the availability or adequacy of any services or utilities to or at the Greenhouse District Project Site. RISE shall make application for, obtain and pay for, and be solely responsible for the provision of all utilities required for the Construction and operation of the Student Housing Facilities, including, but not limited to, gas, water (including water for domestic uses and for fire protection), telephone, electricity, internet service, cable TV (or its equivalent), sewer service, or any similar service, and all other Utility Services, provided that Provident-Flagship, LSU and Greenhouse LLC shall cooperate in all reasonable respects with respect to granting easements on Greenhouse LLC's and LSU's property where reasonably required to facilitate the provision of utilities to the Greenhouse District Project Site. RISE agrees that none of Provident-Flagship, Greenhouse LLC or LSU makes any representation or covenant regarding the availability of any utilities. RISE shall be solely responsible for installing all infrastructure required to provide the Utility Services to the Property. RISE shall also install all connections and wiring for fully servicing the Property in accordance with the Construction Documents, including, without limitation, wiring and connections for network, cable television (or its equivalent), telephone or other telecommunications services throughout the Greenhouse District Project in accordance with the Construction Documents, including (1) internet service in each room in the Student Housing Facilities initially by Wi-Fi; and (2) conduits to each room for future wired internet links, all as part of Substantial Completion of the Greenhouse District Project. RISE shall, as a part of the Services, Construct and install, or cause to be Constructed and installed, all sewer facilities within and outside the Greenhouse District Project Site, and within and outside the Campus, that are required or contemplated by the City and/or the Parish in their respective approvals of the sewer facilities for the Greenhouse District Project, including all new and replacement sewer lines, expansions and connections within and outside the Greenhouse District Project Site and/or the Campus. RISE shall assist with and facilitate the dedication of ownership

of such sewer facilities and other infrastructure improvements (1) to LSU to the extent such sewer facilities are located on the Greenhouse District Project Site or the Campus or (2) to the City or the Parish to the extent such sewer facilities are outside the Greenhouse District Project Site and the Campus, as the case may be.

- C. In addition to the requirements above, RISE shall provide connections to all sewer and utility services that Provident-Flagship is obligated to provide pursuant to Section 6 of the Ground Sublease and shall ensure Provident-Flagship is able to provide said services.
- D. Greenhouse LLC and LSU shall have the right to connect to the utility mains, lines, conduit, and other facilities providing water, sanitary sewer, and stormwater discharge service and capacity to the Greenhouse District Project Site (as a whole or in material part, and as opposed to lines and conduit servicing only particular buildings or a limited set of improvements), and to transmit through such mains, lines, conduits, and other facilities water, sanitary sewer, and stormwater. Any such connections shall be at Greenhouse LLC's and/or LSU's sole cost and expense, coordinated with RISE so as to minimize any disruption in services to the Greenhouse District Project Site, and shall only be permitted to be made if, in the reasonable opinion of engineers selected by LSU and approved by RISE in its reasonable discretion, the lines and conduit all are of adequate size to accommodate the incremental flow or transmission capacity resulting from Greenhouse LLC's and/or LSU's intended use (if such lines are not of adequate size, LSU or Greenhouse LLC shall have the right to increase the size at LSU's or Greenhouse LLC's sole cost and expense). The rights reserved by Greenhouse LLC and/or LSU in this Section are herein called the "Infrastructure Rights." RISE shall be entitled to an adjustment of a Substantial Completion Date and Total Development Budget to the extent the exercise of the Infrastructure Rights delay a Substantial Completion Date or increase the cost of the performance of the Services hereunder.

### **XIII. RISE Insurance.**

- A. Unless otherwise required elsewhere in this Agreement, including **Exhibits 10** and **11**, throughout the Term, RISE shall acquire and maintain in force "RISE Insurance" as provided in **Exhibit 10**.
- B. Pursuant to **Exhibit 10**, Provident-Flagship and RISE waive all rights of subrogation against each other, LSU and Greenhouse LLC, and the Consultants, Contractors, Subcontractors, agents, trustees, directors and employees of each other for damages caused by fire or any other peril to the extent covered by any property insurance obtained pursuant to this Agreement.

### **XIV. Environmental Matters.**

- A. Except for its employees, Consultants and Contractors fully qualified and licensed to do so, RISE may not:
1. Direct, suffer or permit any of its Greenhouse District Project employees, Consultants or Contractors to handle, use, manufacture, store, or dispose of any Hazardous Materials found to exist on or about the Greenhouse District Project Site; or
  2. Suffer or permit --
    - (a) Any Hazardous Materials to be used, handled, manufactured, stored, Remediated, abated, released or disposed of by its employees, Consultants, Contractors or any

third party in any manner not fully in compliance with all Environmental Laws;  
or

- (b) The Greenhouse District Project Site or adjacent areas to become contaminated with any Hazardous Materials; provided, however, that RISE shall not be responsible for the non-negligent release of pre-existing Hazardous Materials existing on or about the Greenhouse District Project Site except as to those Hazardous Materials or conditions identified in the reports attached hereto as **Exhibit 19**.

B. RESERVED.

C. RESERVED.

D. Subject to the terms of this Agreement, RISE shall handle, store, use or dispose of Hazardous Materials to the extent necessary for the performance of the Services. All disposal of Hazardous Materials shall occur off the Greenhouse District Project Site. To perform the Services, RISE shall contract with Consultants and Contractors or employ personnel specifically licensed and trained to handle, store, use and dispose of Hazardous Materials in a safe and lawful manner that complies with all Environmental Laws. RISE shall take such precautions as are reasonably necessary to (1) prevent Hazardous Materials that were brought onto the Greenhouse District Project Site by RISE, or those for whom it is responsible, from contaminating the land or the environment of the Greenhouse District Project Site or adjacent property and (2) prevent a violation by RISE, or anyone for whom it is responsible, of any Environmental Laws and Government Regulations of any federal, state or local Governmental Authority having jurisdiction over the Greenhouse District Project. To the extent RISE has knowledge, RISE shall immediately notify Provident-Flagship, LSU and Greenhouse LLC in writing of (1) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Greenhouse District Project Site; (2) any non-compliance with any Environmental Laws related in any way to the Greenhouse District Project Site; (3) any actual or potential environmental lien; (4) any required or proposed Remediation of Hazardous Site Condition relating to the Greenhouse District Project Site; and (5) any written or oral notice or other communication of which RISE 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 Greenhouse District Project Site.

E. RISE shall promptly provide Provident-Flagship with complete and accurate copies of all disposal tickets for materials (hazardous or not) from the Greenhouse District Project Site that are disposed of off the Greenhouse District Project Site. Hazardous Materials removed from the Greenhouse District Project Site and disposed in a remote location shall be disposed in landfills or disposal sites trained and licensed to receive and dispose of the particular Hazardous Material disposed. RISE shall provide Provident-Flagship with the weights of all recyclable materials for the purpose of preparing recycling records.

F. RISE shall promptly effectuate Remediation of any condition, including, but not limited to, a release of a Hazardous Material, in, on, above, under or from the Greenhouse District Project Site as necessary to comply with any Environmental Law or any breach of Section XIV(A)(2). If any of the Remediation is associated with the discovery of pre-existing Hazardous Materials at the Greenhouse District Project Site not referenced in the reports attached as **Exhibit 19** or reasonably inferable therefrom, then RISE shall be entitled to an adjustment in the Guaranteed

Maximum Price and the Substantial Completion Date (if applicable) to the extent the discovery of such Hazardous Materials affects the cost or time of the performance of the Services. If the Remediation involves conditions referenced in the reports attached as **Exhibit 19** or reasonably inferable therefrom, then RISE shall not be entitled to any adjustment in the Guaranteed Maximum Price, Development Fee or Substantial Completion Date. If RISE is entitled to an adjustment under this Section XIV(F) in the Guaranteed Maximum Price, Development Fee or Substantial Completion Date and Provident-Flagship fails to provide a Greenhouse District Project Change Order for same in accordance with Section XXI or, if there is insufficient money to pay for a Greenhouse District Project Change Order as confirmed by RISE in its reasonable discretion, then RISE shall be excused from the obligation to effectuate Remediation until a Greenhouse District Project Change Order has been provided and evidence reasonably satisfactory to RISE is provided demonstrating that sufficient funds are in place to pay for such change(s) in the Services.

#### **XV. Indemnities.**

- A. RISE will indemnify, defend and hold harmless Provident-Flagship, Greenhouse LLC, LSU and their respective representatives, members, designated members, board members, officers, directors, shareholders, agents and employees (respectively, the "Provident-Flagship Indemnified Parties") from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments, awards, costs and expenses (including reasonable attorneys' and experts' fees and disbursements) related to the Greenhouse District Project that arise out of or relate to personal injury, death or property damage occasioned by or arising out of the performance of the Services, but only the proportionate share caused by RISE, its Consultants, Contractors or General Contractor (including its Subcontractors), or those for whom any of them are legally responsible. RISE shall include an indemnity clause in its contracts with the General Contractor and Consultants identical to the terms of the provision in this section, with General Contractor and Consultants indemnifying, defending and holding harmless the Provident-Flagship Indemnified Parties.
- B. The provisions of this Article XV shall survive the termination and expiration of this Agreement and Final Completion of the Greenhouse District Project and all Services and other activities contemplated by this Agreement as provided by Governmental Regulations.
- C. The foregoing indemnity and hold harmless obligations shall include the obligation to provide a defense against any such indemnified claim and shall include all costs of defense including attorneys, paralegal, and expert fees, litigation, court and/or arbitration costs or fees. All indemnity and defense obligations set forth in this Agreement shall accrue immediately upon written demand. Upon receipt of written notice of a demand for indemnity or defense of claims or damages triggering the indemnity obligation, the indemnitor, shall within ten (10) days, retain a mutually agreeable law firm to defend the interests of the indemnified party. If the parties are unable to agree on a lawyer or law firm, the indemnified party may retain appropriate counsel and all costs of defense shall be reimbursed by the indemnitor on a monthly basis.

#### **XVI. Compensation.**

- A. As full compensation for achieving Final Completion, RISE will be paid by Provident-Flagship the Actual Development Costs not exceeding the Guaranteed Maximum Price, as adjusted for Greenhouse District Project Change Orders approved in accordance with Article XXI, plus the Development Fee consistent with the Development Budget as modified from time to time in accordance with this Agreement. **For the avoidance of doubt, approval of compensation for**

**Final Completion by Provident-Flagship, LSU and Greenhouse LLC shall be a condition precedent to Provident-Flagship's obligation to make such a payment.**

- B. The Guaranteed Maximum Price equals \$ \_\_\_\_\_. Notwithstanding same, the Parties shall continue working together after the execution of this Agreement to reduce Development expenses below the Guaranteed Maximum Price by cooperating in value engineering as to the items listed on the Value Engineering Log attached hereto as **Exhibit 16**. The Parties agree that any Development savings realized from value engineering of the items listed in **Exhibit 16** shall be deposited into the Owner's Contingency in accordance with Section IX(B)(4)(a) and shall not be part of any Greenhouse District Project Savings to be shared by the Parties.
- C. The "Development Fee" is a fixed lump sum of \_\_\_\_\_ and No/100 Dollars (\$ \_\_\_\_\_) and shall be paid as follows:
1. forty percent (40%) of the Development Fee (\$ \_\_\_\_\_) is due within five (5) business days after issuance of the Series 2019 Bonds;
  2. forty percent (40%) of the Development Fee (\$ \_\_\_\_\_) will be paid in \_\_\_\_\_ (\_\_\_\_) equal monthly installments of \$ \_\_\_\_\_ each, with the first equal monthly installment due with the Draw made commensurate with the commencement of Construction;
  3. ten percent (10%) of the Development Fee (\$ \_\_\_\_\_) shall be due upon achieving Substantial Completion of the Greenhouse District Project; and
  4. ten percent (10%) of the Development Fee (\$ \_\_\_\_\_) shall be due upon achieving Final Completion of the Greenhouse District Project.
- D. Development Fee payments may be delayed or withheld in whole or in part if:
1. In the reasonable judgment of Provident-Flagship, RISE is not diligently and timely rendering the Services under this Agreement (including maintaining the Greenhouse District Project Schedule and providing in the field office, available for inspection by Provident-Flagship at any time, a complete set of all Construction Documents, including all Greenhouse District Project Change Orders, supplementary drawings, current as-built Construction Drawings, clarifications, contracts, and purchase orders with Consultants, Contractors, General Contractors and Suppliers); provided, however, that the Development Fee payment shall not be delayed or withheld unless Provident-Flagship has given RISE prior written notice of RISE's failure pursuant to this Section XVI(D)(1) and RISE shall have been given a reasonable time within which to cure its failure to diligently and timely render Services under this Agreement; or
  2. Default has occurred and is continuing.
  3. For any Greenhouse District Project delay caused by RISE which may materially limit the ability to Substantially Complete or Finally Complete the Greenhouse District Project by the Substantial Completion Date or the Final Completion Date, respectively, in accordance with this Agreement, Development Fee installments may be withheld by Provident-Flagship until a revised Greenhouse District Project Schedule is prepared by RISE which provides for completion of the Greenhouse District Project by the Substantial Completion Date or the Final Completion Date, as applicable. The

installment schedule will be recalculated based on a revised Greenhouse District Project Schedule (prepared by RISE to reflect the recovery of delay) approved by Provident-Flagship.

- E. Provident-Flagship's liability to RISE for payment of the Actual Development Costs shall not exceed the Guaranteed Maximum Price, as adjusted for Greenhouse District Project Change Orders in accordance with Article XXI, and the Development Fee. Provident-Flagship's liability for said payments will further be limited to that portion of the proceeds of the Bonds deposited to the Project Fund and/or the Costs of Issuance Account (each as defined in the Indenture) specifically designated for such payment, unless modified by Greenhouse District Project Change Order, provided that modifications by Greenhouse District Project Change Orders are valid only to the extent additional funds, derived from the proceeds of Additional Bonds (as defined in the Indenture) or other sources, are deposited to such Project Fund and used in accordance with Governmental Regulations and the provisions of the Indenture pertaining to completion of the Greenhouse District Project.
- F. All remaining but unpaid Development Fee payments will be due in accordance with Section XVI(C).
- G. RISE may include Actual Development Costs incurred in connection with the performance of the Greenhouse District Project in its Draw Requests, but RISE will not be reimbursed for any other expenses, except as provided in the Development Budget or otherwise provided herein.
- H. If the Guaranteed Maximum Price for the Greenhouse District Project (as Finally Complete) exceeds the Actual Development Costs for the Greenhouse District Project (as Finally Complete), then such difference shall constitute Greenhouse District Project Savings, which shall be shared equally between RISE and Provident-Flagship in accordance with Section VII(D), provided that the Design and Construction specifications of the Greenhouse District Project are achieved by RISE (subject to approval by Provident-Flagship, Greenhouse LLC and LSU in their reasonable discretion) and all other performance standards of this Agreement are satisfied. On the other hand, if the Actual Development Costs for the Greenhouse District Project (as Finally Complete) exceed the Guaranteed Maximum Price for the Greenhouse District Project (as Finally Complete), then such difference shall constitute "Excess Development Costs." Except as otherwise provided in this Agreement, RISE shall be solely responsible for such Excess Development Costs and shall pay them from its own funds without reimbursement by LSU, Greenhouse LLC or Provident-Flagship.

#### **XVII. Payment Bonds and Performance Bonds; Guarantee Agreement.**

- A. RISE shall cause the General Contractor to provide a Performance Bond and a Payment Bond in the forms attached as **Exhibit 12**. The penal sums of the Performance Bond and the Payment Bond shall, in the aggregate, equal the Total Construction Budget Amount as set forth in **Exhibit 7**. Each such bond shall name the General Contractor as principal and the Performance Bond(s) shall include a multiple obligee rider naming RISE, Provident-Flagship, Greenhouse LLC, LSU and the Trustee as obligees. All such bonds shall be written by a surety that is licensed to do business in the State of Louisiana and is satisfactory to RISE, Greenhouse LLC, LSU and Provident-Flagship. RISE shall provide the Guarantee Agreement attached as **Exhibit 13**.

#### **XVIII. Force Majeure; Termination; Default.**

- A. Neither party shall be in default to the extent that an event of Force Majeure delays its performance or makes its performance impossible. If RISE's performance of the Services is delayed by an event of Force Majeure, it shall be entitled to an adjustment to the Greenhouse District Project Schedule to the extent that RISE demonstrates that such event delays the critical path of the applicable schedule.
- B. No later than ten (10) days after the occurrence of any Force Majeure event for which RISE claims it is entitled to an extension of a Substantial Completion Date, RISE shall provide written notice to Provident-Flagship stating that a Force Majeure event has occurred.
- C. Adjustments to the Greenhouse District Project Schedule that arise out of or occur as a consequence of Force Majeure events shall not entitle RISE to additional compensation, including, but not limited to, an adjustment in the Development Budget or Guaranteed Maximum Price, except to the extent such additional costs occasioned as a result of such Force Majeure events are covered, and actually paid, by insurance, in which case RISE shall be entitled to a Greenhouse District Project Change Order limited to the extent of insurance proceeds actually received for such additional costs.
- D. If RISE is delayed at any time in the commencement or progress of the Services as a result of an act or neglect by Provident-Flagship, LSU or Greenhouse LLC or those for whom Provident-Flagship, LSU or Greenhouse LLC is responsible or liable or by changes ordered in the Services, the Greenhouse District Project Schedule and the Guaranteed Maximum Price shall be adjusted by Greenhouse District Project Change Order, subject to further proceedings and determinations made pursuant to the dispute resolution provisions set forth in **Exhibit 14**. If RISE is delayed at any time in the commencement or progress of the Services by an event or circumstance outside Provident-Flagship's, LSU'S or Greenhouse LLC's control, then RISE's only recourse shall be an adjustment to a Substantial Completion Date by a Greenhouse District Project Change Order in accordance with Article XXI. In no circumstance shall RISE be entitled to a Greenhouse District Project Change Order adjusting the Guaranteed Maximum Price due to a delay in the commencement or progress of the Services pursuant to this Section XVIII(D) unless the delay was caused by an act or neglect by Provident-Flagship, LSU or Greenhouse LLC or those for whom Provident-Flagship, LSU or Greenhouse LLC are responsible or liable or by changes ordered in the Services.
- E. This Agreement will remain in effect until the Termination Date.
- F. In the event of a material breach of this Agreement ("Default"), RISE shall be entitled to an opportunity to cure as set forth in this Agreement. A Default after expiration of any applicable grace or cure period under this Agreement shall be deemed an "Event of Default." Provident-Flagship may terminate this Agreement upon the occurrence of an Event of Default. Default by RISE includes any one or more of the following:
1. RISE or RISE Development, LLC (the "Guarantor" pursuant to **Exhibit 13**) files a voluntary proceeding under any bankruptcy or insolvency laws, or is the subject of an order of relief under any present or future law relating to bankruptcy, insolvency or other relief for debtors;
  2. RISE or the Guarantor seeks, consents to or acquiesces in the issuance of an order of relief, appointment of any trustee, receiver, custodian, conservator or liquidator of RISE or the Guarantor, for all or any substantial part of its properties ("acquiesce" includes the

- failure to file a petition or motion to vacate or discharge any order of relief, judgment or decree providing for that appointment within the time specified by law);
3. A court of competent jurisdiction enters an order of relief, judgment or decree approving an involuntary bankruptcy proceeding filed against RISE or the Guarantor;
  4. RISE or the Guarantor seeks any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for debtors, or RISE or the Guarantor consents to or acquiesces (as defined above) in the entry of an order of relief, judgment or decree, or it is not vacated and not stayed for an aggregate of 60 days after its entry;
  5. Any trustee, receiver, custodian, conservator or liquidator of either of RISE or the Guarantor or of all or any substantial part of its properties is appointed without its consent or acquiescence, and that appointment is not vacated and not stayed for an aggregate of 60 days;
  6. RISE fails to pay Consultants, Contractors or Suppliers with whom RISE has contractual privity; fails to remove, discharge or bond a Lien, encumbrance or security interest filed by any Architect, General Contractor, Contractor, Consultant, Subcontractor, or Supplier working on the Greenhouse District Project, provided that Provident-Flagship is not in default for failing to pay any undisputed amounts in the Draw Requests; or fails to satisfy or discharge any claim for non-payment asserted by any General Contractor, Contractor, Consultant, Subcontractor or Supplier against Provident-Flagship, Greenhouse LLC, LSU, LSUREFF or any of their interests;
  7. RISE, General Contractor, Architect or any Contractor, Consultant, Subcontractor or Design Professional materially fails or refuses to provide any of the Services or to perform any other material obligation under this Agreement in the manner and within the time required by this Agreement;
  8. RISE or a Consultant, Contractor, Architect, General Contractor or any Subcontractor or Supplier commits or permits a material breach of any of RISE's duties, liabilities or obligations under this Agreement without full and timely cure or remedy;
  9. Any act by RISE or any Consultant, Contractor, Architect, General Contractor, Subcontractor, Supplier or other third party employed by or claiming through RISE that causes, or with the passage of time or the giving of notice would cause, an event of default under the Ground Lease or the Ground Sublease; or
  10. Provident-Flagship has a reasonable concern that RISE lacks the necessary funding to complete the Services on the Greenhouse District Project and RISE fails to provide adequate assurances of said funding upon request from Provident-Flagship.

As to Defaults listed in Sections XVIII(F)(7), (8) or (9), if the Default is caused by any Contractor, Consultant, Subcontractor, Supplier or Design Professional with whom RISE is not in contractual privity, RISE shall not be deemed to be in Default of this Agreement as long as RISE promptly, continuously and diligently pursues all reasonable attempts to cause said defaulting Contractor, Consultant, Subcontractor, Supplier or Design Professional to cure the Default, including, but not limited to, enforcing contracts into which RISE has entered with any other Contractor, Consultant, Subcontractor, Supplier or Design Professional who in turn has entered

into a contract with the defaulting Contractor, Consultant, Subcontractor, Supplier or Design Professional.

- G. Provident-Flagship shall provide RISE with written notice of any Default that describes the nature of the Default. Upon receipt of such notice, RISE will have twenty-one (21) days to cure the Default. Failure to cure the Default within said twenty-one (21) days shall constitute an Event of Default. If a Default cannot reasonably be cured within twenty-one (21) days, such Default shall be an Event of Default unless RISE begins the cure promptly upon receipt of Provident-Flagship's written notice of Default and then diligently and continuously pursues the cure thereof to completion to the reasonable satisfaction of Provident-Flagship, Greenhouse LLC and LSU; provided, however, failure to cure such Default within ninety days after the original notice shall constitute an Event of Default.
- H. In the event Provident-Flagship elects to terminate this Agreement as provided for herein, Provident-Flagship shall so notify RISE and the Guarantor in writing of its decision to do so and shall provide Guarantor with an opportunity to complete the obligations of RISE pursuant to this Agreement.
- I. Upon termination of this Agreement by Provident-Flagship, Provident-Flagship shall, subject to Guarantor's rights set forth in Section VXIII(H), be entitled to complete the Greenhouse District Project in accordance with this Agreement and shall be entitled to immediate control of the Greenhouse District Project Development Account, in which event RISE shall no longer be a signatory or have any interest. Upon termination of this Agreement, no further payments shall be due to RISE hereunder until the Greenhouse District Project is Finally Complete. If Provident-Flagship's costs to complete the Greenhouse District Project, together with any direct and indirect damages incurred by Provident-Flagship due to RISE's Default, exceed the remaining unpaid portion of the Guaranteed Maximum Price, then RISE shall be liable to Provident-Flagship for payment of the excess amount. If Provident-Flagship's costs to complete this Agreement and all direct and indirect damages are less than the Guaranteed Maximum Price, then no additional payment shall be due to either Provident-Flagship or RISE hereunder. Notwithstanding anything herein to the contrary, all of Provident-Flagship's rights under this Agreement shall be in addition and cumulative to all rights Provident-Flagship has under Governmental Regulations and under any applicable insurance policy, payment or performance bond or the Guarantee Agreement.
- J. If RISE has submitted a Draw Request in the manner prescribed in Article IX and such Draw, to the extent approved by Provident-Flagship, Greenhouse LLC and LSU, is not paid in accordance with the terms of this Agreement within forty-five (45) days of the date such Draw Request was submitted by RISE to Provident-Flagship, RISE may notify Provident-Flagship in writing of its intent to terminate this Agreement. Upon receipt of such notice, Provident-Flagship shall have ten (10) days to cause the Trustee to make payment of the amount(s) then due and payable. If payment is not made to RISE within such ten (10) day period, then RISE may terminate this Agreement.

#### **XIX. Greenhouse District Project Completion.**

- A. For purposes of this Agreement, the process by which "Substantial Completion" for the Greenhouse District Project shall be determined shall be as follows:
1. When RISE considers that the Construction Services for the Greenhouse District Project are Substantially Complete, RISE shall so notify Provident-Flagship in writing.

- (a) Upon receipt of RISE's notification, Provident-Flagship, together with the Architect, Greenhouse LLC, LSU and RISE, shall make an inspection to determine whether the Construction Services for the Greenhouse District Project are Substantially Complete and the Student Housing Facilities can be utilized for their intended purposes. During such inspection, the parties shall prepare a list (the "Punch List") in the form attached hereto as **Exhibit 4**, which enumerates those items that remain to be completed and the estimated costs before the Greenhouse District Project can be considered Finally Complete. RISE shall, before the Greenhouse District Project is considered Finally Complete, complete or correct such item(s) identified on the Punch List.
  - (b) When the Services for the Greenhouse District Project are Substantially Complete, the Architect will prepare, subject to Provident-Flagship's, LSU's and Greenhouse LLC's approval, which shall not be unreasonably withheld or delayed, a Certificate of Substantial Completion, in a form substantially similar to AIA Document G704, which shall establish the date of Substantial Completion for the Greenhouse District Project, shall establish responsibilities of Provident-Flagship and RISE for security, maintenance, heat, utilities, damage to the work and insurance, and shall fix the time within which RISE shall finish all Punch List items attached to the AIA Document G704. Warranties required by the Construction Documents and this Agreement shall commence on the date of Substantial Completion of the Construction Services for the Greenhouse District Project, or designated portion thereof if not all of the Greenhouse District Project is Substantially Complete, unless otherwise provided in this Agreement or the Certificate of Substantial Completion. As to any component or system of the Student Housing Facilities on which Punch List, repair or similar corrective work is being performed after Substantial Completion, the warranty thereon shall commence upon completion of such work. Provident-Flagship's approval of Substantial Completion shall not waive nor compromise any rights Provident-Flagship has under this Agreement or Governmental Regulations in the event of any subsequently discovered defaults or as to any conditions not included in the Punch List.
2. For purposes of this Agreement, Substantial Completion for the Greenhouse District Project shall be deemed to occur when Construction of the Student Housing Facilities has been sufficiently completed in accordance with the Construction Documents so that Provident-Flagship may occupy or utilize the Student Housing Facilities for the purposes for which they were intended. Substantial Completion shall not be deemed to have occurred until such time as the Governmental Authority having jurisdiction over the work has issued all necessary approvals and certificates of occupancy such that Provident-Flagship may utilize the Student Housing Facilities for their intended purposes.
  3. The Certificate of Substantial Completion, once executed by Provident-Flagship and RISE, shall establish each Party's acceptance of the responsibilities assigned to it in the certificate.
  4. Anything to the contrary contained herein notwithstanding, Provident-Flagship may, upon prior written approval of LSU and Greenhouse LLC and at the sole and exclusive option of Provident-Flagship, LSU and Greenhouse LLC, accept any portion of the Greenhouse District Project that is Substantially Complete and ready for occupancy and may occupy such portion, despite the fact that other portions of the Greenhouse District

Project are not yet Substantially Complete. Acceptance and occupation of any portion of the Greenhouse District Project as Substantially Complete shall not be deemed an acceptance of the quality of work performed thereon and shall not waive any rights available to Provident-Flagship, LSU or Greenhouse LLC under this Agreement.

- B. For purposes of this Agreement, the Greenhouse District Project will be deemed finally complete ("Finally Complete," "Finally Completed" or "Final Completion" shall be deemed to have occurred) when:
1. All Services are fully performed and the Greenhouse District Project's improvements are Constructed in accordance with the Construction Documents, (including completion of all items appearing on the Punch List referenced in Section XIX(A)(1)(a)) and have been thoroughly cleaned; and
  2. RISE has delivered to Provident-Flagship the Architect's certificate stating that (a) the Greenhouse District Project has been completed in accordance with all Construction Documents as approved (or deemed approved) by Provident-Flagship, Greenhouse LLC and LSU, and (b) no item on the Punch List remains incomplete; and
  3. All required final certificates of occupancy are issued; and
  4. The Greenhouse District Project is free from all Liens and Claims asserted against Provident-Flagship, Greenhouse LLC, LSU and LSUREFF or their interests by Consultants, Contractors, Subcontractors, Suppliers, General Contractor, Architect and Greenhouse District Project laborers (as evidenced in part by RISE's delivery to Provident-Flagship of final, fully and properly executed lien waivers and releases from all such persons) except to the extent such Liens or Claims have been filed or asserted as a result of Provident-Flagship's failure to satisfy its payment obligations hereunder; and
  5. Provident-Flagship and Greenhouse LLC shall have received an "as built" ALTA/ACSM survey of the Land certified to Provident-Flagship and Greenhouse LLC showing no encroachments by the Student Housing Facilities on or over any property outside the Land and otherwise reasonably acceptable to Provident-Flagship, LSU and Greenhouse LLC; and
  6. All Governmental Authorities having jurisdiction over the Greenhouse District Project, including the State Fire Marshal, have given their final approval of the Student Housing Facilities; and
  7. RISE has delivered to Provident-Flagship all record Construction Documents, operation and maintenance manuals for materials, equipment and systems incorporated into the Student Housing Facilities, completed all Provident-Flagship training, delivered attic stock, and provided and assigned to Provident-Flagship all warranties and related items required by the Contract Documents; and
  8. All Student Housing Facilities Equipment required to be installed or supplied in accordance with **Exhibit 20** has been installed or supplied.

Final Completion shall be achieved for the Greenhouse District Project no later than the Final Completion Date identified in Section IV(C). In the event any of the above listed items are not or cannot be completed as a result of an act or omission by Provident-Flagship and the item or items

are not completed within fourteen (14) calendar days from the date of Provident-Flagship's receipt of written notice from RISE pertaining thereto, such item shall be deemed to have been completed for purposes of determining that the Greenhouse District Project is Finally Complete.

#### **XX. Related Contracts.**

- A. RISE shall include in all Services agreements and contracts it executes in connection with the Greenhouse District Project indemnity provisions requiring the other contracting party to indemnify, defend and save harmless the Provident-Flagship Indemnified Parties, in proportion to the degree of fault attributable to the contracting party, from and against all claims, losses, liabilities costs and expenses (including court costs, attorneys' and experts' fees and disbursements) caused by, occasioned by, in connection with, or arising out of the performance of the Services or work of the contracting party and its employees, agents or any Person for whom the contracting party is responsible or over whom the contracting party has supervisory responsibilities, that result in personal injury, death or property damage. RISE shall also require that the obligation to provide a defense against any such indemnified claim shall include all costs of defense, including attorneys, paralegal, and expert fees, litigation, court and/or arbitration costs or fees. All indemnity and defense obligations shall accrue immediately upon written demand. Upon receipt of written notice of a demand for indemnity or defense of claims or damages triggering the indemnity obligation, the indemnitor, shall within ten (10) days, retain a mutually agreeable law firm to defend the interests of the indemnified party. If the parties are unable to agree on a lawyer or law firm, the indemnified party may retain appropriate counsel and all costs of defense shall be reimbursed by the indemnitor on a monthly basis.
- B. Before allowing the General Contractor, the Architect or any Consultant to enter the Greenhouse District Project Site to begin any of the Services, and for the duration of the Term, RISE shall obtain and deliver to Provident-Flagship copies of the insurance as required in **Exhibits 10 and 11**.

#### **XXI. Other Development; Greenhouse District Project Change Orders, Greenhouse District Project Change Directives and Requests for Greenhouse District Project Change Orders.**

- A. Any of Provident-Flagship, Greenhouse LLC or LSU may further Develop or improve portions of the Campus not included within the Greenhouse District Project as it may wish, regardless of RISE's desires or views, and without RISE's interference or hindrance, provided that such further Development or improvements may not delay or interfere with RISE's performance of the Services under this Agreement. LSU may perform construction or operations on property adjoining the Greenhouse District Project Site. RISE shall not delay or interfere with LSU's construction or operations on the adjoining property nor the activities of contractors contracted directly to LSU, Greenhouse LLC or their contractors ("Other Contractors"). Provident-Flagship, LSU and Greenhouse LLC will assist RISE in coordinating the activities of Other Contractors with the activities of RISE, including issues of access and easement as applicable. RISE shall cooperate with Other Contractors. If part of RISE's Services is impacted by the activities of Other Contractors, RISE shall report any issues to Provident-Flagship in writing within twenty-one (21) days of the date on which RISE became aware of such impact. Failure of RISE to so report shall constitute an acknowledgment that Other Contractors' work has not impacted RISE's Services. Except for assisting RISE in coordinating with Other Contractors, Provident-Flagship shall not be responsible to RISE for delays or damages caused by such Other Contractors. To the extent RISE can demonstrate an adverse impact to any critical path activity caused by Other Contractors, RISE shall be entitled to an appropriate Greenhouse District Project Change Order for any reasonable costs and a reasonable extension of time for any time impacts caused thereby.

- B. Changes in the Services may be accomplished after execution of this Agreement, and without invalidating this Agreement, by Greenhouse District Project Change Order or Greenhouse District Project Change Directive, subject to the limitations stated in this Article XXI and elsewhere in this Agreement, the Bond Documents, the Ground Lease and the Ground Sublease. A Greenhouse District Project Change Order shall be implemented in accordance with the following based upon an agreement between Provident-Flagship and RISE (and subject to the prior written approval of Greenhouse LLC and LSU) and a Greenhouse District Project Change Directive may be issued by Provident-Flagship alone (subject to the prior written approval of Greenhouse LLC and LSU) when Provident-Flagship and RISE do not agree yet to the specific adjustment to the Guaranteed Maximum Price or Substantial Completion Date due to the requested change. Changes in the Services shall be performed under the applicable terms of this Agreement and RISE shall, subject to the terms of this Agreement, proceed promptly to perform the changed work unless otherwise provided in the Greenhouse District Project Change Order or Greenhouse District Project Change Directive.
- C. A "Greenhouse District Project Change Order" is a written order prepared by RISE and signed by Provident-Flagship and RISE, subject to the prior written approval of LSU and Greenhouse LLC, which changes the Services or the scope of work to be performed pursuant to this Agreement and indicates the agreement of RISE and Provident-Flagship upon all of the following:
1. The change in the Services or scope of work covered by the Greenhouse District Project Change Order;
  2. The amount of adjustment, if any, to the Guaranteed Maximum Price and any corresponding change to the Development Fee, and
  3. The extent of adjustment, if any, to the Substantial Completion Date.
- D. A Greenhouse District Project Change Directive is a written order prepared and signed by Provident-Flagship, subject to the prior written approval of LSU and Greenhouse LLC, directing a change in the Services or scope of work to be performed under this Agreement in an absence of an agreement on the corresponding adjustment to the Guaranteed Maximum Price, Development Fee and/or Substantial Completion Date.
1. By Greenhouse District Project Change Directive, Provident-Flagship may order changes in the Services consisting of additions, deletions or revisions to the work to be performed under this Agreement, with the Guaranteed Maximum Price, Development Fee and/or Substantial Completion Date being adjusted accordingly. In issuing a Greenhouse District Project Change Directive, Provident-Flagship shall provide evidence satisfactory to RISE that sufficient funding exists to pay RISE for any increase in the Guaranteed Maximum Price or Development Fee pertaining thereto. If Provident-Flagship fails to provide satisfactory evidence to RISE that sufficient funding exists to pay RISE for any increase in the Guaranteed Maximum Price or Development Fee, RISE shall have no obligation to perform the changed Services or scope of work as referenced in the Greenhouse District Project Change Directive until Provident-Flagship provides such satisfactory evidence.
  2. If the Greenhouse District Project Change Directive provides for an adjustment to the Guaranteed Maximum Price, the adjustment shall be based on the following methods, provided Greenhouse LLC and LSU have approved of same in writing in advance:

- (a) mutual acceptance of a lump sum cost and corresponding change to the Development Fee, if any;
  - (b) unit prices that have been agreed upon by Provident-Flagship and RISE;
  - (c) cost-plus arrangement, whereby Provident-Flagship agrees to pay certain designated Actual Development Costs incurred as part of the changed Services or scope of work, plus a mutually acceptable fee; or
  - (d) if RISE does not promptly respond or disagrees with the method for adjustment of the Guaranteed Maximum Price, Development Fee or Substantial Completion Date set forth in the Greenhouse District Project Change Directive, the adjustment shall be made on the basis of the reasonable actual expenditures and savings incurred in performance of the changed Services or scope of work plus reasonable mark-up for overhead and profit thereon. No change of the Substantial Completion Date shall be permitted without express agreement of the Parties reflected in either a Greenhouse District Project Change Directive or Greenhouse District Project Change Order, unless the Parties mutually agree to an adjustment in the Substantial Completion Date in writing thereafter.
3. Upon receipt of a Greenhouse District Project Change Directive and evidence reasonably satisfactory to RISE that sufficient funding exists to pay for same, RISE shall promptly proceed with the change in the Services or scope of work and advise Provident-Flagship of RISE's agreement or disagreement with the method, if any, proposed for adjusting the Guaranteed Maximum Price, Development Fee and/or Substantial Completion Date. A Greenhouse District Project Change Directive signed by RISE indicates its agreement with the terms thereof or the method stated therein for determining any adjustment to the Guaranteed Maximum Price, Development Fee, or Substantial Completion Date. Once the Parties agree in writing to any adjustment in the Guaranteed Maximum Price, Development Fee and/or Substantial Completion Date, as applicable, the Greenhouse District Project Change Directive shall become a Greenhouse District Project Change Order, at which time RISE may include same in its next Draw Request as the changed Services are performed.
- E. Either RISE or Provident-Flagship may seek an amendment or modification to the Services or the scope of work to be provided under this Agreement by providing the other Party with a Request for Greenhouse District Project Change Order.
1. Each Request for Greenhouse District Project Change Order shall be initiated in a format acceptable to Provident-Flagship, containing all information then available necessary for the other Party to evaluate the proposed change. RISE shall advise Provident-Flagship as soon as practical whether a Request for Greenhouse District Project Change Order will involve an adjustment to the Guaranteed Maximum Price, Development Fee or Substantial Completion Date. Provident-Flagship shall respond to the proposed adjustments within a reasonable time thereafter in a manner so as not to delay the performance of the changed Services or scope of work.
  2. When RISE advises Provident-Flagship of an adjustment in the Guaranteed Maximum Price, Development Fee or Substantial Completion Date, RISE shall include the following information:

- (a) The proposed or estimated change in any component of Development Costs.
  - (b) The proposed or estimated change in a Substantial Completion Date. If the request is for an extension of time, RISE shall provide a critical path schedule indicating the Substantial Completion Dates before and after the change, identifying critical path activities impacted by the change and, to the extent practicable, a recovery plan indicating methods and costs for maintaining the current Substantial Completion Date or reducing the extension of time sought by RISE.
  - (c) All supporting information then available for the estimated cost and time adjustments, including detailed, itemized proposals from all affected Consultants, Contractors, Suppliers and Design Professionals. Information shall be broken down into the following components:
    - (i) Labor classification, rate and hours;
    - (ii) Estimated equipment rate and hours;
    - (iii) Estimated material quantities and costs;
    - (iv) Applicable taxes, insurance and bond;
    - (v) Estimated credit for work deleted (similarly documented);
    - (vi) Estimated overhead and profit; and
    - (vii) Estimated change in the manner of calculating the Development Fee, if any, and the reason for the change.
3. If Provident-Flagship agrees to the terms of a Request for Greenhouse District Project Change Order that includes an agreed-upon adjustment in the Guaranteed Maximum Price, Development Fee and/or Substantial Completion Date and LSU and Greenhouse LLC have approved same in writing, then such agreement shall become a Greenhouse District Project Change Order, effective immediately upon signing by Provident-Flagship and RISE and RISE shall thereafter be able to include a request for payment of same in RISE's next Draw Request as the changed Services are performed. RISE and Provident-Flagship hereby acknowledge and agree to the requirement that any Greenhouse District Project Change Order must be approved in writing in advance by Greenhouse LLC and LSU to be effective.
4. Notwithstanding the foregoing, the Parties acknowledge and agree that RISE shall be permitted to make changes to the Construction Contract with its General Contractor without the consent of Provident-Flagship, LSU and/or Greenhouse LLC; provided, however, that such changes do not (a) increase the Total Development Budget Amount; (b) affect the overall character or aesthetics of the Greenhouse District Project or materially alter the Construction Documents; or (c) extend the Substantial Completion Date hereunder.

## **XXII. RISE's Duties in Case of Loss.**

- A. RISE shall notify Provident-Flagship, LSU and Greenhouse LLC of any fire or other damage to the Greenhouse District Project or any portion of the Greenhouse District Project Site within twenty-four hours after such occurrence. The party procuring the applicable insurance coverage will arrange for an insurance adjuster to view the Greenhouse District Project Site or the Greenhouse District Project before repairs are started. RISE may not settle any losses, complete a

loss report, adjust losses, or endorse loss drafts without Provident-Flagship's, LSU's and Greenhouse LLC's prior written consent, which consent shall not be unreasonably withheld. Any insurance proceeds received, to the extent applicable to cover the cost of repairing portions of the Student Housing Facilities, shall be applied towards a Greenhouse District Project Change Order for the repair of the damaged facility if such a Greenhouse District Project Change Order is appropriate under this Agreement.

- B. RISE shall notify Provident-Flagship, LSU and Greenhouse LLC of any personal injury, death or property damage occurring to the Greenhouse District Project or on the Greenhouse District Project Site within twenty-four hours after such occurrence.

### **XXIII. Taxes and Contributions.**

- A. RISE has full and exclusive responsibility and liability for withholding and paying, as may be required by law:
1. All federal, state and local taxes and contributions concerning or related to the performance of the Services, including those assessed against, or measured by:
    - (a) RISE's earnings under this Agreement,
    - (b) salaries, other contributions, or benefits paid or made available to anyone employed by RISE in connection with the Services by RISE, and
    - (c) all other taxes and contributions applicable to the Services for which RISE is responsible.
  - B. RISE shall file all returns and reports required in connection with all federal, state and local laws, taxes, contributions and benefits pertaining to the performance of the Services.
  - C. RISE shall reasonably assist and cooperate with Provident-Flagship in Provident-Flagship's, Greenhouse LLC's and LSU's preparation of federal, state or local governmental tax or other corporate or non-profit reports or forms.
  - D. To the fullest extent allowed by Governmental Regulations, RISE shall protect, defend, indemnify and hold harmless the Provident-Flagship Indemnified Parties from and against any and all claims, losses, costs, expenses or damages on account of or which may be incurred by any of them in connection with any and all taxes (including but not limited to all "Taxes," as such term is defined herein) assessed against or payable by RISE, except as otherwise set forth herein.

### **XXIV. Ownership of Information and Materials.**

- A. All work product of the Architects and engineers working on the Greenhouse District Project ("Design Professionals") and their respective consultants shall be considered Instruments of Service of the Design Professionals ("Instruments of Service") and, unless otherwise provided, the Design Professional preparing the same shall be deemed the author of the Instrument of Service and shall retain all common law, statutory and other reserved intellectual property rights, including the copyright, thereto.
- B. RISE shall obtain from the Design Professionals and deliver to Provident-Flagship paper copies of all Design documents and electronic copies of a record set of Construction Documents, defined

as a complete set of Construction Documents updated with all Greenhouse District Project Change Orders, Greenhouse District Project Change Directives and all other changes in the Greenhouse District Project from the original set of Construction Documents, and the final ALTA survey, which Provident-Flagship shall be entitled to use as stated herein.

- C. Upon payment by Provident-Flagship of RISE's first Draw Request, RISE shall require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns an irrevocable license permitting Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Construction plans, specifications and other Design documents and Instruments of Service, for use in connection with Constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, 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. Upon payment by Provident-Flagship of RISE's first Draw Request, RISE shall require all Design Professionals to grant to Provident-Flagship and its affiliates and assigns an irrevocable license permitting Provident-Flagship and its affiliates and assigns to retain and use, in unencumbered fashion, paper and electronic copies, including reproducible copies and Portable Document Format or PDF, of all drafts of all Instruments of Service, for use in connection with Constructing, monitoring, using, repairing, maintaining, expanding, and adding to the Greenhouse District Project, 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. In addition, RISE shall cause Niles Bolton Associates, Inc. ("NBA") to acknowledge and agree that such license shall be construed to permit Provident-Flagship and its affiliates and assigns to utilize such Instruments of Service to Design other improvements on the various campuses of LSU with identical or substantially similar elevations in an effort to cause such improvements to be consistent with and complimentary to the improvements designed hereunder. NBA's license of the Instruments of Service shall be non-exclusive, but RISE shall include in their contract with NBA a prohibition against NBA reusing the elevations and aesthetic components of the Design referenced in their Instruments of Service on other projects within the State of Louisiana without LSU's and Greenhouse LLC's prior written consent. RISE shall further require the Design Professionals to covenant with Licensee that the Design Professionals shall not utilize their Instruments of Service to create student housing and retail facilities having similar exterior Design elevations within the State of Louisiana without Licensee's prior written consent, which consent shall not be unreasonably withheld.

Once Instruments of Service and other Design documents have been licensed to Licensee, RISE shall cause each Design Professional to deliver to Licensee evidence of its acknowledgement of such license and the original and electronic versions of their Instruments of Service for use by Licensee and its contractors, Design Professionals, representatives, affiliates and assigns. Licensee recognizes that data, plans, specifications, and other documents in electronic form are subject to undetectable alteration, either intentional or unintentional, due to, among other causes, transmission, conversion, media degradation, software error or human alteration. Accordingly, with the exception of documents furnished by the Design Professionals in Portable Document Format or PDF, the electronic documents provided to Licensee are for informational purposes only and are not intended as an "end product." Accordingly, with the exception of documents furnished by the Design Professionals in Portable Document Format or PDF, the Design Professionals make no warranties, either express or implied, regarding the fitness or suitability of the electronic documents so provided. Further, Licensee agrees to waive any and all claims against the Design Professionals resulting from the unauthorized use, reuse, or alteration of such electronic documents; provided, however, that such waiver shall not be construed to

relieve Design Professionals from any liability associated with errors, inconsistencies, conflicts or omissions set forth in any documents furnished in a Portable Document Format or PDF. RISE shall ensure that all legal rights, title, and interest, including all necessary licenses, consents and any other requirements for the aforementioned use of such Instruments of Service have been obtained and RISE shall indemnify, defend, and hold harmless Licensee from any claims that result from RISE's failure to deliver such licenses.

Notwithstanding the foregoing, all Greenhouse District Project related studies such as sketches and drawings, space programming analyses, renderings, computer models, master plans, site feasibility plans, and utility coordination Developed by or for RISE as part of the pre-Development activities shall become property of Provident-Flagship and RISE shall execute any document or cooperate in any manner necessary to effectuate the transfer of such documents and information to Provident-Flagship. All such items shall thereafter remain the property of Provident-Flagship, even if this Agreement is terminated by either party.

- D. On Final Completion of the Services or termination of this Agreement, RISE shall make available to Provident-Flagship all originals and all copies of written data and information generated by or for RISE in connection with the Greenhouse District Project for copying and review. The data and information shall include, but not be limited to, the following:
1. Data and information supplied to RISE by Provident-Flagship or Provident-Flagship's contractors or agents;
  2. All drawings, plans, logs, photographs, books, records, contracts, agreements, documents and non-privileged writings generated by RISE, Consultants and General Contractor in the performance of the Services or in RISE's possession or control relating to the Services or the Greenhouse District Project; and
  3. Plans, specifications and drawings (including record Construction Drawings reflecting as-built conditions) for the Greenhouse District Project or any other element of the Greenhouse District Project generated by RISE, Design Professionals and Consultants.

Notwithstanding the foregoing, the data and information to be provided by RISE shall not be required to include any confidential information or information constituting a trade secret of RISE. If RISE seeks to withhold data or information as confidential or constituting a trade secret, RISE shall first notify Provident-Flagship, LSU and Greenhouse LLC of same in writing, identifying the nature of the data or information to be withheld in sufficient detail to permit reasoned consideration by Provident-Flagship, LSU and Greenhouse LLC of the withholding, and, if Provident-Flagship, LSU or Greenhouse LLC disagree with the categorization of confidential information or trade secret, then the entities in disagreement shall comply with the dispute resolution procedures set forth in **Exhibit 14**.

- E. Provident-Flagship may use the data and information provided pursuant to this Article XXIV without further compensation to RISE.
- F. Upon Provident-Flagship's written consent, which shall not be unreasonably withheld, conditioned or delayed, RISE may use certain data and information (except proprietary information of Provident-Flagship, Greenhouse LLC, LSU or any other person or entity) in marketing its services to other owners or governmental agencies.

- G. RISE may not identify itself as the developer of the Greenhouse District Project on any sign, advertisement, promotional publication, commercial or other dissemination of any information about the Greenhouse District Project (generically, "Publication") without Provident-Flagship's, Greenhouse LLC's and LSU's prior written consent, which shall not be unreasonably withheld. Any Publications by or on behalf of RISE mentioning the Greenhouse District Project must be approved in writing in advance by Greenhouse LLC and LSU.

#### **XXV. Notices.**

Each notice, request and communication required under this Agreement shall be in writing. It will be deemed to have been received: (i) on personal delivery; (ii) upon receipt via overnight delivery from a recognized overnight delivery service; (iii) if by facsimile, on receipt of electronic confirmation of its receipt (but only if the facsimile is followed by delivery by United States mail); (iv) if by email, on actual receipt (but only if recipient acknowledges receipt of the email in writing (which may be by return email)) or (v) if mailed, on actual receipt (but only if sent by registered or certified mail, with return receipt requested, addressed to the other Party's address below):

**If to Provident-Flagship:**

Donovan Hicks  
 Provident Group-Flagship Properties, LLC  
 c/o Provident Resources Group, Inc.  
 5565 Bankers Avenue  
 Baton Rouge, LA 70808  
 Telephone: (225)766-3977  
 Fax: (225) 766-3988  
 Email: dohicks@provident.org

With copies to:

P. Ragan Richard, Esq.  
 Phelps Dunbar, LLP  
 400 Convention Street, Suite 1100  
 Baton Rouge, LA 70802-5618  
 Telephone: (225) 376-0227  
 Fax: (225) 381-9197  
 Email: ragan.richard@phelps.com

And

Executive Director  
 LSU Real Estate and Facilities Foundation  
 3796 Nicholson Drive.  
 Baton Rouge, LA 70802  
 Telephone: (225) 578-8180  
 Fax: (225) 578-0530  
 Email: bryan.benchoff@lsufoundation.org

And

Daniel T. Layzell

**If to RISE:**

Mr. Greg Blais  
 RISE Tigers, LLC  
 129 N. Patterson Street  
 Valdosta, Georgia 31601  
 Telephone: (229) 244-2800  
 Fax: (229) 219-8125  
 Email: gblais@risere.com

With a copy to:

Mr. Justin S. Scott, Esq.  
 Coleman Talley LLP  
 910 N. Patterson Street  
 Valdosta, Georgia 31601  
 Telephone: (229) 242-7562  
 Fax: (229) 333-0885  
 Email: justin.scott@colemantalley.com

Vice President for Finance and Administration and  
CFO  
Louisiana State University  
330 Thomas Boyd Hall  
Baton Rouge, Louisiana 70803  
Telephone: (225) 578-3386  
Fax (225) 578-5403  
Email: dlayzell@lsu.edu

#### **XXVI. Non-Discrimination Policy.**

RISE shall agree, and shall by contract require its Architects and General Contractors to agree, to abide by: (A) the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended; (B) the requirements of the Americans with Disabilities Act of 1990 and (C) any executive order issued by the governor of the State.

RISE shall additionally agree, and by contract require its Architects and General Contractors to agree: (A) not to discriminate in its employment practices and (B) to render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities and in compliance with any executive orders. RISE's contracts with the Architect and General Contractor shall include a provision to the effect that any act of discrimination committed by the Architect or General Contractor, respectively, or failure to comply with the statutory provisions set forth in this Section shall be grounds for termination of the Architect or General Contractor.

Any act of discrimination committed by RISE or its failure to comply with these statutory or regulatory obligations when applicable, shall be grounds for termination of this Agreement.

#### **XXVII. Dispute Resolution.**

The Parties will resolve all disputes as provided in **Exhibit 14**.

#### **XXVIII. Venue.**

Subject to the dispute resolution provisions of this Agreement, venue for any litigation between Provident-Flagship and RISE which relates to or arises out of this Agreement or its breach will be exclusively in a court of competent jurisdiction in East Baton Rouge Parish, Louisiana.

#### **XXIX. Attorneys' Fees.**

- A. In any lawsuit, arbitration or injunctive proceeding between the Parties concerning any part of this Agreement or the rights and duties of either Party, and in any appeal thereof, the Party prevailing, as determined by the Court, in that matter will be entitled to recover its reasonable attorneys' fees and court costs. This includes its reasonable attorneys' fees and costs related to any post-judgment collection or enforcement proceedings and includes attorney's fees and costs incurred to establish the amount of fees and costs to be awarded, as well as to establish entitlement thereto.

- B. Those attorneys' fees and costs will be recoverable separately from and in addition to any other amount included in such judgment.

**XXX. Independent Contractor; Statutory Employer.**

In providing Services, RISE shall be an independent contractor.

Notwithstanding RISE's status as an independent contractor, Provident-Flagship and RISE agree that the work to be performed by RISE or any of its Contractors or Consultants pursuant to or as a result of this Agreement is part of the trade, business or occupation of Provident-Flagship and is an integral part of and essential to the ability of Provident-Flagship to generate its goods, products or services. Accordingly, and in accordance with La. R.S. 23:1032 and La. R.S. 23:1061, Provident-Flagship shall be considered the statutory employer of RISE's, Contractors' or Consultants' employees who perform part of the Services or provide services in connection with or as a result of this Agreement, and RISE shall require its Contractors and Consultants to agree that Provident-Flagship shall be considered the statutory employer of such Contractors' and Consultants' employees who perform work or provide services in connection with or as a result of this Agreement. It is the express intention of Provident-Flagship and RISE that Provident-Flagship, as the statutory employer, shall, in accordance with La. R.S. 23:1061, be granted the exclusive remedy protections of La. R.S. 23:1032. In the event Provident-Flagship is required as the statutory employer to pay any amounts, including any workers' compensation benefits, to any of RISE's or any Contractor's or Consultant's employees who perform Services in connection with or as a result of this Agreement, it shall be entitled to indemnity from RISE for such payments.

**XXXI. Severability.**

Each part of this Agreement is intended to be severable. If a court of competent jurisdiction finds any part of this Agreement to be unenforceable or invalid for any reason, that finding will not invalidate or adversely affect the rest of this Agreement.

**XXXII. Waiver; Consents.**

No consent or waiver to a Default may be deemed or construed to be a consent or waiver to any other Default.

**XXXIII. Governing Law.**

This Agreement is entered into in the State of Louisiana and is governed by its laws, without regard to its principles of conflicts of laws.

**XXXIV. Assignment.**

All of the rights, benefits, duties, liabilities and obligations of the Parties will inure to the benefit of and be binding on their respective successors and assigns. Neither party shall assign its rights or obligations under this Agreement without the prior written consent of the other party, provided, however, that RISE shall be permitted to collaterally assign its interests in the Development Fees and other amounts payable to RISE hereunder to its lender and Provident-Flagship shall be permitted to collaterally assign or transfer its right, title and interest in and to this Agreement to Greenhouse LLC, Trustee or any special purpose entity affiliated with Provident-Flagship and created to assume the rights, duties and responsibilities of Provident-Flagship, provided that Greenhouse LLC and LSU first approve in writing any assignment or transfer to any special purpose entity as a condition precedent to the enforceability of such assignment or

transfer. RISE and Provident-Flagship hereby acknowledge and agree that Greenhouse LLC will further collaterally assign its right, title and interest in and to this Agreement to LSU.

**XXXV. Modification of Agreement.**

To be effective, any modification of this Agreement shall be in writing and signed by both Parties.

**XXXVI. Headings.**

The headings are inserted for convenience only. They may not affect the construction or meaning of anything in this Agreement.

**XXXVII. Interpretation.**

"Include" and "including" each refers to all other items or matters that could reasonably fall within the broadest possible scope of the general statement, term, or matter appearing before it, but shall not be construed as introducing an exhaustive list. All references to Articles, Sections, Paragraphs, Clauses, Recitals, Preamble, Sections and Exhibits mean designated parts of this Agreement. Both parties participated in the negotiation of this Agreement so no part of this Agreement shall be construed more favorably in favor of one Party or the other.

**XXXVIII. Further Assistance.**

Each Party will execute other documents and take other actions as may be reasonably required by the other Party to carry out the purposes of this Agreement.

**XXXIX. Counterparts.**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument. Emailed or faxed signatures shall be deemed originals.

**XL. Waiver of Claims.**

RISE waives any claims against Provident-Flagship, the Trustee, Greenhouse LLC, LSU, the State of Louisiana and their respective representatives, officers, agents, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part of it, or by any judgment or award in any suit or proceeding declaring this Agreement null, void, or voidable, or delaying it or any part of it from being carried out. This provision shall apply even if this Agreement is deemed unenforceable.

**XLI. Entire Agreement.**

This Agreement and its Exhibits contain the entire agreement between the Parties concerning its subject matter. Neither Party nor its agents have made representations or promises concerning this Agreement except as expressly stated in this Agreement. No claim or liability may arise for any representations or promises not expressly stated in this Agreement.

**XLII. Trustee, Greenhouse LLC and LSU as Third Party Beneficiaries.**

As to the provisions hereof benefiting the Trustee, the Trustee shall be a third party beneficiary hereof, for so long as the Trustee is a party to the Indenture. Greenhouse LLC and LSU shall also be third party beneficiaries of this Agreement, provided that the rights of Greenhouse LLC and LSU shall be subordinate to those of the Trustee. The Parties hereto acknowledge and agree that Greenhouse LLC and LSU are relying on such Parties' execution and performance of their obligations under this Agreement as consideration for and a condition to Greenhouse LLC's and LSU's execution and delivery of the Ground Lease and Greenhouse LLC's execution and delivery of the Ground Sublease. The Parties hereto hereby irrevocably consent to (i) any and every pledge and assignment of this Agreement by Provident-Flagship to Greenhouse LLC, and by Greenhouse LLC to LSU, and (ii) Greenhouse LLC's or LSU's exercise and enforcement of its rights under each such pledge or assignment, and the Parties hereto will recognize and perform their obligations hereunder for the benefit of any such pledgee or assignee or any purchaser or transferee after any such enforcement or exercise (or after any transfer or assignment in lieu of such enforcement or exercise).

Neither the preceding paragraph nor any reference in this Agreement to Greenhouse LLC, LSU or to the Ground Lease or Ground Sublease, nor any other provision of this Agreement, nor any assignment or pledge of this Agreement by Provident-Flagship to Greenhouse LLC or by Greenhouse LLC to LSU, nor any action taken by Greenhouse LLC or LSU to enforce the terms of this Agreement or any such pledge of the Ground Sublease shall (i) be deemed to make Greenhouse LLC or LSU an obligor under this Agreement, or (ii) cause Greenhouse LLC or LSU to have any obligation or liability whatsoever to any of the Parties under this Agreement unless and to the extent this Agreement expressly provides for Greenhouse LLC or LSU to have such obligation of liability, and the Parties hereto irrevocably release Greenhouse LLC and LSU from any such liability or obligation. The provisions of this Article XLII shall (1) inure to the benefit of Greenhouse LLC, LSU and their agents, representatives, successors and assigns (including without limitation all such assignees, purchasers or transferees), and (2) be binding upon the Parties hereto and each such Party's respective agents, representatives, successors and assigns.

**XLIII. Provident-Flagship's Approvals.**

RISE acknowledges that, in addition to those rights granted to Greenhouse LLC and LSU directly hereunder, (A) pursuant to the Ground Sublease, Provident-Flagship's rights herein to (1) approval or consent of any item relating to this Agreement or the Greenhouse District Project, (2) receive notices pertaining to this Agreement or the Greenhouse District Project, (3) inspect the Greenhouse District Project and monitor Services and (iv) similar such rights customarily granted to owners under similar development agreements (as more particularly described in the Ground Sublease) ("Provident-Flagship's Rights") are granted by Provident-Flagship to Greenhouse LLC, and (B) pursuant to the Ground Lease, such Provident-Flagship's Rights are granted by Greenhouse LLC to LSU. RISE hereby agrees to cooperate fully with Provident-Flagship in the exercise by LSU and Greenhouse LLC of Provident-Flagship's Rights as granted under the Ground Lease and the Ground Sublease, respectively.

**XLIV. All Liens and Rights are Subordinate to Greenhouse LLC.**

The rights of the Architect, the General Contractor and all other Consultants, Architects, Contractors, Subcontractors, Suppliers, prime or general contractors, mechanics, laborers, materialmen, assignees or other lien or claim holders shall always be and remain subordinate, inferior, and junior to Greenhouse LLC's title, interest, and estate in the property comprising the Greenhouse District Project Site. RISE shall execute and deliver to Provident-Flagship the Subordinate Collateral Assignment of Contract Documents provided in Section 15(a) of the Ground Sublease. RISE shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any

construction, 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") that might or does constitute a lien, encumbrance, or charge upon the Greenhouse District Project, the Greenhouse District Project Site, 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 Greenhouse LLC in the Greenhouse District Project Site or the Greenhouse District Project or any part thereof, or the proceeds therefrom other than Permitted Encumbrances, as defined in the Ground Sublease. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of Provident-Flagship, express or implied, by inference or otherwise, to the filing of any Lien against the Greenhouse District Project Site or the Greenhouse District Project or Greenhouse LLC's interest in the Greenhouse District Project Site or the Greenhouse District Project, by any Contractor, Subcontractor, laborer, materialman, Supplier, architect, engineer, Consultant or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Greenhouse District Project or any part thereof. RISE shall cause any Lien (other than Permitted Encumbrances) to be discharged (including by bond) 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 requirements for discharge by bond. Notwithstanding the foregoing, RISE shall be entitled to contest any such Lien, in good faith and by appropriate proceedings, as long as RISE bonds over such Lien in an amount in accordance with Governmental Regulations, but not less than 125% of the amount of the Lien, and the execution of any such Lien is stayed such that the Greenhouse District Project and the Greenhouse District Project Site are not placed in imminent danger of being seized or forfeited, without being deemed to be in default hereunder. Further, RISE shall defend, indemnify and hold harmless Provident-Flagship, Greenhouse LLC and LSU from any and all costs, claims, expenses and liabilities (including reasonable attorneys' fees and costs) caused by the failure of RISE to satisfy or discharge, by bond or otherwise, any Lien or claim asserted against Provident-Flagship, Greenhouse LLC, LSU or LSUREFF or any of their interests, recorded or claimed by any Consultant, Contractor, Architect, General Contractor, Subcontractor, Supplier or Design Professional in connection with work performed on the Greenhouse District Project, provided said payment claim entails a scope of work or claim for which Provident paid RISE pursuant to the terms of this Agreement. RISE's obligations under this Section shall survive termination of this Agreement.

#### **XLV. Precedence.**

In the event that, with respect to any obligation among the Parties under this Agreement, there shall be a conflict between any provision of this Agreement and any provision of the Ground Sublease, the provision of the Ground Sublease shall control.

#### **XLVI. Compliance with Ground Lease and Ground Sublease; No Conflicts with Ground Lease and Ground Sublease.**

RISE acknowledges receipt of the Ground Sublease and Ground Lease and agrees that, in addition to its obligations in this Agreement, RISE, until Final Completion, shall use its best efforts to cooperate with Provident-Flagship to enable Provident-Flagship to comply with the Ground Sublease and, to the extent applicable, the Ground Lease. Further, to the extent applicable and with the exception of any indemnity, defense or hold harmless obligations, Sections 6, 9, 11, and 30 of the Ground Sublease and Section 6.1 of the Ground Lease are incorporated by reference into this Agreement and RISE shall owe the same obligations and duties to Provident-Flagship that Provident-Flagship owes to Greenhouse LLC under the Ground Sublease and Ground Lease. RISE shall request any necessary approvals and consents required under this Agreement by submitting a written request for same to Provident-Flagship, LSU and Greenhouse LLC. LSU shall have the final decision-making authority, which shall be communicated to Provident-Flagship and Provident-Flagship shall in turn advise RISE in writing with copies provided simultaneously to LSU and Greenhouse LLC. To the extent RISE can demonstrate an adverse impact to

any critical path activity or other damage caused by any directive from LSU, Provident-Flagship or Greenhouse LLC made in connection with such consents or approvals, RISE shall be entitled to an appropriate Greenhouse District Project Change Order for any reasonable costs, and a reasonable extension of time for any time impacts, caused thereby.

#### **XLVII. IRC 4958 Protections.**

RISE acknowledges that (i) Provident-Flagship will be disregarded as an entity separate and apart from Provident Resources Group, Inc., a Georgia non-profit corporation, and an organization 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 (the "Nonprofit") for federal income tax purposes; (ii) the Nonprofit has been recognized by the United States Internal Revenue Service ("IRS") as a tax-exempt organization under Section 501(c)(3) of the Code; and (iii) the Nonprofit and Provident-Flagship must be operated exclusively for "exempt purposes" within the meaning of the Code and regulations promulgated thereunder (the "Regulations"). Provident-Flagship and RISE acknowledge and agree that the fees provided hereunder are reasonable and have been arrived at through arm's length negotiation and are not in excess of the fair market value of the services to be provided by RISE to Provident-Flagship under this Agreement, that RISE has been hired by Provident-Flagship on the basis of RISE's qualifications as a developer of property and facilities of similar type as the Greenhouse District Project and RISE has not been retained for the purpose of providing any private benefit or to privately inure to RISE within the meaning of the Code or the Regulations. RISE acknowledges and agrees that a copy of this Agreement will be provided to the IRS in connection with any audit of the Nonprofit and, if the IRS determines on audit that any provision of this Agreement violates any applicable provision of the Code or the Regulations, Provident-Flagship and RISE shall act in good faith and with due diligence to address the violations noted by the IRS and to take all actions as are necessary, appropriate or required under the circumstances to address the concerns of the IRS with respect to this Agreement.

#### **XLVIII. Limitation of Provident-Flagship Liability.**

Notwithstanding anything herein to the contrary, the liability of Provident-Flagship hereunder and each obligation of Provident-Flagship hereunder (including, but not limited to, its indemnity obligations) under this Agreement shall be "limited recourse obligations" and, accordingly, RISE's sole source of satisfaction of such obligations shall be limited to Provident-Flagship's interest in this Agreement, the Greenhouse District Project Site, the Greenhouse District Project, the Student Housing Facilities, and any rents, issues and surplus related thereto (and not any other assets of Provident-Flagship), plus any available insurance maintained in connection with the Greenhouse District Project or otherwise maintained by Provident-Flagship, and RISE shall not seek to obtain payment from any person or entity comprising Provident-Flagship or from any assets of Provident-Flagship other than those described in this sentence, notwithstanding the survival of any obligation of Provident-Flagship beyond the term of this Agreement. Notwithstanding anything herein to the contrary, neither Provident nor any other member in Provident-Flagship shall have any personal liability to RISE whatsoever arising under this Agreement, and none of Provident's or such member's assets shall be subject to judgment, foreclosure or seizure by RISE for any matter arising under this Agreement. Provident shall have no obligation to contribute funds to Provident-Flagship to enable Provident-Flagship to comply with its obligations hereunder.

#### **XLIX. Limited Purpose of Approvals of Disbursements.**

The approval or authorization by Greenhouse LLC or LSU of any disbursement to Provident-Flagship or RISE under the Indenture or this Agreement, as applicable, shall not constitute or be interpreted as either (A) an approval or acceptance by Greenhouse LLC or LSU of the work done on the Greenhouse District Project through the date of such disbursement or (B) a representation or indemnity by Greenhouse LLC or

LSU to any party against any deficiency or defect in such work or against any breach of any contract. Inspections and approvals of the Construction Documents, the Greenhouse District Project, the workmanship and materials used in the Greenhouse District Project and the exercise of any other right of inspection, approval or inquiry granted to Greenhouse LLC and LSU in this Agreement are acknowledged to be solely for the protection of Greenhouse LLC's and LSU's respective interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on Greenhouse LLC or LSU to any party. Neither Provident-Flagship, RISE nor any other Contractor, Subcontractor, Supplier, materialman, laborer or any other person or entity shall rely, or have any right to rely, upon Greenhouse LLC's and LSU's determination of the appropriateness of authorizing any disbursement under the Indenture or this Agreement, as applicable. No authorization of a disbursement under the Indenture or this Agreement by Greenhouse LLC or LSU shall constitute a representation by Greenhouse LLC or LSU as to the nature of the Greenhouse District Project, its Construction or its intended use by Provident-Flagship or by any other person or entity, nor shall it constitute an indemnity by Greenhouse LLC or LSU to Provident-Flagship, RISE or any other person or entity against any deficiency or defects in the Student Housing Facilities or against any breach of any contract.

**L. Provident-Flagship's Actions and Approvals.**

Provident-Flagship may satisfy all its obligations as referenced in this Agreement by acting or approving through its own representatives or by causing others to act or approve.

[remainder of this page intentionally left blank]

[signature page to Development Agreement]

IN WITNESS WHEREOF, the undersigned duly authorized representatives have signed this Agreement on behalf of Provident-Flagship and RISE as of the 1<sup>st</sup> day of \_\_\_\_\_, 2019.

**WITNESSES:**

**RISE Tigers, LLC**, a Georgia limited liability company:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: Gregory R. Blais

Title: Manager

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**WITNESSES:**

**PROVIDENT GROUP-FLAGSHIP PROPERTIES, LLC**, a Louisiana limited liability company

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: PROVIDENT RESOURCES GROUP INC., a Georgia non-profit corporation, its sole member

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: Steve E. Hicks

Title: Chief Executive Officer

**EXHIBIT 1**

**GROUND SUBLEASE**

**[see Closing Transcript Item \_\_]**

**EXHIBIT 2****DEFINED TERMS**

"Actual Development Costs" means the actual costs and expenses incurred by RISE in the Design, Development and Construction of the Greenhouse District Project.

"Agreement" is defined in the Preamble.

"Approvals" are defined in **Exhibit 6**.

"Architect" means the Greenhouse District Project's architect of record selected by RISE.

"Bond Counsel" means Kutak Rock LLP or other counsel acceptable to the Trustee and the Issuer and experienced in matters relating to tax-exemption of interest income on obligations issued by states and their political subdivisions.

"Bonds" means, collectively, the Series 2019 Bonds and any Additional Bonds.

"Campus" means the campus of the University located in Baton Rouge, Louisiana.

"Certificate of Substantial Completion" is identified in Section XIX(A)(3).

"Code" is defined in Article XLVII.

"Construct," "Constructed," or "Construction" means 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 Student Housing Facilities.

"Construction Budget" is the portion of the Development Budget identified as such in **Exhibit 7**.

"Construction Contract" is defined in Paragraph I of **Exhibit 6**.

"Construction Documents" means, collectively, the plans, Construction Drawings, specifications and Greenhouse District Project Change Orders prepared by RISE, the Architect or other Consultants and approved by Provident-Flagship and Greenhouse LLC for the Construction of the Greenhouse District Project and any changes, modifications or supplements to them, all as approved by Provident-Flagship, Greenhouse LLC and LSU. The initial Construction Documents, as such may be amended, modified or supplemented from time to time, are attached as Exhibits to the Agreement and set forth RISE's exclusive obligations relative to the Construction of the Greenhouse District Project, as such may be amended, modified or supplemented from time to time. RISE shall have no obligation for Constructing improvements other than those shown on the Construction Documents as they may be modified pursuant to the terms of the Agreement.

"Construction Drawings" means the drawings, including schematic drawings, Design Development drawings and Construction drawings, prepared by RISE, the Architect or other Consultants and approved by Provident-Flagship, LSU and Greenhouse LLC as Construction Documents, and any changes, modifications or supplements to them.

"Construction Phase" begins with Provident-Flagship's delivery to RISE of the Notice to Proceed with Construction and ends on the date of Final Completion.

"Consultant" means any company, entity, firm, attorney, person, individual or advisor that contracts with and is paid by or charges a fee to RISE, the General Contractor, the Architect or any of them, to perform any duties or services (including any Services) relating to Greenhouse District Project Design, Development or Construction. The Architect and the General Contractor are Principal Consultants (and Consultants). Contractors, Design Professionals and Suppliers are Consultants.

"Contractor" means any of the General Contractor, Subcontractors and sub-subcontractors providing work, labor, equipment or materials under the Construction Budget or the Soft-Cost Budget, each of whom shall be appropriately licensed.

"Default" is defined in Section XVIII(F).

"Design" is defined as any and all design, planning, architectural, or engineering activity required in connection with and for the performance of the Greenhouse District Project.

"Design Professionals" is defined in Section XXIV(A).

"Detail Report" is defined in Section IX(B)(2).

"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 Greenhouse District Project, (b) obtain any required extension of public and private Utility Services for the Greenhouse District Project, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Greenhouse District Project Site (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the of the Greenhouse District Project.

"Development Budget" is indicated and is defined in **Exhibit 7**.

"Development Costs" means the component line item costs comprising the Total Construction Budget Amount and the Total Soft-Cost Budget Amount. Such costs include any costs incurred in good faith by RISE to complete the Services under the Agreement.

"Development Fee" is defined in Section XVI(C).

"Displaced Students" is defined in Section IV(C).

"Draw" is defined in Section IX(A).

"Draw Requests" is defined in Section IX(A).

"Effective Date" is defined in the Preamble of the Agreement.

"Emergency" is defined in Section V(C).

"Environmental Laws" means all federal, State and local laws and ordinances and common law principles relating to the protection of the environment or the keeping, use, abatement, Remediation, disposal, human health or natural resources or the generation, transportation, treatment, storage, disposal, recycling, keeping, use, or disposition of Hazardous Materials, substances, or wastes, presently in effect or adopted

after the Effective Date. This includes all amendments to Environmental Laws, and all rules and regulations under any Environmental Laws.

"Event of Default" is defined in Section XVIII(F).

"Excess Development Costs" is defined in Section XVI(H).

"Facilities Lease" means the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019, by and between LSU and Provident-Flagship, as amended, modified and supplemented from time to time.

"Finally Complete," "Final Completion" or "Finally Completed" shall have the meanings assigned thereto in Section XIX(B).

"Force Majeure" means an act of God, war, act of terrorism, civil commotion, abnormally adverse weather, governmental action, fire, storm, flood, explosion, strike, walkout, or other industrial disturbance.

"General Contractor," though expressed singularly, shall be interpreted in both singular and plural forms and shall be the Greenhouse District Project's general contractor(s) selected by RISE.

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

"Governmental Regulations" means any and all applicable laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, Greenhouse LLC, the Land, the Property, the Greenhouse District Project or the Student Housing Facilities or affecting the Land, the Property, the Greenhouse District Project or the Student Housing Facilities, including all applicable Environmental Laws and 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.

"Greenhouse District Project" as defined in the Recitals to the Agreement and as more particularly described and defined in **Exhibits 3, 5 and 6** and as may be modified hereafter by Greenhouse District Project Change Order or an addendum to the Agreement.

"Greenhouse District Project Change Directive" means written order issued by Provident-Flagship that acknowledges a change in the Services, but does not change the Guaranteed Maximum Price or Substantial Completion Date, as described in Article XXI.

"Greenhouse District Project Change Order" means a written order agreed to by Provident-Flagship and RISE and approved by Greenhouse LLC and LSU that changes the Services as described in Article XXI.

"Greenhouse District Project Change Order Request" means a written request for a Greenhouse District Project Change Order described in Article XXI.

"Greenhouse District Project Contingency" is defined in Section VII(C) and is the amount indicated as such in the Development Budget.

"Greenhouse District Project Development Account" is defined in Section VIII(A).

"Greenhouse District Project Savings" is generally described and defined in Section VII(D).

"Greenhouse District Project Schedule" means the schedule prepared and updated by RISE, which sets forth RISE's best estimate of the timetable required to complete the Greenhouse District Project. The initial Greenhouse District Project Schedule is attached as **Exhibit 9**.

"Greenhouse District Project Site" means the real property identified in **Exhibit 1**, which includes the Land and certain other property on the Campus.

"Ground Lease" means the Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019, by and between Greenhouse LLC and LSU, as amended, modified and supplemented from time to time.

"Ground Sublease" means the Greenhouse District (Phase III) Ground Sublease Agreement dated as of September 1, 2019, by and between Greenhouse LLC and Provident-Flagship, as amended, modified and supplemented from time to time.

"Guaranteed Maximum Price" means the sum of the Total Construction Budget Amount and the Total Soft-Cost Budget Amount and identified in **Exhibit 7**.

"Guarantee Agreement" means the Guarantee Agreement dated as of September 1, 2019, by Rise Development, LLC, a Georgia limited liability company, in favor of Provident-Flagship, the form of which is attached to the Agreement as **Exhibit 13**.

"Guarantor" is defined in Section XVIII(F)(1).

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

"Indenture" means the Trust Indenture dated as of September 1, 2019, by and between the Issuer and the Trustee, as amended, modified and supplemented from time to time, relating to the Bonds.

"Infrastructure Rights" is defined in Section XII(D).

"Instruments of Service" is defined in Section XXIV(A).

"IRS" is defined in Article XLVII.

"Issuer" means 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.

"Key Personnel" is defined in Section VI(B).

"Land" is defined in the Recitals of the Ground Lease.

"Lien" is defined in Article XLIV.

"Liquidated Damages" is defined in Section IV(C).

"Loan Agreement" means the Loan Agreement dated as of September 1, 2019, by and between the Issuer and Provident-Flagship, as amended, modified and supplemented from time to time, relating to the Bonds.

"LSU" means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors and assigns.

"LSU Foundation" is defined in the Recitals to the Agreement.

"LSUREFF" means LSU Real Estate and Facilities Foundation, a nonprofit corporation organized and existing under the laws of the State of Louisiana, and its successors and assigns.

"LSU Representative" means one or more of the persons designated and authorized in writing from time to time by LSU to represent LSU in exercising LSU's rights and performing LSU's obligations under the Development Agreement. From the Effective Date until the Final Completion Date, the LSU Representative shall be the President or his designee(s) working in cooperation with the Vice President for Finance or his designee(s); thereafter the LSU Representative shall be the Vice President for Finance.

"Material Change" is defined in Section XXI(A).

"Monthly Progress Reports" is defined in Section L(4) of **Exhibit 6**.

"MOU" is the Memorandum of Understanding dated as of August 28, 2016, by and between the LSU Property Foundation and RISE.

"NBA" is defined in Section XXIV(C).

"Nonprofit" is defined in Article XLVII.

"OAC" is defined in Section IX(B)(3).

"Other Contractors" is defined in Section XXI(A).

"Other Supporting Documentation" is defined in Article IX(B)(2)(c).

"Parish" is East Baton Rouge Parish, Louisiana.

"Party" and "Parties" are defined in the Recitals to the Agreement.

"Performance Bond and Payment Bond" means the performance bond and payment bond required by the Agreement, the forms of which (AIA Documents A312) are attached as **Exhibit 12**.

"Permitted Encumbrances" are defined in the Ground Lease.

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

"Pre-Development Activities Cost" means Section VII(E).

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

"Principal Consultants" are the Greenhouse District Project Architect and the General Contractor. Principal Consultants are also Consultants.

"Principal Consultants' Insurance" is the insurance described in **Exhibit 11**.

"Provident-Flagship" means Provident Group-Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State, the sole member of which is Provident Resources, and its successors and assigns.

"Provident-Flagship Indemnified Parties" is defined in Section XV(A).

"Provident-Flagship Representative" means the person designated in writing by Provident-Flagship as its agent and contact for all purposes under the Agreement. The initial Provident-Flagship Representatives are Steve E. Hicks, Donovan O. Hicks or Debra Lockwood or their designee(s), identified in writing to RISE, each of whom may individually bind Provident-Flagship.

"Provident-Flagship's Rights" is defined in Article XLIII.

"Provident Resources" means Provident Resources Group Inc., a Tax-Exempt Organization, duly organized and existing under the laws of the State of Georgia, and its permitted successors and assigns.

"Publication" is defined in Section XXIV(G).

"Punch List" is defined in Section XIX(A)(2).

"Punch List Work" is defined in Section IX(A)(5)(b).

"Regulations" is defined in Article XLVII.

"Remediation" means and 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.

"RISE" means RISE Tigers, LLC, a limited liability company organized and existing under the laws of the State of Georgia authorized to do business in the State, and its successors and assigns.

"RISE Insurance" is defined in Section XIII(A) and specified in **Exhibit 10**.

"RISE Representative" means the person designated in writing by RISE as its agent and contact for all purposes under the Development Agreement. The initial RISE Representative is Jeremy Doss.

"RFI" means a request for information or clarification of the Construction Drawings.

"Series 2019 Bonds" means the Issuer's Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019, issued in the original aggregate principal amount of \$\_\_\_\_\_.

"Services" means the services described in **Exhibit 6**.

"Services Agreements" is defined in Paragraph A.1. of **Exhibit 6**.

"Statement of Cash Receipts and Disbursements" is defined in Section IX(B)(2)(c).

"Student Housing Facilities" as defined in the Recitals to the Agreement.

"Student Housing Facilities Equipment" means all movable property, including without limitation, machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description and installed in, located on, or exclusively used in connection with, the Student Housing Facilities, excluding those items owned by Residents.

"Subcontractor" means any subcontractors and sub-subcontractors providing work, labor, equipment or materials under the Construction Budget or the Soft-Cost Budget, each of whom shall be appropriately licensed.

"Substantial Completion," is defined in Article XIX(A).

"Substantial Completion Date" is defined in Section IV(C).

"Summary Report" is defined in Section IX(B)(1).

"Suppliers" means suppliers of materials and equipment to the Greenhouse District Project, each of whom shall be selected by RISE, although they need not be in contractual privity with RISE.

"Supporting Documentation" is defined in Section IX(B)(2)(a).

"Taxes" means any and all real property, personal property or other taxes, municipal service fees or other assessments or charges which are levied against RISE's interest in the Agreement and the Greenhouse District Project or any earnings realized by RISE therefrom and are payable with respect to any calendar or tax year or other period falling wholly or partly within the Term.

"Term" is defined in Section IV(A).

"Termination Date" means the date that is the earlier of: (i) 12 months after the issuance of any required certificates of occupancy from the State Fire Marshal and from the City or Parish (as applicable), or other authority having jurisdiction for the lawful occupancy of the entire Greenhouse District Project, (ii) the termination of the Ground Lease or the Ground Sublease, if any (iii) the abandonment of the Greenhouse District Project by Provident-Flagship, (iv) termination of the Agreement by Provident-Flagship or RISE

in accordance with the Agreement, or (v) another date mutually agreed in writing by Provident-Flagship and RISE.

"Total Construction Budget Amount" means the amount indicated as Guaranteed Maximum Price in **Exhibit 7**.

"Total Development Budget Amount" means the amount equal to the Guaranteed Maximum Price plus the Development Fee, as shown in **Exhibit 7**.

"Total Soft-Cost Budget Amount" means the amount indicated as such in **Exhibit 7**.

"Trustee" means Hancock Whitney Bank, a Mississippi state banking corporation, and its successors and assigns, as the trustee under the Indenture.

"University" means Louisiana State University and Agricultural and Mechanical College, the flagship higher education institution of the State under the supervision and management of LSU.

**EXHIBIT 3****THE GREENHOUSE DISTRICT PROJECT**

The proposed Greenhouse District Project is the third phase of a public-private development venture to revitalize older sections of the University's campus, create a significant new gateway onto the campus, and provide both new and renovated on-campus housing to meet the demands of the University's students. The Greenhouse District Project will add two new housing facilities as follows:

Building A - Building A will be a 5-story building consisting of approximately 127,523 square feet with 132 semi-suite style units and 458 beds.

Building B - Building B will be a 5-story building consisting of approximately 119,937 square feet with 122 semi-suite style units and 423 beds.

[\*\*All units will be furnished with specialized student furniture and each student will have his or her own closet. Students will have cable television and wired and wireless Internet connections in their units. Each unit will include a washer/dryer.\*\*]



**EXHIBIT 5****CONSTRUCTION DOCUMENTS**

The Construction Documents shall be those listed below, copies of all of which shall be available to the Parties via Dropbox on or before \_\_\_\_\_, 2019, at the following link (the "Dropbox Link"):

[\*\*<https://www.dropbox.com/sh/87np74zohneuffe/AACqhXbF5P3959P0tWVSRHzYa?dl=0>\*\*]

Each Party shall be responsible to print/download its own copies of the Construction Documents. The Dropbox Link shall remain open and accessible until Final Completion of the Greenhouse District Project.

1. Standard Form of Agreement between Owner and Contractor (AIA Document A102-2007 between RISE Tigers, LLC (the "Developer") and The Lemoine Company, LLC ("Lemoine"), dated as of \_\_\_\_\_ 1, 2019, together with the General Conditions of the Contract for Construction (AIA Document A201-2007) between the Developer and Lemoine.
2. Standard Form of Agreement Between Owner and Architect (AIA Document B103-2007) between Developer and Niles Bolton Associates, Inc., dated as of \_\_\_\_\_ 1, 2019.

**EXHIBIT 6****THE SERVICES**

Except as otherwise provided in the Agreement, the Services include all design, Development and Construction work and services required or necessary to complete the Greenhouse District Project, other services customarily and reasonably within the general scope of such services and responsibilities, and other services reasonably designated from time to time by Provident-Flagship, provided that such other services do not increase the cost above the Guaranteed Maximum Price or time associated with the performance of RISE's Services under the Agreement in accordance with the Greenhouse District Project Schedule, except as the Guaranteed Maximum Price or Greenhouse District Project Schedule are modified hereafter by a Greenhouse District Project Change Order.

Among other things, the Services include the following:

Obtain and pay for all necessary land use approvals, environmental approvals, approvals of historical renovation (if any) and new Construction in protected historical areas (if any); entitlements; and building and other permits, other fees (excluding impact fees, which, for purposes of this Agreement, are defined as any such fees imposed on the Greenhouse District Project by any municipality for the new infrastructure that must be built or increased due to new property Development, which fees are oftentimes designed to offset the impact of additional Development and residents on the municipality's infrastructure and services, which include the city's water and sewer network, police and fire protection services, schools and libraries), and licenses for the lawful Construction, use, and operation of the Greenhouse District Project (collectively, the "Approvals"), and execute documents directly related to the Development of the Greenhouse District Project that are approved by Greenhouse LLC, LSU and Provident-Flagship; and coordinate with the Architect any changes required by those documents.

- A. Execute all agreements, purchase orders, amendments and supplements related to Greenhouse District Project Design, Development and Construction;
1. Subject to the terms of this Agreement, these include but are not limited to all survey, architectural, environmental, geotechnical, and other testing or consulting service agreements, the Architect's agreement, the Construction Contract, and all other agreements, amendments, and supplements for the furnishing of services, supplies, materials, machinery, or equipment required for Greenhouse District Project Design, Development and Construction (collectively, the "Services Agreements").
  2. The Services Agreements shall be consistent with the Development Budget, as amended. RISE shall provide and update Provident-Flagship, Greenhouse LLC and LSU a list of Contractors, Subcontractors, Architects, General Contractors and Consultants to be engaged in connection with the performance of the Services under the Agreement.
  3. RISE shall deliver or cause to be delivered to Provident-Flagship, LSU and Greenhouse LLC copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for or delivered to RISE pursuant to the Agreement or the MOU. All correspondence and documents related to the Services or the Greenhouse District Project shall be available for review and inspection by Provident-Flagship, LSU and Greenhouse LLC at a mutually agreeable site.

- B. Coordinate with Provident-Flagship, LSU and Greenhouse LLC all approvals required under the Ground Sublease.
- C. Provide and update on at least a monthly basis the Development Schedule for Provident-Flagship.
- D. Manage and coordinate the Architect's services and activities in Developing the Construction Documents, and all related submissions to Provident-Flagship or any governmental or historical (if any) agencies or bodies.
- E. Submit all Construction Documents and related Design specifications to Provident-Flagship, LSU and Greenhouse LLC for approval.
- F. Provide oversight and direction to the Architect in Developing the Design and function of the Greenhouse District Project and specifications for equipment required for the use and operation of the Greenhouse District Project.
- G. Require the General Contractor to obtain bids from Subcontractors. Require General Contractor to submit with each Application for Payment a buyout summary.
- H. Obtain a full and complete estimate of the cost of Greenhouse District Project Construction from the General Contractor, based on the approved schematic drawings; and, on that information, coordinate with the Architect potential Design changes that could result in a positive cost benefit to Provident-Flagship without sacrificing quality or materials as specified by Provident-Flagship, Greenhouse LLC and LSU. The final estimate of the cost of Greenhouse District Project Construction and any Design changes made to achieve that estimate are subject to Provident-Flagship's, LSU's and Greenhouse LLC's approval and consent.
- I. Negotiate a Construction contract for the Greenhouse District Project with the General Contractor (the "Construction Contract"). The Construction Contract shall include the following restrictions:
  - 1. Access to the Greenhouse District Project Site will be limited to those involved with the work and the Greenhouse LLC and LSU employees or Construction Consultant monitoring same;
  - 2. RISE and General Contractor must notify Provident-Flagship, Greenhouse LLC, and LSU in writing at least seventy-two (72) hours in advance when coordination meetings requiring Greenhouse LLC's and LSUs' participation are required;
  - 3. Signage shall be in conformity with LSU's rules and regulations and the Agreement; and
  - 4. Construction activities will comply with all applicable governmental regulations and the Agreement.
- J. Diligently manage and monitor the General Contractor's Construction so as to keep Greenhouse District Project Design, Development and Construction costs within the Development Budget. Provide value-engineering services and assistance to Provident-Flagship, Greenhouse LLC and LSU.
- K. Upon the issuance of the Bonds, direct all activity not already begun as needed to complete Greenhouse District Project Design, Development and Construction.

- L. Establish and implement appropriate administrative and financial controls for Greenhouse District Project Design, Development and Construction, including:
1. Manage, coordinate and work with the Architect, Contractors, and other contractors, environmental consultants, professionals, lawyers, Design Professionals, and Consultants employed or retained in connection with Greenhouse District Project Design, Development and Construction;
  2. Administer the Services Agreements in connection with or relating to Greenhouse District Project Design, Development and Construction;
  3. Monitor compliance by the responsible party with: all Ground Lease and Ground Sublease terms applicable to RISE or the Greenhouse District Project; approvals required or obtained for the lawful Construction or use and operation of the Greenhouse District Project; any recorded covenant, condition, or restriction affecting the Greenhouse District Project; and conditions contained in any insurance policy or surety bond affecting or covering the Greenhouse District Project; all applicable historical Development conditions (if any); and all applicable Governmental Regulations;
  4. Keep Provident-Flagship fully informed of Greenhouse District Project progress on a regular basis by filing written progress reports on a monthly basis ("Monthly Progress Reports") including reports required by this Agreement or reasonably requested by Provident-Flagship (including those generally requested or expected of developers of similar projects); which shall be in a form reasonably acceptable to Provident-Flagship and shall, at a minimum, include status updates of: Greenhouse District Project progress against the Greenhouse District Project Schedule in the form of a schedule update; the Development Budget, including projected cost to complete the Greenhouse District Project; RISE's efforts to let contracts to complete the Services; and
  5. Deliver an updated Greenhouse District Project Schedule to Provident-Flagship on a monthly basis along with the Monthly Progress Reports.
- M. Monitor Services, work, equipment, materials and labor used on the Greenhouse District Project so that RISE will have a reasonable basis:
1. To approve (or, to the extent not appropriate for approval, to disapprove and return to the party requesting payment therefor) before forwarding to Provident-Flagship all requests for payment made by the Architect, Consultants, General Contractor, and any other parties with respect to Greenhouse District Project Design, Development or Construction, and
  2. To determine that the Greenhouse District Project is being Designed, Developed, Constructed and completed in accordance with this Agreement and the Construction Documents or, if Construction is not being so completed, to promptly notify Provident-Flagship and take action to remediate the issue.
- N. As needed, attend job meetings and conferences under this Agreement or called by Provident-Flagship, legal counsel, the Architect, any Contractor, any other Consultant or any Supplier.

- O. Review the results of, and inform Provident-Flagship of any actions to remedy, all inspections made by the Architect, Consultants, or any governmental or historical (if any) agencies or bodies having jurisdiction over the Greenhouse District Project.
- P. Prepare, file and execute on Provident-Flagship's behalf any notices of commencement and notices of completion required or permitted to be filed on commencement or completion of the Greenhouse District Project. Act as needed to obtain any certificates of occupancy or equivalent documents required for the occupancy of Greenhouse District Project improvements (and provide copies to Provident-Flagship).
- Q. Following "Substantial Completion" of the Greenhouse District Project, coordinate the compilation of all as-built Construction Drawings and specifications for the Greenhouse District Project, and operating and maintenance manuals for all applicable aspects of the Greenhouse District Project. Deliver to Provident-Flagship and Greenhouse LLC (1) five sets of as-built Construction Drawings (with one of them in reproducible form), plus one electronic copy of as-built Construction Drawings, (2) a current, accurate, properly labeled, and certified (by the surveyor or engineer of record) "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; (3) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the Greenhouse District Project; (4) all remaining warranties, and (5) copies of all other documents required in this Agreement for Final Completion. RISE shall also assist Provident-Flagship, Greenhouse LLC and LSU in preparing Punch List items, defect notices, or warranty claims.
- R. Process and complete on Provident-Flagship's, Greenhouse LLC's and LSU's behalf any Punch List items, defect notices, or warranty claims.
- S. Provide the following services:
  - 1. Regularly observe and record all significant Development and Construction-related activities at the Greenhouse District Project Site during the Construction Phase;
  - 2. Manage and administer compliance with all contractual requirements of Consultants and other parties with whom Provident-Flagship or RISE has contracted in connection with Greenhouse District Project Development, Design and Construction. Notify Provident-Flagship immediately in writing in the event that any such requirements are not being met. Monitor the delivery and installation of all furniture, fixtures and equipment for the Greenhouse District Project;
  - 3. Use diligent efforts to maintain a cooperative attitude among the General Contractor, Consultants, Suppliers, Provident-Flagship, Greenhouse LLC and LSU;
  - 4. Require the General Contractor to maintain on a current basis a daily written log or diary to record job conditions, the status of work in progress, and the size and character of the work force used to perform the work. The daily written log shall be available to RISE, Provident-Flagship, Greenhouse LLC, LSU and representatives of any of them for review and copying upon request. The log will also include daily weather conditions, unusual conditions encountered or unusual activities occurring on the Greenhouse District Project, a list of important visitors or officials to the Greenhouse District Project Site, and daily progress and activities on the Greenhouse District Project Site;

5. Require the General Contractor to keep, on behalf of the General Contractor and RISE, available for inspection by Provident-Flagship, Greenhouse LLC or LSU at any time, in the field office, a complete set of all Construction Documents, including all Greenhouse District Project Change Orders, Greenhouse District Project Change Directives, RFIs, supplementary drawings, current as-built Construction Drawings, clarifications, contracts, and purchase orders with Consultants and Suppliers;
6. In collaboration with the Architect and the General Contractor, use procedures to expedite the processing and approval of shop drawings;
7. Require the Architect to maintain on a current basis logs of approvals of RFIs, submittals, and shop drawings to make sure all such information and drawings have been properly approved by the Architect, RISE, or Provident-Flagship, Greenhouse LLC or LSU (where required), before starting related work. RISE shall have authority to approve all submittals, shop drawings, samples, and substitutions that are in conformance with, or are greater or equivalent to, without an increase in the Guaranteed Maximum Price or extension of the Substantial Completion Date, the requirements and standards set forth in the Construction Documents;
8. Use diligent efforts to have the Architect receive material samples furnished at the Greenhouse District Project Site by Consultants and Suppliers, record the date the samples (or copies) are received and from whom and the date of any approval of same by the Architect, and notify Provident-Flagship of the availability of the samples for examination. (RISE shall use diligent efforts to have the Architect maintain custody of copies of approved samples);
9. Require the Architect to promptly review and respond to and approve RFIs, as necessary, and see that proper clarifications are issued, with all clarifications noted in the Construction Drawings, dated, and initialed by the issuing party;
10. Attend Greenhouse District Project meetings and conferences held in connection with this Agreement or called by the Architect, other Consultants, or Suppliers, and report on such conferences to Provident-Flagship;
11. Attend all Construction meetings and conferences and require the General Contractor's Construction Manager to prepare complete and accurate written minutes for all such meetings summarizing the issues discussed, positions taken by attendees and results of such meetings or conferences, copies of which shall be available for review by Provident-Flagship, Greenhouse LLC or LSU;
12. Coordinate the processing of Greenhouse District Project Change Orders, Greenhouse District Project Change Directives, written minor revisions to the Services, and other submissions for approval;
13. Perform Greenhouse District Project Site supervision and observations of Greenhouse District Project work in progress as a basis for determining conformance of such work, including incorporated materials, systems and equipment, with the Construction Documents;
14. Verify and confirm the progress of the work and the amounts requested by the General Contractor for payment;

15. Review and report to Provident-Flagship, Greenhouse LLC and LSU concerning any Greenhouse District Project Change Orders and their costs, as well as any circumstances which might increase the Guaranteed Maximum Price or extend the Substantial Completion Date;
16. Coordinate Greenhouse District Project Site safety with LSU;
17. Assist Provident-Flagship, Greenhouse LLC and LSU in the transition of the Greenhouse District Project from the Development phase to move-in; and
18. Upon Substantial Completion, deliver to Provident-Flagship all available warranties concerning the Greenhouse District Project (including without limitation any of the Services) extended by the General Contractor, Consultants, and Suppliers, fully assigned to Provident-Flagship or any other entity which Provident-Flagship may designate.

**EXHIBIT 7**

**DEVELOPMENT BUDGET**

**Construction Budget:** **Total**

**A = Total Construction Contract Amount**

**Soft Cost Budget:**

- Marketing/Promotional Materials
- Accounting & Legal Fees during Construction Phase
- RISE's Counsel Fees
- Architect's Fee
- Civil, Survey, Soils and Environmental
- Construction Management
- Permitting Fees
- General Conditions
- Furniture, Fixtures, & Equipment
- Technology
- Developer's Greenhouse District Project Contingency

**B = Total Soft Cost Budget Amount**

**C = Guaranteed Maximum Price (A + B)**

**D = Development Fee**

**E = Total Development Budget Amount (C + D)**

**TOTAL**

\_\_\_\_\_

\_\_\_\_\_

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**EXHIBIT 8**

**DEVELOPMENT SCHEDULE**

**EXHIBIT 9****GREENHOUSE DISTRICT PROJECT SCHEDULE**

The Construction Schedule for the Greenhouse District Project is set forth in the Construction Document listed below, copies of which shall be available to the Parties via Dropbox on or before \_\_\_\_\_, 2019, at the following link (the "Dropbox Link"):

[\*\*<https://www.dropbox.com/sh/87np74zohneuffe/AACqhXbF5P3959P0tWVSRHzYa?dl=0>\*\*]

Each Party shall be responsible to print/download its own copies of the Construction Schedule. The Dropbox Link shall remain open and accessible until Final Completion of the Greenhouse District Project.

1. Standard Form of Agreement between Owner and Contractor (AIA Document A102-2007 between RISE Tigers, LLC (the "Developer") and The Lemoine Company, LLC ("Lemoine"), dated as of \_\_\_\_\_ 1, 2019, together with the General Conditions of the Contract for Construction (AIA Document A201-2007) between the Developer and Lemoine.

**EXHIBIT 10****INSURANCE REQUIREMENTS****§1.1 RISE'S LIABILITY INSURANCE**

**§1.1.1** RISE shall procure and maintain, and RISE shall require its Contractors to procure and maintain, for the duration of the Agreement the following minimum required insurance limits, as specifically set forth in §§ 1.2-1.5 below, with insurers financially acceptable and lawfully authorized to do business in Louisiana with a current A.M. Best rating of no less than A-VII, unless otherwise approved in writing by Provident-Flagship. Provident-Flagship shall implement a Project Owner Controlled Insurance Program ("OCIP"), as set forth in § 2.1 below, with General Liability, Excess Liability, and Pollution Liability Insurance to provide coverage for work performed (including the Services) at the Greenhouse District Project Site. Accordingly, RISE and its Contractors of every tier must provide General Liability, and RISE and its General Contractor must also provide Umbrella Insurance, to provide coverage for their respective offsite operations. As for requirements of RISE's General Contractor's Subcontractors, unless Provident-Flagship and RISE have agreed in writing prior to subcontract execution that different coverages and limits will be acceptable from such Subcontractors, either on a tiered basis with specific criteria or on a case-by-case basis, the requirements set forth in this Exhibit 10 shall apply. Only exceptions consistent with commercially reasonable risk management practices will be approved.

**§ 1.1.2** Provident-Flagship shall have the right, but not the duty, to procure and maintain insurance coverage required to be provided by RISE should RISE fail to procure and maintain such insurance. In such event, Provident-Flagship shall be entitled to recover the damages associated with RISE's failure to procure and maintain the required insurance, including, but not limited to, a set-off against any damages otherwise due to RISE under the Agreement to reimburse such costs to procure and maintain the insurance.

**§ 1.1.3** If Provident-Flagship is damaged by RISE's failure to purchase or maintain insurance required under this Exhibit 10, then RISE shall bear all damages (including attorneys' fees, paralegal fees, consultant fees and court and settlement expenses) properly attributable to its failure to purchase or maintain the insurance, which damages may be set-off against any sums otherwise due to RISE under the Agreement, in addition to all other rights or remedies available to Provident-Flagship under the Agreement and Governmental Regulations.

**§ 1.1.4** RISE shall cause its General Contractor to require each Subcontractor of every tier to comply with the insurance requirements set forth in this Exhibit 10.

**§1.2 MINIMUM SCOPE OF INSURANCE**

Insurance coverage required of RISE, the General Contractor and the Subcontractors shall be written for not less than the extent and policy limits of liability specified here or as required by law, whichever are greater:

**§1.2.1** Workers' Compensation Insurance as is required by Louisiana law. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless RISE or, if applicable, its Contractors can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. Pursuant to and in accordance with Louisiana Worker's Compensation Act, La. R.S. 23:1021, *et seq.*, including but not limited to La. R.S. 23:1061, the General Contractor and all Subcontractors shall agree that a statutory employer relationship exists between Contractor and Subcontractor's employees. The General Contractor and Subcontractors shall agree that all work performed by each Subcontractor and its employees is part of the General

Contractor's trade, business or occupation and is an integral part of and is essential to the ability of the General Contractor to generate the General Contractor's goods, products and services. Contractor and Subcontractor shall agree that the General Contractor is the principal and statutory employer of each Subcontractor's employees. The above notwithstanding, Subcontractors shall remain solely and primarily responsible and liable for the payment of Louisiana worker's compensation benefits and insurance premiums to and for its employees and shall not be entitled to any contribution or indemnity for any such payments from Owner or General Contractor. These provisions shall be inserted into all contracts between the General Contractor and each of its Subcontractors. If the Workers' Compensation Insurance provided in accordance herewith exempts officers and directors from such insurance, such officers and directors shall not be allowed in those Greenhouse District Project Site areas, including ingress and egress, to which this Workers' Compensation coverage would apply.

**§1.2.2** Employers Liability Insurance applying to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

**§1.2.3** Automobile Liability Insurance covering liability pursuant to Symbol 1, including hired and non-hired, arising from the use or operation of the autos described in this symbol operated or used by or on behalf of RISE or its General Contractor or Subcontractors. If there are no owned autos, then symbols 8 and 9 providing hired and non-owned coverage are sufficient.

**§1.2.4** Commercial General Liability Insurance on a broad form, occurrence coverage basis against claims for offsite activities for bodily injury, death, and property damage (including loss of use), products completed operations, personal injury, and advertising injury, including coverage at least as broad as the 1993 Insurance Service Office Commercial General Liability Policy form GC 001 as respects Blanket Contractual Liability, XCU, and Broad Form Property Damage or its equivalent. Other than standard exclusions applicable to asbestos, employment practices, ERISA and professional liability, there shall be no limitations or exclusions beyond those contained in the standard policy forms which apply to property damage, products and completed operations, contractual liability, Construction defects or subsidence. Unacceptable exclusions include, but are not limited to, exclusions for damage to work performed by subcontractors on RISE's behalf (e.g., CG 22 94 or CG 22 95); for contractual liability (e.g., CG 21 39); employee versus employee; explosion; collapse and underground; and for known loss. Such coverage shall protect RISE and Provident-Flagship, as well as LSU, Greenhouse LLC, LSUREF, the Trustee, and each such Person's directors, officers, and employees as Additional Insureds, against claims arising from sickness, disease, death or injury to persons, and/or physical damage to tangible property, including loss of use, which arise from the performance of the Services by or on behalf of RISE, its General Contractor, Design Professionals, and their agents, representatives, employees or subcontractors.

**§1.2.5** 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. RISE or its General Contractor shall maintain umbrella liability insurance as shown below. Endorsements shall include Pay on Behalf of Wording; Concurrency of Effective Dates with Primary; Aggregates: Follow Form Primary; and Drop Down Feature.

**§1.2.6** Professional Liability Insurance – If the Services include engineering, architectural, Design or other professional services, the party performing such services shall secure and maintain a policy to cover wrongful acts made by such party providing any such professional services while such services are being completed. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement of professional services rendered on the Greenhouse District Project Site through the completion of such services.

**§1.2.7** Tools, Equipment and Materials – Tools, equipment and materials belonging to RISE or the Contractors or used by or on behalf of RISE or any Contractor for performance of the Services which are not intended to become a permanent part of the completed Services whether any of the foregoing are

owned, leased, rented, borrowed or used shall be brought to and kept at the Greenhouse District Project Site at the sole cost, risk and expense of RISE or the applicable Contractor and Provident-Flagship shall not be liable for loss or damage thereto and responsibility for obtaining insurance coverage for the physical loss or damage to any of the foregoing shall remain the responsibility of RISE and the applicable Contractors.

### **§1.3 MINIMUM LIMITS OF INSURANCE**

The limits below apply to coverages required to be provided by RISE and its Contractors pursuant to § 1.2 for offsite activities and for such risks that are not covered by the OCIP (i.e., Workers' Compensation and Auto). The minimum limits of liability are stated below or shall be the limit carried, whichever is greater.

### **§ 1.4 DEDUCTIBLES AND SELF-INSURED RETENTIONS**

The funding of deductibles and self-insured retentions for insurance maintained by RISE or its Contractors under this § 1 as apply to General Liability and Umbrella Liability, and which cover off-site risks, shall be the sole responsibility of the party procuring the insurance, including any amounts applicable to deductibles or self-insured retentions applicable to claims involving any additional insured entity. Funding of deductibles and self-insured retentions for insurance required to cover on-site risks under this § 1 and procured and maintained by RISE or its Contractors are reimbursable consistent with the terms of this Development Agreement. Funding of deductibles and self-insured retentions for insurance required to cover on-site risks under this § 1 and procured and maintained by an entity other than Provident-Flagship (including, but not limited to, RISE, the General Contractor, and any Subcontractors) shall be the sole responsibility of the entity that procured the insurance. These self-insured retentions and deductibles shall be subject to the approval and acceptance of Provident-Flagship, LSU, Greenhouse LLC, and the LSUREFF. Notwithstanding anything to the contrary, LSU, Greenhouse LLC, the LSUREFF, Provident-Flagship, the Trustee, and their successors and assigns shall have the right, but not the obligation, to pay any deductible or self-insured retention in order to qualify RISE or the Contractors to recover under any insurance policy required by the Agreement. RISE or the Contractors shall reject any self-insured retention endorsement that would limit the right of LSU, Greenhouse LLC, the LSUREFF, Provident-Flagship, the Trustee, or their successors and assigns to make such payment. RISE or its Contractor, whichever entity procured the insurance, shall remain liable to reimburse LSU, Greenhouse LLC, the LSUREFF, Provident-Flagship, the Trustee, their successors and assigns or other payor for such payments made to qualify RISE or its Contractor for coverage under the applicable policy. If the payments were made by Provident-Flagship, LSU, Greenhouse LLC, the LSUREFF, or the Trustee, then Provident-Flagship may, in addition to its other rights and remedies under the Agreement and Governmental Regulations, set-off the amount of such payments against any sums due to RISE under the Agreement.

### **§ 1.5 ADDITIONAL INSURANCE POLICY REQUIREMENTS**

Insurance provided by RISE and its Contractors as set forth herein shall contain the following additional provisions:

1. Additional Insured –To the fullest extent permitted by Governmental Regulations, Provident-Flagship; LSU; Greenhouse LLC; LSU Foundation; LSUREFF; and their successors, assigns, parents, subsidiaries, and related and affiliated entities, and the Trustee shall be additional insureds on the above-referenced Commercial General Liability, Automobile Liability, and Umbrella or Excess Liability policies as respects claims or liabilities which result from the negligence, intentional acts or omissions arising from or related to the work operations and completed operations of RISE and the Contractors, and those of the employees, Subcontractors,

and others acting on behalf or at the direction of RISE and the Contractors. The additional insured endorsements shall be at least as broad as the Insurance Services Offices forms CG 20 10 and CG 20 37, 7/04 edition forms, through the period of repose. All policies shall name the Trustee as a loss payee under the Standard 438BFU Lender's Loss Payable Endorsement for the Trustee to deposit such net proceeds in accordance with the Bond Documents.

2. Primary Coverage – The General Liability and Umbrella Liability insurance required in this Exhibit from RISE or the Contractors shall be primary/non-contributory insurance for off site risks. The OCIP provided by Provident, which includes General Liability, Excess Liability, and Pollution Liability shall be primary and non-contributory for on-site activities. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its officers, employees, agents, or other representatives.
3. Severability of Interest - Except with respect to the limits of insurance, insurance required hereunder to be provided by RISE or the Contractors under this Section shall apply separately to each insured or additional insured.
4. Notice of Cancellation – RISE shall provide thirty (30) days' written notice to LSU, Greenhouse LLC, the LSUREFF, Provident-Flagship, and to the Trustee by certified mail, return receipt requested, prior to any suspension, cancellation or non-renewal of the required insurance. Notice of cancellation from the insurer shall be provided in accordance with policy provisions.
5. Waiver of Subrogation – RISE agrees, and will require its Contractors to agree, to waive subrogation in their required insurance policies in favor of LSU, Greenhouse LLC, the LSUREFF, Provident-Flagship, the Trustee, and their subsidiaries, affiliates, directors, officers, and employees in the scope of employment, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:
  - (a) To real or personal property, such as vehicles, equipment, and tools owned, leased or used by RISE, the General Contractor or employees, agents or Subcontractors of either of them; and
  - (b) To the extent such loss, damage, claims, suits or demands are covered, or should be covered, by the required or any other insurance (except professional liability to which this requirement does not apply) maintained by RISE or the Contractors. This waiver shall apply to all first-party property, equipment, vehicle and worker's compensation claims (unless prohibited under applicable statutes), and all third party liability claims. This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance (except professional liability to which this requirement does not apply), maintained by RISE. RISE agrees to endorse the required insurance policies to permit waivers of subrogation in favor of Provident-Flagship, LSU, Greenhouse LLC, the LSUREFF, and the Trustee as required hereunder. RISE further agrees to defend, indemnify and hold harmless Provident-Flagship, LSU, Greenhouse LLC, the LSUREFF and the Trustee for any loss or expense incurred as a result of RISE's failure to obtain such waivers of subrogation from RISE's insurers.
6. All Contractors are subject to the same minimum insurance requirements as required of RISE for Commercial General Liability for offsite activities, Automobile Liability and Worker's Compensation coverage unless otherwise approved by Provident as set forth in § 1.1.1 above.
7. RISE and the Contractor shall not violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under the Agreement, including those provided by Provident-Flagship or on its behalf.

## **§ 1.6 VERIFICATION OF CONTRACTOR-PROVIDED INSURANCE**

**§ 1.6.1** RISE shall furnish to Provident-Flagship and shall require the Contractors of every tier to furnish to Provident-Flagship, a certificate of insurance on the most current edition of the ACORD form evidencing the required coverage prior to the commencement of Services or operations at or on the Greenhouse District Project Site. RISE shall provide renewal certificates to Provident-Flagship. At the request of Provident-Flagship, RISE shall promptly direct its broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by the Agreement.

**§ 1.6.2** Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. RISE shall promptly deliver to Provident-Flagship copies of written endorsements that are subsequently issued amending coverage or limits upon RISE's receipt or upon written demand by Provident-Flagship.

**§ 1.6.3** Failure of Provident-Flagship to request certificates or identify deficiencies shall in no way limit or relieve RISE or the Contractors of their obligations to maintain such insurance. Failure of RISE to maintain the required insurance or to require the Contractors to maintain the required insurance shall constitute a default under the Agreement and, at Provident-Flagship's option, shall allow Provident-Flagship to withhold payment, and/or purchase the required insurance at RISE's expense. Provident-Flagship's acceptance of a non-conforming insurance certificate shall not constitute a waiver, compromise or release of Provident-Flagship's rights.

## **§ 1.7 NO REPRESENTATION OF COVERAGE ADEQUACY**

**§ 1.7.1** In specifying minimum RISE insurance requirements, Provident-Flagship does not represent that such insurance is adequate to protect RISE for loss, damage or liability arising from its Services. RISE is solely responsible to inform itself of the types or amounts of insurance it may need beyond these requirements to protect itself. The insurance requirements set forth in minimum amounts shall not be construed to relieve RISE for liability in excess of such coverage, nor shall it preclude Provident-Flagship from taking such other actions as are available to it under any other provision of the Agreement.

**§1.7.2** RISE's compliance with the minimum insurance requirements contained in this Article shall not relieve RISE from liability under any indemnity or other provision set forth in the Contract Documents or limit its liability under the Contract Documents or Governmental Regulations.

**§1.7.3** Provident-Flagship may require RISE at any time and from time to time during the term of the Agreement to obtain and maintain in force and effect additional insurance coverage or limits in addition to those described in this Article provided that any such additional insurance required shall be considered a Greenhouse District Project expense.

## **§ 1.8 OWNER-PROVIDED INSURANCE**

### **§ 1.8.1 PROPERTY INSURANCE – BUILDER'S RISK INSURANCE**

Provident-Flagship has procured or caused to be procured a builder's risk property insurance policy for the Greenhouse District Project for the full cost of replacement at the time of the loss. The insurance is provided by a company or companies lawfully authorized to do business in Louisiana and the builder's risk policy insures against loss of direct physical loss, damage, or destruction by fire (with extended coverage), theft, vandalism, terrorism, malicious mischief, collapse, flood, earthquake, windstorm, falsehood, testing and startup, temporary buildings and debris removal including but not limited to demolition occasioned by enforcement of any applicable legal requirements and the value of related soft

costs occurring during the policy period, except as excluded, to the property described and insured in the policy. **The builder's risk policy shall be in the amount of the initial Guaranteed Maximum Price as indicated in Exhibit 7, plus the value of subsequent Agreement modifications and cost of materials supplied or installed by others, comprising the total Guaranteed Maximum Price.** The policy shall be endorsed to allow RISE to grant access to any vendor to deliver and install furniture, furnishings, and equipment, to allow partial or complete occupancy by Provident-Flagship, and to permit completion of performance by RISE and the Contractors of every tier. Such insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until Final Payment has been made as provided or until no person or entity other than Provident-Flagship has an insurable interest in the Greenhouse District Project, or when Provident-Flagship effects permanent property coverage. RISE, its General Contractor, and their respective Subcontractors of every tier shall be an additional named insured for their respective interests on Provident-Flagship's Builder's Risk insurance policy and shall comply with conditions and written safety requirements of the underwriters, including but not limited to providing appropriate security measures in the form of personnel and/or security camera systems on the Greenhouse District Project Site at all times; having in place: a site specific fire prevention/protection plan; an industry standard flammable liquid storage plan; an industry standard waste management plan; an industry standard hot works plan including provisions for fire watch, fire extinguishers and fire blankets as part of the plan; preparations in place for compartmentalization and fire breaks; smoking controls; and other safety measures as standard in the construction industry. With respect to the Builder's Risk Insurance, RISE, its General Contractor, and their respective Subcontractors of every tier shall allow on-site job site safety inspections by the insurance carrier and its representatives, including the broker representatives. Provident or its underwriter has no requirement to do so, but may notify RISE of deficiencies related to safety as well as outlining corrective actions required. Once this notice is delivered to RISE, this will be deemed sufficient notice of non-compliance and corrective action required. For life safety issues, RISE shall be required to address as soon as is possible, even immediately, depending on the seriousness of the violation; for all other safety issues, RISE will be required to address at their earliest convenience, but not less than 30 days. If RISE fails or refuses to take corrective action promptly, Provident may, without prejudice to other legal or contractual rights, issue an order stopping all or part of the on-going work. Work will not resume until compliance is met. RISE will maintain an accurate record of all accidents and incidents impacting the Builders Risk policy, including reporting losses in accordance with the Claims reporting requirements outlined in the Insurance Manual. Builder's Risk insurance shall be on an "all-risk" or equivalent policy form, as "all-risk" is defined and interpreted according to Governmental Relations. The policy shall waive subrogation by endorsement and such waiver of subrogation shall be effective as to a party even though such party may have a duty to indemnify the other, by contract, law, or equity; did not pay for such builder's risk coverage; or whether such party had an insurable interest in the damaged property. The policy 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.

**§1.8.1.1** If Provident-Flagship does not intend to purchase such property insurance required by the Agreement and with all of the coverages in the amount described above, Provident-Flagship shall so inform RISE in writing prior to commencement of the Services. RISE may then procure insurance that shall protect the interests of RISE and the Contractors of any tier in the Services, and by appropriate Change Order the cost thereof shall be charged to Provident-Flagship.

**§1.8.1.2** For any losses which are covered by the Builder's Risk insurance policy, RISE shall be liable for deductibles which are in the amounts of Two Hundred Fifty Thousand Dollars (\$250,000.00) for Named Windstorm; Fifty Thousand Dollars (\$50,000.00) for design, workmanship and materials; and Twenty-Five Thousand Dollars (\$25,000.00) each per occurrence for flood, for earthquake, or for all other perils..

**§1.8.1.3** This Builder's Risk property insurance shall cover portions of the Services stored off the site and also portions of the Services in transit.

## **§1.9 POLLUTION LIABILITY**

**§1.9.1.1** Provident-Flagship has procured or has caused to be procured a pollution liability insurance policy for the Greenhouse District Project Site. The insurance is provided by a company or companies lawfully authorized to do business in Louisiana. Pollution liability insurance limits are Ten Million Dollars (\$10,000,000.00) per occurrence, Ten Million Dollars (\$10,000,000) aggregate and Ten Million Dollars (\$10,000,000) products and completed operations aggregate.

**§1.9.1.2** If Provident-Flagship does not intend to purchase such pollution liability insurance described in this Section with all of the coverages in the amount described above, Provident-Flagship shall so inform RISE in writing prior to commencement of the Services. RISE may then procure insurance that shall protect the interests of RISE and the Contractors in the Services, and by appropriate Change Order the cost thereof shall be charged to Provident-Flagship.

**§1.9.1.3** For any losses RISE causes or contributes to which are covered by the pollution liability insurance policy, RISE shall be liable for deductibles up to the amount of Fifty Thousand Dollars (\$50,000.00) per occurrence to the extent that any loss and/or damage arises or results in whole or in part from the acts, conduct and /or omissions of RISE, the Contractors or any Consultant.

## **§1.10 WAIVERS OF SUBROGATION**

**§1.10.1** Provident-Flagship and RISE waive all rights against (1) each other (including, without limitation, their affiliates, related entities, successors and assigns), RISE's General Contractor, and any of their Subcontractors, sub-subcontractors, agents and employees, each of the other (2) against RISE's Architect, Architect's consultants, separate contractors, if any, and any of their Subcontractors, sub-subcontractors, agents and employees, each of the other, and (3) LSU, Greenhouse LLC, LSUREFF, their successors, assigns, parents, subsidiaries, and related and affiliated entities, and the Trustee for damages caused by fire or other causes of loss to the extent covered by property insurance obtained under this Section or other property insurance applicable to the Services, except such rights as they have to proceeds of such insurance held by Provident-Flagship upon adjustment and payment of the claims by the insurer. The policies shall provide such waivers of subrogation by endorsement. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

**§1.10.2** A loss insured under Provident-Flagship's property insurance shall be adjusted by the insurer and made payable to the Trustee for the insureds, as their interests may appear, subject to requirements of the Bonds. The Trustee shall pay the insureds their just shares of insurance proceeds received by the Trustee and mutually agreed upon by the respective insureds, and by appropriate agreements, written where legally required for validity, shall require Contractors to make payments to their Subcontractors in similar manner.

## **§ 2.1 OWNER CONTROLLED INSURANCE PROGRAM**

**§ 2.1.1** Provident-Flagship has established an Owner's Controlled Insurance Program ("OCIP") providing General Liability and Excess Liability for on-site risks covering RISE, the Contractors of any tier and such other persons or interests as Provident-Flagship may designate as insured parties under the program. Provident-Flagship requires RISE and the Contractors of every tier to seek enrollment directly in the OCIP, subject only to the OCIP Administrator's acceptance for enrollment in the OCIP. RISE shall require each Contractor of every tier to apply for enrollment through the OCIP Administrator. Once

enrolled, RISE and the Contractors of every tier shall be an insured under the OCIP policies. Provident-Flagship's and RISE's responsibilities to enroll and comply with the other disclosure and claims requirements of the OCIP are addressed in the OCIP Insurance Manual (the "Manual") attached as **Exhibit 21** to the Agreement and to be distributed with the Contract Documents.

**§ 2.1.2** OCIP coverage shall only apply to RISE and its Contractors of every tier who are enrolled in the OCIP and shall not apply to suppliers, materialmen and others who merely transport, pickup, deliver, or carry materials, personnel, parts or equipment or any other items or persons to or from the Greenhouse District Project. In addition, coverage shall only apply to those operations at the Greenhouse District Project in connection with the Services required by the Agreement.

**§ 2.1.3** RISE shall participate and enroll in the OCIP and shall comply with all administrative, insurance, and safety requirements as outlined in the Manual. The failure of Provident-Flagship to include the Manual with the Agreement shall not relieve RISE of any of the obligations contained in the Manual. RISE shall complete all enrollment procedures and shall request copies of the Manual if they are omitted from the Contract Documents. RISE shall require its Contractors of every tier to enroll and to request copies of the Manual if it is omitted from the Contract Documents transmitted. Regardless of the requirements in the Manual or elsewhere in the Agreement, RISE shall at all times be solely responsible to maintain a safe and drug-free working environment consistent with Federal, state and local requirements.

**§ 2.1.4** RISE and the Contractors at all tiers agree to comply with the conditions of the insurance policies provided under the OCIP.

**§ 2.1.5** Provident-Flagship assumes no obligation to provide insurance other than the insurance referenced in the Manual. RISE shall review the coverages and policies and satisfy itself that the coverages meet the needs of RISE. Provident-Flagship, however, reserves the right to furnish other coverage of various types and limits provided that such coverage shall not be less than that specified in the Agreement. The cost of the premiums for the OCIP insurance shall be paid by Provident-Flagship or on its behalf. Provident-Flagship shall receive and pay, as the case may be, all adjustments in these costs, whether by way of dividends, audits or otherwise to reimburse any portions of those premiums paid. RISE and enrolled Contractors at any tier shall execute any instruments of assignment as may be necessary to permit Provident-Flagship receipt of these adjustments. The furnishing of insurance by Provident-Flagship through the OCIP shall in no way relieve or limit or be construed to relieve or limit RISE of any responsibility or obligation whatsoever otherwise imposed by the Agreement, except that RISE shall be relieved of the responsibility to provide those insurance coverages provided under the OCIP. RISE acknowledges that Provident-Flagship is not an Agent, Partner or Guarantor of the OCIP insurance carriers and is not responsible for any claims or disputes between RISE and the insurance carriers. Any type of insurance coverage or increase in limits not described above which RISE requires for its own protection or on account of statute shall be the responsibility of RISE and at its own expense.

**§ 2.1.6** If Provident-Flagship, for any reason, is unable to furnish coverage or elects to discontinue the insurance program or requests that a RISE no longer participate in the program, Provident-Flagship shall give written notice to RISE that its coverages required in § 1.1 shall be in force and effect in place of coverages provided under the OCIP.

**§ 2.1.7** RISE shall participate in the OCIP and RISE's compensation shall be adjusted to reflect an initial deduction for insurance provided by Provident-Flagship's OCIP. The initial deduction shall be stated as such and set forth in the Agreement or evidenced by a deductive Change Order, where appropriate. RISE represents and warrants the accuracy of the information used to calculate the initial deductive Change Order and agrees that Provident-Flagship or OCIP insurance representatives may audit RISE's and enrolled Contractors' of any tier records and insurance agreements at any time to determine or to confirm the accuracy of any and all allowable insurance credits given in connection with the Services or Scope

Changes performed under the Agreement. RISE further represents and agrees that Provident-Flagship is entitled to and may collect additional insurance credits as additional deductive Change Orders resulting from any changes in the Services or from the above mentioned audits of RISE and its approved Contractor of any tier.

**EXHIBIT 11****PRINCIPAL CONSULTANTS' INSURANCE REQUIREMENTS****§1.1 RISE'S DESIGN PROFESSIONAL'S LIABILITY INSURANCE**

**§1.1.1** RISE shall require its Design Professionals to procure and maintain, for the duration of the Agreement, the following minimum required insurance limits, as specifically set forth in §§ 1.2-1.5 below, with insurers financially acceptable and lawfully authorized to do business in Louisiana with a current A.M. Best rating of no less than A-VII, unless otherwise approved in writing by Provident-Flagship and RISE prior to subcontract execution. As for requirements of RISE's Design Professional's consultants, unless Provident-Flagship and RISE have agreed in writing prior to subconsultant contract execution that different coverages and limits will be acceptable from such subconsultants, either on a tiered basis with specific criteria or on a case-by-case basis, the requirements set forth in this Exhibit shall apply. Only exceptions consistent with commercially reasonable risk management practices will be approved.

**§ 1.1.2** Provident-Flagship shall have the right, but not the duty, to procure and maintain insurance coverage required to be procured and maintained by RISE's Design Professionals and their respective Consultants in this Section should RISE fail to cause such Design Professionals and their respective Consultants to procure and maintain such insurance. In such event, Provident-Flagship shall be entitled to recover the costs and damages associated with RISE's failure to cause to be procured and maintained the required insurance, including, but not limited to, a set-off against any sums otherwise due to RISE under the Agreement to reimburse such costs to procure and maintain the insurance.

**§ 1.1.3** If Provident-Flagship is damaged by RISE's failure to purchase or maintain insurance required under this Exhibit, then RISE shall bear all costs and damages (including reasonable attorneys' fees, paralegal fees, consultant fees and court and settlement expenses) properly attributable to its failure to cause to be purchased or maintained the insurance, which costs and damages may be set-off against any sums otherwise due to RISE under the Agreement, in addition to all other rights or remedies available to Provident-Flagship under the Agreement and Governmental Regulations.

**§ 1.1.4** RISE shall cause each Design Professional of every tier to comply with the insurance requirements set forth in this Exhibit.

**§1.2 MINIMUM SCOPE OF INSURANCE**

Insurance coverage required to be procured by RISE's Design Professionals shall be written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

1. Workers' Compensation Insurance as is required by Louisiana law. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless RISE's Design Professionals can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. Pursuant to and in accordance with Louisiana Worker's Compensation Act, La. R.S. 23:1021, *et seq.*, including but not limited to La. R.S. 23:1061, the General Contractor and all Subcontractors shall agree that a statutory employer relationship exists between Contractor and Subcontractor's employees. The General Contractor and Subcontractors shall agree that all work performed by each Subcontractor and its employees is part of the General Contractor's trade, business or occupation and is an integral part of and is essential to the ability of the General Contractor to generate the General

Contractor's goods, products and services. Contractor and Subcontractor shall agree that the General Contractor is the principal and statutory employer of each Subcontractor's employees. The above notwithstanding, Subcontractors shall remain solely and primarily responsible and liable for the payment of Louisiana worker's compensation benefits and insurance premiums to and for its employees and shall not be entitled to any contribution or indemnity for any such payments from Owner or Contractor. These provisions shall be inserted into all contracts between the General Contractor and each of its subcontractors. If RISE's Worker's Compensation Insurance exempts officers and directors from such insurance, such officers and directors shall not be allowed in those Greenhouse District Project areas, including ingress and egress, to which this Worker's Compensation coverage would apply.

2. Employer Liability Insurance applying to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.
3. Automobile Liability Insurance covering liability pursuant to Insured Symbol 1, including hired and non-owned, arising from the use or operation of the autos described in this symbol, operated or used by or on behalf of RISE or RISE's Design Professionals. If there are no owned autos, then Symbols 8 and 9 providing hired and non-owned coverage are sufficient.
4. Commercial General Liability Insurance on a broad form occurrence coverage basis against claims for bodily injury, death, and property damage (including loss of use), products completed operations, personal injury, and advertising injury, including coverage at least as broad as the 1993 Insurance Services Office Commercial General Liability Policy form CG 0001 as respects Blanket Contractual Liability and Broad Form Property Damage or its equivalent. Other than standard exclusions applicable to asbestos, employment practices, ERISA and professional liability, there shall be no limitations or exclusions beyond those contained in the standard policy forms which apply to property damage, products and completed operations, contractual liability, Construction defects or subsidence. Unacceptable exclusions include, but are not limited to: exclusions for damage to work performed by Subcontractors on RISE's behalf (e.g., CG 22 94 or CG 299 95); for contractual liability (e.g., CG 2139); employee versus employee; explosion, collapse and underground; and for known loss. Such coverage shall protect RISE and Provident-Flagship, as well as LSU, Greenhouse LLC, LSUREFF, the Trustee, and each such party's members, directors, officers, and employees as Additional Insureds for both on-going and completed operations, against claims arising from sickness, disease, death or injury to persons, and/or physical damage to tangible property, including loss of use, which arise from the performance of the Design services hereunder by or on behalf of RISE's Design Professionals, and their agents, representatives, employees or subconsultants and from any other coverage standard in the General Liability contract of insurance.
5. Professional Liability Insurance –Such policy shall cover wrongful acts made by or on behalf of each Design Professional providing any services on the Greenhouse District Project. Claims-made coverage is permitted, provided the policy retroactive date is continuously maintained prior to the commencement of professional services rendered on the Greenhouse District Project through the applicable statute of repose period.

### **§1.3 MINIMUM LIMITS OF INSURANCE**

The limits below apply to coverages not covered by the OCIP (i.e., Workers' Compensation and Auto) and for coverages related to the entities' offsite operations. The minimum limits of liability are stated below or shall be the limit carried, whichever is greater.

<u>Type of Insurance</u>	<u>Minimum Limits Required (Per Claim/Occurrence)</u>	<u>Minimum Limits Required (Aggregate Policy Limits)</u>
1. Workers' Compensation	Statutory Limits	Statutory Limits
2. Employer Liability (bodily injury by accident)	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
3. Commercial Auto Liability (no deductible in excess of \$5,000 unless otherwise agreed by Provident-Flagship in writing as provided for in Section 1.1.1)	\$1,000,000 Combined single limit/each accident	N/A
4. Commercial General Liability	\$1,000,000	\$2,000,000
a. Bodily Injury/Property Damage	\$1,000,000	\$2,000,000
b. Products/Completed Operation	\$1,000,000	\$2,000,000
c. Personal and Advertising Injury	\$1,000,000	\$2,000,000
d. Medical Expense limit (any one person)	\$10,000	
5. Professional General Liability Insurance for Design Professional, if applicable	\$5,000,000	\$5,000,000

**§ 1.4 DEDUCTIBLES AND SELF-INSURED RETENTIONS**

The funding of deductibles and self-insured retentions for insurance maintained by RISE’s Design Professional under this § 1 shall be the sole responsibility of the party procuring the insurance, including any amounts applicable to deductibles or self-insured retentions applicable to claims involving any additional insured entity. These self-insured retentions and deductibles shall be acceptable to Provident-Flagship and to LSU, Greenhouse LLC, and LSUREFF. Notwithstanding anything to the contrary, LSU, Greenhouse LLC, LSUREFF, Provident-Flagship, the Trustee, and their successors and assigns shall have the right, but not the obligation, to pay any deductible or self-insured retention in order to qualify RISE or its Consultant to recover under any insurance policy required by the Agreement. Funding of deductibles and self-insured retentions for insurance required under this Section and procured and maintained by an entity other than Provident-Flagship (including, but not limited to, RISE or its Design Professional) shall be the sole responsibility of the entity that procured the insurance. RISE or its Consultant shall reject any self-insured retention endorsement that would limit the right of LSU, Greenhouse LLC, LSUREFF, Provident-Flagship, the Trustee, or their successors and assigns to make such payment. RISE or its Consultant, whichever entity procured the insurance, shall remain liable to reimburse LSU, Greenhouse LLC, LSUREFF, Provident-Flagship, the Trustee, their successors and assigns or other payor for such payments made to qualify RISE or its Consultant and subconsultants for coverage under the applicable policy. If the payments were made by Provident-Flagship, then Provident-Flagship may, in addition to its other rights and remedies under the Agreement and Governmental Regulations, set-off the amount of such payments against any sums due to RISE under the Agreement.

**§ 1.5 ADDITIONAL INSURANCE POLICY REQUIREMENTS**

Insurance coverage required to be procured and maintained by RISE and its Design Professionals shall contain the following additional provisions:

1. Additional Insured –To the fullest extent permitted by Governmental Regulations and to the extent of indemnity obligations assumed in this Development Agreement, Provident-Flagship; LSU; Greenhouse LLC; LSUREFF; and their successors, assigns, parents, subsidiaries, and related and

affiliated entities, and the Trustee shall be additional insureds on the above-referenced Commercial General Liability, Automobile Liability, and Umbrella Liability policies as respects claims or liabilities result from the negligence, intentional acts or omissions arising from or related to the work operations of RISE's Design Professionals, and those of the employees, subconsultants, and others acting on behalf or at the direction of such Design Professionals. The additional insured endorsements shall be at least as broad as the Insurance Services Office forms CG 20 10, 11-85 or 7/04 editions, and CG 20 37, 7/04 edition forms, through the period of repose.

2. Primary Coverage – The General Liability and Umbrella liability insurance required in this Exhibit from such Design Professional shall be primary/non-contributory insurance, and any insurance or self-insurance maintained by LSU, Greenhouse LLC, LSUREFF, or Provident-Flagship shall be excess of and non-contributory with the insurance obtained by RISE's Design Professional. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its officers, employees, agents, or other representatives.
3. Severability of Interest - Except with respect to the limits of insurance, RISE's required insurance under this Section shall apply separately to each insured or additional insured.
4. Notice of Cancellation – RISE shall provide thirty (30) days' written notice to LSU, Greenhouse LLC, LSUREFF, Provident-Flagship, and to the Trustee by certified mail, return receipt requested, prior to any suspension, cancellation or non-renewal of the required insurance. Notice of cancellation from the insurer shall be provided in accordance with policy provisions.
5. Waiver of Subrogation – RISE's Design Professionals shall agree to waive subrogation in their required insurance policies in favor of RISE, LSU, Greenhouse LLC, LSUREFF, Provident-Flagship, the Trustee, and their directors, officers, and employees in the scope of employment, and shall cause each of its consultants to waive all rights of subrogation against RISE, LSU, Greenhouse LLC, LSUREFF, Provident-Flagship and the Trustee, including directors, officers and employees in the scope of employment, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:
  - (a) To real or personal property, such as vehicles, equipment, and tools owned, leased or used by RISE or RISE's employees, agents or Design Professionals; and
  - (b) To the extent such loss, damage, claims, suits or demands are covered, or should be covered, by the required or any other insurance (except professional liability to which this requirement does not apply) maintained by RISE or its Design Professionals. This waiver shall apply to all first-party property, equipment, vehicle and worker's compensation claims (unless prohibited under applicable statutes), and all third party liability claims. This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance (except professional liability to which this requirement does not apply), maintained by RISE. RISE agrees to endorse the required insurance policies to permit waivers of subrogation in favor of Provident-Flagship, LSU, Greenhouse LLC, LSUREFF, and the Trustee as required hereunder. RISE further agrees to defend, indemnify and hold harmless Provident-Flagship, LSU, Greenhouse LLC, LSUREFF and the Trustee for any loss or expense incurred as a result of RISE's failure to obtain such waivers of subrogation from RISE's insurers.
6. All Design Professionals are subject to the same minimum insurance requirements as required of RISE for Commercial General Liability, Automobile Liability and Worker's Compensation coverage unless otherwise approved by Provident-Flagship as set forth in § 1.1.1.

7. RISE's Design Professionals shall not violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under the Agreement, including those provided by Provident-Flagship or on its behalf.

#### **§ 1.6 VERIFICATION OF CONSULTANT-PROVIDED INSURANCE**

**§ 1.6.1** RISE shall require the Design Professionals of every tier to furnish to Provident-Flagship, a certificate of insurance on the most current edition of the ACORD form evidencing the required coverage prior to the commencement of Work or operations at or on the Greenhouse District Project. RISE shall cause to be provided renewal certificates to Provident-Flagship. At the request of Provident-Flagship, RISE shall promptly direct its Design Professional's broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by the Agreement.

**§ 1.6.2** Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. RISE shall promptly cause to be delivered to Provident-Flagship copies of written endorsements that are subsequently issued amending coverage or limits upon RISE's receipt or upon written demand by Provident-Flagship.

**§ 1.6.3** Failure of Provident-Flagship to request certificates or identify deficiencies shall in no way limit or relieve RISE's Design Professionals of their obligations to maintain such insurance. Failure of RISE to require its Design Professionals and their subconsultants to maintain the required insurance shall constitute a default under the Agreement and, at Provident-Flagship's option, shall allow Provident-Flagship to withhold payment, and/or purchase the required insurance at RISE's expense. Provident-Flagship's acceptance of a non-conforming insurance certificate shall not constitute a waiver, compromise or release of Provident-Flagship's rights.

#### **§ 1.7 NO REPRESENTATION OF COVERAGE ADEQUACY**

**§ 1.7.1** In specifying minimum insurance requirements, Provident-Flagship does not represent that such insurance is adequate to protect for loss, damage or liability arising from its Work. RISE is solely responsible to inform itself of the types or amounts of insurance it may need beyond these requirements to protect itself. The insurance requirements set forth in minimum amounts shall not be construed to relieve RISE for liability in excess of such coverage, nor shall it preclude Provident-Flagship from taking such other actions as are available to it under any other provision of the Agreement.

**§ 1.7.2** Compliance with the minimum insurance requirements contained in this § 1.7 shall not relieve RISE from liability under any indemnity or other provision set forth in the Agreement or in Governmental Regulations.

**EXHIBIT 12**

**PERFORMANCE BONDS & PAYMENT BONDS**

**EXHIBIT 13****FORM OF PARENT GUARANTEE**

This GUARANTEE (this "*Guarantee*"), dated as of \_\_\_\_\_ 1, 2019, is made by RISE DEVELOPMENT, LLC, a Georgia limited liability company ("*Guarantor*"), in favor of PROVIDENT GROUP – FLAGSHIP PROPERTIES L.L.C. ("*Provident-Flagship*," and, together with Guarantor, each a "*Party*" and, collectively, the "*Parties*"). Capitalized terms used, but not otherwise defined, herein shall have the respective meanings ascribed to such terms in the Agreement (as defined below).

**RECITALS**

**WHEREAS**, Provident-Flagship and RISE Tigers, LLC ("*RISE*"), a wholly owned affiliate of the Guarantor, have entered into the Louisiana State University Greenhouse District (Phase III) Project Development Agreement dated as of \_\_\_\_\_ 1, 2019 (the "*Agreement*"), with respect to the Greenhouse District Project that is generally described and defined in Exhibits 3, 5, 6 and 18 thereof and includes the Design, Development, equipping, and Construction of two new residence halls and related facilities on the campus of Louisiana State University and Agricultural and Mechanical College which Agreement is hereby incorporated by reference in this Guarantee and made a part hereof; and

**WHEREAS**, it is a condition to Provident-Flagship and RISE entering into the Agreement that Guarantor execute and deliver this Guarantee.

**NOW THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Guarantee. Guarantor unconditionally and irrevocably guarantees the full and timely performance and payment of all obligations, amounts, duties, covenants, agreements, warranties and commitments of RISE under, arising out of, or relating to the Agreement, including, but not limited to, RISE's duties of indemnity, defense and hold harmless (collectively referred to as the "*Obligations*"). If, for any reason, RISE shall fail or be unable duly, punctually and fully to perform or pay, as and when such performance or payment is due, any of the Obligations, Guarantor shall promptly perform or pay, or cause to be performed or paid, such obligations.
2. Guarantee Absolute. Guarantor agrees that this Guarantee is a guarantee of performance and payment, and not of collection, and that Guarantor's obligations under this Guarantee shall be primary, absolute and unconditional, irrespective of, and unaffected by:
  - (a) any modification or other change in the time, manner, scope or place of performance of, or in any other term of, the Obligations, or any other modification, amendment or waiver of or to the Agreement, or any consent to departure from the Agreement;
  - (b) any change in the corporate existence, structure or ownership of RISE or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Guarantor or RISE or their respective assets; or
  - (c) any other occurrence, circumstance, happening or event whatsoever, whether foreseen or unforeseen, and any other circumstance which might otherwise constitute a legal or equitable defense, release or discharge of the liabilities of Guarantor or which might

otherwise limit recovery against Guarantor (except those legal or equitable defenses available to RISE pursuant to the Agreement).

3. Continuing Guarantee. Guarantor agrees that this Guarantee is a continuing guarantee and shall remain in full force and effect until the expiration of any statute of limitations or statute of repose on the Greenhouse District Project.
4. Waiver. Guarantor hereby waives presentment, protest, promptness, diligence, acceptance and notice of acceptance, demand (accept as provided for by the Agreement), the right, if any, to the benefit of any security held by Provident-Flagship for the performance of the Obligations, and any other notice with respect to any of the Obligations or this Guarantee.
5. Representations and Warranties. Guarantor hereby represents and warrants that Guarantor has the power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guarantee, and has taken all necessary action to authorize the execution, delivery and performance of this Guarantee.
6. Affirmative Covenants. Guarantor covenants and agrees that it will, and will cause RISE and each of Guarantor's subsidiaries, as applicable, to comply with each of the covenants set forth in the Contract and this Guarantee.
7. Waivers, Amendments, Etc. The provisions of this Guarantee may not be amended, modified, or waived, unless such amendment, modification or waiver is in writing and consented to by Guarantor and Provident-Flagship. No failure or delay on the part of Provident-Flagship in exercising any power or right under this Guarantee or the Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right.
8. Remedies. If Guarantor fails to promptly perform Guarantor's obligations under this Guarantee, Provident-Flagship may, without first requiring performance by Guarantor, bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder or pay damages for the failure to perform. The parties agree that Provident-Flagship may proceed directly against Guarantor to enforce all of its rights under this Guarantee without proceeding against or joining RISE or any other person or entity. The remedies herein provided are cumulative and not exclusive of any remedies provided by the Agreement and Governmental Regulations. No waiver or approval by Provident-Flagship under this Guarantee or the Agreement shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions.
9. Greenhouse District Project Financing. In addition to other assurances provided in this Guarantee, Guarantor acknowledges that Provident-Flagship intends to obtain financing associated with the Greenhouse District Project and Guarantor agrees to enter into any direct agreements or sign any documents the Issuer may require as part of said financing, provided such agreements or documents are customary in project financings of the type used with the Greenhouse District Project.
10. Notices. All notices, requests and communications to a Party hereunder shall be in writing (including telecopy and/or fax or similar writing) and shall be sent:

**If to Provident-Flagship:**

Donovan Hicks  
Provident Group-Flagship, LLC  
5565 Bankers Avenue  
Baton Rouge, LA 70808  
Telephone: (225)766-3977  
Fax: (225) 766-398  
Email: dohicks@provident.org

**If to the Guarantor:**

Mr. Gregory R. Blais  
RISE Development, LLC  
129 N. Patterson St.  
Valdosta, Georgia 31601  
Telephone: (229) 244-2800  
Fax: (229) 219-8125  
Email: gblais@risere.com

with a copy to:

P. Ragan Richard, Esq.  
Phelps Dunbar, LLP  
400 Convention Street, Suite 1100  
Baton Rouge, LA 70802-5618  
Telephone: (225) 376-0227  
Fax: (225) 381- 9197  
Email: ragan.richard@phelps.com

with a copy to:

Mr. Justin S. Scott, Esq.  
Coleman Talley LLP  
910 N. Patterson Street  
Valdosta, Georgia 31601  
Telephone: (229) 242-7562  
Fax: (229) 333-0885  
Email: justin.scott@colemantalley.com

and

Mr. Bryan Benchoff  
Executive Director  
LSU Real Estate and Facilities Foundation  
3796 Nicholson Dr.  
Baton Rouge, LA 70802  
Telephone: (225) 578-8180  
Fax: (225) 578-0530  
Email: bryan.benchoff@lsufoundation.org

and

Daniel T. Layzell  
Executive Vice President for Finance  
and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College  
330 Thomas Boyd Hall  
Baton Rouge, Louisiana 70803  
Telephone: (225) 578-3386  
Fax: (225) 578-5403  
Email: dlayzell@lsu.edu

or to such other address or telecopy number and with such other copies, as such Party may hereafter reasonably specify by written notice to the other Parties. Each such notice, request or communication shall be effective upon receipt, provided that if the day of receipt is not a

Business Day then it shall be deemed to have been received on the next succeeding Business Day.

11. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
12. Definitions. Any term used herein and not defined herein shall have the meaning ascribed such term in the Agreement, and in the event the Agreement is for any reason terminated and is no longer of any force and effect, such terms shall have the meaning set forth in the Agreement immediately prior to such termination.
13. Governing Law. This Guarantee shall be governed by, construed, interpreted and applied in accordance with the laws of the State of Louisiana, without regard to its conflict of law principles.
14. Time of the Essence. Time is of the essence of this Guarantee.
15. Successors and Assigns. This Guarantee shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that Guarantor may not assign or transfer its rights or obligations hereunder without the prior written consent of Provident-Flagship.
16. Entire Agreement. This Guarantee represents the entire agreement between Guarantor and Provident-Flagship and supersedes prior negotiations, representations or agreements, either written or oral.
17. Dispute Resolution. Any claim, dispute or controversy between Guarantor and Provident-Flagship shall be resolved under the same dispute resolution procedures set forth in the Agreement, with Guarantor being substituted in each place where RISE is named and this Guarantee being substituted in each place where Agreement is identified. In the event any action must be taken to enforce the terms of this Guarantee, the prevailing party shall be entitled to recover from the non-prevailing party all attorney's and expert fees and costs, at both the trial and appellate levels, and for time spent litigating the amount of the fees and costs to be awarded, as well as the entitlement thereto.
18. Third Party Beneficiary. It is hereby acknowledged and agreed that Hancock Whitney Bank, as Trustee under the Indenture, Greenhouse LLC, and LSU shall be express third party beneficiaries of this Guarantee, provided, however, that Trustee, Greenhouse LLC and LSU each acknowledge that Guarantor's obligations hereunder shall be subject to any defenses that may be available to RISE pursuant to the terms of the Development Agreement between RISE and Provident-Flagship.; and provided further that Greenhouse LLC's and LSU's rights hereunder are subordinate to those of the Trustee.

[signature page to Guarantee]

**IN WITNESS WHEREOF**, the undersigned have duly executed this Guarantee as of the date first above written.

**RISE DEVELOPMENT, LLC**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT 14****DISPUTE RESOLUTION**

1. In the event a claim, dispute, or controversy (defined for the purposes of this Exhibit and this Agreement as "Claim") arises out of or relates to this Agreement or the Greenhouse District Project, as a condition precedent to mediation initiated hereunder, the parties' representatives shall meet and attempt to resolve the matter. If the matter is not resolved by these representatives within 15 days after the date the Claim arose, then the parties shall each designate a senior representative (with similar or equivalent organizational stature). Each designated senior representative shall have the authority to settle or compromise the Claim, and they shall meet at a mutually agreeable time and place within 30 days after the date the Claim arose, and thereafter as often as they deem reasonably necessary to exchange relevant information and to attempt to resolve the Claim. RISE shall continue performing under this Agreement during the pendency of any unresolved dispute.
2. If the Claim has not been resolved within 15 days after the date on which the senior representatives first meet, then either Party may request a non-binding mediation of the Claim by providing the other written notice of the desire to mediate the Claim. Once such a mediation notice is issued by one of the Parties, the following mediation procedures shall be mandatory unless the Parties agree in writing to waive mediation. All such mediations shall occur before a single mediator. The mediator shall be selected by the senior representatives referred to in Paragraph 1 and the mediation shall thereafter be privately administered by the Parties and the mediator, but if the Parties are unable to agree upon an acceptable mediator within ten days after the date the written notice of desire to mediate is received, either Party may petition the American Arbitration Association ("AAA") for the appointment of a mediator, and the mediation, including the selection of the mediator, shall occur pursuant to the AAA's Construction Industry Mediation Rules then in effect. Notwithstanding the foregoing, demand for mediation shall be made within a reasonable time after the Claim has arisen, but in no event after the date when notification of legal or equitable proceedings would be barred by the applicable statute of limitations.
3. If the Claim has not been resolved pursuant to mediation within 60 days after initiation of the mediation procedure, then either Party may file suit in a court of competent jurisdiction for such Claim. No claim arising under or relating to this Agreement or the performance of any Party thereunder shall be subject to arbitration.
4. The Parties expressly agree that any court with jurisdiction may order the consolidation of any Claim with any related claim, controversy, or dispute, as the court may deem necessary in the interest of justice, efficiency, or on such other grounds as the court may deem appropriate.

**EXHIBIT 15**

**INTENTIONALLY LEFT BLANK**

**EXHIBIT 16**

**VALUE ENGINEERING LOG**

**EXHIBIT 17**

**LIEN WAIVERS USED –  
INTERIM LIEN WAIVER AND RELEASE UPON PROGRESS PAYMENT**

STATE OF LOUISIANA

PARISH OF \_\_\_\_\_

THE UNDERSIGNED MECHANIC AND/OR MATERIALMAN HAS BEEN EMPLOYED BY TO FURNISH (DESCRIBE MATERIALS AND/OR LABOR) FOR THE CONSTRUCTION OF IMPROVEMENTS KNOWN AS THE GREENHOUSE DISTRICT PROJECT SITE WHICH IS LOCATED IN THE CITY OF BATON ROUGE, PARISH OF EAST BATON ROUGE, AND IS OWNED BY PROVIDENT GROUP-FLAGSHIP PROPERTIES, LLC AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A"

UPON THE RECEIPT OF THE SUM OF \$\_\_\_\_\_, THE UNDERSIGNED HEREBY WAIVES AND RELEASES ANY AND ALL LIENS, PRIVILEGES, CLAIMS OF LIENS AND OTHER CLAIMS OR RIGHTS IT HAS UPON THE FOREGOING DESCRIBED PROPERTY OR ANY RIGHTS AGAINST ANY LABOR AND/OR MATERIAL BOND OR OTHER PERSON OR ENTITY THROUGH THE DATE OF \_\_\_\_\_ (DATE, AND EXCEPTING ONLY THOSE RIGHTS AND LIENS THAT THE UNDERSIGNED MIGHT HAVE IN ANY RETAINAGE WITHHELD PURSUANT TO THE TERMS OF THE UNDERSIGNED'S CONTRACT, ON ACCOUNT OF LABOR, MATERIALS, OR BOTH, FURNISHED BY THE UNDERSIGNED TO OR ON ACCOUNT OF THE ABOVE-REFERENCED PROJECT.

GIVEN UNDER HAND AND SEAL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

[NAME OF MECHANIC/MATERIALMAN]

\_\_\_\_\_  
(WITNESS)

BY: \_\_\_\_\_

\_\_\_\_\_

NAME:

\_\_\_\_\_  
(ADDRESS)

TITLE:

**FINAL, UNCONDITIONAL LIEN WAIVER AND  
RELEASE UPON FINAL PAYMENT**

STATE OF LOUISIANA

PARISH OF \_\_\_\_\_

THE UNDERSIGNED MECHANIC AND/OR MATERIALMAN HAS BEEN EMPLOYED BY \_\_\_\_\_ TO FURNISH \_\_\_\_\_ (DESCRIBE MATERIALS AND/OR LABOR) FOR THE CONSTRUCTION OF IMPROVEMENTS KNOWN AS THE GREENHOUSE DISTRICT PROJECT WHICH IS LOCATED IN THE CITY OF BATON ROUGE, PARISH OF EAST BATON ROUGE, AND IS OWNED BY PROVIDENT GROUP-FLAGSHIP PROPERTIES, LLC AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A"

UPON THE RECEIPT OF THE SUM OF \$ \_\_\_\_\_, THE UNDERSIGNED WAIVES AND RELEASES ANY AND ALL LIENS, PRIVILEGES, CLAIMS OF LIENS AND OTHER CLAIMS AND RIGHTS IT HAS UPON THE FOREGOING DESCRIBED PROPERTY OR ANY RIGHTS AGAINST ANY LABOR AND/OR MATERIAL BOND AND ANY OTHER PERSON OR ENTITY ON ACCOUNT OF LABOR, MATERIALS, OR BOTH, FURNISHED BY THE UNDERSIGNED TO OR ON ACCOUNT OF THE ABOVE-REFERENCED PROJECT.

GIVEN UNDER HAND AND SEAL THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

[NAME OF MECHANIC/MATERIALMAN]

\_\_\_\_\_  
(WITNESS)

BY: \_\_\_\_\_

\_\_\_\_\_

NAME:

\_\_\_\_\_

TITLE:

(ADDRESS)

**EXHIBIT 18**

**GROUND LEASE**

**[see Closing Transcript Item \_\_]**

**EXHIBIT 19****ENVIRONMENTAL REPORTS**

The Environmental Reports shall be those listed below, copies of all of which shall be available to the Parties via Dropbox on or before \_\_\_\_\_, 2019, at the following link (the "Dropbox Link"):

[\*\*<https://www.dropbox.com/sh/87np74zohneuffe/AACqhXbF5P3959P0tWVSRHzYa?dl=0>\*\*]

Each Party shall be responsible to print/download its own copies of the Environmental Reports. The Dropbox Link shall remain open and accessible until Final Completion of the Greenhouse District Project.

**EXHIBIT 20**

**FACILITY EQUIPMENT**

**EXHIBIT 21**

**INSURANCE MANUAL**

BSW DRAFT:TAM  
Version 2/April 2, 2019

**GREENHOUSE DISTRICT (PHASE III)  
FACILITIES LEASE**

**dated as of September 1, 2019**

**by and between**

**PROVIDENT GROUP-FLAGSHIP PROPERTIES L.L.C.**

**and**

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

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**GREENHOUSE DISTRICT (PHASE III) FACILITIES LEASE**

This **GREENHOUSE DISTRICT (PHASE III) FACILITIES LEASE** (together with any amendment, modification or supplement hereof, the "Facilities Lease"), dated for convenience of reference as of September 1, 2019, but to be effective on the Effective Date (defined herein), is entered into by and between **PROVIDENT GROUP-FLAGSHIP PROPERTIES L.L.C.** ("Provident-Flagship"), a limited liability company organized and existing under the laws of the State of Louisiana, as lessor and sublessor, the sole member of which is Provident Resources Group Inc. ("Provident Resources"), a nonprofit corporation organized and existing under the laws of the State of Georgia, and the **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** ("LSU" or the "Board"), as lessee and sublessee, acting herein for the benefit of Louisiana State University and Agricultural and Mechanical College, the flagship institution of the State of Louisiana under the management and supervision of the Board (the "University").

**WITNESSETH:**

**WHEREAS**, LSU is a public constitutional corporation organized and existing under the laws of the State of Louisiana (the "State"); and

**WHEREAS**, the University is the flagship institution of the State of Louisiana under the management and supervision of the Board; and

**WHEREAS**, Provident Resources is a Tax Exempt Organization (defined herein), the charitable mission of which includes the advancement of education and the lessening burdens of government and Provident-Flagship is disregarded as an entity separate and apart from Provident Resources for federal income tax purposes ; and

**WHEREAS**, the LSU Real Estate and Facilities Foundation (the "Foundation") is a Tax Exempt Organization, which is organized and operated for the purpose of supporting LSU, its programs, facilities, and research and educational activities, and to support the LSU Foundation, and is the sole member of Greenhouse LLC (hereinafter defined); and

**WHEREAS**, the business of Greenhouse District Project LLC ("Greenhouse LLC") shall at all times be carried out and operated exclusively for the tax exempt purposes of the Foundation; and

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU is authorized to lease to a limited liability company such as Greenhouse LLC 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 therein; and

**WHEREAS**, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes a lease to provide for or cause the demolition, construction and renovation of buildings, other structures and improvements by a limited liability company such as Greenhouse LLC on that portion of the grounds or campus of the University which is the subject of the lease; and

**WHEREAS**, pursuant to Louisiana Revised Statutes 17:3361, *et seq.*, LSU, under certain circumstances, is expressly authorized to lease back all or any portion of the buildings, other structures and improvements constructed or caused to be constructed by a limited liability company such as Greenhouse LLC on the leased property more fully described therein; and

**WHEREAS**, the University's master plan includes the development, in various phases, of new student housing facilities, including the demolition of existing student housing facilities such as Kirby Smith, Herget, Miller, McVoy, Acadian and Broussard Halls, the construction of new student housing facilities to replace and expand the foregoing, including, without limitation, a new Cedar Hall, and the renovation and/or expansion of existing student housing facilities such as Evangeline Hall and Highland Hall, as well as the parking and other infrastructure and the demolition, renovation and/or construction of certain facilities, including, without limitation, greenhouses and related facilities, to facilitate the foregoing (collectively, the "Greenhouse District");

**WHEREAS**, in October 2017, Greenhouse LLC commenced development of Phase II of the Greenhouse District, which includes without limitation, (a) the Design, acquisition, renovation, Development, Construction, furnishing and equipping of (i) student housing facilities consisting of the construction of a new Cedar Hall and the renovation of Evangeline Hall and the abatement and renovation of Highland Hall, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof (ii) new greenhouse facilities to be located on Ben Hur Drive and existing greenhouse facilities located on Gourrier Drive, including, without limitation, related facilities and associated site infrastructure and amenities necessary for the operation thereof; and (b) the demolition of the existing Kirby Smith Hall and certain existing greenhouse facilities located on the main Campus of the University, including, without limitation, related facilities, and associated site infrastructure, all as necessary for the development of Phase II of the Greenhouse District;

**WHEREAS**, LSU and Greenhouse LLC have determined that it is in the best interest of LSU for Greenhouse LLC to develop Phase III of the Greenhouse District for the benefit of LSU ("Phase III");

**WHEREAS**, Phase III will consist of the Design, acquisition, Development, Construction, furnishing and equipping of two new student housing facilities consisting of 850 beds, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof, to be located on the Campus (collectively, the "Student Housing Facilities" and, together with the Student Housing Facilities Equipment (defined herein) and the Land (defined herein), the "Property"), all as necessary for the development of Phase III (collectively, the "Greenhouse District Project");

**WHEREAS**, in furtherance of the foregoing, LSU and Greenhouse LLC have agreed to enter into that certain Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019 (the "Ground Lease"), for the lease of certain real property, including all improvements, parking areas, and existing facilities thereon, located on the Campus of the University, as more particularly described in **Exhibit A** attached to the Ground Lease (the "Land"), incorporated herein and by reference made a part hereof, and construction servitudes for

the purpose of implementing the master plan, as approved by LSU on behalf of the University, for the development of the Greenhouse District Project;

**WHEREAS**, LSU, Greenhouse LLC, Provident-Flagship, RISE Tigers LLC, a limited liability company organized and existing under the laws of the State of Georgia and authorized to do business in Louisiana ("RISE"), and the Facilities Manager (defined herein) are engaging in a public-private partnership for the performance of the Greenhouse District Project and the maintenance, management and operation of the Property, pursuant to which (a) Greenhouse LLC will sublease the Land and grant the necessary access, parking and utility servitudes to Provident-Flagship; (b) Greenhouse LLC will grant construction servitudes to Provident-Flagship to facilitate the performance of the Greenhouse District Project; and (c) Provident-Flagship will engage RISE to perform the Greenhouse District Project pursuant to the Development Agreement dated as of September 1, 2019 (the "Development Agreement"), a copy of which is attached as Exhibit B to the Ground Lease;

**WHEREAS**, commencing on the Effective Date, pursuant to this Facilities Lease, Provident-Flagship will sublease or lease, as applicable, the Property to LSU, and LSU, for the benefit of the University, will make rental payments and will be responsible for residential life and custodial operations of the Property, IT Support and certain other items as more particularly described herein, and Provident-Flagship will be responsible for performing or causing to be performed certain management and all other operations and maintenance of the Property pursuant to that certain Facilities Operations and Maintenance Agreement (Greenhouse District - Phase III) dated as of September 1, 2019 (the "FOMA"), by and between Provident-Flagship and the Facilities Manager, a copy of which is attached hereto as **Exhibit C**, incorporated herein and by reference made a part hereof; and

**WHEREAS**, pursuant to the terms of a Trust Indenture dated as of September 1, 2019 (the "Indenture"), by and between the Louisiana Public Facilities Authority (the "Authority") and Hancock Whitney Bank, as trustee ("Trustee"), the Authority has determined to issue its Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019 (the "Series 2019 Bonds" and, together with any Additional Bonds (defined herein), the "Bonds") and, pursuant to a Loan Agreement dated as of September 1, 2019 (the "Loan Agreement") by and between the Authority and Provident-Flagship, to lend the proceeds of the Series 2019 Bonds to Provident-Flagship for the purpose of financing, among other things, the costs of the Greenhouse District Project.

**NOW, THEREFORE**, in consideration of the premises, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby expressly acknowledged by each Party hereto, Provident-Flagship and LSU, for the benefit of the University, do hereby mutually covenant and agree as follows:

**SECTION 1. Definitions.** Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Facilities Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Bond Documents (defined herein), the Ground Lease, the Development Agreement and the

FOMA. Other terms shall have the meanings assigned to them in other Sections of this Facilities Lease.

**"Additional Bonds"** - as defined in the Indenture, to the extent same are issued in accordance with the terms of the Indenture.

**"Additional Indebtedness"** - in addition to (a) the Auxiliary Revenue Bonds outstanding as of the date of this Facilities Lease and (b) the Base Rental (as such term is defined herein and in each of the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease), Indebtedness incurred by LSU which is secured by and/or payable from Auxiliary Revenues.

**"Additional Rental"** - the amounts specified as such in Section 7(c).

**"Administrative Expenses"** - the administrative fees and expenses of the Authority, Trustee and Provident-Flagship (including reasonable fees of counsel) incurred in connection with the performance of their respective obligations under the Bond Documents, this Facilities Lease, the Ground Sublease, the Development Agreement, the FOMA and related documents.

**"Approved Operating Plan and Budget"** - as defined in the FOMA.

**"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.

**"Auxiliary Coverage Ratio"** - for the period in question, the ratio determined by an LSU Representative by dividing funds received by the Board as Auxiliary Revenues under clause (i) of the definition of Auxiliary Revenues divided by an amount equal to the maximum amount payable in any Fiscal Year with respect to any Auxiliary Revenue Obligations.

**"Auxiliary Enterprises"** - as defined in the General Bond Resolution.

**"Auxiliary Facilities"** - as defined in the General Bond Resolution.

**"Auxiliary Revenues"** - as defined in the General Bond Resolution.

**"Auxiliary Revenue Bond"** or **"Auxiliary Revenue Bonds"** - any bond authorized and issued heretofore and hereafter by LSU pursuant to the General Bond Resolution.

**"Auxiliary Revenue Obligations"** - any and all obligations secured by and/or payable from the Auxiliary Revenues, including, without limitation, Auxiliary Revenue Bonds, Base Rental (as such term is defined herein and in each of the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease) and any Additional Indebtedness, but not including Additional Rent (as such term is defined herein and in each of the Nicholson Gateway Facilities Lease and the Greenhouse District (Phase II) Facilities Lease).

**"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.

**"Base Rental"** - the amounts referred to as such in Section 7(b) (as such amounts may be adjusted from time to time in accordance with the terms hereof), but does not include Additional Rental.

**"Board"** - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and its successors and assigns.

**"Bond Counsel"** - Kutak Rock LLP or other counsel acceptable to the Trustee and the Authority and experienced in matters relating to tax-exemption of interest income on obligations issued by states and their political subdivisions.

**"Bond Documents"** - collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident-Flagship 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 2019 Bonds and any Additional Bonds.

**"Business Day"** or **"business day"** - a day excluding Saturday, Sunday and any Holiday.

**"Campus"** - the campus of the University, located in Baton Rouge, Louisiana.

**"Claim"** - collectively, any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

**"Collateral Assignment of Contract Documents"** - any collateral assignments, pledge or other instrument, dated on or about the date of the Ground Lease, given to the Authority, the Trustee or Provident-Flagship, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident-Flagship, RISE, the Facilities Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds by Provident-Flagship, RISE or the Facilities Manager, including, without limitation, that certain Assignment Agreement dated on or about the date hereof by the Authority to the Trustee,

and any such assignments or pledges set forth in the Mortgage.

**"Code"** - the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

**"Company Documents"** - the following documents entered into by Provident-Flagship in connection with the financing, development, operations and management at the Property: the Bond Purchase Agreement, the Loan Agreement, the Ground Sublease, the Facilities Lease, the Tax Regulatory Agreement, the Development Agreement, the FOMA, the Collateral Assignment of Contract Documents, the Subordinate Collateral Assignment of Contract Documents, the Mortgage and the Continuing Disclosure Certificate.

**"Construct"** **"Constructed"** or **"Construction"** - to Develop, improve, 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 Greenhouse District Project.

**"Date of Opening"** - the date the Student Housing Facilities are available to be occupied.

**"Debt Service Fund"** - the Debt Service Fund created by the Indenture.

**"Default or Delay Rental"** - shall consist of (i) all amounts, fees or expenses which Provident-Flagship may be legally obligated to pay to Other Parties by reason of any default of the Board hereunder or any delay in payment of any sums due by the Board hereunder, and (ii) all costs, expenses and charges, including reasonable counsel fees, incurred by Provident-Flagship, whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Board contained in this Facilities Lease or incurred in obtaining possession of the Student Housing Facilities after default by the Board, which shall be due not later than 30 days from notification that such Default or Delay Rentals are owed.

**"Default"** or **"Event of Default"** - any default specified in and defined as such by Section 22.

**"Design"** - any and all design, planning, architectural or engineering activity required in connection with and for the performance of the Greenhouse District Project.

**"Determination of Taxability"** - as defined in the Indenture.

**"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, Construction, operation and use of the Greenhouse District Project, (b) obtain any required extension of public and private Utility Services for the Greenhouse District Project, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Greenhouse District Project (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the of the Greenhouse District Project.

**"Development Agreement"** - that certain Greenhouse District (Phase III) Project Development Agreement dated as of September 1, 2019, between Provident-Flagship and RISE, with Greenhouse LLC and LSU as intended third party beneficiaries, regarding the performance of the Greenhouse District Project, and any amendments, modifications and supplements thereto.

**"Effective Date"** - the date of issuance of the Series 2019 Bonds, which is September \_\_, 2019.

**"Effective Gross Income"** - as defined in Exhibit 5.1 of the FOMA.

**"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.

**"Event of Default"** or **"Default"** - any default specified in and defined as such by Section 22 hereof.

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

**"Expiration Date"** - the expiration date of this Facilities Lease as set forth in Section 2 hereof.

**"Facilities Lease"** - this Greenhouse District (Phase III) Facilities Lease, including the Exhibits attached hereto, and any amendment, modification or supplement hereto.

**"Facilities Manager"** - any entity defined as Facilities Manager in the FOMA.

**"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 Article XIX of the Development Agreement.

**"Final Completion Date"** - as defined in the Development Agreement.

**"FOMA"** - that certain Facilities Operations and Maintenance Agreement (Greenhouse District - Phase III) dated as of September 1, 2019, by and between Provident-Flagship and the Facilities Manager, as amended, modified and supplemented from time to time.

**"Fiscal Year"** means the twelve month period beginning on July 1 of any year and ending on June 30 the following year.

**"Force Majeure"** - as defined in the Development Agreement.

**"General Bond Resolution"** - the General Bond Resolution adopted by the Board on June 17, 1994, as amended, modified and supplemented from time to time.

**"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, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

**"Governmental Regulations"** - any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, Greenhouse LLC, the Property, the Greenhouse District Project or the Greenhouse District Project Site or affecting the Property, the Greenhouse District Project or the Greenhouse District Project Site, including, without limitation, all applicable Environmental Laws and 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.

**"Greenhouse District"** - as defined in the Recitals of this Facilities Lease.

**"Greenhouse District Phase II Facilities Lease"** - the Greenhouse District (Phase II) Facilities Lease, dated as of October 1, 2017, by and between Provident-Flagship and LSU, as amended, modified and supplemented from time to time.

**"Greenhouse District Project"** - as defined in the Recitals of this Facilities Lease.

**"Greenhouse District Project Site"** - as defined, described and/or depicted in the Development Agreement.

**"Greenhouse LLC"** - Greenhouse District Project LLC, a limited liability company organized and existing under the laws of the State and the sole member of which is the Foundation, and its successors and assigns.

**"Greenhouse LLC Administrative Fee"** - [\*\*TBD\*\*]

**"Greenhouse LLC Representative"** - the Person or Persons designated in writing by Greenhouse LLC to serve as Greenhouse LLC's representatives in connection with this Facilities Lease, initially Leu Anne Greco, Esquire, and J. Bryan Benchoff, each of whom is a Manager of Greenhouse LLC and is authorized to represent Greenhouse LLC, and any other person(s) designated in writing by Greenhouse LLC to LSU from time to time as person(s) who is (are) authorized to act on behalf of Greenhouse LLC under this Facilities Lease.

**"Ground Lease"** - the Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019, by and between LSU and Greenhouse LLC, as amended, modified and

supplemented from time to time.

**"Ground Sublease"** - the Greenhouse District (Phase III) Ground Sublease dated as of September 1, 2019, by and between Greenhouse LLC and Provident-Flagship, as amended, modified and supplemented from time to time.

**"Guaranty"** - any guaranty, loan commitment or other obligation of the Board guaranteeing in any manner, whether directly or indirectly, any Indebtedness of any other Person.

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

**"Holiday"** - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or the University is required by law to close, or a day on which LSU or the University is authorized to close or is closed.

**"Indebtedness"** - any indebtedness or liability for borrowed money, any installment sale obligation or any obligation under any lease that is capitalized under generally accepted accounting principles and any Guaranty of any of the foregoing.

**"Indenture"** - as defined in the Recitals of this Facilities Lease.

**"Independent Engineer"** - a reputable civil engineering firm, qualified to transact business in the State, and experienced in facilities similar to the Student Housing Facilities.

**"Land"** - as defined in the Recitals of this Facilities Lease and more particularly described in **Exhibit A** to the Ground Lease.

**"Legal Expenses"** - the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

**"Lien"** - 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.

**"Litigation Expenses"** - all reasonable out-of-pocket costs and expenses incurred as a result of an Event of Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

**"Loan Agreement"** – as defined in the Recitals of this Facilities Lease.

**"LSU"** - the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and its successors or assigns.

**"LSU Representative"** - one or more of the persons designated and authorized in writing from time to time by LSU to represent the Board and the University in exercising its rights under this Facilities Lease, the Ground Lease, the Ground Sublease and the FOMA. The LSU Representative throughout the Term of this Facilities Lease shall be the Vice President for Finance or his designee(s).

**"Maintenance Reserve Account"** or **"MRA"** - the Maintenance Reserve Account established in Section 8(j).

**"Maintenance Reserve Account Requirement"** - an amount equal to \$385 per bed per year, escalating 3% per year, commencing on the Rental Commencement Date.

**"Mortgage"** - that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2019 Bonds by Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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 Greenhouse LLC, Provident-Flagship 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-Flagship 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.

**"Nicholson Gateway Facilities Lease"** - that certain Nicholson Gateway Facilities Lease dated as of September 1, 2016, by and between LSU and Provident-Flagship, as amended, modified or supplemented from time to time.

**"Notice"** - as defined in Section 55.

**"Operating Expenses"** - as defined in the Loan Agreement and the FOMA.

**"Other Parties"** - Person(s) other than the Parties.

**"Owner/Asset Manager"** - Provident-Flagship.

**"Owner/Asset Manager Duties"** - as defined in Section 6(a).

**"Party(ies)"** - individually, Provident-Flagship or LSU, as applicable, and, collectively, Provident-Flagship and LSU.

**"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 the Ground Lease or the Ground Sublease, (ii) the Bond Documents, (iii) the memoranda of lease related to each of the Ground Lease, the Ground Sublease and this Facilities Lease, (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 Greenhouse LLC's benefit) in accordance with the provisions of the Ground Lease or the Ground Sublease, (vi) the Ground Lease, (vii) the Ground Sublease, (viii) statutory restrictions imposed on the improvement or use of the Land, (ix) the effects of any and all laws, ordinances, permits and Governmental Regulations, including, zoning, land use and Construction, or any violations thereof (provided that this clause does not constitute the consent of LSU to such violations), (x) this Facilities Lease, (xi) the Mortgage, (xii) those exceptions to title to the Land more fully described in the Title Insurance Policy and (xiii) any additional exceptions or encumbrances created or consented to in writing by LSU.

**"Permitted Sublessees"** - to the extent permitted under the Ground Sublease, including Section 16 thereof, Greenhouse LLC, students, faculty and staff of the University and Persons who lease, license or otherwise use any portion of the Property in connection with their trade or business and as to which LSU has received an opinion of Bond Counsel that such lease, license or other use will not cause interest on the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis to be included in the gross income of the owners thereof for federal income tax purposes.

**"Permitted Use"** - only the uses specifically permitted pursuant to Section 12 of the Ground Sublease.

**"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 Greenhouse District 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 Greenhouse District Project, all in accordance with the Loan Agreement, the Development Agreement, the Ground Lease, the Ground Sublease and this Facilities Lease, to be approved by Greenhouse LLC, Provident-Flagship and the LSU Representative, as may be amended from time to time as permitted in Section 11(f) of the Ground Sublease and in the Development Agreement.

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

**"Principal Account"** - as defined in the Indenture.

**"Project Committee"** - that certain advisory committee established by Provident-Flagship pursuant to the Ground Sublease, which committee is composed of three (3) representatives of LSU, two (2) representatives of Greenhouse LLC, one (1) representative of Provident-Flagship and one (1) representative of the Facilities Manager.

**"Project Fund"** - as defined in the Indenture.

**"Property"** - as defined in the Recitals to this Facilities Lease.

**"Property Personnel"** - all individuals (other than Corporate Personnel) performing Facilities Manager Duties at the Property employed by Facilities Manager or an Affiliate of Facilities Manager or both.

**"Provident-Flagship"** - Provident Group-Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State, the sole member of which is Provident Resources, and its successors and assigns.

**"Provident-Flagship Asset Management Fee"** - an annual asset management fee to be paid until the termination of this Facilities Lease, as more particularly described in **Exhibit B**.

**"Provident Resources"** - Provident Resources Group Inc., a Tax-Exempt Organization, duly organized and existing under the laws of the State of Georgia, and its permitted successors and assigns.

**"Purchase Price"** - as defined in Section 24(c).

**"Recapture Option"** - the option to purchase Provident-Flagship's interest in the Facilities granted to the Board in Section 24.

**"Remediation"** - includes, but is not limited, to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Material; any actions to prevent, cure or mitigate any release of any Hazardous Material; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Materials.

**"Rental"** - collectively, Base Rental and Additional Rental.

**"Rental Commencement Date"** - the earlier of (i) the date of Final Completion of the Greenhouse District Project and (ii) [first non-capitalized bond payment due].

**"Rental Coverage Ratio"** - for the period in question, the ratio determined by a Board Representative by dividing funds received by the University as Auxiliary Revenues under clause (i) of the definition of Auxiliary Revenues plus investment earnings on the funds and accounts held under the Indenture by maximum annual Base Rental, Maximum Annual Debt Service Requirements (as defined in the General Bond Resolution) on the Auxiliary Revenue Bonds and maximum annual payments on other long term Auxiliary Revenue Obligations.

**"Replacement and Repair Account"** or **"RRA"** - the Replacement and Repair restricted account to be established and funded by Provident-Flagship to provide assurance for the payment of the costs of maintenance of the Property in accordance with the Approved Operating Plan and Budget for any respective year.

**"Replacement and Repair Account Requirement"** - an amount of any Operating Expenses which remain after payment of all expenses and fees required to be paid under the Approved Operating Plan and Budget in any respective Fiscal Year together with any additional amounts as may be mutually agreed upon by LSU and Provident- Flagship to be set forth in such Approved Operating Plan and Budget as monies to be specifically designated to be paid into the Replacement and Repair Account, if any, for any respective year.

**"Resident"** - a tenant of the Student Housing Facilities.

**"Revenues"** - as defined in the Indenture.

**"RISE"** - RISE Tigers, LLC, a limited liability company organized and existing under the laws of the State of Georgia authorized to do business in the State and a wholly owned affiliate of RISE Development LLC, and its successors and assigns.

**"RISE Development LLC"** - RISE Development LLC, a limited liability company organized and existing under the laws of the State of Georgia and the parent company of RISE, and its successors and assigns.

**"Series 2019 Bonds"** - the Authority's \$\_\_\_\_\_ Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019 issued pursuant to the Indenture.

**"Student Housing Facilities Equipment"** - as defined in the Recitals of this Facilities Lease.

**"Student Housing Facilities"** – as defined in this recitals to this Facilities Lease.

**"Subordinate Collateral Assignment of Contract Documents"** - the Subordinate Assignment of Contract Documents, dated as of September 1, 2019, by Provident-Flagship, as assignor, in favor of Greenhouse LLC, as amended, modified or supplemented from time to time.

**"Substantial Completion"** **"Substantially Complete"** and **"Substantially Completed"** - as defined in Article XIX 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.

**"Tax Regulatory Agreement"** - as defined in the Indenture.

**"Term"** - the term of this Facilities Lease, as provided in Section 2.

**"Title Company"** - means 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, as Trustee under the Indenture, and its successors and assigns in such capacity, as set forth in the Indenture.

**"Trustee Fee"** - as defined in the Indenture.

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

**"Utility Services"** - as defined in Section 9.

SECTION 2. Facilities Lease; Term of Lease. Provident-Flagship hereby subleases or leases, as applicable, the Property to LSU, and LSU, for the benefit of the University, hereby subleases or leases, as applicable, the Property, from Provident-Flagship effective as of the Effective Date and agrees, upon Final Completion of the Greenhouse District Project, to accept possession thereof, as constructed, and agrees to pay the Rental as provided herein for the use and occupancy of the completed Property, all on the terms and conditions set forth herein. LSU understands and agrees that Rental shall accrue from the Rental Commencement Date hereof notwithstanding the fact that Final Completion of the Greenhouse District Project has not occurred. No delay in the Date of Opening of the Student Housing Facilities beyond the applicable Final Completion Date will extend the Term. The Term of this Facilities Lease begins on the Effective Date and shall expire (the "Expiration Date") at 12:00 midnight on the earlier of

(a) the fortieth (40th) anniversary of the Effective Date, unless sooner expired or terminated in accordance herewith, such that it shall always be co-terminus with the terms of the Ground Sublease; provided, however, that the Bonds shall have been fully paid and all obligations under the Bond Documents and this Facilities Lease have been fully discharged; (b) the date on which this Facilities Lease terminates by operation of law; (c) the date on which the Bonds have been fully paid, and all obligations under the Bond Documents and this Facilities Lease have been fully discharged, (d) the termination of the Ground Sublease; and (e) the date on which Provident-Flagship exercises its option to terminate this Facilities Lease upon the occurrence of any event described in this Facilities Lease which is specifically stated to cause a termination of this Facilities Lease, including, without limitation, a Default by LSU.

Upon the termination of this Facilities Lease under the circumstances set forth in items (a), (b), (c) or (d) of the preceding paragraph, all right, title and interest in and to the portions of the Property owned by Provident-Flagship shall be transferred to Greenhouse LLC, provided that, if the Bonds have been fully paid and all obligations under the Bond Documents and this Facilities Lease have been fully discharged, all right, title and interest in and to the portions of the Property owned by Provident-Flagship shall be transferred to LSU, and the Parties agree to execute any and all documents required to effectuate such transfer of all rights, title and interest in and to the portions of the Property owned by Provident-Flagship pursuant to the terms of the Ground Sublease.

SECTION 3. Acknowledgments, Representations and Covenants of the Board. The Board represents and covenants as follows:

(a) Full Power and Authority. The Board has full power and authority to enter into this Facilities Lease and the transactions contemplated hereby and agrees to perform all of its obligations hereunder;

(b) Pending Litigation and Taxes. To the best of its knowledge, there are no actions, suits, proceedings, inquiries, or investigations pending or threatened against or affecting the Board in any court or by or before any Governmental Authority or tribunal that involve the likelihood of materially and adversely affecting the ability of the Board to perform its obligations under this Facilities Lease or the transactions contemplated by this Facilities Lease or that, in any way, would adversely affect the validity or enforceability of this Facilities Lease or any agreement or instrument to which the Board is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, or that could result in a claim against Board's interest in this Facilities Lease or the Property; nor is the Board aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. The Board is not in default in any material respect with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, Governmental Authority or tribunal. All tax returns (federal, State, and local) required to be filed by or on behalf of the Board (if any) have been duly filed, and any and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Board in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) Agreements are Legal and Authorized. The execution and delivery by the Board of this Facilities Lease, the consummation of the transactions herein contemplated and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right and authority of the Board, (ii) are legal and will not conflict with or constitute on the part of the Board a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Board under the provisions of any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the Board is a party or by which the Board or their respective properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or Governmental Authority or body having jurisdiction over the Board or any of its respective activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of the Board. This Facilities Lease is the valid, legal, binding and enforceable obligation of the Board. The officer or officers of the Board are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Board.

(d) Consent, Approval, Permission. No consent, approval, permission, order, license or authorization of, or the filing, registration, or qualification with, any Governmental Authority on the part of the Board in connection with the execution, delivery, and performance of this Facilities Lease or the consummation of any transaction herein contemplated, is required except as shall have been obtained.

(e) No Defaults. To the knowledge of the Board, no event has occurred and no condition exists that would constitute a Default by the Board hereunder or that, with the lapse of time or with the giving of notice or both, would become such a Default. To the knowledge of the Board, the Board is not in default or violation in any material respect under any charter instrument, bylaw or other agreement or instrument to which it is a party or by which it may be bound. For purposes of this Section 3(e), a default or violation shall be deemed "material" if it would adversely affect the ability of the Board to perform its obligations hereunder.

(f) Compliance with Laws. To its knowledge, the Board is not in violation of any Governmental Regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Board, but excluding any and all licenses, permits, franchises, or other governmental authorizations that are or may be required for the operation of the Property.

(g) No Broker. The Board has not dealt with any broker in connection with this Facilities Lease, the Ground Lease, the Ground Sublease or the Property.

(h) No Additional Representations and Warranties. Except as expressly set forth in this Facilities Lease, the Board has made, and makes no, representations or warranties whatsoever to Provident-Flagship, and any and all statements made by the Board in any and all communications and documents heretofore given by any Person to Provident-Flagship are deemed merged into and superseded by this Facilities Lease and not enforceable in any manner.

(i) Use of Property. The use of the Property is essential to the operation of the University by providing housing and related amenities for students, faculty and staff of the University. The Board presently intends to make all payments of Rental.

SECTION 4. Representations and Covenants of Provident-Flagship. Provident-Flagship makes the following representations, covenants and warranties as a basis for the undertakings on its part contained herein:

(a) Organization and Power. Provident-Flagship is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Louisiana, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted. Provident Resources is a Tax Exempt Organization duly organized, validly existing, and in good standing under the laws of the State of Georgia, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(b) Provident Resources is Sole Member. Provident Resources is the sole member of Provident-Flagship.

(c) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of Provident-Flagship, threatened against or affecting Provident-Flagship or Provident Resources in any court or by or before any Governmental Authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the ability of Provident-Flagship to perform its obligations under this Facilities Lease or the transactions contemplated by this Facilities Lease or that, in any way, would adversely affect the validity or enforceability of this Facilities Lease or any agreement or instrument to which Provident-Flagship or Provident Resources is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, or that could result in a claim against Provident-Flagship's interest in this Facilities Lease, the Property or the Revenues; nor is Provident-Flagship aware of any facts or circumstances currently existing that would form the basis for any such action, suit or proceeding. Neither Provident-Flagship nor Provident Resources is in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, Governmental Authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of Provident-Flagship or Provident Resources have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being

actively contested by Provident-Flagship or Provident Resources in good faith, have been paid or adequate reserves have been made for the payment thereof.

(d) Agreements Are Legal and Authorized. The execution and delivery by Provident-Flagship of this Facilities Lease, the consummation of the transactions herein contemplated and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of Provident-Flagship, (ii) are legal and will not conflict with or constitute on the part of Provident-Flagship or Provident Resources a violation of or a breach of or a default under, or result in the creation or imposition of any Lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of Provident-Flagship or Provident Resources under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which Provident-Flagship or Provident Resources is a party or by which Provident-Flagship or Provident Resources or their respective properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or Governmental Authority or body having jurisdiction over Provident-Flagship or Provident Resources or any of their respective activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate or limited liability action on the part of Provident-Flagship and Provident Resources, as the sole member of Provident-Flagship. This Facilities Lease is the valid, legal, binding, and enforceable obligation of Provident-Flagship. The officer or officers of Provident Resources executing this Facilities Lease on behalf of Provident Resources, as the sole member of Provident-Flagship, are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of Provident-Flagship.

(e) Governmental Consents. No consent, approval, permission, order, license or authorization of, or the filing, registration, or qualification with, any Governmental Authority on the part of Provident-Flagship or Provident Resources in connection with the execution, delivery, and performance of this Facilities Lease or the consummation of any transaction herein contemplated, is required except as shall have been obtained.

(f) No Defaults. To Provident-Flagship's knowledge, no event has occurred and no condition exists that would constitute an Event of Default or that, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of Provident-Flagship, Provident-Flagship is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound. For purposes of this Section 4(f), a default or violation shall be deemed "material" if it would adversely affect the ability of Provident-Flagship to perform its obligations hereunder.

(g) Compliance with Law. To the knowledge of Provident-Flagship, neither Provident-Flagship nor Provident Resources is in violation of any Governmental Regulations to which it is subject nor has it failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or

failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of Provident-Flagship or Provident Resources.

(h) No Broker. Neither Provident-Flagship nor Provident Resources has dealt with any broker in connection with this Facilities Lease, the Greenhouse District Project or the Property, and Provident-Flagship hereby agrees to defend, indemnify and hold harmless all Indemnitees from and against any and all claims for commissions, fees, remuneration or reimbursement of expenses that may be made by any broker or similar person with whom Provident-Flagship or Provident Resources has dealt in connection with this Facilities Lease, the Greenhouse District Project or the Property.

(i) Tax Exempt Organization. As of the date of this Facilities Lease, (i) Provident Resources is a Tax Exempt Organization, (ii) Provident Resources received a determination letter from the IRS to the effect that it is a Tax Exempt Organization, (iii) Provident Resources is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax Exempt Organization has not been adversely modified, limited, or revoked, and (v) the facts and circumstances that formed the basis for the status of Provident Resources, as represented to the Internal Revenue Service in Provident Resources' application for a determination letter, either substantially exist for Provident Resources or differ in a manner consistent with the requirements of §501(c)(3) of the Code. Provident Resources is organized and operated exclusively for religious, educational, and charitable purposes, and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder, or individual. Provident-Flagship is disregarded as an entity separate and apart from Provident Resources for federal income tax purposes.

(j) Preservation of Tax Exempt Status.

(i) Provident-Flagship shall maintain its legal existence as a single member limited liability company, the sole member of which is a Tax Exempt Organization. Provident-Flagship will be disregarded as an entity separate and apart from its sole member Tax Exempt Organization for federal income tax purposes.

(ii) Provident-Flagship shall cause Provident Resources to maintain its legal existence as a Tax Exempt Organization.

(iii) Provident-Flagship shall not, without the consent of Greenhouse LLC, consolidate with or merge into another entity or permit another entity to consolidate with or merge into it.

(iv) Provident-Flagship shall not dissolve or otherwise dispose of all or substantially all of its assets.

(v) Provident-Flagship shall not operate the Property in any manner nor engage in any activities or take any action that might reasonably be expected to result in Provident Resources ceasing to be a Tax Exempt Organization.

(vi) Provident-Flagship shall promptly notify LSU and Greenhouse LLC of any loss of Provident Resources' status as a Tax Exempt Organization or of any investigation, proceeding, or ruling that might result in such loss of status.

(vii) Provident-Flagship shall preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business.

(viii) Provident-Flagship shall take such actions, or cause Provident Resources to take such actions, as are necessary or appropriate and within its control to take to comply with the provisions of the Code in order to preserve the exclusion of the interest paid on the Series 2019 Bonds and any Additional Bonds issued on a tax exempt basis from the gross income of the owners thereof for federal income tax purposes and shall not act or fail to act in any other manner that would adversely affect such exclusion.

(k) Disclosure. The representations of Provident-Flagship contained in this Facilities Lease and any certificate, document, written statement, or other instrument furnished by or on behalf of Provident-Flagship or Provident Resources to the Board in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading.

SECTION 5. Disclaimer of Warranties. Provident-Flagship does not make any representations or warranties as to the suitability or fitness of the Property for the needs and purposes of the Board or for any other purpose. The Board affirmatively reserves its rights against all Persons except Provident-Flagship, Greenhouse LLC and their respective affiliates in this regard.

(a) Latent Defects. Provident-Flagship, in connection with this Facilities Lease, does not warrant that the Property will be, upon Substantial Completion, free from latent defects or vices and Provident-Flagship disclaims any liability for latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. Provident-Flagship hereby disclaims any warranty of fitness for intended purposes and any guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Board further declares and acknowledges that this waiver has been brought to the attention of the Board and explained in detailed and that the Board has voluntarily and knowingly consented to this waiver of warranty of fitness and/ or condition against redhibitory defects and vices for the Property. Notwithstanding anything to the contrary contained in this Facilities Lease, the Board hereby agrees to assume responsibility and liability for the condition of the Property to the fullest extent allowed under Louisiana Revised Statute 9:3221, however, the Board affirmatively

reserves its rights against all parties except Provident-Flagship, Greenhouse LLC, and their respective affiliates in this regard.

(b) Compliance with Governmental Regulations. Provident-Flagship disclaims any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Laws, or the disposal of, or existence in, on, under, or about the Property or the Greenhouse District Project Site of any Hazardous Materials. The Board acknowledges that Provident-Flagship reserves in this Facilities Lease all rights to recover from the Board all costs and expenses imposed on Provident-Flagship to bring the Property and/or the Greenhouse District Project Site into compliance with any Environmental Laws, and all costs of Remediation or cleanup of any such Hazardous Materials imposed on Provident-Flagship or LSU, which shall be payable by LSU as Additional Rent hereunder to the extent imposed upon Provident-Flagship. The Board affirmatively reserves its rights against all parties except Provident-Flagship in this regard.

(c) No Personal Obligation or Liability. The obligations and liabilities of Provident-Flagship undertaken in this Facilities Lease shall not give rise to any personal obligation or liability of the officers, directors, members or other persons or entities affiliated with Provident-Flagship. Notwithstanding anything herein to the contrary, the liability and each obligation of Provident-Flagship hereunder shall be "limited recourse obligations" and, accordingly, the Board's sole source of satisfaction of such obligations shall be limited to Provident-Flagship's right, title and interest in and to the Property, this Facilities Lease, the Provident Flagship Asset Management Fee, the rents, issues and surplus related thereto and (but only for so long as Provident-Flagship and not any other Person, shall be lessor and sublessor hereunder) the other assets of Provident-Flagship, and the Board shall not seek to obtain payment from any Person comprising Provident-Flagship or from any assets of Provident-Flagship other than those described in this sentence (but only for so long as Provident-Flagship (and not any other Person) shall be lessor and sublessor hereunder), notwithstanding the survival of any obligation of Provident-Flagship beyond the Term. Nothing in the preceding sentence is intended to modify, reduce or increase the manner or degree in or to which Provident-Flagship shall be liable or obligated under the Bond Documents, whether on a "recourse," "limited recourse," "non-recourse" or other basis.

#### SECTION 6. Duties, Responsibilities of Provident-Flagship.

(a) Owner/Asset Manager Duties. Provident-Flagship agrees to fulfill its duties and responsibilities as to the Company Documents and its duties and responsibilities of performing or causing to be performed all other management operations, maintenance and repair, obligations with respect to the Property which are not performed by the Facilities Manager under the FOMA or by LSU in accordance with this Facilities Lease (collectively, and as more particularly set forth in Section 6(b) below, the "Owner/Asset Manager Duties") Provident-Flagship shall undertake these duties and responsibilities in a manner reasonably calculated to protect and preserve the assets that comprise the Property.

(b) Duties and Responsibilities as Owner/Asset Manager. Provident-Flagship shall undertake the core functions necessary to carry out the Owner/Asset Manager Duties as the Owner/Asset Manager, which core functions include, but are not limited to the following:

- (i) Compliance with tax and financial reporting covenants of Bond Documents, including communications with Trustee and Authority;
- (ii) Maintaining appropriate books and records relating to Bond financing and Property operations;
- (iii) Project Committee participation and administrative support;
- (iv) Monitoring compliance with Company Documents;
- (v) Evaluating performance of independent managers and consultants;
- (vi) Active participation in the preparation and final approval of Approved Operating Plan and Budget which shall include capital improvement plans for the Property;
- (vii) Monitoring compliance with Approved Operating Plan and Budget;
- (viii) Review and approval of third-party contracts;
- (ix) Review of monthly/quarterly Facilities Manager operating maintenance reports, and evaluation of compliance with FOMA;
- (x) Engagement of independent auditor to prepare the annual financial audits and overseeing the preparation of all necessary audits;
- (xi) Engagement and oversight of the activities of the insurance consultant to ensure the maintenance of all required insurance is obtained at the lowest possible cost, as applicable;
- (xii) Arranging for the calculation and payment of all arbitrage rebate payments required to the federal government in connection with the Bond financing;
- (xiii) Directing investments of any funds under the terms of Bond Documents;
- (xiv) Preparing and disseminating all necessary continuing disclosure documents and annual certifications required in connection with the Bond Documents; and

(xv) Satisfying all federal tax reporting requirements (Form 990 and 1099 or their future equivalents).

In addition to the duties and responsibilities listed above, Provident-Flagship, as Owner/Asset Manager, shall undertake, to the extent required by the Company Documents, property tax oversight, insurance oversight, oversight and review of legal issues and any pending legal matters and litigation, cash flow management and respond to all inquiries from rating agencies, the Trustee and the Authority.

#### SECTION 7. Rental.

(a) Payment of Rental. The Board, for the benefit of the University, for and in consideration of Provident-Flagship entering into the Ground Sublease, performing the Greenhouse District Project in accordance with the Ground Sublease and the Development Agreement, subleasing and leasing the Property to the Board pursuant to the terms hereof, and maintaining and operating the Property pursuant hereto and the FOMA, hereby covenants and agrees to pay (i) the Base Rental and (ii) the Additional Rental, all in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the Rental payable under this Facilities Lease.

(b) Base Rental. Base Rental shall be paid to the Trustee for the benefit of and on behalf of Provident-Flagship. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each December 25 and June 25, or the first Business Day thereafter if not a Business Day, during the Term of this Facilities Lease, commencing \_\_\_\_\_ 25, 20\_\_, in an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Bonds on the following January 1 or July 1, as the case may be;

(ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and

(c) Additional Rental. Commencing on the Rental Commencement Date and continuing for the Term of this Facilities Lease, in addition to the Base Rental set forth hereinabove, the Board agrees to pay in advance on the first Business Day following each October 1 and March 1 of each year during the Term hereof, all of the following expenses anticipated to be incurred prior to the next payment date (based on the Approved Operating Plan and Budget or as otherwise properly incurred) as Additional Rental any and all expenses, of every nature, character, and kind whatsoever properly incurred or anticipated to be incurred by Provident-Flagship on behalf of the Board and/or the University (based on the Approved Operating Plan and Budget or as otherwise properly incurred) in the management, operation, ownership, and/or maintenance of the Property pursuant to the FOMA, the Provident-Flagship Asset Management Fee and all

payments, annual ground rent and additional rent payable by Provident-Flagship under the Ground Sublease, including, but not limited to, the following costs and expenses unless already paid pursuant to Paragraph 7(b) above (collectively, the "Additional Rental"):

- (i) Any arbitrage rebate payments to be paid directly to the United States of America. All arbitrage rebate payments required by the Tax Regulatory Agreement, if any, shall be paid at times required therein as a rebate payment if required under the Code;
- (ii) On the date required in the Indenture, the annual Trustee fee;
- (iii) all taxes, assessments and impositions against the Property, including without limitation, ad valorem taxes attributed to Provident-Flagship on behalf of the Board or to the Board (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes and all "Taxes," as defined in the Ground Sublease, including without limitation all matters contained in Section 5 of the Ground Sublease);
- (iv) any costs incurred by Provident-Flagship in operating and maintaining the Property for the Board and/or the University and making any alterations, restorations and replacements to the Property (to the extent not covered by the MRA or the RRA);
- (v) insurance premiums, deductibles and other charges for insurance obtained with respect to the Property, including insurance premiums, if any, on all insurance required under the provisions of Section 10 of this Facilities Lease and Section 21 of the Ground Sublease;
- (vi) any Default or Delay Rentals;
- (vii) all Administrative Expenses;
- (viii) Litigation Expenses, if any, incurred pursuant to Section 47;
- (ix) any reimbursement amounts payable pursuant to Section 20 or pursuant to any other provision hereof or pursuant to any provision of the Ground Sublease;
- (x) Additional Rental payable pursuant to Sections 13(a) and (b);
- (xi) any and all costs, charges, reimbursements and expenses properly incurred pursuant to and in accordance with the FOMA;
- (xii) other Operating Expenses, if any, properly incurred by Provident-Flagship under this Facilities Lease or the FOMA;
- (xiii) the Facilities Management Fee, as defined in the FOMA;

- (xiv) the Provident-Flagship Asset Management Fee;
- (xv) the Greenhouse LLC Administrative Fee;
- (xvi) any out-of-pocket expenses incurred by Greenhouse LLC in connection with the Greenhouse District Project or the Student Housing Facilities;
- (xvii) the Replacement and Repair Account Requirement as required by Section 8(k), if any, to be deposited in the Replacement and Repair Account;
- (xviii) the Maintenance Reserve Account Requirement required by Section 8(j) to be deposited in the Maintenance Reserve Account; and
- (xix) all costs and payments properly incurred by Provident-Flagship in connection with its performance of its obligations relating to the Property under the Ground Sublease, including, but not limited to, any Ground Rent, Additional Rent and payments due thereunder;

Amounts constituting Additional Rental payable hereunder shall be paid by the Board to Provident-Flagship, which shall remit the necessary funds to the person or persons to whom such amounts shall be due. Additionally, the Board shall pay, as Additional Rental, all unexpected expenses incurred under the FOMA which have been properly approved in accordance with and pursuant to the FOMA, within sixty (60) days of notice from Provident-Flagship to LSU stating the amount of the Additional Rental then due and the purpose thereof.

(d) Credit Against Base Rental. The Board shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived and available in accordance with the terms of the Indenture from the following sources:

- (i) Accrued interest, if any, derived from the sale of the Bonds;
- (ii) Any capitalization of interest from the proceeds of the Bonds contained in the Capitalized Interest Fund under the Indenture;
- (iii) Surplus moneys (including investment earnings) contained in the Funds and Accounts described in the Indenture, including the Debt Service Fund;
- (iv) Advance payments or prepayments of Payments (as defined in the Loan Agreement); or
- (v) Funds on deposit in the Debt Service Fund held by the Trustee.

(e) Subordinate to Debt Service Requirements. Notwithstanding any other provision of this Facilities Lease, the obligation of the Board to make payments under this Facilities Lease, including payments of Rental, shall be made solely from the Auxiliary Revenues, provided, however, such payments of Rental are subordinate and junior in all respects to the payment of Debt Service Requirements (as defined in the

General Bond Resolution) and the pledge of Auxiliary Revenues created by the General Bond Resolution as security for Auxiliary Revenue Bonds.

(f) Total Rental for Each Fiscal Year. The payments of Base Rental and Additional Rental under this Facilities Lease for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Board for and in consideration of the maintenance and operation by Provident-Flagship of the Property and the right to the use and occupancy of the Property by the University for and during such Fiscal Year or portion thereof.

(g) Payment in Lawful Money of United States. Amounts necessary to pay each Base Rental payment shall be deposited by LSU on the dates set forth in Section 7(b) in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by Provident-Flagship in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Board and Provident-Flagship hereunder, the Board shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) Triple Net Lease. This Facilities Lease is intended to be a triple net lease. LSU agrees that the Rental provided for herein shall be an absolute net return to Provident-Flagship free and clear of any expenses, including Operating Expenses, charges, taxes or set-offs whatsoever of any kind, character or nature, it being understood and agreed to by LSU that LSU shall bear responsibility for the payment of all Rental. Under no circumstances will Provident-Flagship be required to make any payment on LSU's behalf or for LSU's benefit under this Facilities Lease, or assume any monetary obligation of LSU under this Facilities Lease, or with respect to the Property. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(i) Continuous Operation, Maintenance and Repair. Except for any operations which LSU undertakes pursuant to the terms herein or undertakes as to the Property or in accordance with the terms of the FOMA, Provident Flagship shall be responsible for procuring and maintaining, or causing to be procured and maintained, all services described in the FOMA that are necessary or required in order to adequately operate the Property in accordance with the Permitted Use, including, but not limited to, administrative support. Provident-Flagship, in accordance with the FOMA, shall continuously operate and maintain, or cause to be operated and maintained, the Property from the Date of Opening and continuing for the remainder of the Term for the Permitted Use in accordance with all Governmental Regulations. LSU hereby acknowledges that full performance by the Facilities Manager of all its obligations and duties under the FOMA shall be deemed satisfaction of all of Provident-Flagship's obligations to operate, alter, manage, maintain, repair and replace the Property as required by this Section 8.

(j) Alterations, Repairs, Restorations and Replacements. Provident-Flagship shall be responsible for maintaining the Property and shall make or contract or cause to

be made or contracted with a suitable contractor selected in accordance with and pursuant to the FOMA for the making of all alterations, repairs, restorations, and replacements to the Property, including, without limitation, the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler, and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Property as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of Provident-Flagship or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class then located on the Property and shall be in compliance with the terms of the FOMA.

(k) Construction of Additional Improvements. Subject to the terms of the Ground Sublease, LSU shall have the right during the Term to cause Provident-Flagship or some Other Party to make or construct any additions or improvements to the Property, alter the Property, attach fixtures, structures, or signs to or on the Property, and affix personal property to the Property to the extent allowed under the terms of any insurance covering the Property. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Property shall (i) be at the sole cost and expense of the Board; (ii) not reduce the then fair market value of the Property; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(l) Custodial Service. Except as otherwise provided in the FOMA, Provident-Flagship shall provide or cause to be provided all custodial service, janitorial service, trash disposal, landscaping and all other services as described in the FOMA that are necessary for the proper upkeep and maintenance of the Property in accordance with and pursuant to the FOMA. Provident-Flagship shall fully comply with the University's standards, as more particularly set forth in the FOMA, in providing these services.

(m) Security and Police Service. LSU or the University, as part of its residential life operations, shall provide all security and police service with respect to systems and/or procedures for the security of the Property, any persons occupying, using or entering the Property, or any equipment, furnishings, or contents of the Property. It is the responsibility of LSU to cause to be provided, at the sole cost and expense of LSU, for the security of persons on or entering the Property in accordance with reasonable and prudent business practices.

(n) Amendment to FOMA. At the written request of LSU, through the LSU Representative, pursuant to and in accordance with the FOMA, Provident-Flagship shall agree to amend and/or supplement, and to use its best efforts to cause Facilities Manager to amend and/or supplement, the FOMA from time to time to delete or add services thereunder necessary for the upkeep and maintenance of the Property as required herein.

(o) Project Committee. The Project Committee shall render non-binding advice to Provident-Flagship and the Facilities Manager to enable Provident-Flagship and

the Facilities Manager to fulfill their respective obligations under the Ground Sublease, this Facilities Lease and the FOMA. Without limiting the generality of the foregoing, the Project Committee shall render non-binding advice to Provident-Flagship and the Facilities Manager with respect to matters pertaining to the Ground Sublease, this Facilities Lease and with respect to (i) the Approved Operating Plan and Budget; (ii) long term planning for capital repairs and replacements, repairs and replacement of furniture, fixtures and equipment, including expenditures of the Maintenance Reserve Account, the Replacement and Repair Account, any other required reserve account, and projections of annual operating budget needs for furniture, fixtures and equipment; (iii) the FOMA and the Facilities Manager; and (vi) any other matters agreed upon by Greenhouse LLC, LSU and Provident-Flagship.

(p) Termination of Facilities Manager. Provident-Flagship shall, in the event LSU, in its sole and unfettered discretion, so requires, terminate the Facilities Manager. Following termination of the Facilities Manager for any reason, Provident-Flagship shall engage a Facilities Manager approved in writing by LSU and Greenhouse LLC.

(q) Facilities Manager's Right to Select. Pursuant to and in accordance with the terms of the FOMA, including, but not limited to Articles 2, 3.7 and 3.11 thereof, LSU agrees that the Facilities Manager shall have the right to control the selection of all Property Personnel, contractors, vendors and other professionals for the operation and maintenance of the Property as provided in the FOMA. LSU may require removal of any Property Personnel, contractor, vendor or other professional whose conduct is reasonably deemed inappropriate or inconsistent with University policies, Governmental Regulations or the FOMA. All maintenance, repair, alteration, renovation or additions to the Property undertaken or caused to be undertaken by Provident-Flagship shall be in conformance with all Governmental Regulations and the FOMA. Except as provided in Section 3.7 of the FOMA, the Facilities Manager shall not enter into any service contracts unless same have been approved in writing by the LSU Representative in his sole and unfettered discretion.

Any employees, personnel, architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants engaged by Provident-Flagship, including, without limitation, the Facilities Manager, in connection with its management, maintenance and operations of the Property 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 Property, 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 the University upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Provident-Flagship and any such architects, engineers, contractors, subcontractors, vendors, specialists, agents and consultants, including, without limitation, the Facilities Manager.

(r) Payment of Maintenance Reserve Account Requirement. LSU shall pay, as Additional Rental hereunder, the Maintenance Reserve Account Requirement into the Maintenance Reserve Account, which Maintenance Reserve Account is to be maintained by Provident-Flagship to be used to fund the cost of replacing any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, fixtures or equipment placed upon and used in connection with the Property as more particularly set forth in the FOMA.

(s) Payment of Replacement and Repair Account Requirement. LSU shall pay, as Additional Rental hereunder, the Replacement and Repair Account Requirement into the Replacement and Repair Account, which Replacement and Repair Account is to be maintained by Provident-Flagship to be used to fund the cost of replacing any worn out, obsolete, inadequate, unsuitable or undesirable furniture, fixtures or equipment used in connection with the Property, capital improvements, and all such items set forth in the Approved Operating Plan and Budget for the foregoing purposes.

#### SECTION 8. Utilities.

(a) Payment for Utilities Services. Payment for all Utility Services, including, without limitation, water, gas, electricity, sewerage, garbage or trash removal, light cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Property ("Utility Services"), which are provided by or caused to be provided by Provident-Flagship, or as may be provided by LSU in its sole and unfettered discretion, used or consumed in or upon or in connection with the Property during the Term, all as more particularly set forth and defined in the FOMA, shall be the responsibility of LSU. Payments for Utility Services provided to the Property under such contract or contracts shall be made by LSU directly to the respective utility companies furnishing such Utility Services.

(b) Responsibility for Quality and Availability of Utilities Services. Provident-Flagship shall have full responsibility to LSU for the quality or availability of the Utility Services which Provident-Flagship caused to be furnished to the Property pursuant to the FOMA. LSU shall reimburse Provident-Flagship for the cost of all Utilities Services used in the Property to the extent such are not paid by LSU directly to the respective utility companies providing such Utility Services and are instead procured at the expense of Provident-Flagship. Provident-Flagship shall not be in Default under this Facilities Lease or be liable to the Board or any other Person for direct or consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity not caused by or the direct result of the action or inaction of Provident-Flagship. LSU hereby acknowledges that full performance by the Facilities Manager of all its obligations and duties under the FOMA shall be deemed the satisfaction of all Provident-Flagship's obligations to provide Utility Services.

SECTION 9. Insurance.

(a) General. It is the intent of the Parties to this Facilities Lease that risk of loss for the Property be shifted to insurance to the maximum extent practicable. Provident-Flagship shall comply with and shall require the Facilities Manager to comply with insurance requirements set forth in the FOMA.

(i) Each Party to this Facilities Lease shall be required to procure and maintain its own insurance coverage for the duration of this Facilities Lease in minimum limits as set forth below and with insurers financially acceptable and lawfully authorized to do business in Louisiana with a current A.M. Best rating of no less than A-VII.

(ii) Each Party to this Facilities Lease shall have the right, but not the duty, to procure and maintain coverage required of the other in this Section should the other Party fail to procure and maintain such insurance. In such event, the Party procuring the replacement insurance shall be entitled to recover the costs associated with the other's failure to procure and maintain the required insurance, including, but not limited to, a set-off against any sums otherwise due to the procuring party under this Facilities Lease to reimburse such costs to procure and maintain the insurance.

(iii) The Parties to this Facilities Lease agree to cooperate with one another throughout the Term of this Facilities Lease to review and consider market strategies for insuring risks which could arise under this Facilities Lease and the FOMA in order to mitigate insurance costs and to increase benefits in each Party's best interest. The Parties agree that any insurance purchased shall meet the standards set forth in this Facilities Lease and be consistent with the nature and extent of coverage described in this Section in all respects, including, but not limited to the scope of coverage and benefits, policy limits, and individual insurer A.M. Best rating.

(b) Minimum Scope of Insurance. The insurance required of each Party to this Facilities Lease shall be written for the extent and policy limits of liability not less than the limits specified here or as required by law, whichever are greater:

(i) Workers' Compensation Insurance as is required by Louisiana law, or as may be available on a voluntary basis. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary or leased employees unless a Party can provide evidence that such employee is covered under other applicable Workers' Compensation Insurance. If either Party exempts its officers and directors from such Workers' Compensation insurance, such officers and directors shall not be allowed in those Land, Greenhouse District Project Site 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 Party.

(iv) Commercial General Liability Insurance on an occurrence coverage basis against claims for bodily injury, death, and property damage (including loss of use), products completed operations, personal and advertising injury and liquor liability, 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.

(v) Umbrella Liability Insurance, occurrence based follow form, providing additional limits in excess of the Commercial General Liability and Automobile Liability policy limits and Employers Liability. Concurrency of Effective Dates with Primary; Aggregates: Follow Form Primary; and Drop Down Feature. Endorsements shall include Pay on Behalf of Wording.

(c) Minimum Limits of Insurance. The limits set forth below constitute minimum limits of liability. Nothing in this Facilities Lease shall be construed to limit either Party from maintaining insurance with higher limits. If either Party maintains insurance with higher limits at the time of a claim, such limits carried shall constitute the minimum limits of liability insurance available at the time of such claim for purposes of this Facilities Lease. However such additional coverage limits shall not be required of either Party for the remaining Term of this Facilities Lease:

<u>Type of Insurance</u>	<u>Minimum Limits Required (Per Claim/Occurrence)</u>	<u>Minimum Limits Required (Aggregate Policy Limits)</u>
1. Workers' Compensation	Statutory Limits	Statutory Limits
2. Employer Liability (bodily injury by accident)	\$1,000,000	N/A
a. By disease	\$1,000,000	
b. Each accident	\$1,000,000	
c. Each Employee	\$1,000,000	
3. Commercial Auto Liability (Symbol 1) (no deductible in excess of \$5,000)	Combined single limit/each accident	N/A
4. Commercial General Liability	\$1,000,000	\$2,000,000
a. Bodily Injury/Property Damage	\$1,000,000	\$2,000,000
b. Products/Completed Operation	\$1,000,000	\$2,000,000
c. Personal and Advertising Injury	\$1,000,000	\$2,000,000

<u>Type of Insurance</u>	<u>Minimum Limits Required (Per Claim/Occurrence)</u>	<u>Minimum Limits Required (Aggregate Policy Limits)</u>
d. Medical Expense limit (any one person)	\$10,000	
e. Loss of Use Insurance	\$1,000,000	\$2,000,000
5. Umbrella Liability Insurance (no deductible in excess of \$25,000)	\$10,000,000	\$10,000,000

(d) Deductibles and Self-insured Retentions. The funding of deductibles and self-insured retentions for insurance maintained under this Facilities Lease shall be the sole responsibility of the Party procuring the insurance, 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 to the other. The Parties shall reject any self-insured retention endorsement that would limit the right of LSU, Greenhouse LLC, the Foundation, Provident-Flagship, the Trustee or their successors and assigns to make such payment. The Party paying such deductible or self-insured retention shall be entitled to all rights and remedies under this Facilities Lease and Governmental Regulations.

(e) Additional Insurance Policy Requirements. The required insurance listed above shall contain the following additional provisions

(i) Additional Insured – Each policy shall name LSU; Greenhouse LLC; the Foundation, the Trustee, Provident-Flagship; Provident Resources, the State of Louisiana, the Authority and their respective officers and directors as additional insureds on the above-referenced Commercial General Liability, Automobile Liability, and Umbrella Liability policies. The additional insured endorsements on the General Liability 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 to include both on-going and completed operations.

(ii) Primary Coverage – The insurance required of a Party in this Facilities Lease shall be primary insurance and any insurance or self-insurance maintained by LSU, Greenhouse LLC, the Foundation or Provident-Flagship shall be excess of and non-contributory with the insurance obtained by RISE or the Facilities Manager or their respective third party consultants, contractors, vendors, and their respective subcontractors. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its board members, officers, employees, agents or other representatives.

(iii) Notice of Cancellation – Each Party shall provide thirty (30) days' written notice to LSU, Greenhouse LLC, the Foundation, Provident-Flagship and the Trustee by certified mail, return receipt requested, prior to any suspension, cancellation or non-renewal of the required insurance. Notice of cancellation from the insurer to all certificate holders shall be provided in accordance with

policy provisions; provided that each of LSU, Greenhouse LLC, the Foundation, Provident-Flagship and the Trustee shall be a certificate holder.

(iv) Waiver of Subrogation – Each of LSU and Provident-Flagship, on behalf of itself and on behalf of anyone claiming under or through it by way of subrogation or otherwise, hereby waives all rights of subrogation it may have against the other and its directors, officers, members, employees and agents, excluding RISE and Facilities Manager, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:

(A) To real or personal property, such as vehicles, equipment, and tools owned, leased or used by each Party's employees, agents or third party consultants, contractors, vendors, and their respective subcontractors; and

(B) To the extent such loss, damage claims, suits, or demands are covered, or are typically covered, by the required or any other insurance maintained by any other Person. This waiver shall apply to all property, equipment, boilers, machinery and workers' compensation claims (unless prohibited under applicable statutes). This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance maintained by a Person. Each Party to this Facilities Lease agrees to endorse the required insurance policies to permit waivers of subrogation in favor of the other and of LSU, the Foundation and the Trustee as required hereunder. Each Party to this Facilities Lease further agrees to defend, indemnify and hold harmless Provident-Flagship, LSU, Greenhouse LLC, the Foundation and the Trustee for any loss or expense incurred as a result of such Party's failure to obtain such waivers of subrogation from its insurer.

(v) Each Party to this Facilities Lease agrees not to violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under this Facilities Lease, including those provided by LSU or on its behalf.

(f) Verification of Contractor Provided Insurance. Each Party to this Facilities Lease shall furnish the other with a certificate of insurance on the most current version of the ACORD form evidencing the required coverage. Each Party shall provide renewal certificates to the other. Each Party shall promptly direct its broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by this Facilities Lease.

Certificates required herein shall be furnished in duplicate and shall specifically set forth evidence of all coverage required herein. Each Party shall promptly deliver to the other copies of written endorsements that are subsequently issued amending coverage or limits upon receipt or upon written demand by the other.

Failure of either Party to request certificates or identify deficiencies shall in no way limit or relieve the other of its obligations to maintain such insurance.

In specifying minimum insurance requirements, Provident-Flagship does not represent that such insurance is adequate to protect LSU for loss, damage or liability arising from the Property. LSU is solely responsible to inform itself of the types or amounts of insurance it may need beyond these requirements to protect itself. The insurance requirements set forth in minimum amounts shall not be construed to relieve LSU for liability in excess of such coverage, nor shall it preclude Provident-Flagship from taking such other actions as are available to it under any other provision of this Facilities Lease.

(g) Insurance Maintained by LSU. Upon completion of the construction and acceptance of the work, LSU shall maintain the permanent property insurance on the Property as part of a master property program throughout the Term of this Facility Lease. Such coverage includes all risk property insurance, including named windstorm, earthquake, flood and Business Interruption. Such insurance shall be on a replacement cost basis. In addition to the master property program: terrorism coverage, boiler and machinery and fine arts (if applicable) will be provided in an amount adequate to cover the risk. As part of the master property program, LSU will appoint the appropriate claims personnel to handle losses. Other all type losses shall be handled by the carrier of record. The master property program shall name the Trustee as a loss payee with respect to the Property under the Lender's Loss Payable Endorsement Standard 438BFU for the Trustee to deposit such Net Insurance Proceeds in accordance with the Bond Documents.

(h) Waiver of all Claims. Each of LSU and Provident-Flagship, on behalf of itself and on behalf of its supervisors, officers, directors, agents, members and employees, waives all claims against the other resulting from any peril typically covered under the Workers' Compensation Insurance or under the Builder's Risk during construction, if any under this Facilities Lease, and the master property program during operation of the Property regardless of cause or origin. This waiver shall apply to all deductibles, retentions, or self-insured layers applicable to Workers' Compensation or property coverage identified in this provision. This waiver will be complete and total, even if such loss or damage may have been caused by the negligence of the other Party, its supervisors, officers, employees, agents, employees, members or invitees (excluding RISE and the Facilities Manager) and will not be affected or limited by the amount of insurance proceeds available to the waiving Party, regardless of the reason for such deficiency in proceeds. Provident-Flagship shall not grant RISE or the Facilities Manager a waiver of such claims. This provision shall not be construed to extend such a waiver of claims for the benefit of RISE or the Facilities Manager or for their third-party contractors, consultants, vendors or their respective subcontractors.

#### SECTION 10. Damage and Destruction.

(a) Damage in Whole or in Part. In the event the Property or any component thereof is damaged or destroyed in whole or in part, this Facilities Lease shall continue and either (at the election of Greenhouse LLC under the terms of the Ground Sublease,

after obtaining necessary approvals from LSU in accordance with the Ground Lease) (i) Provident-Flagship, to the extent insurance proceeds are available and pursuant to the terms and provisions of the Ground Sublease, 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 LSU Representative shall approve in writing (if any) as will not impair the value or the character of the affected Property (the "Restoration"), or (ii) 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 11(g) (or some combination of the above).

(b) Restoration Performed in Accordance with Governmental Regulations. Any and all Restoration by Provident-Flagship hereunder shall be performed in accordance with all applicable Governmental Regulations. If not theretofore delivered, Provident-Flagship shall deliver to the LSU Representative, within one hundred twenty (120) days of the completion of such Restoration, a complete set of record "as built" exterior plans thereof, together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

(c) Net Insurance Proceeds. 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 Greenhouse LLC in accordance with the terms of the Ground Sublease, after obtaining necessary approvals from LSU in accordance with the Ground Lease, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably conditioned, withheld or delayed):

(i) Subject to the requirements of Section 11(f), such Net Insurance Proceeds shall be applied to the Restoration;

(ii) such Net Insurance Proceeds shall be transferred to the Principal Account 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 Greenhouse LLC, pursuant to the terms of the Ground Sublease, does not, within said sixty (60) day period, direct 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).

(d) Completion of Restoration. After completion (and payment in full of the costs) of the Restoration (pursuant to Section 11(c)(i)), all remaining Net Insurance Proceeds (if any) shall first be transferred to the Principal Account to be applied in

redemption of the Bonds pursuant to the Indenture and then applied in accordance with Section 11(e).

(e) Termination of Facilities Lease and Ground Sublease. In the event of the termination of this Facilities Lease and the Ground Sublease 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 unexpended balance thereof, including any interest previously earned by such balance, shall, subject to Section 11(g), inure to and become the sole property of Greenhouse LLC or, in the event the Bonds have been fully redeemed and all obligations thereunder have been paid in full, the sole property of LSU.

(f) Certificate of Independent Engineer. Before the Trustee may apply any Net Insurance Proceeds pursuant to Section 11(c)(i), Provident-Flagship shall have furnished to the LSU Representative, Greenhouse LLC and the Trustee (i) 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-Flagship, the LSU Representative or the Independent Engineer to the effect that all permits, licenses, accreditation, and other governmental approvals necessary for Restoration are in full force and effect. If the Independent Engineer advises that he, she or it cannot furnish the certificate described in the preceding clause (i), then, before the Net Insurance Proceeds are applied pursuant to Section 11(d)(ii), LSU shall have sixty (60) days after such advice, at LSU's sole option, to commit to contributing such additional funds to the costs of Restoration as shall be necessary for the Independent Engineer to furnish 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 11(c)(i).

(g) Principal Account. Any balance of such Net Insurance Proceeds remaining after application pursuant to the preceding Paragraphs of this Section shall be transferred to the Principal Account to be applied in redemption of the Bonds pursuant to the Indenture and then applied in accordance with Section 11(f).

(h) Obligations of Facilities Lease After Damage or Destruction. Except as otherwise expressly contemplated hereby, this Facilities Lease 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 party thereof resulting from fire or other casualty. LSU, agrees that, except (i) to the extent otherwise expressly provided in this Section 11 or (ii) with respect to any covenants or obligations which, given their nature, cannot be performed due to any damage or destruction, the Board's obligations hereunder, including the payment of Rental, 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.

(i) Obligations of Ground Sublease Prevail. Notwithstanding the provisions above, to the extent such provisions conflict with Provident-Flagship's obligations under the Ground Sublease, the obligations under the Ground Sublease shall prevail and the proceeds shall be paid as required by the Ground Sublease, provided that the provisions of the Indenture shall prevail in any case.

#### SECTION 11. Condemnation.

(a) Event of Taking. In the event all or substantially all of the Property shall be subject to a Taking, or if so much of the Property or any component thereof shall be so Taken so that the remainder of the Property shall not reasonably be capable of being used for its intended purpose, as reasonably determined by Greenhouse LLC under the terms of the Ground Sublease after obtaining necessary approvals from the LSU in accordance with the Ground Lease, Provident-Flagship shall promptly notify the Trustee and the LSU Representative, 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 LSU. 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, upon which this Facilities Lease shall terminate.

(b) Taking of Less than all Property. In the event less than all or substantially all of the Property or any component thereof shall be subject to a Taking, LSU and the 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 Restoration Fund to be applied, as fully as practicable, in one or more of the following ways as shall be directed in writing by Greenhouse LLC after obtaining the necessary approvals from LSU in accordance with the Ground Lease, within sixty (60) days from the date of such deposit (subject to the consent of the Trustee, which consent shall not be unreasonably conditioned, withheld or delayed):

(i) Subject to the requirements of subsection (e) of this Section 12, such Net Condemnation Proceeds shall be applied to the Restoration of the Property (provided that in this Section 12, the "value or character of the Property" in the definition of "Restoration" shall take into account the portion of the Property so taken);

(ii) such Net Condemnation Proceeds shall be transferred to the Principal Account 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 Greenhouse LLC 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) Remaining Net Condemnation of Proceeds. After completion (and payment in full of the costs) of the Restoration (pursuant to Section 12(b)(i)), all remaining Net Condemnation Proceeds (if any) shall be transferred to the Principal Account to be applied in redemption of the Bonds pursuant to the Indenture.

(d) Termination of Facilities Lease. In the event of the termination of this Facilities Lease and the Ground Sublease before the expenditure of the full amount of such Net Condemnation Proceeds in the Restoration of such damaged or destroyed buildings, other structures or improvements, any unexpended balance thereof, including any interest previously earned by such balance, shall, subject to Section 12(c), inure to and become the sole property of Greenhouse LLC, or in the event the Bonds have been fully redeemed and all obligations thereunder have been paid in full, the sole property of LSU.

(e) Before the Trustee may apply any Net Condemnation Proceeds pursuant to Section 12(b)(i), Provident-Flagship shall have furnished to the LSU Representative, Greenhouse LLC, and the Trustee (i) 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-Flagship, the LSU Representative or 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 advised 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 12(b)(ii), LSU shall have sixty (60) days after such advice, at LSU's sole and unfettered 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 (A) the Net Condemnation Proceeds and such additional funds shall be applied *pari passu* to the costs of Restoration pursuant to Section 12(b)(i).

(f) [Reserved]

(g) Termination of Facilities Lease. Except as otherwise expressly contemplated hereby, this Facilities Lease 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. LSU agrees that, except (a) to the extent otherwise expressly provide in this Section 12 or (b) with respect to any covenants or obligations which, given their nature, cannot be

performed due to any damage or destruction, LSU's obligations hereunder, including the payment of Rental, 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.

(h) Obligation of Ground Sublease Prevail. Notwithstanding the provisions above, to the extent such provisions conflict with Provident-Flagship's obligations under the Ground Sublease, the obligations under the Ground Sublease shall prevail and the proceeds shall be paid as required by the Ground Sublease; provided that the provisions of the Indenture shall prevail in any case.

#### SECTION 12. Liens.

(a) Payment by LSU. LSU shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance done by or caused to be done by LSU in or to the Property, and for all materials furnished for or in connection with such work. Provident-Flagship reserves all rights to collect for any loss or damage sustained or incurred by Provident-Flagship resulting from any and all encumbrances, demands or liabilities arising on account of the work, which shall be payable by LSU as Additional Rental hereunder.

(b) Failure to Discharge. If LSU fails to pay any charge for which a Lien has been filed, and the Property or any portion thereof is placed in imminent danger of being seized, Provident-Flagship may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Lien, will be immediately due from LSU to Provident-Flagship as Additional Rental. Nothing contained in this Facilities Lease will be deemed the consent or agreement of Provident-Flagship subject to Provident-Flagship's interest in the Property to liability under any Lien, or any mechanics', materialman's or other lien law. If LSU receives written notice that a Lien has been or is about to be filed against the Property, or that any action affecting title to the Property has been commenced on account of work done by or for LSU or for materials furnished to or for LSU, it shall immediately give Provident-Flagship Notice of such notice.

(c) Notice of Non-Responsibility. Provident-Flagship will have the right to post notices of non-responsibility or similar written notices on the Property to protect the Property against any such claimants.

#### SECTION 13. Assignment and Sublease.

(a) Assignment and Permitted Sublease. Neither this Facilities Lease nor any interest of LSU herein shall be mortgaged, pledged, assigned or transferred by LSU by voluntary act or by operation of law, or otherwise; provided, however, to the extent permitted by the Ground Sublease and subject to the terms thereof, LSU may sublease all or any portion of the Property, or grant concessions involving the use of all or any portion of the Property, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Property, to any Permitted Sublessee. LSU shall, at

all times, remain liable for the performance of the covenants and conditions on its part to be performed under this Facilities Lease (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve LSU from its obligations to pay Base Rental and Additional Rental as provided in this Facilities Lease or to relieve the Board from any other obligations contained herein. In no event will LSU sublease or permit the use of all or any part of the Property to any party other than a Permitted Sublessee (i) without complying with the terms of the Ground Sublease; and (ii) without an opinion of Bond Counsel that such will not cause interest on the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis to be included in the gross income of the owners thereof for federal tax purposes.

(b) Assignment of Facilities Lease to Trustee. Provident-Flagship shall, concurrently with the execution hereof, assign all of its rights, title and interest in and to this Facilities Lease and the Property to the Mortgagee, for the benefit of the Bondholders, pursuant to the Mortgage. LSU explicitly consents to such Mortgage and the assignment of this Facilities Lease to the Trustee. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or permitted to be done by Provident-Flagship under this Facilities Lease may be done by the Trustee under the Indenture.

(c) No Assignment by Provident-Flagship. Except as otherwise expressly provided in this Facilities Lease (including Section 14(b)), Provident-Flagship, and its successors and assigns, shall not (and shall not have the right to) assign, pledge, mortgage, grant a security interest in, encumber or otherwise transfer or dispose of this Facilities Lease or any interest herein or in the Property or any right or privilege appurtenant hereto, or lease, ground lease or sublease the Property or any portion thereof, except for this Facilities Lease, or permit or suffer any of the same to occur (each, a "Transfer"), unless, in each case, the prior written consent of LSU is first obtained. LSU shall not unreasonably withhold, delay or condition such consent if there is no Event of Default, such Transfer is permitted under the Bond Documents and the FOMA to which Provident-Flagship is a party, the lessor hereunder shall continue to be a Tax Exempt Organization. Any transfer or assignment of its interest which is made without such written consent of LSU shall be void *ab initio*. Notwithstanding the foregoing, Provident-Flagship shall have the right to assign or transfer its interest under this Facilities Lease, or any interest herein or in the Property, or sublease the Property or any portion thereof, to an entity affiliated with Provident Resources, with the consent of LSU, which consent shall not be unreasonably withheld.

#### SECTION 14. Additions and Improvements Removal.

(a) Title to Alterations and Fixtures. All alterations, fixtures, improvements, and additions made by LSU to, in, or on the Property owned by Provident-Flagship, and all equipment placed upon such Property which are incorporated into or made component parts of such Property, shall immediately become the property of Provident-Flagship, unless Provident-Flagship specifically disclaims ownership of such in writing by Notice delivered to the Board. At the expiration of the Term, the full repayment of the Bonds

and discharge of the Indenture or other termination of this Facilities Lease, all such alterations, improvements, additions, fixtures, and equipment shall remain on the Property and all right, title and interest shall be vested in LSU.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed by LSU upon the portions of the Property owned by Provident-Flagship which are not incorporated into or made a component part of such Property shall remain the property of LSU. LSU hereby agrees to replace such property from time to time as such property becomes worn out, obsolete, inadequate, unsuitable or undesirable. LSU may add to or remove such property from time to time, and upon the expiration of the Term, to the extent that the Ground Sublease requires Provident-Flagship to execute certain deeds, bills of sale, termination statements, assignments and other instruments as may be reasonably requested by LSU, or Greenhouse LLC, Provident-Flagship hereby agrees to so execute same.

SECTION 15. Right of Entry. Representatives of Provident-Flagship shall, subject to reasonable security precautions, and upon giving LSU not less than 24 hours advance Notice, have the right to enter upon the Property during reasonable business hours and in accordance with the applicable law with respect to inspection of individual living quarters (and in emergencies without notice and at all times) (a) to inspect the same, (b) for any purpose connected with the rights or obligations of Provident-Flagship under this Facilities Lease, or (c) for all other lawful purposes and as reasonably necessary under the FOMA. In addition, each of the Persons referenced in Section 25 of the Ground Sublease shall have a right of access pursuant to the terms of the Ground Sublease.

SECTION 16. Mortgage Prohibition. Except as set forth herein and in the Indenture, Provident-Flagship shall not be entitled to mortgage or grant a security interest in the Property.

SECTION 17. Attornment; and Conveyance and Transfer of Provident-Flagship's Interest.

(a) Person Other than Provident-Flagship. If a person other than Provident-Flagship shall succeed to the rights of Provident-Flagship hereunder (in any case with the prior written consent of the Board as required hereby), upon the declaration of the successor to Provident-Flagship's interest in this Facilities Lease, the Board agrees to fully attorn to and recognize any such successor as the Board's landlord under this Facilities Lease upon the then existing terms of this Facilities Lease, provided that such successor shall agree in writing to accept the Board's attornment and not to disturb the Board's possession so long as the Board shall observe the provisions and all covenants of this Facilities Lease. This attornment provision shall inure to the benefit of any such successor and shall be self-operative upon the election and declaration by such successor, and no further instrument shall be required to give effect to the provisions. However, the Board agrees to evidence and confirm the foregoing attornment provisions by the execution and delivery of instruments in recordable form satisfactory to such successor.

(b) If the Property, or any part thereof, shall be sold or otherwise transferred by sale, assignment, transfer or other contract, or by operation of law or otherwise (with the prior written consent of LSU as required hereby, and with an opinion of Bond

Counsel that such will not cause interest on the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis to be included in the gross income of the owners of the Bonds for federal income tax purposes), and if such written consent specifically so provides, Provident-Flagship shall be automatically and entirely released and discharged to the extent of the interest in or the portion of the Property sold, assigned or transferred from and after the effective date of such sale, assignment or transfer of all liability for the performance of any of the covenants of this Facilities Lease on the part of Provident-Flagship thereafter to be performed. The purchaser, assignee or other transferee of the Property shall be deemed to have agreed to perform such covenants of Provident-Flagship from and after the date of such assignment or sale during such transferee's period of ownership of Provident-Flagship's interest under this Facilities Lease all without further agreement between Provident-Flagship, its successor and LSU, including to operate the Property for a Permitted Use. Provident-Flagship's transferee shall not be held responsible for the performance of any of the covenants of this Facilities Lease on the part of Provident-Flagship required to be performed prior to such sale and transfer, LSU reserving its rights against Provident-Flagship for any unperformed covenants prior to such sale or transfer.

SECTION 18. Quiet Enjoyment. Provident-Flagship covenants that LSU, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by LSU, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Property during the Term and may exercise all of its rights hereunder; and subject to the terms of the Ground Lease and Ground Sublease Lease, Provident-Flagship agrees to warrant and forever defend the Board's right to such occupancy, use, and enjoyment and the title to the Property against the Claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject to the provisions of this Facilities Lease, and subject to Permitted Encumbrances.

SECTION 19. Environmental Compliance and Indemnity.

(a) Environmental Compliance. LSU shall operate or cause to be operated the Property in compliance with all Environmental Laws continuously during the Term, and for such periods of time prior to the Effective Date and after the Expiration Date, as long as LSU is in possession of the Property, in whole or in part. LSU shall not cause or permit any Hazardous Materials to be brought upon, kept, or used in or about the Property, except for such Hazardous Materials as are necessary or useful to the operation of the Property.

(b) LSU's Liability. If LSU fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Materials found on the Property is required by Environmental Laws or a Governmental Authority, LSU shall promptly undertake the removal or Remediation of such Hazardous Materials, at LSU's sole cost and expense. In the event LSU fails or refuses to undertake such removal or remedial actions, Provident-Flagship may cause the removal or Remediation (or other cleanup reasonable acceptable to Provident-Flagship) of any such Hazardous Materials from the Property. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be

considered as Additional Rental under this Facilities Lease, whether or not a court has ordered the cleanup, and those costs will become due and payable within 90 days of written demand by Provident-Flagship. In connection therewith, the Board will give Provident-Flagship, its agents, and employees access to the Property to remove, remediate, or otherwise clean up any Hazardous Materials. Provident-Flagship, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Materials, and this Facilities Lease will not be construed as creating any such obligation. LSU hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Materials located in or about the Property by LSU.

SECTION 20. Provident-Flagship's Reservation of Rights.

(a) Rights to Recover. Provident-Flagship hereby reserves all of its rights to recover from LSU, and LSU hereby agrees to indemnify, defend and hold harmless Provident-Flagship, to the extent allowed by Governmental Regulations, for any and all Claims asserted against Provident-Flagship, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Property occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of LSU or its agents in connection with this Facilities Lease or its operation and management of the Property; or

(ii) any failure, breach, or default on the part of LSU in the performance of or compliance with any of the obligations of LSU under the terms of this Facilities Lease;

provided that the foregoing is subject to the limitation that any indemnity obligation of LSU under this Section 21(a) shall be limited to the extent of its proportionate share of fault.

(b) Pecuniary Liability. Notwithstanding the fact that it is the intention of the parties that Provident-Flagship, to the extent allowed by Governmental Regulations, shall not incur any pecuniary liability by reason of the terms of this Facilities Lease or the undertakings required of Provident-Flagship hereunder, nevertheless, if Provident-Flagship should incur any such pecuniary liability, then, in that event, Provident-Flagship shall be entitled to assert all rights and remedies granted in law or in equity to recover from LSU, to the extent allowed by applicable law, the amount of any pecuniary liability incurred by Provident-Flagship, plus all Litigation Expenses incurred in defense of such liability, to the extent allowed by applicable law.

(c) Non-Recourse. No recourse shall be had for the enforcement of any obligation, covenant, or agreement of Provident-Flagship contained in this Facilities Lease or any Claim based thereon against Provident-Flagship or of any successor thereto or member thereof, either directly or through Provident-Flagship whether by virtue of any

constitutional provision, statute, or rule of law. This Facilities Lease and the obligations of Provident-Flagship hereunder, and any Claim asserted against Provident-Flagship, are solely limited liability obligations, and the enforcement of any obligation or Claim shall be limited solely to Provident-Flagship's interest in this Facilities Lease, the Ground Sublease, the Property, the Greenhouse District Project, the Provident-Flagship Asset Management Fee, the rents, issues, insurance proceeds and surplus related thereto (but only for so long as Provident-Flagship shall be lessor hereunder, and not any other Person) and the other assets of Provident-Flagship. No personal liability shall attach to, or be incurred by, any officer, director, agent, employee or member of Provident-Flagship and LSU acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Facilities Lease is expressly waived and released, except to the extent that such liability relates to any criminal acts, intentional misconduct, or fraud. The immunity of any officer, director, agent, employee or member of Provident-Flagship under the provisions contained in this Section 21 shall survive any acquisition of the Property by LSU or Greenhouse LLC and the expiration or other termination of this Facilities Lease.

(d) LSU hereby agrees to defend, indemnify, and hold harmless the Facilities Manager and its respective officers, employees, directors, agents, and consultants as third-party beneficiaries of this Facilities Lease (hereinafter "Facilities Manager Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) arising out of, resulting from or due to (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of LSU, its agents or employees, or others working at its direction or on its behalf (but in no instance including Facilities Manager, RISE or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them) (the "LSU Group"), (ii) any violation of Governmental Regulations by the LSU Group, or (iii) any breach or misrepresentation by LSU under this Facilities Lease, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, subject to the limitation that any indemnity obligation of LSU under this Section 21(d) shall be limited to the extent of its proportionate share of fault.

This indemnification will inure to the successors and assigns of the Facilities Manager Indemnities, and will also be binding upon the successors and assigns of LSU, and this indemnification will survive the expiration or termination of this Facilities Lease and dissolution or, to the extent allowed by law, any Bankruptcy of LSU. This indemnification does not extend to claims to the extent arising out of the negligence of the Facilities Manager, RISE or their respective Agents or employees, or others working at the direction of the Facilities Manager or RISE at the Property, or claims exclusively between LSU and the Facilities Manager arising from the terms or regarding the interpretation of this Facilities Lease.

SECTION 21. Default.

(a) Default By Board. The occurrence of any one or more of the following events shall constitute a "Default" or an "Event of Default" on the part of LSU:

(i) Events of Default. If (A) LSU, shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 7 hereof by the close of business on the day such deposit is required pursuant to Section 7, or (B) LSU shall fail to pay or discharge any monetary obligation under this Facilities Lease (other than the payment of Base Rental) as and when due, or within 30 days after receipt of Notice from Provident-Flagship that such sums are due and owing; or (C) LSU shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach with all reasonable dispatch within sixty (60) days or if unable to remedy such breach within said sixty (60) days, LSU fails to take actions necessary to remedy such breach within said sixty (60) days (or such longer period as the Trustee may approve) and is not diligently pursuing same, after written notice thereof from Provident-Flagship to LSU, then and in any such event LSU shall be deemed to be in default hereunder, and Provident-Flagship shall have the right, at its option, without any further demand or notice to terminate this Facilities Lease on the earliest possible date permitted by law or on any later date specified in any Notice given to LSU, in which case LSU's right to possession of the Property will cease and this Facilities Lease will be terminated, without, however, waiving Provident-Flagship's right to collect all Rental and other payments due or owing for the period up to the time Provident-Flagship regains possession, and to enforce other obligations of LSU which survive termination of this Facilities Lease, and in such event Provident-Flagship may, without any further demand or notice, re-enter the Property, subject to the Residents' right of possession thereof. The foregoing remedies of Provident-Flagship are in addition to and not exclusive of any other remedy of Provident-Flagship available at law. Any such re-entry shall be allowed by LSU without hindrance, and Provident-Flagship shall not be liable in damages for any such re-entry or be guilty of trespass. Provident-Flagship understands and agrees that, upon its termination of LSU's right to possession of the Property or termination of this Facilities Lease, Provident-Flagship upon its re-entry of the Property, shall be allowed to use the Property solely for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Property all in accordance and pursuant to the terms of the Ground Sublease.

(ii) No Acceleration of Payment. Notwithstanding any other provision of this Facilities Lease, in no event shall Provident-Flagship have the right to accelerate the payment of any Base Rental payment hereunder.

(b) Default By Provident-Flagship.

(i) The occurrence of any one or more of the following events shall constitute a "Default" or an "Event of Default" on the part of Provident-Flagship:

(i) any representation or warranty of Provident-Flagship set forth and/or referenced in this Facilities Lease shall have been false or misleading in any material adverse respect as of the Effective Date;

(ii) any representation or warranty made by Provident-Flagship under Sections 4(a), 4(b), 4(g) and/or 4(j) become false after the Effective Date and Provident-Flagship fails to cure the same within ten (10) days thereafter;

(iii) Provident-Flagship made and/or makes any representation, warranty and/or certification to the Board at any time with actual knowledge that such representation, warranty and/or certification is not true or is misleading in a material respect;

(iv) Provident-Flagship breaches or fails to undertake, perform and/or complete any agreement and/or covenant made by Provident-Flagship under this Facilities Lease (including, but not limited to, the obligations, duties and responsibilities of Provident-Flagship under Sections 6, 8, 9, 11, 12, 14, 17, 19, 23 and 33) and shall fail to remedy any such breach with all reasonable dispatch within sixty (60) days after written notice thereof from the Board;

(v) the appointment of a custodian (as defined in the Federal Bankruptcy Code or a receiver for, or a custodian or receiver taking charge of, all or any substantial part of the property of Provident-Flagship, and such appointment is not revoked or dismissed within ninety (90) days after such appointment is made;

(vi) Provident-Flagship commences any proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect, or any such proceeding is commenced against Provident-Flagship and is not dismissed within ninety (90) days after the commencement thereof;

(vii) Provident-Flagship is adjudicated insolvent or bankrupt;

(viii) Provident-Flagship makes a general assignment of its assets for the benefit of creditors;

(ix) Provident-Flagship calls a general meeting of substantially all of its creditors (either in number or in amount) with a view to arranging a composition or adjustment of its debts;

(x) All or a substantial part of the property of Provident-Flagship is attached, and such attachment or levy is not released within ninety (90) days thereafter; and/or

(xi) Provident-Flagship indicates in writing its consent to, approval of, or acquiescence, to any of the matters set forth in Sections 22(b)(i)(E) through (J).

(ii) Upon the occurrence of an Event of Default by Provident-Flagship under this Facilities Lease, the Board shall have the right, but not the obligation, to (A) take any action lawfully permitted to be taken against Provident-Flagship to recover any and all damages; (B) to the extent available by law, to require specific performance by Provident-Flagship and/or (C) terminate this Facilities Lease.

SECTION 22. Cumulative Remedies. Each right and remedy provided for in this Facilities Lease is cumulative and is in addition to every other right or remedy provided for in this Facilities Lease or the Ground Sublease or now or after the Effective Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Provident-Flagship or LSU of anyone or more of the rights or remedies provided for in this Facilities Lease or now or after the Effective Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Provident-Flagship or LSU of any or all other rights or remedies provided for in this Facilities Lease or now or after the Effective Date existing at law or in equity or by statute or otherwise. All costs incurred by Provident-Flagship or LSU in collecting any amounts and damages owing by LSU or Provident-Flagship pursuant to the provisions of this Facilities Lease or to enforce any provision of this Facilities Lease, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Provident-Flagship or LSU. The waiver by Provident-Flagship or LSU of any term, covenant or condition hereof shall not operate as a waiver by LSU or Provident-Flagship of any breach by Provident-Flagship or LSU of any term, covenant or condition hereof and shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

SECTION 23. Recapture Option.

(a) Recapture Option. Subject to the terms of the Ground Lease and the Ground Sublease, LSU shall have the right and option (the "Recapture Option") (but not obligation) at any time after the Effective Date, (i) to purchase Provident-Flagship's right, title and interest in and to the Property; (ii) to terminate this Facilities Lease, as selected by the Board or (iii) to effect a defeasance of the Bonds (as designated by LSU) pursuant to the terms of the Indenture with funds provided by LSU (without any limitation of such time) (in each case, the "Recapture"), provided in all cases that the Board has obtained an opinion from Bond Counsel that the tax exemption of the Series 2019 Bonds and any Additional Bonds issued on a tax-exempt basis under Section 103 of the Code is not adversely affected and that the rights of the remaining Bondholders are not adversely affected and provided further that Bond Counsel received an opinion of legal counsel for LSU in accordance with the provisions of the Indenture. Further, this right is also subject

to any consent required pursuant to the Ground Lease and Ground Sublease. If exercised at closing, LSU shall be obligated to obtain a full release of Provident-Flagship from all obligations under the Bond Documents and shall be obligated to execute an assignment and assumption of the Ground Sublease and FOMA.

(b) Exercise Notice. LSU may exercise the Recapture Option by delivering written Notice (the "Exercise Notice") of such exercise to the Provident-Flagship and the Trustee.

(c) Purchase Price or Condition. If the Recapture Option is exercised, the purchase price for Recapture shall be one dollar (\$1.00) plus the amount necessary to discharge or defease in full (as selected by LSU), on the date of Closing, all indebtedness and other obligations evidenced by the Bonds and secured by the Bond Documents (the "Purchase Price").

(d) Closing. The closing of the Recapture (the "Closing") shall be held on such date and at such time and place as LSU shall specify in a notice to the Provident-Flagship, provided that such date shall not be less than twenty (20) and not more than one hundred eighty (180) days after LSU shall give the Exercise Notice. At Closing, the Purchase Price shall be paid to Provident-Flagship, the title to the Property shall be conveyed by a limited warranty deed with covenants against grantor's acts, an assignment of Provident-Flagship's interest in the Property, a bill of sale with limited warranties of title and/or other appropriate documentation in form reasonably acceptable to LSU, a transfer and assignment and assumption of all rights warranties and liability of Provident-Flagship under their existing contracts of any nature with respect to ownership of the Property.

(e) Title. Provident-Flagship shall convey title to the Property, to the extent of its ownership, free and clear of all Liens, and shall be subject to only to Permitted Encumbrances, Permitted Exceptions and any Liens or encumbrances caused by the Board, its agents, employees and contractors.

(f) Closing Costs. LSU shall pay any and all transfer taxes in connection with the Recapture. LSU shall pay all recording fees for satisfaction of the Provident-Flagship's liens and all recording fees in connection with recording of the deed and assignment. The Purchase Price shall be paid to Provident-Flagship in cash at Closing.

SECTION 24. Severability. If any provisions of this Facilities Lease shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Facilities Lease shall not affect the remaining portions of this Facilities Lease, or any part thereof.

SECTION 25. Redemption of Bonds. Provident-Flagship agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless LSU consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by LSU under this Facilities Lease; however, in no event shall the mandatory redemption of any Bonds pursuant to the Indenture require the consent of LSU. Provident-Flagship further agrees that, if requested by LSU, it will take all actions necessary to redeem all or any portion of the Bonds designated by LSU on the first date that it may do so under the terms of the Indenture so long as LSU agrees to provide funds in an amount, and at the time, required to effect such redemption.

SECTION 26. Audits. LSU may, at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Provident-Flagship directly relating to the Property, the FOMA or the Bonds to the extent necessary to verify compliance with this Facilities Lease, the Ground Sublease or any other agreements it enters into pursuant to the authority of this Facility Lease and the Ground Sublease. 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 Provident-Flagship. LSU covenants with Provident-Flagship to keep all work papers, including all books and records of Provident-Flagship, 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. Provident-Flagship shall cause the FOMA to require Facilities Manager to grant LSU similar audit rights with respect to its books, bank accounts, records and accounts directly relating to the Property, the FOMA or the Bonds to the extent necessary to verify compliance with the FOMA, or any other agreements it enters into pursuant to the authority of the FOMA.

SECTION 27. Additional Bonds. Upon the request and at the expense of LSU after approval by Greenhouse LLC, Provident-Flagship shall take action as may be required to effect issuance of Additional Bonds in such amount as LSU may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby and so long as LSU is in compliance with the requirements of Section 29 hereof with respect to the incurrence of Additional Indebtedness.

SECTION 28. Additional Indebtedness.

(a) Issuance of Additional Indebtedness. LSU may issue Additional Indebtedness provided that, at the time of issuance thereof, no Default or event which with notice or lapse of time, or both, would constitute a Default shall have occurred and be continuing, unless such event will be cured upon issuance of such Additional Indebtedness and either the application of the proceeds thereof or the placing in service of any facilities financed thereby or both. Each of the categories described herein is a separate authorization for Additional Indebtedness. Any incurrence of Additional Indebtedness shall comply with the requirements of the General Bond Resolution, and the use of any Auxiliary Revenues to pay debt service on Indebtedness other than Auxiliary

Revenue Bonds shall be subordinate and junior in all respects to the payment of Debt Service Requirements (as defined in the General Bond Resolution) on the Auxiliary Revenue Bonds and the pledge of Auxiliary Revenues created by the General Bond Resolution as security for the Auxiliary Revenue Bonds.

(b) Auxiliary Coverage Ratio Requirement. Additional Indebtedness may be incurred provided that the Auxiliary Coverage Ratio for the most recent completed Fiscal Year for which the financial statements of the Board have been reported upon by an Accountant, taking into account payments on any Auxiliary Revenue Obligations then outstanding and payments on any other long term obligations of the Board secured by and/or payable from Auxiliary Revenues and payments on the Additional Indebtedness then proposed to be issued, is not less than 1.75 and an LSU Representative's certificate so certifying and setting forth in sufficient detail the computation thereof is filed with the Trustee along with the financial statements and report of Accountants thereon.

(c) Additional Indebtedness for Improvements. If Additional Indebtedness is proposed to be issued to fund improvements, renovations or new construction and existing Auxiliary Facilities are to be demolished or removed, such Additional Indebtedness may be issued if (i) the Auxiliary Coverage Ratio (adjusted to not include Auxiliary Revenues generated by the Auxiliary Facilities to be demolished or removed and adjusted to not deduct Current Expenses of the Auxiliary Facilities to be demolished or removed) for the most recent completed Fiscal Year for which the financial statements of the Board have been reported upon by an Accountant, taking into account payments on the Auxiliary Revenue Obligations then outstanding and payments on the Additional Indebtedness then proposed to be incurred, is not less than 1.75 and an LSU Representative's certificate so certifying and setting forth in sufficient detail the computation thereof is filed with the Trustee, along with the financial statements and report of Accountants thereon and (ii) a projection demonstrates an Auxiliary Coverage Ratio of not less than 1.75 upon completion of the improvements, renovations or new construction. Such projection shall be filed with the Authority and the Trustee by the LSU Representative.

(d) Refunding of Series Obligations. Additional Indebtedness providing for the refunding of the Bonds or any Auxiliary Revenue Obligation of LSU may be issued.

SECTION 29. Rate Maintenance Covenant. To the extent permitted by law, the Board covenants that it will establish and maintain, so long as this Facilities Lease is in effect, such fees, rates and charges for the use and enjoyment of the Auxiliary Facilities and the services provided thereby as shall be necessary to assure adequate occupancy and use of the same and the services afforded thereby and as shall provide and generate Auxiliary Revenues pursuant to clause (i) of the definition of Auxiliary Revenues projected to provide an Auxiliary Coverage Ratio of not less than 1.75.

SECTION 30. Execution. This Facilities Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Facilities Lease.

SECTION 31. Governing Law; Venue. This Facilities Lease is made in the State under the Constitution and laws of the State and is to be governed by the laws of the State. The venue for any actions, proceeding, claim or counterclaim shall be a court of competent jurisdiction located in East Baton Rouge Parish, Louisiana.

SECTION 32. No Discriminatory Practices.

(a) Requirements. Provident-Flagship shall require and cause the Facilities Manager to agree to abide by: (i) 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; (ii) the requirements of the Americans with Disabilities Act of 1990; and (iii) any executive order issued by the governor of the State.

(b) Additional Requirements. Provident-Flagship shall additionally require and cause the Facilities Manager to agree: (i) not to discriminate in its employment practices; and (ii) to render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

(c) Cause for Termination. Any act of discrimination committed by the Facilities Manager or failure to comply with these statutory obligations when applicable shall be grounds for termination of the FOMA.

SECTION 33. Exculpatory Provision/In Rem Obligation.

(a) Exculpation. In the exercise of the powers of Provident-Flagship and its trustees, officers, employees, members and agents under this Facilities Lease and the Indenture, neither Provident-Flagship nor Greenhouse LLC shall be accountable or liable to LSU (i) for any actions taken or omitted by Provident-Flagship's or Greenhouse LLC's officers, directors, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any Claims based on this Facilities Lease against any officer, employee or agent of Provident-Flagship or Greenhouse LLC in his or her personal capacity, all such liability, if any, being expressly waived by the Board by the execution of this Facilities Lease, except to the extent that such liability relates to any criminal act, intentional misconduct or fraud. Nothing in this Facilities Lease or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, Provident-Flagship for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of Provident-Flagship other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Facilities Lease.

(b) Interest in Property and other Fees. The Board specifically agrees to look solely to Provident-Flagship's interest in the Property and to any and all fee amounts

collected by Provident-Flagship pursuant to the Ground Sublease, Development Agreement, FOMA, Facilities Lease, the Provident-Flagship Asset Management Fee, or any other written agreement in conjunction with the Property for the recovery of any judgments from Provident-Flagship. It is agreed that Provident-Flagship will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Facilities Lease to the Board, or the breach of its obligations hereunder. Provident-Flagship's liability under this Facilities Lease is "in rem" as to its interest in and fees and revenues generated from the Property. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Board might otherwise have to obtain injunctive relief against Provident-Flagship or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by Provident-Flagship.

SECTION 34. Amendments. This Facilities Lease may be amended in writing only as permitted herein, the Indenture and the Ground Sublease.

SECTION 35. Recording. Provident-Flagship covenants and agrees that it will promptly record and from time to time re-record a memorandum in recordable form of this Facilities Lease and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

SECTION 36. No Construction Against Drafting Party. Provident-Flagship and the Board acknowledge that each of them and their counsel have had an opportunity to review this Facilities Lease and that each Party was responsible for the drafting thereof.

SECTION 37. Time of the Essence. Time is of the essence of each and every provision of this Facilities Lease.

SECTION 38. No Waiver. The waiver by Provident-Flagship of any breach to any agreement, condition or provision contained in this Facilities Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Facilities Lease, nor will any custom or practice that may arise between the Parties in the administration of the terms of this Facilities Lease be construed to waive or to lessen the right of Provident-Flagship to insist upon the performance by the Board in strict accordance with the terms of this Facilities Lease. The subsequent acceptance of Rental by Provident-Flagship will not be deemed to be a waiver of any preceding breach by the Board of any agreement, condition, or provision of this Facilities Lease, other than the failure of the Board to pay the particular Rental so accepted, regardless of Provident-Flagship's knowledge of such preceding breach at the time of acceptance of such Rental.

SECTION 39. Survival. To the extent permitted by applicable law and to the extent such will not constitute the incurrence of debt by LSU, all of Provident-Flagship's remedies and rights of recovery under Sections 21, 22 and 23 and LSU's rights under Sections 22, 23 and 34 shall survive the Term and/or the purchase of the portion of the Property owned by Provident Flagship by LSU under the Option.

SECTION 40. Counterparts. This Facilities Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

SECTION 41. Estoppel Certificates.

(a) Estoppel Certificate Requirements. The LSU Representative and Provident-Flagship will execute, acknowledge and deliver to the other promptly upon request, a certificate certifying as to the following, to the extent true and accurate or stating modifications to make the same true and accurate.

(i) Validity of Lease. That this Facilities Lease is unmodified and in full force and effect (or, if there have been modifications, that this Facilities Lease is in full force and effect, as modified, and stating the modifications) and, if requested, attaching a copy of this Facilities Lease and any and all modifications;

(ii) Defaults by the Board. That no notice has been given by the Provident-Flagship to LSU of any failure to comply under this Facilities Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same);

(iii) Amounts and Dates of Payment of Rent. Such information as may be requested about the Bonds and the Mortgage; that LSU has no defenses, rights of setoff or counterclaims; that LSU has not exercised its option to purchase the portion of the Property owned by Provident-Flagship; stating the then applicable Expiration Date; and any other matters requested that are reasonably or typically required by landlords and tenants under similar leases.

(b) Reliance on Certificates. Certificates from Provident-Flagship and the LSU Representative pertaining to the same matters may be relied upon by any prospective mortgagee, including the Trustee, or by any prospective assignee of an interest under this Facilities Lease or by any prospective sublessee as to all or any portion of the Property.

SECTION 42. Waiver of Jury Trial. Provident-Flagship and LSU each hereby waives trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Facilities Lease against the other on any matters whatsoever arising out of or in any way connected with this Facilities Lease, the relationship of Provident-Flagship and LSU, LSU's or the University's use or occupancy of the Property or any other Claims arising hereunder.

SECTION 43. Written Amendment Required. No amendment, alteration, modification of, or addition to this Facilities Lease will be valid or binding unless expressed in writing and signed by Provident-Flagship and the Board with the prior written consent of the Bondholders as required by the Indenture.

SECTION 44. Entire Agreement. This Facilities Lease, the exhibits and addenda hereto, if any, and the FOMA contain the entire agreement between Provident-Flagship and the Board. No promises or representations, except as contained in this Facilities Lease or the FOMA have been made to the Board respecting the condition or the manner of operating the Property.

SECTION 45. Signs. All rights and privileges regarding and pertaining to any signs or signage and naming rights shall be retained by and same shall remain in and with LSU. LSU may attach any sign on any part of the Property, or in the halls, lobbies, windows, or elevator banks of the Property, without Provident-Flagship's approval. LSU may name the Student Housing Facilities and any building located on the Property and change the name, number, or designation of the Student Housing Facilities and any building located on the Property, without Provident-Flagship's prior consent.

SECTION 46. Litigation Expenses. LSU will pay Provident-Flagship as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by Provident-Flagship in enforcing any of the obligations of LSU under this Facilities Lease, in exercising its rights to recover against LSU for loss or damage sustained in accordance with the provisions of this Facilities Lease or the FOMA, or in any litigation or negotiation in which Provident-Flagship shall, without its fault, become involved through or because of this Facilities Lease or the FOMA, to the extent allowed under applicable law.

SECTION 47. Brokers. Provident-Flagship and LSU respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Property.

SECTION 48. No Easements for Air or Light. Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Property, or on lands adjacent to the Property, will in no way affect this Facilities Lease or impose any liability on Provident-Flagship. This Facilities Lease does not grant any rights to light, view, and/or air over the Property whatsoever.

SECTION 49. Binding Effect. The covenants, conditions, and agreements contained in this Facilities Lease will bind and inure to the benefit of Provident-Flagship and LSU and their respective permitted assigns.

SECTION 50. Third Party Beneficiary. To the extent that this Facilities Lease confers upon or gives or grants to Greenhouse LLC any right, remedy or Claim under or by reason of this Facilities Lease, Greenhouse LLC is explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or Claim conferred, given or granted hereunder.

SECTION 51. Rules of Interpretation. The following rules shall apply to the construction of this Facilities Lease unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing,

lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Facilities Lease unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Facilities Lease; (i) any accounting term no otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Baton Rouge, Louisiana time; (o) references to specific persons, positions or officers shall include those who or which succeed to or perform their respective functions, duties or responsibilities; and (p) the terms "herein," "hereunder," "hereby," "hereof" and any similar terms refer to this Facilities Lease as a whole and not to any particular articles, section or subdivision hereof.

SECTION 52. Relationship of Parties. The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association. Provident-Flagship is not controlled by the Board or University or under the control of any Person also in control of the Board or University.

SECTION 53. Law Between the Parties. This Facilities Lease shall constitute the law between the Parties, and if any provision of this Facilities Lease is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Facilities Lease shall control.

SECTION 54. Notices. All notices, filings and other communications ("Notice") shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

Provident-Flagship:

Provident Group – Flagship Properties L.L.C.  
c/o Provident Resources Group Inc.  
5565 Bankers Avenue  
Baton Rouge LA 70808

LSU/Board and/or University: Executive Vice President for Finance and  
Administration and CFO  
Louisiana State University and Agricultural and  
Mechanical College  
330 Thomas Boyd Hall  
Baton Rouge, Louisiana 70803  
Facsimile: 225.578.4749

and

General Counsel  
LSU Real Estate and Facilities Foundation  
3796 Nicholson Drive  
Baton Rouge, Louisiana 70802  
Telephone: 225.578-0525  
Facsimile: 225.578.0530

With copies at the same time to:

Trustee: Hancock Whitney Bank  
Corporate Trust Department  
445 North Boulevard, Suite 201  
Baton Rouge, LA 70802  
Telephone: 225-248-7407  
Facsimile: 225-248-7469

SECTION 55. Applicable Law and Venue. This Facilities Lease shall be governed, construed, performed and enforced in accordance with the laws of the State of Louisiana without regard to conflicts of law principles. The parties hereto consent and agree to the jurisdiction of all federal and State courts located in East Baton Rouge Parish, State of Louisiana in connection with any dispute or litigation involving this Facilities Lease.

SECTION 56. Prevailing Party Fees. In the event of any litigation arising out of a breach or claimed breach of this Facilities Lease, LSU or Provident-Flagship as the prevailing party shall be entitled to recover from the non-prevailing party all costs and expenses incurred, including reasonable attorney's fees, costs and expenses. References to "reasonable attorney's fees" herein shall be deemed to include all such fees in connection with litigation, including any pre-trial proceedings, trial or appeal.

SECTION 57. Reporting Requirements Under Loan Agreement. Provident-Flagship, as Borrower under Section 6.08 of the Loan Agreement, has certain reporting requirements, which include, among other things, furnishing on an annual basis no later than 120 days from the end of Provident-Flagship's fiscal year a signed counterpart of its audited financial statements, together with a certificate of LSU acknowledged by Provident-Flagship showing compliance with the Auxiliary Coverage Ratio, to the Authority and Trustee and any Bondholder requesting same. LSU shall provide such certificate and any other information reasonably necessary for Provident-

Flagship to comply with the reporting requirements set forth in Section 6.08 of the Loan Agreement as soon as available and no later than ten (10) Business Days following receipt by LSU.

LSU shall, upon completion of the filing of its continuing disclosure to the EMMA website, [emma.msrb.org](http://emma.msrb.org), notify Provident-Flagship that such filing has been completed for purposes of Provident-Flagship being able to access necessary information for its reporting requirements and Provident-Flagship shall use the EMMA to obtain the information necessary for complying with its reporting requirements. In addition to the notification above, LSU shall provide Provident-Flagship with a certificate certifying the Effective Gross Income for the summer and fall semesters on each September 15<sup>th</sup> and the Effective Gross Income for the spring semester together with the annual Effective Gross Income on each February 15<sup>th</sup> during the Term hereof.

[remainder of this page intentionally left blank]

*[Signature Page to Greenhouse District (Phase III) Facilities Lease]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Facilities Lease on behalf of LSU on the \_\_\_\_ day of \_\_\_\_\_, 2019, to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2019, 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: \_\_\_\_\_

By: \_\_\_\_\_

Name: F. King Alexander

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Title: President, Louisiana State University

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
LSBA Roll No. \_\_\_\_\_  
My Commission is for life.

*[Signature Page to Greenhouse District (Phase III) Facilities Lease]*

IN WITNESS WHEREOF, the undersigned duly authorized representative has signed this Facilities Lease on behalf of Provident-Flagship on the \_\_\_\_ day of \_\_\_\_\_, 2019, to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto signed their names with me, Notary, after due reading of the whole.

**WITNESSES:**

**PROVIDENT GROUP – FLAGSHIP  
PROPERTIES, L.L.C.**, a Louisiana limited liability company

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: Provident Resources Group, Inc., a Georgia non-profit corporation, its sole member

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Steve E. Hicks  
Title: Chief Executive Officer

\_\_\_\_\_  
Notary Public  
Printed Name: \_\_\_\_\_  
LSBA Roll No. \_\_\_\_\_  
My Commission is for life.

**EXHIBIT A**  
**LEGAL DESCRIPTION**

**EXHIBIT B****ASSET MANAGEMENT FEE**

Except as otherwise provided in this Exhibit B, capitalized terms used, and not otherwise defined, in this Exhibit B shall have the meanings assigned thereto in the Facilities Lease dated as of September 1, 2019 (the "Facilities Lease"), between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") and Greenhouse District Project LLC ("Greenhouse LLC"). During the Term of the Facilities Lease and the Ground Sublease, LSU shall pay, as Additional Rental to Provident-Flagship, the Provident Flagship Asset Management Fee which is an annual asset management fee to be paid until the termination of the Ground Sublease and the Facilities Lease, which fee is equivalent to Fifty-Five One Hundredths Percent (0.55%) of the Effective Gross Income (as combined and more particularly defined in Exhibit 5.1 of each of (i) the FOMA, (ii) the Facilities Operation and Maintenance Agreement dated as of September 1, 2016 (the "Nicholson Gateway FOMA") between Provident-Flagship and the Facilities Manager and (ii) the Facilities Operation and Maintenance Agreement dated as of October 1, 2017 (the "Greenhouse District Phase II FOMA") between Provident-Flagship and the Facilities Manager in connection with (A) the Property (as defined herein, (B) the Property (as such term is defined in the Nicholson Gateway Facilities Lease) and (C) the Student Housing (as such term is defined in the Greenhouse District Phase II Facilities Lease); provided, however, the total amount payable (combining the Provident Flagship Asset Management Fee (as defined in each of the Facilities Lease, the Nicholson Gateway Facilities Lease and the Greenhouse District Phase II Facilities Lease)) shall be not less than \$185,000 nor more than \$250,000 for any Fiscal Year.

**EXHIBIT C**

**FACILITIES OPERATION AND MAINTENANCE AGREEMENT**

**[see Closing Transcript Item \_\_]**

**FACILITIES OPERATION AND MAINTENANCE AGREEMENT**

**by and between**

**PROVIDENT GROUP - FLAGSHIP PROPERTIES L.L.C.**

**and**

**RISE RESIDENTIAL, LLC**

**Dated as of September 1, 2019**

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## FACILITIES OPERATION AND MAINTENANCE AGREEMENT

THIS FACILITIES OPERATIONS AND MAINTENANCE AGREEMENT (the “FOMA”) is dated for convenience of reference as of September 1, 2019, but effective \_\_\_\_\_, 2019 (the “Effective Date”), by and between PROVIDENT GROUP–FLAGSHIP PROPERTIES L.L.C. (“Provident-Flagship”), a limited liability company organized and existing under the laws of the State of Louisiana, the sole member of which is Provident Resources Group, Inc. (“Provident Resources”), a Tax Exempt Organization organized and existing under the laws of the State of Georgia and RISE RESIDENTIAL, LLC, a limited liability company organized and existing under the laws of the State of Georgia (the “Facilities Manager”). Hereinafter, Provident-Flagship and Facilities Manager may be referred to individually as a “Party” and collectively as the “Parties.”

## RECITALS

WHEREAS, except as otherwise expressly set forth in this FOMA, all capitalized terms used in this FOMA shall have the meanings assigned to such terms in the Master Glossary of Terms attached hereto as Exhibit A;

WHEREAS, Provident-Flagship desires to finance, acquire, construct, furnish, equip and operate the Student Housing Facilities (defined herein);

WHEREAS, Provident Resources is organized and operated for various charitable purposes, which include, but are not limited to, the advancement of education and the lessening burdens of government;

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”) is a public constitutional corporation organized and existing under the laws of the State of Louisiana;

WHEREAS, Louisiana State University and Agricultural and Mechanical College (the “University”) is the flagship institution of the State of Louisiana under the management and supervision of the Board;

WHEREAS, the University's master plan includes the development, in various phases, of new student housing facilities, including the demolition of existing student housing facilities such as Kirby Smith, Herget, Miller, McVoy, Acadian and Broussard Halls, the construction of new student housing facilities to replace and expand the foregoing, including, without limitation, a new Cedar Hall, and the renovation and/or expansion of existing student housing facilities such as Evangeline Hall and Highland Hall, as well as the parking and other infrastructure and the demolition, renovation and/or construction of certain facilities, including, without limitation, greenhouses and related facilities, to facilitate the foregoing (collectively, the “Greenhouse District”);

WHEREAS, in October 2017, Greenhouse District Project LLC, a limited liability company organized and existing under the laws of the State of Louisiana (“Greenhouse LLC”), commenced development of Phase II of the Greenhouse District, which includes without limitation, (a) the Design, acquisition, renovation, Development, Construction, furnishing and equipping of (i) student housing facilities consisting of the construction of a new Cedar Hall and the renovation of Evangeline Hall and the abatement and renovation of Highland Hall, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof (ii) new greenhouse facilities to be located on Ben Hur Drive and existing greenhouse facilities located on Gourrier Drive, including, without limitation, related facilities and associated site infrastructure and amenities necessary for the operation thereof; and (b) the demolition of the existing Kirby Smith Hall and certain existing greenhouse facilities located on the main Campus of the University, including, without

limitation, related facilities, and associated site infrastructure, all as necessary for the development of Phase II of the Greenhouse District;

WHEREAS, LSU and Greenhouse LLC have determined that it is in the best interest of LSU for Greenhouse LLC to develop Phase III of the Greenhouse District for the benefit of LSU ("Phase III");

WHEREAS, Phase III will consist of the Design, acquisition, Development, Construction, furnishing and equipping of two new student housing facilities consisting of 881 beds, together with all buildings, improvements, fixtures, furnishings, equipment and associated site infrastructure and amenities necessary for the operation thereof, to be located on the Campus (collectively, the "Student Housing Facilities") and, together with the Student Housing Facilities Equipment (defined herein) and the Land (defined below), the "Property"), all as necessary for the development of Phase III (collectively, the "Greenhouse District Project");

WHEREAS, in furtherance of the foregoing, LSU and Greenhouse LLC have agreed to enter into that certain Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019 (the "Ground Lease"), for the lease of certain real property, including all improvements, parking areas, and existing facilities thereon, located on the Campus of the University, as more particularly described in **Exhibit A** attached to the Ground Lease and incorporated herein and by reference made a part hereof (the "Land"), and construction servitudes for the purpose of implementing the master plan, as approved by LSU on behalf of the University, for the development of the Greenhouse District Project;

WHEREAS, in connection with the master plan to undertake the Greenhouse District Project, and pursuant to the public-private partnership between Greenhouse LLC and Provident-Flagship with respect to the development of the Greenhouse District Project, concurrently with the execution of the Ground Lease, Greenhouse LLC and Provident-Flagship have entered into that certain ground sublease (the "Ground Sublease"), pursuant to which, among other things, Greenhouse LLC will sublease the Land to Provident-Flagship, and in connection therewith, Provident-Flagship will undertake and perform the Greenhouse District Project pursuant to the Development Agreement (as such term is defined in the Ground Lease);

WHEREAS, also in connection with the master plan to undertake the Greenhouse District Project, commencing on the date of issuance and delivery of the Bonds, Provident-Flagship will sublease or lease, as applicable, the Property, to LSU, pursuant to the Facilities Lease dated as of September 1, 2019 (the "Facilities Lease" and, together with the Ground Lease and Ground Sublease, the "Leases"), LSU will be responsible for certain management and residential life operations of the Student Housing Facilities, IT support, and certain other items as more particularly described therein, and Provident-Flagship will be responsible for performing or causing to be performed all other management, operations, maintenance and repair of the Student Housing Facilities pursuant to the terms and conditions of the Facilities Lease and the Ground Sublease, all as more particularly set forth herein;

WHEREAS, Provident-Flagship, in accordance with its purpose and pursuant to its responsibility for certain operations, maintenance and repair of the Student Housing Facilities under the Leases, desires to engage Facilities Manager to perform certain operations, all maintenance and repair services (other than routine custodial services, as more particularly described herein) with respect to the Student Housing Facilities as more particularly set forth in this FOMA;

WHEREAS, Provident-Flagship shall perform or cause to be performed all other management obligations with respect to the Student Housing Facilities that are not delegated to and/or required to be performed by the Facilities Manager, as more particularly set forth in this FOMA or as more particularly set forth in the Facilities Lease;

WHEREAS, pursuant to the terms of the Trust Indenture dated as of September 1, 2019 (the "Indenture") by and between the Louisiana Public Facilities Authority (the "Authority") and Hancock Whitney Bank, as trustee (the "Trustee"), the Authority has determined to issue its Lease Revenue Bonds

(Provident Group-Flagship Properties L.L.C. - Louisiana State University Greenhouse District (Phase III) Project) Series 2019 (the “Series 2019 Bonds”) and, together with any Additional Bonds (as such term is defined in the Ground Lease), the “Bonds”) and, pursuant to a Loan Agreement dated as of September 1, 2019 (the “Loan Agreement”) by and between the Authority and Provident-Flagship, to lend the proceeds of the Bonds to Provident-Flagship for the purpose of financing, among other things, the costs of the Greenhouse District Project;

WHEREAS, except as otherwise specifically undertaken by LSU pursuant to the Facilities Lease or excluded under this FOMA, Provident-Flagship and Facilities Manager acknowledge, understand and agree that all of the duties, responsibilities and obligations of Provident-Flagship and/or the Facilities Manager relating to the use, operation, management, maintenance and repair of the Student Housing Facilities which are referenced in the Leases, the Indenture, the Loan Agreement and/or any other agreement contemplated thereby or referenced in this FOMA are hereby incorporated herein by this reference; and

WHEREAS, Provident-Flagship and Facilities Manager acknowledge and agree that LSU is an intended third party beneficiary of this FOMA and, as such, LSU shall have the right to directly enforce the provisions of this FOMA to the extent LSU deems such enforcement necessary or advisable to protect its interest in the Student Housing Facilities and/or the Leases.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and of other good and valid consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, agrees as follows:

## ARTICLE 1

### ENGAGEMENT OF THE FACILITIES MANAGER BY PROVIDENT-FLAGSHIP.

1.1 Engagement. Provident-Flagship hereby engages Facilities Manager, and Facilities Manager hereby agrees to be engaged by Provident-Flagship, and does hereby undertake to supervise, direct, and control certain custodial (other than custodial services identified in Exhibit 3.1 hereto as “Routine Custodial”, “Move-In and Move-Out”, and “Conferences Greater Than Two Days” which shall be performed by LSU absent an amendment to this FOMA in accordance with its terms), maintenance, operations, replacement and repair obligations with respect to the Student Housing Facilities as more particularly set forth herein (the “Facilities Manager Duties”), as the agent of Provident-Flagship, for the benefit of LSU, during the Operating Term in strict compliance with the Operating Standards and the terms of this FOMA, including but not limited to, any and all exhibits and schedules attached hereto. The Parties hereto acknowledge and agree that, pursuant to Section 7(n) of the Facilities Lease, LSU has the right to direct Provident-Flagship to delete or add services hereunder necessary for the upkeep and maintenance of the Student Housing Facilities, and the Facilities Manager hereby agrees to reasonably cooperate to accomplish the foregoing as directed by LSU as may be mutually agreed upon by the Parties.

1.2 Qualified Management Agreement. This FOMA is intended to and shall constitute a “qualified management agreement” in compliance with applicable requirements of Section 141 of the Code, as amended, and Rev. Proc. 97-13, 1997-5 I.R.B. 18 (as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67 and further modified by Rev. Proc. 2016-44) and shall be interpreted in accordance with such requirements. Facilities Manager represents to Provident-Flagship and LSU that Facilities Manager has reviewed the applicable requirements of Section 141 of the Code and Rev. Proc. 97-13 (as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67 and further modified by Rev. Proc. 2016-44).

1.3 Tax Covenants. Each Party agrees that it will use all commercially reasonable efforts to at all times operate and manage the Student Housing Facilities in a manner which preserves the

exemption from federal income tax of interest on any Bonds issued on a tax-exempt basis and will comply with the requirements of section 141(b) of the Code, section 1.141-3 of the Treasury Regulations and Revenue Procedure 97-13 (as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67 and further modified by Rev. Proc. 2016-44) relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use; provided, however, the foregoing shall not require and/or permit either Party to breach and/or amend any of the provisions of this FOMA without the prior written authorization from LSU, which authorization may be withheld, conditioned or delayed in the sole and unfettered discretion of LSU. In the event that the foregoing requirement imposes a material adverse financial burden on either Party not otherwise contemplated by this FOMA, or if it becomes necessary to amend this FOMA in order to preserve the exemption from federal income tax of interest on any Bonds issued on a tax-exempt basis, the Parties agree to negotiate in good faith to amend this FOMA to preserve the tax exempt status in a manner which maintains or restores to both Parties, to the greatest extent possible within the requirements of this FOMA, the benefits expected to be received by each of Parties pursuant to the original terms of this FOMA.

1.4 Retention of Legal Ownership by Provident-Flagship. Notwithstanding anything in this FOMA to the contrary, unless otherwise expressly and intentionally set forth in this FOMA, Provident-Flagship shall at all times continue to exercise full control of the Student Housing Facilities subject to Facilities Lease, and legal ownership over its applicable assets and operations of the Student Housing Facilities, and Facilities Manager shall perform the Facilities Manager Duties under this FOMA in accordance with the Operating Standards. Furthermore, and without limiting the generality of the foregoing, Facilities Manager covenants to Provident-Flagship and LSU that Facilities Manager shall perform the Facilities Manager Duties with the same degree of diligence and skill as is employed by a reasonably prudent management company in the management of similar facilities, in compliance with all obligations imposed on Provident-Flagship by Greenhouse LLC and LSU which are known to Facilities Manager, including, without limitation, the obligations under the Indenture and the Leases.

1.5 Outside Consultants. Nothing contained in this FOMA shall prohibit and/or preclude Provident-Flagship from engaging the services of any third party Consultant to assist Provident-Flagship in dealing with any and all matters relating to the Student Housing Facilities and/or any Proposed Operating Plan and Budget and/or Approved Operating Plan and Budget; however, and notwithstanding the foregoing, the engagement by Provident-Flagship of any such third party Consultant, and the terms of any such engagement, shall be subject to the prior written authorization thereof from the LSU Representative in his sole and unfettered discretion.

1.6 Duties in Facilities Lease. Provident Flagship and Facilities Manager acknowledge, understand and agree that all duties, responsibilities and obligations of Provident-Flagship, Facilities Manager and LSU relating to the maintenance and repair of the Student Housing Facilities which are referenced in the Leases, Bond Documents and/or any other agreement contemplated thereby or referenced therein are hereby incorporated in this FOMA and made a part hereof by this reference.

1.7 Provident-Flagship Approvals. Unless otherwise expressly and intentionally set forth in this FOMA, to the extent that any matter in this FOMA specifically and explicitly requires the prior written and/or oral approval and/or consent of Provident-Flagship (each a “Provident-Flagship Approval”), the Parties understand and agree that each and every such Provident-Flagship Approval shall be subject to and require the prior written authorization and/or consent from LSU (each a “LSU Approval”), which LSU Approval may be withheld, conditioned or delayed in the sole and unfettered discretion of LSU. Without limiting the generality of the foregoing, the parties understand and agree that a LSU Approval will be required for those matters set forth under the following Sections of this FOMA: (i) Section 1.3, (ii) Section 1.5, (iii) Section 1.7, (iv) Section 2.1.3, (v) Section 2.3, (vi) Sections 2.8.1 and 2.8.3, (vii) Section 3.2.1, (viii) Section 3.2.2, (ix) Section 3.3, (x) Section 3.4, (xi) Section 3.7, (xii)

Section 3.9.5, (xiii) Section 3.10.1, (xiv) Section 3.11.1.3, (xv) Section 3.11.1.4, (xvi) Section 4.2.6, (xvii) Section 4.4.2, (xviii) Section 4.4.4, (xix) Section 4.7.7, (xxi) Section 7.1.1, (xxii) Section 7.1.2, (xxiii) Section 10.1 and (xiv) Section 12.21.

## ARTICLE 2

### OPERATING STANDARDS; EXPECTATIONS OF PERFORMANCE.

#### 2.1 Operating Standards.

2.1.1 Operating Standards. Facilities Manager agrees that Facilities Manager shall, as the agent of Provident-Flagship, for the benefit of LSU and the University, perform the Facilities Manager Duties (i) in a prudent and efficient manner reasonably calculated to enable those responsible to repay Bondholders in accordance with the terms of the Indenture, consistent with the requirements and limitations set forth in this FOMA; (ii) in accordance with established standards, policies, practices and programs promulgated by the University and to the extent applicable to the Facilities Manager Duties under this FOMA (“LSU Standards”) as set forth in Exhibit 2.1.1 attached hereto, as the same may be amended from time to time and at any time determined reasonable and/or necessary by LSU (provided that any such amendments are provided to and/or made accessible to Facilities Manager); and (iii) in a manner reasonably calculated to: (1) protect and preserve the assets that comprise the Student Housing Facilities; (2) maximize over the Operating Term the financial return to Provident-Flagship from ownership of the Student Housing Facilities as an on-campus student residential community; (3) control operating expenses; and (4) comply with all of the maintenance, repair, replacement and operational obligations of Provident-Flagship set forth in the Leases (the standards described in clauses (i) through (iii) above being referred to collectively as either the “Operating Standards” or the “Operating Standard”).

2.1.2 Certification of Review of LSU Standards. In connection therewith, and without limiting the generality of the foregoing, concurrently with the execution of this FOMA and within three (3) business days after the commencement of any Fiscal Year thereafter, Facilities Manager shall provide a written certification to Provident-Flagship and the LSU Representative, in the form attached hereto as Exhibit 2.1.2, which certifies that the Facilities Manager has reviewed the LSU Standards and understands the requirements and expectations thereunder.

2.1.3 Modification of Operating Standards. If Facilities Manager at any time believes that it cannot perform the Facilities Manager Duties in a manner that allows it to comply with any one of the Operating Standards without violating another of the Operating Standards, Facilities Manager shall promptly notify Provident-Flagship in writing thereof with a written detailed explanation of the situation and recommendations as to modifications of the Operating Standards without compromising the performance of the Facilities Manager Duties and/or the quality of the Student Housing Facilities. Provident-Flagship, after consultation with Greenhouse LLC and LSU, will reasonably consider the proposed modifications, but shall not be obligated to approve the proposed modifications so long as Greenhouse LLC and/or LSU, in each of their sole and unfettered discretion, do not agree to authorize Provident-Flagship to approve the proposed modifications.

2.1.4 Commercially Reasonable Efforts. Without limiting the generality of the foregoing, and in connection with the performance of the Facilities Manager Duties required under this FOMA, so long as the Facilities Manager undertakes and/or omits to undertake any particular action (each, an “Action”) (i) in good faith, (ii) in a manner designed to preserve and protect the Student Housing Facilities, (iii) in manner reasonably believed to be in or not opposed to be in the best interests of Provident-Flagship and/or LSU, and (iv) in accordance with applicable terms of this

FOMA and the Operating Standards, then Facilities Manager shall be deemed to have used its commercially reasonable efforts to undertake or omit to undertake any such Action and shall not be in breach of this Agreement because of any such Action.

2.2 Performance of the Facilities Manager Duties. Facilities Manager shall use its commercially reasonable efforts, judgment, skill and energy to diligently perform all of the Facilities Manager Duties under this FOMA and in a manner designed to preserve and protect the Student Housing Facilities and the interests of Provident-Flagship, Greenhouse LLC and/or LSU with respect thereto, strictly in accordance with the terms of this FOMA and the Operating Standards. Moreover, Facilities Manager shall do or cause to be done all such acts and things in or about the Student Housing Facilities that Facilities Manager, in good faith and exercising prudent commercial judgment, it reasonably believes to be necessary to perform the Facilities Manager Duties in accordance with this FOMA and the Operating Standards (as set forth in more detail below). Furthermore, Facilities Manager shall cause any and all Corporate Personnel and/or any Property Personnel of Facilities Manager to be available as often as Provident-Flagship and/or LSU reasonably requires upon reasonable prior notice and during regular business hours to consult with and advise Provident-Flagship and/or LSU and any of their representatives and designees concerning policies and procedures affecting the conduct of the business of the operation of the Student Housing Facilities and concerning the Operating Standards. Without limiting the generality of the foregoing, and in connection with the performance of any Facilities Manager Duties:

2.2.1 the Facilities Manager shall, and shall cause its employees, Consultants, contractors (including subcontractors), vendors, Property Personnel, Corporate Personnel and Agents, as applicable, to conform, to obey, and comply in all respects with all Governmental Regulations with respect to any activity being undertaken at and/or for the benefit of the Student Housing Facilities; and

2.2.2 the Facilities Manager shall comply in all material respects with all Governmental Regulations and Operating Standards which may now or hereafter, from time to time, be established and which are or shall be applicable to the Student Housing Facilities, including without limitation the Americans With Disabilities Act of 1990 and/or the Occupational Safety and Health Standards of the State and the United States, each as amended; and

2.2.3 the Facilities Manager shall cause its employees, Consultants, contractors (including subcontractors), vendors, Property Personnel, Corporate Personnel and Agents to provide to the LSU Representative a letter certifying that criminal history checks (but no fingerprint checks required) have been conducted on all personnel providing a service on the Campus in connection with the Greenhouse District Project, 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 architects, engineers, contractors, subcontractors, vendors, specialists, agents and Consultants and (v) made available to LSU or the University upon request thereby. Any person who has been convicted of a criminal violation or offense described in La. R.S. 40:981.3 or in L.A.C. Title 28, Chapter 9 shall not be employed in any capacity on the Campus by Facilities Manager.

2.3 Outsourcing. Facilities Manager shall have the right, subject to the prior written approval of Provident-Flagship, to outsource and/or subcontract any aspect of the Facilities Manager Duties to reputable and professional third party service providers (each, an “Agent”) and to the extent that Provident-Flagship permits Facilities Manager to outsource and/or subcontract any aspect of such services to an Agent, Facilities Manager represents, warrants and covenants to Provident-Flagship and LSU that (i) Facilities Manager shall use its commercially reasonable efforts to ensure that no act or omission of an Agent shall in any manner reflect adversely upon the goodwill, prestige, image, or reputation of the Student Housing Facilities, Provident-Flagship, LSU and/or the University; (ii) Facilities Manager shall

provide to Provident-Flagship and the LSU Representative the name and contact information for each Agent of the Facilities Manager who is performing any aspect of the services under this FOMA; (iii) there shall be no privity of contract (express, implied or otherwise) between Provident-Flagship and/or LSU with any such Agent; and (iv) no Agent of Facilities Manager shall be deemed in any manner to be an agent or representative of LSU. Without limiting the generality of the foregoing, with respect to any and all Facilities Manager Duties that are or will be performed by an Agent of Facilities Manager, Facilities Manager expressly understands and agrees that Facilities Manager shall at all times remain fully responsible for the discharge of any and all such duties, responsibilities and/or obligations in strict accordance with this FOMA and shall also be responsible for each and every Agent's compliance with the terms and conditions of this FOMA to the same extent Facilities Manager would be responsible for its own compliance with the terms and conditions of this FOMA.

2.4 Contracts with Related Parties. Notwithstanding anything to the contrary contained in this FOMA, Facilities Manager shall not propose and/or attempt to enter into or enter into any contract, as a result of which Facilities Manager, or any Affiliate of or Person related to Facilities Manager, receives, any Direct or Indirect Profit, including without limitation any rebate, kick-back, revenue sharing, royalty, profit participation, equity participation, barter consideration in the form of goods or services, or any other device, however denominated, and whether similar or dissimilar to any of the foregoing without (i) disclosing such Direct or Indirect Profit in writing to Provident-Flagship and LSU and (ii) Provident-Flagship providing prior written consent with respect thereto, which consent may be withheld and/or delayed in the sole and unfettered discretion of Provident-Flagship. Moreover, to the extent that Provident-Flagship approves any such contract in which Facilities Manager receives any such compensation which constitutes Direct or Indirect Profit, then the terms of such contract, and the compensation to be paid in connection therewith, shall be on terms no less favorable to Provident-Flagship than if such compensation and services were paid to and/or performed by Persons who were not an Affiliate of or Person related to Facilities Manager.

2.5 Cooperation with Regarding Governmental Regulations and Other Matters. With respect to Governmental Regulations that are to be complied with by Provident-Flagship and/or LSU in connection with the transaction contemplated and referenced in this FOMA, Facilities Manager shall use its commercially reasonable efforts to cooperate with Provident-Flagship and/or LSU in a timely manner and promptly deliver to Provident-Flagship and LSU copies of any of the books and records relating to the Student Housing Facilities requested by Provident-Flagship to facilitate Provident-Flagship's and LSU's compliance with Governmental Regulations required of Provident-Flagship and LSU. Moreover, and without limiting the generality of the foregoing, Facilities Manager shall also cooperate with Provident-Flagship and its Affiliates and Consultants and any actual or prospective purchaser, lessee, surety, mortgagee, trustee, or other lender in connection with any proposed sale, lease, or financing of or relating to the Student Housing Facilities.

2.6 Audit Rights. Provident-Flagship and LSU may, during customary business hours and to the extent necessary to verify compliance with this FOMA or any other agreements it enters into pursuant to the authority of this FOMA, conduct internal audits of the books, records and accounts of Facilities Manager directly related to the Student Housing Facilities. Audits may be made on either a continuous or periodic basis or both, and may be conducted by employees of Provident-Flagship and LSU, by independent auditors retained by Provident-Flagship and 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 Facilities Manager. Provident-Flagship and LSU covenant with Facilities Manager to keep all work papers, including all books and records of Facilities Manager, 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. Facilities Manager shall cooperate with Provident-Flagship and LSU and their respective authorized representatives and/or designees in connection with such audit and shall promptly make available to Provident-Flagship and LSU and their respective authorized representatives and/or designees any and all information relating to the Student Housing Facilities and/or the Facilities Manager that they may reasonably request in connection with such audit. If the books and records maintained by the Facilities Manager reveal a discrepancy in connection with any amounts paid to and/or reimbursed to the Facilities Manager, then Facilities Manager must immediately pay to Provident-Flagship, LSU and/or the Trustee the reasonable cost of such audit, as well as correct the misstatements/discrepancy revealed by any such audits. If the books and records maintained by the Facilities Manager reveal a deficiency in connection with any amounts paid to and/or reimbursed to Facilities Manager, then Provident-Flagship must pay to Facilities Manager such deficiency.

2.7 Right to Require Facilities Manager to Remove and/or Change Project Personnel and/or Agents. To the extent Provident-Flagship and/or LSU finds fault with an existing or replacement Property Personnel and/or Agent for any reason whatsoever, then immediately upon the written notice thereof to Facilities Manager, Facilities Manager shall (i) cause such Property Personnel and/or Agent to be immediately removed from the Student Housing Facilities and (ii) use its commercially reasonable efforts to find and hire and/or engage a new and/or existing Property Personnel and/or Agent to perform the services that were to be performed by the Property Personnel and/or Agent that was dismissed. The failure of Facilities Manager to strictly adhere to the terms of this provision shall be deemed to be a material default hereunder which cannot be cured.

2.8 No Use of Proprietary Software.

2.8.1 Under no circumstance shall Facilities Manager, without the prior written consent of Provident-Flagship, utilize any proprietary software to supervise, direct, and control the management and operation of the Student Housing Facilities and/or the performance of the Facilities Manager Duties. Provident-Flagship hereby consents to the use by the Facilities Manager of RealPage One Site software in the performance of the Facility Manager Duties. The primary platform for management of all maintenance operations will be the Res Life CMMS. The Facility Manager will insure that all information in the Res Life CMMS is accurate and up to date.

2.8.2 To the extent that Provident-Flagship or LSU provides the Facilities Manager with the written approval to utilize any proprietary software to supervise, direct, and control the management and operation of the Student Housing Facilities and/or the performance of the Facilities Manager Duties (such software being referred to herein as “Approved Software”), then Facilities Manager represents, warrants and covenants to Provident-Flagship and LSU, that:

2.8.2.1 Facilities Manager shall not undertake any action or omit to take any action that would result in a breach and/or a default by Facilities Manager under any agreement to license and/or otherwise use the Approved Software; and

2.8.2.2 any and all licenses to use the Approved Software shall be accessible to and/or assignable to Provident-Flagship and/or LSU at no additional cost during the Term of this FOMA and after the termination and/or natural expiration thereof.

2.8.3 Without limiting the generality of the foregoing, in the event the use of RealPage One Site software is discontinued any other hardware and/or software that is used, directly and/or indirectly, by Facilities Manager and/or any Agent in connection with the Facilities Manager Duties shall be subject to the prior review and written approval by Provident-Flagship before the use

and/or installation thereof and shall be compatible with the technology systems utilized by LSU and/or the University and in compliance with any applicable Operating Standards.

2.9 Discounts and Rebates. Any and all refunds, volume discounts, rebates, reduced rates for timely payment, or other benefits derived exclusively from business done in connection with the Facilities Manager Duties for the benefit of the Student Housing Facilities shall be credited to Provident-Flagship and/or LSU and not to Facilities Manager.

### ARTICLE 3

#### FACILITIES MANAGER DUTIES

3.1 Facilities Manager Duties. In addition to any Facilities Manager Duties set forth in Exhibit 3.1 attached hereto (other than the custodial services excluded as set forth in Section 1.1 hereof), the Facilities Manager shall undertake the following Facilities Manager Duties in accordance with the terms of this FOMA and the Operating Standards.

3.2 Maintenance of Student Housing Facilities and Equipment. The Facilities Manager shall keep and maintain the Student Housing Facilities in good operating condition, order, and repair, and in connection therewith, shall formulate and implement a written preventative maintenance program designed to efficiently and effectively maintain the condition of the Student Housing Facilities. Without limiting the generality of the foregoing, and in connection with any such preventative maintenance program, Facilities Manager shall arrange to have the Student Housing Facilities physically inspected at least once every five (5) Fiscal Years (by a qualified Agent selected by Facilities Manager) and prepare a written report detailing the results from said inspection in a form reasonably acceptable to Provident-Flagship and the LSU Representative. Notwithstanding the foregoing and/or anything in this FOMA to the contrary:

3.2.1 Provident-Flagship, subject to the prior written authorization thereof from LSU, reserves the right, upon thirty (30) days advance written notice, to require the Facilities Manager to immediately cease performing any and all such custodial/maintenance obligations as are contemplated under this Section 3.2; and

3.2.2 the Parties understand and agree that, in connection with the performance of the Facilities Manager Duties under this FOMA, the Facilities Manager is not authorized to incur more than US\$5,000 of costs and/or expenses in a single transaction and/or a series of related transactions which are not part of an Approved Operating Plan and Budget, without the prior written approval thereof from Provident-Flagship; provided, however, the foregoing restriction shall not apply in the event of a non-extraordinary emergency maintenance and/or repair (but not a Capital Improvement as defined in Section 3.4) so long as such costs incurred with respect thereto are reasonable and necessary to protect persons and property in the immediate short term.

3.3 Licenses and Permits. To the extent requested by Provident-Flagship, subject to the prior written approval thereof of LSU, Facilities Manager shall obtain or cause to be obtained, in the name of Provident-Flagship and/or its authorized assignees and/or designees, and at the expense of the Student Housing Facilities, all Approvals required for the maintenance and operation of the Student Housing Facilities as and when required under the Governmental Regulations. Such licenses and permits shall include, by way of example and not limitation, licenses and permits for health and safety systems maintenance, electricity, gas, plumbing, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, laundry and dry cleaning, restaurant equipment, broadband and high speed internet access and other technological services as they are developed, use of copyrighted materials (such

as music and videos), entertainment, alterations, parking and other services Provident-Flagship, after obtaining written approval from the LSU Representative, deems advisable. The reasonable costs and fees incurred by the Facilities Manager in connection with obtaining such requested Approvals shall be deemed to be a FM Operating Expense.

3.4 Supervision and Coordination of Capital Improvements. To the extent requested by Provident-Flagship, subject to the prior written approval thereof of LSU, Facilities Manager shall cause, supervise and/or coordinate the construction and installation of any renovations, improvements, substantive repairs, or replacements of a capital nature (each a “Capital Improvement”) (provided, however, a “Capital Improvement” shall not be deemed to include (i) the construction of new student housing facilities and/or (ii) the re-construction of the Student Housing Facilities due to a casualty or other similar event) to the Student Housing Facilities that may be implemented from time to time in accordance with the terms and conditions of this FOMA, the Operating Standards and/or pursuant to any action and/or mandate approved by the Project Committee; and in connection therewith, Facilities Manager shall reasonably cooperate with and render assistance to Provident-Flagship, LSU and/or their respective designees and Consultants with any related design review and/or project oversight arising from and/or related to any such Capital Improvements.

3.5 Student Resident Complaints/Requests. Facilities Manager shall establish written protocols for, and shall receive, log in and respond timely to, all reasonable student resident complaints and requests for repairs, maintenance and/or other similar services (“Resident Requests and Complaints”) for which Facilities Manager is responsible under this FOMA. Facilities Manager shall keep systematic and updated records showing the actions taken with respect to Resident Requests and Complaints. Resident Requests and Complaints of a material nature shall be reported (each, an “Incident Report”) to the designated representative personnel of Provident-Flagship and LSU in a timely manner (but in no event later than one (1) day after the receipt thereof), and, if appropriate, Facilities Manager shall include in each such Incident Report an appropriate recommendation or an itemization of alternatives for Provident-Flagship’s and LSU’s review. Without limiting the generality of the foregoing, Facilities Manager shall be required to respond to such Resident Requests and Complaints as directed by LSU.

3.6 Intentionally Deleted.

3.7 Service Contracts. Facilities Manager shall negotiate, enter into and administer, as agent on behalf of Provident-Flagship and for the benefit (but not as the agent) of LSU, service contracts for certain maintenance and operational aspects of the Student Housing Facilities, including, but not limited to, contracts for health and safety systems maintenance, transportation, audio-visual, electricity, gas, telephone, cleaning, elevator and boiler maintenance, air conditioning maintenance, laundry and dry cleaning, cable and telecommunication, transmission data, electronic communications and distributions, broadband, high-speed internet access and other technological services as they are developed, use of copyrighted materials (such as music and videos), entertainment, and other services Provident-Flagship, after obtaining written approval from the LSU Representative, deems advisable and in accordance with the Operating Standards; provided, however, and notwithstanding anything in this FOMA to the contrary, Facilities Manager shall not enter into any such service contracts unless and until the same are approved in writing by Provident-Flagship. The parties acknowledge that any specific service contract (which includes the identity of the vendor and/or service provider) included in an Approved Operating Plan and Budget is deemed to be approved by Provident-Flagship. Furthermore, (i) all such service contracts shall be operated in accordance with the Operating Standards and in compliance with all tax requirements and Governmental Regulations applicable to the Student Housing Facilities, and Facilities Manager shall be responsible for assuring that each service contract conforms to the Operating Standards and Governmental Regulations other than federal tax law requirements for “qualified management contracts” which shall be the responsibility of Provident-Flagship and (ii) Facilities Manager shall use commercially

reasonable efforts to include a provision in each service contract to provide monthly recurring services (other than public utilities) which permits the contract to be terminated upon ninety (90) days written notice and a no personal liability and indemnity clause in favor of Provident-Flagship, Greenhouse LLC and LSU.

3.8 Purchase of Inventories, Supplies and Consumables. Facilities Manager shall purchase, or arrange for the purchase of, all inventories, provisions, consumable supplies, and operating supplies that are necessary and proper to maintain and operate the Student Housing Facilities in accordance with the Operating Standard, use the same in the management and operation of the Student Housing Facilities and act in a commercially reasonable and economical manner in purchasing such items, provided that ownership of all such inventories, provisions, consumable supplies, and operating supplies shall be in the name of Provident-Flagship.

3.9 Developing Operating Plan and Budget for any Operating Year.

3.9.1 Cooperation with the Project Committee. The Facilities Manager shall use its commercially reasonable efforts to cooperate with Provident-Flagship and/or LSU in a timely manner and promptly deliver to the Project Committee any and all information, documentation, projections, reports and/or any other materials reasonably requested by the Project Committee in order for the Project Committee to assist with the development of an Approved Operating Plan and Budget for any Fiscal Year.

3.9.2 Delivery of Budgets. On or before February 1 of each Fiscal Year, Facilities Manager shall prepare and deliver to Provident-Flagship, the LSU Representative and the Project Committee members and their designees and/or Consultants a separate Proposed Operating Plan and Budget for the Student Housing Facilities and/or any other agreed upon facility for the next ensuing Fiscal Year; in connection therewith, Provident-Flagship shall use its commercially reasonable efforts to cause LSU, as soon as reasonably practicable prior to the close of each calendar year, but no later than December 15 of each Fiscal Year, to provide the Facilities Manager with the estimated rates that will be used for the Student Housing Facilities so that Provident-Flagship can have a basis to determine estimated revenues to be generated by the Student Housing Facilities. Upon request thereof by Provident-Flagship, Facilities Manager will meet with the Project Committee to discuss the Proposed Operating Plan and Budget for the Student Housing Facilities, which shall be subject to the review and approval process set forth below in this subsection 3.9.

3.9.3 Preparation Standards. Facilities Manager shall act reasonably and exercise prudent business judgment in preparing the Proposed Operating Plan and Budget and any revisions thereto; and, without limiting the generality of the foregoing, the Facilities Manager acknowledges and agrees that the Proposed Operating Plan and Budget must be prepared giving due consideration to all relevant factors, including, without limitation, existing market and economic conditions and operations specific to the Student Housing Facilities in a manner that is consistent with the Operating Standards and/or as otherwise reasonably requested by Provident-Flagship and/or LSU.

3.9.4 Required Information and Projections. The Proposed Operating Plan and Budget shall, at a minimum, include the information, date and/or estimated costs for all of the items set forth in Exhibit 3.9.4 attached hereto, which shall at a minimum include (1) estimates of total labor costs for all Property Personnel; (2) estimates of all FM Operating Expenses; (3) a capital plan, which shall contain: (A) a five (5) year forecast of capital expenditure needs for the Student Housing Facilities, (B) a detailed description of the needed and/or planned capital expenditures and costs for the upcoming Fiscal Year, and (C) an amount to cover unforeseen contingencies that may occur during the upcoming Fiscal Year; and (4) any other matters required under the Bond Documents.

3.9.5 Approval of Budgets. Subject to the written approval of LSU, Provident-Flagship shall, within forty five (45) days after receipt by Provident-Flagship and LSU of the Proposed Operating Plan and Budget for the Student Housing Facilities for any Fiscal Year, either approve or disapprove of each of Proposed Operating Plan and Budget. In the event that Provident-Flagship does not deliver written notice to Facilities Manager approving the Proposed Operating Plan and Budget within the foregoing time period, then Provident-Flagship shall be deemed to have disapproved the Proposed Operating Plan and Budget. In the event that Provident-Flagship disapproves and/or is deemed to have disapproved the Proposed Operating Plan and Budget, then Facilities Manager shall resubmit the Proposed Operating Plan and Budget within thirty (30) days after initial rejection thereof, and Provident-Flagship shall, within thirty (30) days after receipt of the revised Proposed Operating Plan and Budget, either approve or disapprove of such Proposed Operating Plan and Budget according to the procedures set forth above, which shall be repeated until Provident-Flagship approves of any such revised Proposed Operating Plan and Budget; and the approved Proposed Operating Plan and Budget shall be deemed to be an “Approved Operating Plan and Budget.” In the event that an Approved Operating Plan and Budget has not been approved by Provident-Flagship as to the Student Housing Facilities for any particular Fiscal Year, then the Approved Operating Plan and Budget for the Student Housing Facilities for the immediately preceding Fiscal Year shall govern and control (except that Uncontrollable Expenses shall be increased by three percent (3%)) until such time as Provident-Flagship has approved the Proposed Operating Plan and Budget.

3.10 Books and Records; Reporting; Continuing Disclosure.

3.10.1 Books and Records. The Facilities Manager shall keep full, complete and accurate books of account, front office records and other records to be prepared to reflect the performance of the Facilities Manager Duties. All such books of account and records shall be kept in accordance with Generally Accepted Accounting Principles and, to the extent applicable, with the Operating Standards and/or other reasonable requests of Provident-Flagship. All such books and records shall be reported in the format determined and approved by Provident-Flagship, and shall include such additional information as may be required under the Bond Documents. All of the financial books and records pertaining to the Student Housing Facilities, including books of account, front office records, work orders, recorded/as-built drawings, warranties, inventory records of supplies, equipment and furniture, and Resident Requests and Complaints shall be the property of Provident-Flagship, and shall be available at all reasonable times for inspection and copying by Provident-Flagship and/or its authorized representatives and/or designees (which shall include, but not be limited to, LSU). Upon Termination of this FOMA, all of such books and records shall be turned over forthwith to Provident-Flagship to ensure the orderly continuance of the operation of the Student Housing Facilities. The Facilities Manager shall keep full, complete and accurate books of account, front office records and other records to be prepared to reflect the performance of the Facilities Manager Duties.

3.10.2 Monthly/Quarterly Reports. Facilities Manager shall cause to be prepared and delivered to Provident-Flagship and LSU Representative the various monthly and quarterly operating/maintenance reports listed on Exhibit 3.10.2 (the “Monthly Reports” and “Quarterly Reports”, respectively). Facilities Manager shall deliver to Provident-Flagship and LSU Representative each Monthly Report on or before the twentieth (20<sup>th</sup>) day of the month following the month to which such Monthly Report relates. Facilities Manager shall also deliver to Provident-Flagship and LSU Representative each Quarterly Report on or before the twentieth (20<sup>th</sup>) day of the month immediately following the quarter to which such Quarterly Report relates. The foregoing report shall be reported in the format determined by and approved by Provident-Flagship and shall include such additional information as may be required under the Bond Documents.

3.10.3 Destruction of Records. Facilities Manager shall not destroy any books and records, except as permitted by the Bond Documents and in accordance with LSU and Provident-Flagship's records retention policies attached as Exhibit 3.10.3 attached hereto, as the same may be amended from time to time in the sole and absolute discretion of LSU and Provident-Flagship, as such right to amend applies to each of their respective retention policies.

3.11 Hiring and Engaging Property Personnel. Subject to LSU's and Provident-Flagship's rights under this FOMA, including but not limited to Section 2.7 of this FOMA, the Facilities Manager represents, warrants and covenants to Provident-Flagship and LSU as follows:

3.11.1 Employment of Property Personnel.

3.11.1.1 Responsible Party. Subject in all instances to Provident-Flagship and LSU's rights under this FOMA, Facilities Manager shall recruit, hire, relocate, pay, supervise, and dismiss all Property Personnel with the understanding that all Property Personnel shall be the employees of Facilities Manager and not Provident-Flagship or LSU, the University and/or the Trustee. Without limiting the generality of the foregoing, Facilities Manager recognizes and agrees that a statutory employer relationship as envisioned by La. R.S. 23:1061(A), as amended by Act 315 of 1997, exists between Facilities Manager and Provident-Flagship with respect to the Facilities Manager Duties to be provided by Facilities Manager for Provident-Flagship, as to Facilities Manager's direct employees and its statutory employees; and that the Facilities Manager Duties to be performed are an integral part of, or essential to, the ability of Provident-Flagship to generate its own goods, products and/or services for purposes of La. R.S. 23:1061(A)(1), as amended by Act 315 of 1997; therefore, irrespective of Provident-Flagship's status as the statutory employer or special employer (as defined in La. R.S. 23:1031(C)) of Facilities Manager's employees, Facilities Manager shall remain primarily responsible for the payment of Louisiana Worker's Compensation benefits to its employees and shall not be entitled to seek contribution for such payments from Provident-Flagship.

3.11.1.2 Personnel Policies. Facilities Manager shall determine and implement all personnel policies and practices ("Hiring Practices") relating to the Property Personnel servicing the Student Housing Facilities, which Hiring Practices shall be consistent with the Operating Standards; provided, and without limiting the generality of the foregoing, Facilities Manager shall ensure that its and its Agent's general hiring policies and the discharge of the Facilities Manager Duties, all Property Personnel and Agents shall be performed accordance with (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, as amended from time to time and (c) any executive order issued by the governor of the State. Moreover, Facilities Manager shall maintain and provide evidence of Employment Practices Liability coverage related to employment claims in accordance with this FOMA.

3.11.1.3 Sufficient Project Personnel. Facilities Manager shall ensure that the aggregate number of Property Personnel is sufficient to operate the Student Housing Facilities in accordance with the Operating Standards, any Approved Operating Plan and Budget and this FOMA, and shall supervise the hiring, discharge, promotion and work performance of all Property Personnel providing services at the Student Housing Facilities. Without limiting the generality of the foregoing, Facilities Manager represents, warrants and covenants to Provident-Flagship and LSU that (a) as a condition precedent to the hiring and/or engagement of any Property Personnel by the Facilities Manager, the Facilities Manager shall undertake a background check with respect to every such Property Personnel

in accordance with all Governmental Regulations, the Operating Standards and Section 2.2.3, and (b) to the extent any such background check reveals any questionable and/or negative information with respect to any such prospective Project Personnel, the Facilities Manager shall not hire any/or engage any such prospective Project Personnel without disclosing the same to Provident-Flagship and LSU and receiving written approval from Provident-Flagship and LSU to consummate the employment and/or engagement of such prospective Project Personnel.

3.11.1.4 List of All Property Personnel. Facilities Manager shall provide Provident-Flagship and LSU Representative a list of all Project Personnel, Agents, vendors and Consultants to be utilized by Facilities Manager in connection with the Facilities Manager Duties, and shall be required to replace any Project Personnel, Agents, vendors and Consultants to which Provident-Flagship or the LSU Representative may at any time reasonably object and remove any individual whose conduct is reasonably deemed by LSU or Provident-Flagship to be inappropriate or inconsistent with University policies, Operating Standards, and/or Governmental Regulations.

3.11.1.5 Advance Notice Regarding Termination. Facilities Manager shall be responsible for giving notices, if any, required to be given to Property Personnel under any Governmental Regulations in connection with the Termination of this FOMA and the reasonable costs to provide such notices shall be deemed to be FM Operating Expenses. In no event shall Provident-Flagship or LSU be responsible to Facilities Manager for any compensation, benefits, or other claims relating to any period after the Termination of this FOMA.

### 3.12 Environmental Matters.

3.12.1 Use, Manufacture, Storage. Facilities Manager shall not direct, suffer, and/or otherwise permit any Corporate Personnel, Property Personnel, Agent, vendor, Consultant, service provider, LSU, the University or any of their respective employees or any other Person or entity under their respective control to handle, transport, use, manufacture or store any Hazardous Materials in or about the Student Housing Facilities except as provided in Section 3.12.3 below.

3.12.2 Use in Compliance with Environmental Laws. Facilities Manager shall not suffer or permit (with or without negligence): (i) any Hazardous Materials to be used in any manner not fully in compliance with all Environmental Laws; (ii) the Student Housing Facilities or adjoining areas to become contaminated with any Hazardous Materials; and/or (iii) the escape, disposal or release of any Hazardous Materials, except in compliance with Environmental Laws.

3.12.3 Hazardous Materials Necessary for Performance. Facilities Manager may handle, store, use, or dispose of Hazardous Materials to the extent customary and necessary for the performance of Facilities Managers duties under this FOMA, provided same does not violate Environmental Laws and all disposal occurs offsite in accordance with all Environmental Laws.

3.12.4 Material Safety Data Sheets. Facilities Manager shall promptly provide Provident-Flagship and the LSU Representative upon request thereof with complete and accurate copies of all Material Safety Data Sheets for any materials stored and/or handled by the Facilities Manager and/or its Agents on the Student Housing Facilities and disposal tickets for materials (hazardous or not) from the Student Housing Facilities that are disposed of off the Property.

3.12.5 Remediation of Hazardous Materials. In the event that the Facilities Manager, any Corporate Personnel, Property Personnel, Agent, vendor, Consultant and/or service provider engaged by the Facilities Manager generate any Hazardous Materials at or around the Student Housing Facilities that are required by any Environmental Law to be Remediated, and specifically

excluding any Hazardous Materials that are generated by Greenhouse LLC, LSU, Provident-Flagship and their Affiliates, employees, officers or agents, Facilities Manager 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 Student Housing Facilities ("Hazardous Site Condition") as necessary to comply with any Environmental Law or any breach of this subsection. In the event that Facilities Manager fails to perform said work after notice from Provident-Flagship, LSU or the State Department of Environmental Quality, Greenhouse LLC or Provident-Flagship may, as agent of Facilities Manager, perform same, and Facilities Manager agrees to reimburse Provident-Flagship and/or Greenhouse LLC for the cost of such Remediation, together with interest at the Default Rate.

3.12.6 Notice of Presence or Release. To the extent Facilities Manager has actual and/or constructive knowledge thereof, Facilities Manager shall immediately notify Provident-Flagship and the LSU Representative in writing of (1) any presence or releases of Hazardous Materials in, on, above, under, from or migrating towards the Student Housing Facilities, (2) any non-compliance with any Environmental Laws related in any way to the Student Housing Facilities; (3) any actual or potential environmental lien; (4) any required or proposed Remediation of Hazardous Site Condition relating to the Student Housing Facilities; and (5) any written or oral notice or other communication of which Facilities Manager 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 Student Housing Facilities.

3.12.7 Operation in Compliance. Facilities Manager shall operate or cause to be operated the Student Housing Facilities in compliance with all Environmental Laws continuously during the Term, and for such periods during the Operating Term and after the Termination of this FOMA, as long as Facilities Manager is performing the Facilities Manager Duties, in whole or in part. Facilities Manager shall not cause or permit any Hazardous Materials to be brought upon, kept, or used in or about the Student Housing Facilities, except for such Hazardous Materials as are necessary or useful to the operation of the Student Housing Facilities.

3.12.8 Right to Remediate. If Facilities Manager fails to comply with any of the foregoing warranties, representations, and covenants and removal or Remediation of any Hazardous Materials found on the Student Housing Facilities is required by Environmental Laws or a Governmental Authority, Facilities Manager shall promptly undertake the removal or Remediation of such Hazardous Materials, at Facilities Manager's sole cost and expense. In the event Facilities Manager fails or refuses to undertake such removal or remedial actions, Provident-Flagship may cause the removal or Remediation (or other cleanup reasonable acceptable to Provident-Flagship) of any such Hazardous Materials from the Student Housing Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) shall be paid by Facilities Manager, whether or not a court has ordered the cleanup, and those costs will become due and payable within 90 days of written demand by Provident-Flagship. In connection therewith, LSU will give Provident-Flagship, its agents, and employees access to the Student Housing Facilities to remove, Remediate, or otherwise clean up any Hazardous Materials. Provident-Flagship, however, has no affirmative obligation to remove, Remediate, or otherwise clean up any Hazardous Materials, and this FOMA will not be construed as creating any such obligation. Facilities Manager hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Materials located in or about the Student Housing Facilities by Facilities Manager.

3.13 Internal Control Structures. Facilities Manager shall establish and maintain internal controls designed to provide assurance that the Student Housing Facilities and related assets are

safeguarded from loss or unauthorized use, that transactions related to the Facilities Manager Duties are executed in accordance with Provident-Flagship's authority, and that financial records prepared by and/or under the control of Facilities Manager are reliable for the purposes of preparing financial statements. The internal control structure shall be supported by the selection, training, and development of qualified personnel, by an appropriate segregation of duties, and by the dissemination of written policies and procedures, copies of which shall be provided to and/or made available to Provident-Flagship and LSU at all times.

3.14 Full and Continuing Disclosure. Facilities Manager shall keep Provident-Flagship and LSU informed and advised of all material financial and other matters concerning the Student Housing Facilities and the operation thereof and give due consideration to suggestions which LSU and/or LSU's designees or Consultants may offer with respect thereto from time to time.

3.15 Utility Services. Reference is hereby made to the obligations and responsibilities of Provident-Flagship with respect to Utility Services (as such term is defined in the Ground Sublease) set forth in Section 6 of the Ground Sublease. Notwithstanding anything to the contrary contained in Section 9 of the Facilities Lease, to the extent that LSU, in its sole and unfettered discretion chooses not to provide any particular Utility Service for the Student Housing Facilities, then upon sixty (60) day notice Facilities Manager shall provide such Utility Service to the Student Housing Facilities.

3.16 Acknowledgment Regarding Scope of Facility Manager Duties. All of the duties and obligations of the Facilities Manager set forth in this Article 3 evidence the expected "scope of work" that may and/or will be performed by the Facilities Manager under this FOMA. However, and notwithstanding the foregoing and/or anything to the contrary set forth in this FOMA, the Parties understand and agree that Provident-Flagship reserves the right, subject to the prior written authorization thereof by LSU, upon ninety (90) days advance written notice to the Facilities Manager, to change (but not increase the scope of work) the required Facilities Manager Duties with respect to the Student Housing Facilities.

## ARTICLE 4

### OPERATING TERM AND TERMINATION.

4.1 Operating Term. Unless sooner Terminated pursuant to the provisions of this FOMA, the term of this FOMA shall be for a period of five (5) years commencing on the Final Completion Date (the "Term" or the "Operating Term"). Thereafter, this FOMA shall automatically be renewed for additional one (1) year terms (each "Renewal Operating Term") unless either Party provides the other Party with written notice to Terminate this FOMA at least ninety (90) days prior to the expiration of the Term and/or any Renewal Operating Term.

4.2 Events of Default by Facilities Manager. An "Event of Default" or a "Default" shall occur with respect to Facilities Manager under this FOMA if and only if:

4.2.1 Breach or Failure to Perform. Without limiting other provisions of this FOMA, Facilities Manager breaches or fails to perform any covenant or agreement made by Facilities Manager under this FOMA and fails to cure such breach or failure within thirty (30) days after Facilities Manager's receipt of a written notice from Provident-Flagship specifying the breach or failure to perform;

4.2.2 Failure to Maintain Insurance. Facilities Manager fails to obtain, maintain and/or renew all insurance that Facilities Manager is obligated to obtain and maintain under the terms

of this FOMA; provided, however, and solely with respect to the renewal of the insurance policies which the Facilities Manager is required to obtain and/or maintain under this Agreement, Facilities Manager shall be provided with a five (5) day grace period in which to bind any such renewal;

4.2.3 Violation of Terms. Provident-Flagship determines, based on an opinion of Bond Counsel, that, due to Facilities Manager's actions in contravention with the terms of this FOMA or failure to act in accordance with the terms set forth in this FOMA, this FOMA violates the covenants made by Provident-Flagship in connection with any Bonds issued on a tax exempt basis; provided however, that if such actions or failure to act can be cured within thirty (30) days of notice thereof to Facilities Manager, and Bond Counsel is of the opinion that the interest on the Series 2019 Bonds or other tax-exempt Bonds will not be includible in gross income of the holders thereof for federal income tax purposes during such thirty (30) days, then Facilities Manager shall have thirty (30) days to cure such default;

4.2.4 Facilities Manager Failure to Pay. Facilities Manager fails to pay any amounts due to Provident-Flagship and/or LSU (including, without limitation, any amounts owed, due and/or payable to Provident-Flagship or LSU under an indemnity, defense, hold harmless or reimbursement clause contained in this FOMA) on the date required hereunder and such failure continues for a period of twenty (20) days after Facilities Manager receives written notice thereof; provided that if Facilities Manager disputes any amount that Provident-Flagship or LSU claims is owed to Provident-Flagship or LSU, Facilities Manager may pay such amount to Provident-Flagship or LSU and reserve the right to dispute that such amount is owed;

4.2.5 Representation or Warranty. Any representation or warranty made by Facilities Manager as set forth in this FOMA is false or misleading in any material respect and following notice to Facilities Manager and Facilities Manager's failure to clarify or correct any misrepresentation or warranty within thirty (30) days following such notice, Provident-Flagship is materially damaged as a result of such false or materially misleading representation or warranty; and/or Facilities Manager makes a representation or warranty to Provident-Flagship or LSU under this FOMA knowing that such representation or warranty is not true or is misleading in a material respect;

4.2.6 Assignment of Rights, Obligations, Duties or Responsibilities. Facilities Manager assigns or purports to assign any right, obligations, duties and/or responsibility under this FOMA without the prior written consent thereof of Provident-Flagship and the LSU Representative, which consent may be withheld, conditioned and/or delayed in the sole and unfettered discretion of Provident-Flagship and the LSU Representative;

4.2.7 Continuous Performance. Facilities Manager fails to continuously perform the Facilities Manager Duties during the Operating Term and/or any Renewal Operating Term, seven (7) days a week, twenty four (24) hours a day, provided that the failure to continuously operate did not occur by reason of any of the following:

4.2.7.1 Force Majeure. Force Majeure Event;

4.2.7.2 Lack of Funds. Lack of sufficient funds which Provident-Flagship is responsible to make available for the maintenance and operation of the Student Housing Facilities according to the terms of this FOMA; and/or

4.2.7.3 Default. After an Event of Default by Provident-Flagship, after any and all applicable cure periods have expired.

4.2.8 Additional Events of Default. Any of the following occur or exist:

4.2.8.1 Voluntary Bankruptcy. Facilities Manager files a voluntary case concerning itself under the Federal Bankruptcy Code;

4.2.8.2 Involuntary Bankruptcy. An involuntary case is filed against Facilities Manager under the Federal Bankruptcy Code, and such involuntary case is not dismissed within ninety (90) days after the filing thereof;

4.2.8.3 Appointment of Custodian. The appointment of a custodian (as defined in the Federal Bankruptcy Code) or a receiver for, or a custodian or receiver taking charge of all or any substantial part of the Property of Facilities Manager, and such appointment is not revoked or dismissed within ninety (90) days after such appointment is made;

4.2.8.4 Reorganization, Management, Dissolution. Facilities Manager commences any proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect, or any such proceeding is commenced against Facilities Manager and is not dismissed within ninety (90) days after the commencement thereof;

4.2.8.5 Adjudication of Bankruptcy. Facilities Manager is adjudicated insolvent or bankrupt;

4.2.8.6 Assignment for Benefit of Creditors. Facilities Manager makes a general assignment of its assets for the benefit of creditors;

4.2.8.7 Meeting of Creditors. Facilities Manager calls a general meeting of substantially all of its creditors (either in number or in amount) with a view to arranging a composition or adjustment of its debts;

4.2.8.8 Levy and Attachment. All or a substantial part of the property of Facilities Manager is attached, and such attachment or levy is not released within ninety (90) days thereafter; or

4.2.8.9 Facilities Manager Consent. Facilities Manager indicates in writing its consent to, approval of, or acquiescence, in any of the foregoing.

4.2.8.10 Failure to Remove and/or Reassign Project Personnel and/or Agents. Facilities Manager fails to remove and/or reassign any Project Personnel, Agent, vendor or Consultant pursuant to Section 2.7 of this FOMA.

4.3 Event of Default by Provident-Flagship. An Event of Default shall occur with respect to Provident-Flagship if and only if:

4.3.1 Failure to Perform. Without limiting any other provision of this FOMA, Provident-Flagship breaches or fails to perform, in a material respect, any covenant or agreement made by Provident-Flagship under this FOMA, and fails to cure such breach or failure within thirty (30) days after Provident-Flagship's receipt of written notice from Facilities Manager specifying the breach or failure to perform;

4.3.2 Failure to Pay. Provident-Flagship fails to pay any undisputed amount owed to Facilities Manager within the time required hereunder and such failure continues for a period of thirty (30) days after Facilities Manager delivers written notice to Provident-Flagship specifying such failure in reasonable detail;

4.3.3 False Representation or Warranty. Any representation or warranty made by Provident-Flagship as set forth in this FOMA is false or misleading in any material respect and following notice to Provident-Flagship and Provident-Flagship's failure to clarify or correct any representation or warranty within thirty (30) days following such notice, Facilities Manager is materially damaged as a result of such false or materially misleading representation or warranty;

4.3.4 Appointment of Custodian. The appointment of a custodian (as defined in the Federal Bankruptcy Code) or a receiver for, or a custodian or receiver taking charge of all or any substantial part of the property of Provident-Flagship, and such appointment is not revoked or dismissed within ninety (90) days after such appointment is made;

4.3.5 Reorganization, Management, Dissolution. Provident-Flagship commences any proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect, or any such proceeding is commenced against Provident-Flagship and is not dismissed within ninety (90) days after the commencement thereof;

4.3.6 Adjudication of Bankruptcy. Provident-Flagship is adjudicated insolvent or bankrupt;

4.3.7 Assignment for Benefit of Creditors. Provident-Flagship makes a general assignment of its assets for the benefit of creditors;

4.3.8 Meeting of Creditors. Provident-Flagship calls a general meeting of substantially all of its creditors (either in number or in amount) with a view to arranging a composition or adjustment of its debts;

4.3.9 Levy and Attachment. All or a substantial part of the property of Provident-Flagship is attached, and such attachment or levy is not released within ninety (90) days thereafter; or

4.3.10 Provident-Flagship Consent. Provident-Flagship indicates in writing its consent to, approval of, or acquiescence in any of the foregoing

#### 4.4 Termination for Cause; Termination for Convenience; Rights and Remedies of the Non-Defaulting Party.

4.4.1 Damages. Upon the occurrence of an Event of Default by the Facilities Manager or Provident-Flagship under this FOMA, but after any applicable cure periods have expired, the non-defaulting Party shall have the right, but not the obligation, to (i) take any action lawfully permitted to be taken against the defaulting Party to recover damages from the defaulting Party and, to the extent available by law, to require specific performance by the defaulting Party of its obligations under this FOMA and/or (ii) terminate this FOMA according to the procedures set forth in Section 4.4.2, 4.4.3 and/or 4.4.4.

4.4.2 Termination for Cause by Provident-Flagship. Subject to the prior written authorization thereof from LSU, Provident-Flagship shall have the right to:

4.4.2.1 immediately Terminate this FOMA upon an Event of Default specified in Sections 4.2.5, 4.2.6, 4.2.7 and 4.2.8, with such Termination to be effective as of the date that Provident-Flagship delivers written notice to Facilities Manager of said Termination; and

4.4.2.2 after the expiration of any applicable cure periods, to immediately Terminate this FOMA upon an Event of Default by specified in Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4, with such Termination to be effective as of the date that Provident-Flagship delivers written notice to Facilities Manager of said Termination.

4.4.3 Termination for Cause by Facilities Manager. After the expiration of any applicable cure periods, Facilities Manager shall have the right to terminate this FOMA upon an Event of Default specified in Section 4.3, with such Termination to be effective as of the date that Facilities Manager delivers written notice to Provident-Flagship of said Termination.

4.4.4 Termination for Convenience by Provident-Flagship. Notwithstanding anything in this FOMA to the contrary, Provident-Flagship shall have the right, subject to the prior written authorization of LSU, to Terminate this FOMA for any reason whatsoever at any time by delivering written notice of same to Facilities Manager, in which case, this FOMA shall Terminate thirty (30) days after the delivery of any such written notice to Terminate this FOMA.

4.4.5 Notices of Termination and Rights to Cure. So long as any Bonds remain Outstanding, at the same time as Facilities Manager delivers a notice to Provident-Flagship, including without limitation any notice to Provident-Flagship under this FOMA, Facilities Manager shall provide Trustee and the LSU Representative with a copy of the notice, including any notice of a default (failing which the notice of Default to Provident-Flagship shall be deemed ineffective) and Trustee and or LSU shall have the right, but not the obligation, to cure any such Default to the same extent and for the same period of time afforded to Provident-Flagship to cure such Default under the applicable terms of this FOMA. Facilities Manager shall have no personal liability to Provident-Flagship for any failure to deliver (or delay in delivering) any such notice of Default to Trustee and/or LSU, however, in any such instance, LSU's and Trustee's time period for cure of any Default shall not commence until a copy of such notice of Default is delivered to each of LSU and Trustee and Facilities Manager shall not have the right to exercise its right to terminate this FOMA under this Section 4.4.5 until the applicable cure periods have elapsed; provided that if one or more additional Defaults shall occur during the cure period for a Default, the cure period for each of the later Defaults shall be each cure period applicable to each such Default and not the cure period applicable to any other Default. Facilities Manager shall accept any performance by Trustee or LSU of any of Provident-Flagship's covenants or agreements under this FOMA, and any cure of Provident-Flagship's Defaults, as if performed by Provident-Flagship. If Provident-Flagship's Default is one that cannot be cured by Trustee's payment of money, then until such time as Trustee or LSU has obtained possession of the Student Housing Facilities from Provident-Flagship or exercised such other remedy which would allow Trustee to cure Provident-Flagship's Defaults, the time period which Trustee or LSU shall have to cure Provident-Flagship's Default shall be extended by the time necessary for Trustee or LSU to obtain possession of the Student Housing Facilities or take such action, as the case may be, plus a reasonable time thereafter provided Trustee or LSU is diligently pursuing such actions.

4.5 Termination Upon Foreclosure. Except as otherwise provided in a non-disturbance agreement, a Mortgagee (including Trustee) shall have the right to Terminate this FOMA upon the foreclosure of its Mortgage or upon acceptance of a deed-in-lieu of foreclosure, if (a) a monetary Event of Default exists under the Indenture, (b) an Event of Default exists under the Indenture which was the result of an action or inaction by Facilities Manager, (c) an Event of Default by Facilities Manager exists under this FOMA at the time of commencement, completion or during the process of the foreclosure proceeding

or the process of the deed-in-lieu of foreclosure which would permit Provident-Flagship to otherwise Terminate this FOMA.

4.6 Non Waiver. The failure or delay by a Party to enforce any provision of this FOMA, including, but not limited to, any right to Terminate this FOMA, will not in any way be construed as a waiver of any such provision or prevent that Party from thereafter enforcing said provision and/or any other provision of this FOMA.

4.7 Actions to be Taken on Termination. Upon Termination of this FOMA for any reason, the following shall be applicable, in addition to and without limitation of, the rights of the non-defaulting Party to pursue all other remedies available to it under applicable law and/or in equity:

4.7.1 Final Accounting. Within sixty (60) days after Termination of this FOMA, Facilities Manager shall provide to Provident-Flagship and the LSU Representative a final and full accounting through the date of Termination of all Facilities Management Fees, FM Operating Expenses, and other payments due to Facilities Manager under the terms of this FOMA through the Termination date; and within sixty (60) days of Provident-Flagship's and LSU's receipt of such final and full accounting, Provident-Flagship shall pay to Facilities Manager all undisputed Facilities Management Fees, undisputed FM Operating Expenses, and other undisputed payments due to Facilities Manager under the terms of this FOMA through the Termination date and, as to any disputed amounts, provide to Facilities Manager Provident-Flagship's objections which describe such disputed amounts. Moreover, even after the Termination of this FOMA, and upon request thereof by Provident-Flagship, Facilities Manager shall also provide such other financial and records related to the operation and maintenance of the Student Housing Facilities and be available to answer such questions and/or inquiries related to the accounting and/or records provided Facilities Manager for the limited purpose to allow the required certified financial statements to be prepared. This obligation is unconditional and shall survive the Termination of this FOMA.

4.7.2 Books and Records. Facilities Manager shall deliver to Provident-Flagship and the LSU Representative all of the books and records respecting the Student Housing Facilities and all contracts, leases, and other documents respecting the Student Housing Facilities (other than Corporate Personnel and Project Personnel employee files not permitted by Governmental Regulations to be released by Facilities Manager to Provident-Flagship and the LSU Representative), maintained by Facilities Manager and/or that are in the custody and control of Facilities Manager. All such books and records shall be organized and delivered to Provident-Flagship and the LSU Representative in a manner and in a medium/format reasonably satisfactory to Provident-Flagship and the LSU Representative such that any new manager engaged to service the Student Housing Facilities shall be able to access, compile and process the information contained in the books and records in quick and efficient manner.

4.7.3 Licenses and Permits. Facilities Manager shall deliver to Provident-Flagship and the LSU Representative all licenses and permits held by Facilities Manager, an Affiliate or any Person in connection with the operation of the Student Housing Facilities. In addition, Facilities Manager shall assign to Provident-Flagship (but only to the extent assignable) all of Facilities Manager's right, title, and interest in and to all such licenses and permits. Facilities Manager recognizes that all licenses and permits held for the operation of the Student Housing Facilities are held for the benefit of Provident-Flagship and/or its designees (including, but not limited to, LSU) and Facilities Manager has no ownership therein, except in order to fulfill its obligations hereunder.

4.7.4 Assignment of Contracts. Facilities Manager shall, to the extent required and/or requested by Provident-Flagship and the LSU Representative, assign to Provident-Flagship its

interest (if any) in, and Provident-Flagship shall assume and confirm in writing its continuing responsibility for all obligations (but only if such obligations were authorized by Provident-Flagship pursuant to the terms of this FOMA) and direct liabilities relating to, any and all contracts in effect with respect to the maintenance and operation of the Student Housing Facilities which arise after the date of Termination of this FOMA. Facilities Manager acknowledges that Provident-Flagship may further assign such interests to the Trustee, Greenhouse LLC and/or LSU.

4.7.5 Trademarks. Upon the Termination of this FOMA for any reason whatsoever, Facilities Manager shall, at its cost, immediately take all steps reasonably requested by Provident-Flagship and/or LSU to (i) cease using, for any reason whatsoever, any Marks relating to LSU, the University and/or the Student Housing Facilities and (ii) deliver to Provident-Flagship, LSU and/or their respective designees any and all inventories, provisions, consumable supplies, and operating supplies in the possession and/or control of Facilities Manager which utilize and/or reference any of the trademarks relating to LSU, the University and/or the Student Housing Facilities.

4.7.6 Insurance. Facilities Manager shall, to the extent required and/or requested by Provident-Flagship, assign to Provident-Flagship its interest (if any) in, any and all insurance policies that Facilities Manager is required to procure and/or maintain on behalf of Provident-Flagship and/or LSU under this FOMA. Facilities Manager acknowledges that Provident-Flagship may further assign such interests to the Trustee, Greenhouse LLC and/or LSU; provided, however, the foregoing shall not apply to any master insurance policy of the Facilities Manager.

4.7.7 Transition Services. In addition to the actions set forth in this FOMA which are to be taken by the Parties upon the Termination of this FOMA, upon the expiration or earlier Termination of this FOMA, Facilities Manager shall cooperate with Provident-Flagship and LSU and act in a professional manner to effect an orderly and efficient transition of the Facilities Manager Duties under this FOMA (the “Transition Services”) from Facilities Manager to Provident-Flagship, any transferee of Provident-Flagship or to any managing agent designated by Provident-Flagship or any transferee of Provident-Flagship for a period of up to forty-five (45) days following the date of notice of Termination (the “Transition Period”). In the event that Provident Flagship, subject to the written approval thereof from LSU, determines that Provident Flagship requires additional Transitional Services from Facilities Manager after the Transition Period, the Facilities Manager shall provide such additional Transitional Services as reasonably requested by Provident Flagship Parties for a reasonably hourly rate, based on industry standard rates, mutually agreeable to the Parties.

4.7.8 Survival. The provisions contained in this Article 4.7 shall survive the Termination of this FOMA.

## ARTICLE 5

### FEES AND EXPENSES.

#### 5.1 Facilities Management Fee

5.1.1 Payment of Fee. In consideration of the Facilities Manager performing its Facilities Manager Duties under this FOMA, Provident-Flagship shall pay for each consecutive twelve month period during the Operating Term and any Renewal Operating Term, a “Facilities Management Fee” in an amount calculated as set forth on Exhibit 5.1 attached hereto. Notwithstanding the foregoing, the Parties understand and agree that the Facilities Management Fee shall be determined, tracked and calculated with respect to the Student Housing Facilities.

5.1.2 Entitled to No Other Fees. The Parties understand and agree that, except for the Facilities Management Fee and FM Operating Expenses, Facilities Manager shall not be entitled directly or indirectly to any other fees or compensation in connection with the delivery of services which Facilities Manager is required to provide to the Student Housing Facilities pursuant to this FOMA.

5.1.3 Method of Payment. Unless otherwise specified in this FOMA, all amounts payable to Facilities Manager or its Affiliates under this FOMA shall be paid in United States Dollars by wire transfer, cashier's check and or any Automatic Clearing House ("ACH") banking transaction), without reduction for any withholding tax, value added tax or any other assessment, tax, duty, levy or charge required under the applicable laws of any applicable jurisdiction, provided that Facilities Manager shall be solely responsible for taxes which are in form or substance in the nature of a tax or levy against Facilities Manager's income or gross receipts and Facilities Manager shall hold harmless, indemnify and defend Provident-Flagship and LSU for any such taxes.

5.1.4 Pro-Rata Payment of Facilities Management Fee. If this FOMA is Terminated prior to the last day of any Operating Year, the Facilities Management Fee for the Operating Year in which the Termination occurs shall be the pro rata amount calculated for the number of months or partial months in the such Operating Year, as applicable. In addition, if the operations of any one or more buildings that constitute the Student Housing Facilities are ceased and/or suspended due to a casualty, condemnation, emergency, or Force Majeure Event or any other similar reason beyond the control of Provident-Flagship or LSU for a period of more than thirty (30) days, then the Facilities Management Fee with respect to such Facilities shall be equitably reduced and/or pro-rated (based on the number of months or partial months in the partial year of operation) as reasonably determined by Provident-Flagship and LSU, based on the size and scope of the services still being performed by the Facilities Manager for the non-impaired improvements of the Student Housing Facilities.

## 5.2 FM Operating Expenses

5.2.1 FM Operating Expenses. Subject to the applicable provisions of the Bond Documents, this FOMA, and each respective Approved Operating Plan and Budget, Facilities Manager shall be entitled to be paid for all reasonable Operating Expenses (as such term is defined in the Loan Agreement) incurred by the Facilities Manager and paid to non-Affiliates and Persons not related to the Facilities Manager (and, if permitted under this FOMA, Affiliates of Facilities Manager and Persons not related to the Facilities Manager) that were incurred in the ordinary course of performing the Facilities Manager Duties (collectively, "FM Operating Expenses"), including, but not limited to:

5.2.1.1 Property Personnel Costs. All Property Personnel Costs incurred in accordance with the terms and conditions of this FOMA with respect to any Property Personnel employed directly by Facilities Manager or its Affiliates;

5.2.1.2 Per Diem Rate. The daily per diem rate of pay for Corporate Personnel plus reasonable travel expenses for those Corporate Personnel who are required to travel to the Student Housing Facilities to address and/or resolve a specific, extraordinary and non-routine issue relating to the Student Housing Facilities; provided, however, and notwithstanding the foregoing, in order for the foregoing expenses to be deemed to be a FM Operating Expense: (a) the per diem and travel expenses for such Corporate Personnel are included in the Approved Operating Plan and Budget and/or Provident-Flagship has approved the same in writing before any such expenses are incurred and (b) such expenses are accompanied by appropriate documentation and/or receipts for the services provided and the time expended;

5.2.1.3 Out of Pocket Expenses. All reasonable Out-of-Pocket Expenses incurred by Facilities Manager directly in connection with the Facilities Manager Duties for the specific benefit of the Student Housing Facilities; and

5.2.1.4 Taxes and Similar Assessments. All taxes and similar assessments (other than sales taxes and Facilities Manager's income taxes) levied against any reimbursements payable to Facilities Manager under this FOMA for expenses incurred for Provident-Flagship or LSU's account.

5.2.1.5 Insurance Premiums and Deductibles. All insurance premiums and deductibles as to the insurance to be obtained by Facilities Manager as required by this FOMA; provided however, and notwithstanding the foregoing, in the event that it has been finally determined (the "Determination") by a court of competent jurisdiction, either at law or equity, that the underlying cause which gave rise to a claim against any insurance to be obtained by Facilities Manager as required by this FOMA arose from and/or was related to the negligence and/or willful misconduct of the Facilities Manager and/or its employees, Consultants, contractors (including subcontractors), vendors, Property Personnel, Corporate Personnel and/or Agents, then any deductible that may have paid with respect to any such claim shall not be deemed to be an FM Operating Expense, and to the extent that the deductible was paid prior to any such Determination, then upon the election of Provident-Flagship (i) the Facilities Manager shall immediately reimburse Provident-Flagship for the amount of any such deductible that was paid or (ii) Provident-Flagship shall have the right to offset the amount of any such deductible that was paid against any amount that may otherwise be due and owing to the Facilities Manager under this FOMA.

5.2.2 Exclusions. Notwithstanding anything to the contrary contained in this FOMA, FM Operating Expenses shall not include any and all costs and expenses of any kind whatsoever which were incurred by the Facilities Manager:

5.2.2.1 Prior Authorization. Without the required prior authorization from Provident-Flagship and/or LSU that is required under this FOMA, unless included in the Approved Operating Plan and Budget;

5.2.2.2 Reasonable Discretion. Which, in the reasonable discretion of Provident-Flagship and/or LSU, do not satisfy the required representations and warranties of Facilities Manager as set forth in Section 5.2.4 below; and/or

5.2.2.3 Exceeds Approved Operating Plan and Budget. Exceed the amounts otherwise approved for the same in any Approved Operating Plan and Budget.

5.2.3 Accurate, Precise and Updated Records. Facilities Manager shall keep accurate, precise and updated records (including invoices and statements) in an organized and readily accessible manner and format to evidence that Facilities Manager incurred and/or paid any particular FM Operating Expenses and such records shall constitute a part of the books and records of Provident-Flagship and LSU.

5.2.4 FM Operating Expenses under FOMA. The Parties understand and agree that, in connection with and as express condition to the Facilities Manager being reimbursed for any FM Operating Expenses, Facilities Manager represents and warrants to Provident-Flagship, LSU and Trustee that the following statements shall be true and accurate as of any time that Facilities Manager makes a request to receive said payment for a FM Operating Expense and, at the time that the Facilities Manager may receive the reimbursement for said FM Operating Expenses:

5.2.4.1 Actual Costs. The FM Operating Expenses represent reimbursement of costs actually paid by Facilities Manager and/or its Affiliates to unrelated third parties for the reasonable and actual costs of providing services, supplies, goods, products or equipment hereunder to the Student Housing Facilities;

5.2.4.2 Direct or Indirect Profit. The FM Operating Expenses do not include any Direct or Indirect Profit received by Facilities Manager or an Affiliate thereof during any Fiscal Year received by Facilities Manager or an Affiliate thereof during any Fiscal Year which, together with any Direct or Indirect Profit received under this FOMA, would exceed five percent (5%) of the total Facilities Manager Fee; and

5.2.4.3 Allocation of Costs. To the extent FM Operating Expenses represent an allocation of costs that does not entirely benefit the Student Housing Facilities, then such allocation will be based on a fair, reasonable and equitable allocation established in accordance with Operating Standards and reasonable accounting procedures, consistently applied.

Facilities Manager shall be liable for any damages, expense, liabilities or obligations incurred by Provident-Flagship and LSU which arise from or are related to Facilities Manager's breach of the foregoing representations and warranties.

### 5.3 Provident-Flagship Funding Obligations; Payment of FM Operating Expenses.

5.3.1 Maintaining Accounts. As soon as practicable after the Effective Date, Provident-Flagship shall open and maintain in the name of Provident-Flagship an operating account (the "Operating Account"), a replacement and repair account (the "Replacement and Repair Account") and a maintenance reserve account (the "Maintenance Reserve Account") at one or more financial institutions acceptable to LSU; and in connection therewith; Provident-Flagship shall enter into a springing lockbox deposit account control agreement (a "Deposit Account Control Agreement") satisfactory to LSU, which, among other things, provides that the Operating Account, the Replacement and Repair Account and the Maintenance Reserve Account each be assigned to and each subject to the sole dominion, control and discretion of LSU and/or its assignees and/or designees in the event of a termination of the Ground Sublease prior to the payment in full of the Bonds or Provident-Flagship is no longer a party to this FOMA.

5.3.2 Deposits. Provident-Flagship shall deposit, and/or cause to be deposited:

5.3.2.1 Operating Account. In the Operating Account, those amounts, as paid pursuant to and in accordance with Section 7(c) of the Facilities Lease which are estimated to be required to pay the Facilities Manager Fee and the FM Operating Expenses to the Facilities Manager on a timely basis;

5.3.2.2 Replacement and Repair Account. In the Replacement and Repair Account those amounts paid pursuant to and in accordance with Section 7(c) of the Facilities Lease and as are required to satisfy the replacement repair and reserve funding obligations under Section 17 of the Ground Sublease; and

5.3.2.3 Maintenance Reserve Account. In the Maintenance Reserve Account, the Maintenance Reserve Account Requirement (as such term is defined in the Facilities Lease).

5.3.3 Request for Payment. Commencing on the date when services are first rendered hereunder, Facilities Manager shall have the right, no more frequently than monthly, to submit an operational funding request for FM Operating Expenses for the immediately following

monthly period pursuant to and in accordance with the Operational Funding Request Procedures, the Certificate of Operational Funding and Certification of Costs all as more particularly set forth in Exhibit 5.3.3 attached hereto (“Operational Funding Request”). The Operational Funding Request will document payment to the Facilities Manager to be paid on or before the twenty fifth (25<sup>th</sup>) of each month in an amount equal to the FM Operating Expenses for the immediately following month as certified in writing by the Facilities Manager consistent with the Approved Operating Plan and Budget adjusted by the difference between actual and budgeted FM Operating Expenses funded in the previous month. Notwithstanding the foregoing and/or anything in this FOMA to the contrary, Provident-Flagship shall have no obligation to pay any Facilities Manager Fee and/or FM Operating Expenses during any time in which Facilities Manager is in breach of and/or has suffered an Event of Default under this FOMA; however, Provident-Flagship shall have the obligation (subject to the terms of this FOMA governing the same) to pay undisputed FM Operating Expenses that were incurred by the Facilities Manager prior to the occurrence of any such Event of Default.

5.4 No Personal Liability. Neither Provident-Flagship, LSU nor Trustee shall have any personal liability for the payment of any amounts due to the Facilities Manager under this FOMA or with respect to the breach of any duties, obligations, covenants, agreements, responsibilities or representations contained herein; as such, the Parties expressly understand and agree that the Facilities Manager shall look solely to Provident-Flagship’s and Trustee’s interest in the Student Housing Facilities for the payment and performance of such duties, obligations, covenants, agreements, responsibilities and representations. Without limiting the foregoing, to the extent Provident-Flagship’s and Trustee’s interest in the Student Housing Facilities and the various funds described herein are not sufficient to satisfy any liability of Provident-Flagship hereunder or otherwise or any judgment entered against Provident-Flagship or Trustee, neither Provident-Flagship nor Trustee shall be liable for such deficiency. Notwithstanding anything contained herein to the contrary, to the extent that LSU fails to pay Provident-Flagship all amounts due under the Facilities Lease, Provident-Flagship shall not be obligated to pay the Facilities Management Fee or FM Operating Expenses until all such amounts are paid by LSU under the terms of the Facilities Lease.

## ARTICLE 6

### INSURANCE

#### 6.1 Facilities Manager’s Liability Insurance.

6.1.1 Minimum Limit Requirements. The Facilities Manager shall procure and maintain, and the Facilities Manager shall require its third party Consultants, contractors, vendors, and their respective subcontractors to procure and maintain, for the duration of the FOMA the following minimum required insurance limits, as specifically set forth in sections 6.2-6.5 below, with insurers financially acceptable and lawfully authorized to do business in Louisiana with an A.M. Best rating of no less than A-/VII, unless otherwise approved in writing by Provident-Flagship.

6.1.2 Provident-Flagship Right To Procure. Provident-Flagship shall have the right, but not the duty, to procure and maintain the Facilities Manager-provided coverage required in this Article 6 should the Facilities Manager fail to procure and maintain such insurance. In such event, Provident-Flagship shall be entitled to recover the damages associated with the Facilities Manager’s failure to procure and maintain the required insurance, including, but not limited to, a set-off against any sums otherwise due to Facilities Manager under this FOMA to reimburse such costs to procure and maintain the insurance.

6.1.3 Right To Off-Set. If Provident-Flagship is damaged by the Facilities Manager's failure to purchase or maintain insurance required under this FOMA, then Facilities Manager shall be liable for all damages (including attorneys' fees, paralegal fees, Consultant fees and court and settlement expenses) properly attributable to its failure to purchase or maintain the insurance, which costs may be set-off against any sums otherwise due to Facilities Manager under this FOMA, in addition to all other rights or remedies available to Provident-Flagship under this FOMA and applicable law.

6.1.4 Third Party Requirements. The Facilities Manager shall cause its third party Consultants, contractors, vendors, and their respective subcontractors to require each subcontractor of every tier to comply with the insurance requirements set forth in this FOMA, unless other limits have been approved in writing by LSU and Provident-Flagship either on a tiered basis with specific criteria or on a case-by-case basis. Only exceptions consistent with commercially reasonable risk management practices will be approved.

6.2 Minimum Scope of Insurance. The insurance coverage required to be procured and maintained by the Facilities Manager, its third party Consultants, contractors, vendors, and their respective subcontractors' insurance coverage shall be written for the extent and policy limits of liability not less than the limits specified herein or as required by law, whichever are greater:

6.2.1 Workers' Compensation Insurance. Workers' Compensation Insurance as is required by Louisiana law. Statutory coverage must apply in the state in which the work is being performed. Coverage shall extend to voluntary, temporary, or leased employees unless the insured party can provide evidence that its employees are covered under other applicable Workers' Compensation Insurance. If the Workers' Compensation Insurance exempts officers and directors from such insurance, such officers and directors shall not be allowed in those Student Housing Facilities areas, including ingress and egress, to which this Workers' Compensation Insurance coverage would apply. Pursuant to and in accordance with Louisiana Worker's Compensation Act, La. R.S. 23:1021, *et seq.*, including but not limited to La. R.S. 23:1061, the Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors shall agree that a statutory employer relationship exists between the Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors' employees. The Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors shall agree that all work performed is part of the Facilities Manager's trade, business or occupation and is an integral part of, and is essential to, the ability of the Facilities Manager to generate its goods, products and services. The Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors shall agree that the Facilities Manager is the principal and statutory employer of each third party Consultant, contractor, vendor, and their respective subcontractors' employees. The above notwithstanding, each third party Consultant, contractor, vendor, and their respective subcontractors shall remain solely and primarily responsible and liable for the payment of Louisiana worker's compensation benefits and insurance premiums to and for its employees and shall not be entitled to any contribution or indemnity for any such payments from Provident-Flagship. These provisions shall be inserted into all contracts between the Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors' contracts.

6.2.2 Employers Liability Insurance. Employers Liability Insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

6.2.3 Automobile Insurance. Automobile Liability Insurance covering liability pursuant to Insured Symbol 1, including hired and non-hired, arising from the use or operation of the autos described in this symbol operated or used by or on behalf of the Facilities Manager or its third

party Consultants, vendors, contractors, and their respective subcontractors. If there are no owned automobiles, then Symbols 8 and 9 providing hired and non-owned coverage are sufficient.

6.2.4 Commercial General Liability. Commercial General Liability Insurance on a broad form occurrence coverage basis against claims for bodily injury, death, and property damage (including loss of use), products completed operations, personal injury, and advertising injury, including coverage 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. There shall be no limitations or exclusions beyond those contained in the standard policy forms which apply to property damage, products and completed operations, contractual liability, construction defects or subsidence. Unacceptable exclusions include, but are not limited to: exclusions for damage to work performed by subcontractors on the Facilities Manager's behalf (e.g., CG 22 94 or CG 22 95); for contractual liability (e.g., CG 21 39; employee versus employee, explosion, collapse and underground; and for known loss. Such coverage shall protect the Facilities Manager and Provident-Flagship, as well as LSU, Greenhouse LLC, the Foundation, the Trustee, and each such party's directors, officers, and employees as additional insureds, against claims arising from sickness, disease, death or injury to persons, and/or physical damage to tangible property, including loss of use, which arise from the performance of the Facilities Manager Duties hereunder by or on behalf of the Facilities Manager, its third party Consultants, contractors, vendors, and their respective subcontractors, and their agents, representatives, employees or subcontractors. In addition to procuring and maintaining this insurance during the duration of this FOMA, the Facilities Manager agrees to continue to procure and maintain, or cause its third party Consultants, contractors, vendors, and their respective subcontractors to procure and maintain, products and completed operations liability insurance coverage through the applicable statute of repose period.

6.2.5 Umbrella Liability Insurance. Umbrella Liability Insurance, occurrence based follow form, providing additional limits in excess of the Commercial General Liability, Employer Liability and Automobile Liability policy limits. The Facilities Manager and its third party Consultants, contractors, vendors and their respective subcontractors shall maintain umbrella liability insurance as shown below. Endorsements shall include Pay on Behalf of Wording; Concurrency of Effective Dates with Primary; Aggregates: Follow Form Primary; and Drop Down Feature.

6.2.6 Coverage of Tools and Equipment. Facilities Manager's and its third party Consultants', contractors', vendors' and their respective subcontractors' personal property including but not limited to its tools and equipment located on the Student Housing Facilities.

6.3 Minimum Limits of Insurance. The limits below constitute minimum limits of liability. Nothing in this FOMA shall be construed to limit the Facilities Manager and its third party Consultants, contractors, vendors and their respective subcontractors from maintaining insurance with higher limits. If Facilities Manager and its third party Consultants, contractors, vendors and their respective subcontractors maintains insurance with higher limits, such limits carried shall constitute the minimum limits of liability insurance required for purposes of this FOMA:

<b>Type of Insurance</b>	<b>Minimum Limits Required Per Claim/Occurrence</b>	<b>Minimum Limits Required Aggregate Policy Limits</b>
<b>1. Workers' Compensation</b>	Statutory Limits	Statutory Limits
<b>2. Employer Liability (Bodily injury by accident)</b>	\$1,000,000.00	N/A
a. By disease	\$1,000,000.00	
b. Each accident	\$1,000,000.00	
c. Each Employee	\$1,000,000.00	
<b>3. Commercial Auto Liability</b> [(no deductible in excess of \$5,000.00 unless otherwise agreed by Provident-Flagship in writing as provided for in Section 6.1.1)]	\$1,000,000 Combined single limit/each accident	N/A
<b>4. Commercial General Liability</b>	\$ 1,000,000	\$ 2,000,000
a. Bodily Injury/Property damage	\$ 1,000,000	\$ 2,000,000
b. Products/Completed Operation	\$ 1,000,000	\$ 2,000,000
c. Personal and Advertising Injury	\$ 1,000,000	\$ 2,000,000
d. Medical Expense limit (any one person)	\$10,000	
<b>5. Umbrella Liability Insurance</b> (no deductible in excess of \$25,000.00 unless otherwise agreed by Provident-Flagship in writing as provided for in Section 6.1.1 above)	\$ 10,000,000	\$ 10,000,000

6.4 Premiums, Deductibles and Self-insured Retentions.

The premiums for the required insurance and the funding of deductibles and self-insured retentions for insurance maintained by the Facilities Manager shall be an FM Operating Expense provided, however, the Facilities Manager shall reimburse Provident-Flagship to the extent that the Facilities Manager's negligence caused, in whole or in part, the loss paid by insurance whether paid as the result of a final court disposition or as part of a settlement of the claim as described in Section 5.2.1.5 hereof. These self-insured retentions and deductibles shall be acceptable to Provident-Flagship and to LSU. Notwithstanding anything to the contrary, LSU, the Trustee, and their successors and assigns shall have the right, but not the obligation, to pay any deductible or self-insured retention in order to qualify the Facilities Manager or its third party Consultants, contractors, vendors, and their respective subcontractors to recover under any insurance policy required by this FOMA. The Facilities Manager or its third party

Consultants, contractors, vendors, and their respective subcontractors shall reject any self-insured retention endorsement that would limit the right of LSU, the Trustee, or their successors and assigns to make such payment. The Facilities Manager or its third party Consultants, contractors, vendors, and their respective subcontractors, whichever entity procured the insurance, shall remain liable to reimburse LSU, the Trustee, their successors and assigns or other payor for such payments made to qualify the Facilities Manager or its third party Consultants, contractors, vendors, and their respective subcontractors for coverage under the applicable policy. If the payments were made by Provident-Flagship, then Provident-Flagship may, in addition to its other rights and remedies under this FOMA and applicable law, set-off the amount of such payments against any sums due to the Facilities Manager under this FOMA.

6.4.1 Additional Insurance Policy Requirements. The insurance coverage required to be procured and maintained by the Facilities Manager and its Consultants, contractors, vendors, and their respective subcontractors' insurance shall contain the following additional provisions:

6.4.2 Additional Insured. To the fullest extent permitted by applicable law and to the extent of indemnity obligations assumed in this FOMA, Provident-Flagship, LSU, Greenhouse LLC, LSU Property Foundation, and their successors, assigns, parents, subsidiaries, and related and affiliated entities, and the Trustee shall be additional insureds on the above-referenced Commercial General Liability, Employer Liability, Automobile Liability, and Umbrella or Excess Liability policies as respects claims or liabilities result from the negligence, intentional acts or omissions arising from or related to the work operations of the Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors and completed operations and those of the employees, subcontractors, and others acting on behalf or at the direction of the Facilities Manager and its Consultants, contractors, vendors, and their respective subcontractors. The additional insured endorsements shall be at least as broad as the Insurance Services Office forms CG 20 10 and CG 20 37, 07/04 edition forms, through the period of repose.

6.4.3 Primary Coverage. The insurance required in this FOMA from the Facilities Manager and its third party Consultants, contractors, vendors, and their respective subcontractors shall be primary/non-contributory insurance, and any insurance or self-insurance maintained by LSU or Provident-Flagship shall be excess of and non-contributory with the insurance obtained by the Facilities Manager or its third party Consultants, contractors, vendors or their subcontractors. Coverage shall not be subject to invalidation by virtue of any act or omission of another insured, its board members, officers, employees, agents, or other representatives.

6.4.4 Severability of Interest. Except with respect to the limits of insurance, the insurance required to be procured and maintained by the Facilities Manager under this Section shall apply separately to each insured or additional insured.

6.4.5 Notice of Cancellation. The Facilities Manager shall provide thirty (30) days' written notice to LSU, Provident-Flagship, and the Trustee by certified mail, return receipt requested, prior to any suspension, cancellation or non-renewal of the required insurance. Notice of cancellation from the insurer shall be provided in accordance with policy provisions.

6.4.6 Waiver of Subrogation. The Facilities Manager agrees to waive all claims and rights of subrogation in favor of LSU, Greenhouse LLC, Provident-Flagship, the Trustee, and their directors, officers, and employees in the scope of employment, and the Facilities Manager shall cause each of its third party Consultants, contractors, vendors, and subcontractors to waive all claims and rights of subrogation against LSU, Greenhouse LLC, the Foundation, Provident-Flagship and the Trustee, including board members, directors, officers and employees in the scope of employment, for all costs or expenses, losses, damages, claims, suits or demands, howsoever caused:

6.4.6.1 To real or personal property, such as vehicles, equipment, and tools owned, leased or used by the Facilities Manager or the Facilities Manager's employees, agents, third party Consultants, contractors, vendors, and their respective subcontractors; and

6.4.6.2 To the extent such loss, damage, claims, suits or demands are covered, or should be covered, by the required or any other insurance maintained by the Facilities Manager or third party Consultants, contractors, vendors, and their respective subcontractors. This waiver shall apply to all property, equipment, vehicle and worker's compensation claims (unless prohibited under applicable statutes), and all liability claims. This waiver shall apply to all deductibles, retentions or self-insured layers applicable to the required, or any other insurance, maintained by the Facilities Manager or by its third party Consultants, contractors, vendors, and their respective subcontractors. The Facilities Manager agrees to endorse the required insurance policies to permit waivers of subrogation in favor of Provident-Flagship, LSU, and the Trustee as required hereunder. The Facilities Manager further agrees to defend, indemnify and hold harmless Provident-Flagship, LSU, and the Trustee for any loss or expense incurred as a result of the Facilities Manager's failure to obtain such waivers of subrogation from the Facilities Manager's insurers.

6.4.7 No Violation of Any Condition or Term. The Facilities Manager shall not violate or knowingly permit others to violate any condition or term of the insurance policies required or provided under this FOMA, including those provided by Provident-Flagship or on its behalf.

#### 6.5 Verification of Coverage.

6.5.1 Verification. The Facilities Manager shall furnish to Provident-Flagship and shall require third party Consultants, contractors, vendors, and their respective subcontractors of every tier to furnish to Provident-Flagship, a certificate of insurance on the most current edition of the ACORD form evidencing the required coverage prior to the commencement of the Facilities Manager Duties or operations at or on the Student Housing Facilities. The Facilities Manager shall provide renewal certificates to Provident-Flagship. At the request of Provident-Flagship, the Facilities Manager shall promptly direct its broker and insurer to provide complete, certified copies of all required insurance policies, including endorsements necessary to effect coverage required by this FOMA.

6.5.2 Delivery To Provident-Flagship. Certificates required herein shall be furnished to the Facilities Manager in duplicate and shall specifically set forth evidence of all coverage required herein. The Facilities Manager shall promptly deliver to Provident-Flagship copies of written endorsements that are subsequently issued amending coverage or limits upon the Facilities Manager's receipt or upon written demand by Provident-Flagship.

6.5.3 Failure to Maintain. Failure of Provident-Flagship to request certificates or identify deficiencies shall in no way limit or relieve the Facilities Manager or its third party Consultants, contractors, vendors, and their respective subcontractors of their obligations to maintain such insurance. Failure of the Facilities Manager 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 FOMA and, at Provident-Flagship's option, shall allow Provident-Flagship to terminate this FOMA for cause, withhold payment, and/or purchase the required insurance. Provident-Flagship's acceptance of a non-conforming insurance certificate shall not constitute a waiver, compromise or release of Provident-Flagship's rights.

#### 6.6 No Representation of Coverage Adequacy.

6.6.1 No Representation. In specifying the minimum insurance requirements to be procured and maintained by the Facilities Manager, Provident-Flagship does not represent that such insurance is adequate to protect the Facilities Manager for loss, damage or liability arising from its performance of the Facilities Manager Duties. The Facilities Manager is solely responsible to inform itself of the types or amounts of insurance it may need beyond these requirements to protect itself. The insurance requirements set forth in minimum amounts shall not be construed to relieve the Facilities Manager for liability in excess of such coverage, nor shall it preclude Provident-Flagship from taking such other actions as are available to it under any other provision of this FOMA.

6.6.2 No Relief of Liability. The Facilities Manager's compliance with the minimum insurance requirements contained in this FOMA shall not relieve the Facilities Manager from liability under any indemnity or other provision set forth in the Contract Documents or limit its liability under the Contract Documents or Governmental Regulations.

6.6.3 Additional Insurance. Provident-Flagship may require the Facilities Manager at any time and from time to time during the term of this FOMA to obtain and maintain in force and effect additional insurance coverage or limits in addition to those described in this FOMA and the cost thereof and the deductibles or retention thereunder shall be an FM Operating Expense.

6.7 Ownership Provided Insurance.

6.7.1 Property insurance. Provident-Flagship shall cause LSU to maintain the following insurance throughout the Term of the FOMA. Upon completion of the construction and acceptance of the Greenhouse District Project, LSU shall maintain the permanent property insurance on the Student Housing Facilities as part of a master property program throughout the Term of this Facility Lease. Such coverage includes all risk property insurance, including named windstorm, earthquake, flood and business interruption. Such insurance shall be on a replacement cost basis. Additionally, under the master property program, terrorism, boiler and machinery and fine arts (if applicable) coverages will be provided in an amount adequate to cover the risk. As part of the master property program, LSU will appoint the appropriate claims personnel to handle losses. Other all type losses shall be handled by the carrier of record.

6.7.2 Facilities Manager Procurement. If Provident-Flagship does not intend to require LSU to maintain such property insurance required by Section 6.7.1 and with all of the coverages in the amount described above, Provident-Flagship shall so inform the Facilities Manager in writing prior to commencement of the Facilities Manager Duties. The Facilities Manager may then procure insurance that shall protect its interests and those of its Consultants, contractors, vendors, and other third parties providing the Facilities Manager Duties and the cost thereof shall be charged to Provident-Flagship as a FM Operating Expense.

6.7.3 Facilities Manager Deductible. The Facilities Manager shall reimburse Provident-Flagship for any deductible to the extent that the Facilities Manager's negligence caused, in whole or in part, the loss paid by insurance whether paid as the result of a final court disposition or as part of a settlement of the claim as described in Section 5.2.1.5 hereof.

## ARTICLE 7 MORTGAGES

### 7.1 Authorization to Encumber Interest in the Student Housing Facilities.

7.1.1 Encumbrance of Student Housing Facilities. Subject to the provisions of Sections 7.1, and 7.2, Provident-Flagship shall, subject to the authorization thereof by LSU in its sole and unfettered discretion, have the absolute, unfettered and unrestricted right from time to time in its sole and absolute discretion to encumber all of the assets that comprise the Student Housing Facilities, any part thereof, or any interest therein, including, without limitation, Land and all buildings and improvements thereon, all Equipment and operating supplies placed in or used in connection with the operation of the Student Housing Facilities, and all accounts, receivables and other personal property relating to the Student Housing Facilities, as contemplated in any Bonds or Mortgage that is entered into by Provident-Flagship or its successor-in-interest, and to assign to Trustee, any holders of such Bonds or Mortgagee as collateral security for any loan secured by the Mortgage, all of Provident-Flagship's or its successor-in-interest's right, title, and interest in and to this FOMA.

7.1.2 Additional Bonds. Notwithstanding anything in this FOMA to the contrary, Provident-Flagship shall, subject to the authorization thereof by LSU in its sole and unfettered discretion, have the absolute and unfettered right to allow Additional Bonds to be secured by the Student Housing Facilities, provided the conditions set forth in Article V of the Indenture and Section 28 of the Facilities Lease are satisfied.

7.1.3 Mortgagee's Right to Inspect Greenhouse District Project and Books. On reasonable advance notice from a Mortgagee, Facilities Manager shall accord to such Mortgagee and its agents the right to enter on any part of the Student Housing Facilities at any reasonable time for the purposes of inspecting the Student Housing Facilities and examining, inspecting, or making extracts from the books of account and financial records of Student Housing Facilities.

7.1.4 No Individual Liability. No covenant or agreement contained in this FOMA shall be deemed to be the covenant or agreement of any officer, agent, employee or representative of Trustee or the Bondholders, and neither the officers, agents, employees or representatives of Trustee or the Bondholders nor any person executing or authenticating the Bonds shall be personally liable thereon or be subject to any personal liability or accountability by reason of the issuance thereof, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the acceptance of this FOMA and the issuance of the Bonds; provided however that such protection shall not extend to any employee and/or Agent of Facilities Manager providing services to the Student Housing Facilities for any liability or accountability due to the negligence or willful misconduct of such employee and/or Agent.

### 7.2 Subordination; Non-Disturbance.

7.2.1 Subordination. Facilities Manager hereby subordinates this FOMA and Facilities Manager's rights hereunder, to the provisions of the Indenture and all other Bond Documents, as well as each Mortgage hereafter granted against the Student Housing Facilities. If there is any conflict between a provision of this FOMA and any provision of the Bond Documents, the provision of the Bond Documents shall govern and control.

7.2.2 Execution of Subordination Agreement. Even though this FOMA is subordinate to the lien of each Mortgage, on request at any time from time to time during the

Operating Term of this FOMA, Facilities Manager shall execute, acknowledge and deliver to Provident-Flagship or its successor-in-interest or any Mortgagee a commercially reasonable subordination agreement (a “Subordination Agreement”) that subordinates this FOMA to the lien of the Mortgage held by such Mortgagee.

7.2.3 Facilities Manager’s Agreements. Facilities Manager covenants to, and represents and warrants to Provident-Flagship, LSU and the Trustee that:

7.2.3.1 Facilities Manager has no right or option of any nature whatsoever, whether pursuant to this FOMA or otherwise, to purchase the Student Housing Facilities or any portion or any interest therein and, to the extent that Facilities Manager has had, or hereafter acquires, any such right or option, the same is acknowledged to be subject and subordinate to the Bond Documents and the Bonds in all respects and is hereby waived and released as against Trustee or any interest of Trustee.

7.2.3.2 So long as the Bonds are Outstanding, (i) Facilities Manager shall not receive or accept any fees, charges or reimbursements in excess of the amounts set forth in this FOMA at any time; and (ii) any sums received by Facilities Manager in contravention of this Section or the Bond Documents shall be held by Facilities Manager, as trustee for Trustee, and Facilities Manager shall pay Trustee, forthwith, any such amounts.

7.2.3.3 So long as the Bonds are Outstanding, a notice in writing by Trustee to Facilities Manager advising it that all future performance under this FOMA be made to Trustee (or its agent), shall be construed as conclusive authority to Facilities Manager that such performance is to be made to Trustee (or its agent), and Facilities Manager shall be fully protected in making such performance to Trustee.

7.2.3.4 No failure or delay on the part of Trustee in exercising any power or right shall operate as a waiver thereof or a waiver of any other term, provision or condition, nor shall any single or partial exercise of any such right or power preclude any other or further exercise thereof or the exercise of any other right or power in favor of Trustee. All rights and remedies of Trustee hereunder are cumulative and shall not be deemed exclusive of any other rights or remedies provided by law. Trustee shall not be prejudiced in its right to enforce this FOMA by any act or failure to act on the part of Provident-Flagship or anyone in custody of Provident-Flagship’s assets or property .

7.2.3.5 Bankruptcy. Facilities Manager agrees not to cause the filing of a petition in bankruptcy against any Person for non-payment of any sum due Facilities Manager under this FOMA until the payment in full of the Bonds and/or any other sums due under any of the Bond Documents and the expiration of a period equal to the applicable preference period under the Federal Bankruptcy Code; provided however, that in the event of a bankruptcy filing of Provident-Flagship, Facilities Manager shall be entitled to file claims in accordance with applicable bankruptcy laws. In the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise of all or any part of the assets of Provident-Flagship or the proceeds thereof to creditors of Provident-Flagship, or upon any indebtedness of Provident-Flagship, by reason of the liquidation, dissolution or other winding up of Provident-Flagship or its business, or any sale, receivership, insolvency or bankruptcy proceeding, or assignment for the benefit of creditors, or any proceeding by or against Provident-Flagship for any relief under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, then and in any such event any payment or distribution of any kind or character, either in cash, securities or other property , which shall be payable or deliverable upon or with respect to any or all indebtedness or obligations of Provident-Flagship to Facilities Manager (including, without limitation, interest and post-petition interest) shall be paid or delivered in accordance with the Bond Documents until

the Bonds and/or any other sums due under any of the Bond Documents shall have first been fully paid and satisfied. Facilities Manager agrees to cooperate with Trustee in the administration of any claim by Facilities Manager.

7.2.3.6 Proceeds. To the extent required pursuant to this FOMA, Facilities Manager covenants and agrees to collect and disburse cash revenues, insurance proceeds and other amounts received in connection with the operation of the Student Housing Facilities, if any, in accordance with the provisions of this FOMA, the Facilities Lease and the Bond Documents. Should any payment or distribution or security or proceeds thereof be received by Facilities Manager contrary to the provisions of this FOMA, the Facilities Lease or the Bond Documents, Facilities Manager will forthwith deliver the same to Trustee in precisely the form received for application in accordance with the Bond Documents and, until so delivered, the same shall be held in trust by Facilities Manager as property of Trustee.

### 7.3 Subordination Agreements.

7.3.1 Mortgagee's Right to Terminate Upon Foreclosure. A Mortgagee's rights to terminate this FOMA upon a foreclosure are set forth in Section 4.5 of this FOMA. If (i) Trustee, any Affiliate of Trustee or any other Person shall become legal and beneficial owner of the Student Housing Facilities, through foreclosure, deed in lieu of foreclosure or the exercise or waiver of exercise of any other remedy under the Bond Documents or Mortgage (a "Foreclosure Event") and (ii) this FOMA shall not have been terminated as a result thereof as provided in this FOMA, then Facilities Manager shall attorn to Trustee, such Affiliate or such other Person, as the case may be, and Trustee agrees not to disturb Facilities Manager's rights under this FOMA, and both Facilities Manager and Trustee shall be bound by all of the terms, covenants and conditions of this FOMA for the balance of the term thereof remaining and any extensions or renewals thereof, with the same force and effect as if Trustee, such Affiliate or such other Person, as the case may be, were a party to this FOMA; provided that Trustee shall not be liable for any prior defaults of Provident-Flagship. Said attornment and non-disturbance shall be effective and self-operative as an agreement between Facilities Manager and Trustee, such Affiliate or such other Person, as the case may be, without the execution of any further instruments on the part of any Party provided, that upon the election of and demand from Trustee, Facilities Manager shall execute an instrument in confirmation of said attornment and non-disturbance.

7.3.2 Transfers by Trustee. Subject to the terms of this FOMA, the rights in favor of Trustee and any Mortgagee provided for in this FOMA shall inure to the benefit of, and bind the Parties hereto and their respective successors and assigns, and is the complete agreement of the Parties with respect to the subject matter hereof. In the event of transfer or assignment of the interest of Trustee or any Mortgagee (whether by direct assignment, through foreclosure or otherwise), all continuing obligations and liabilities shall be the responsibility of the party to whom such Trustee's or Mortgagee's interest is assigned or transferred. Trustee may assign any or all of its rights and interests in this FOMA to a third party in connection with transfer and assignment of any Mortgage, the Bonds and/or the Bond Documents with reasonable prior written notice to Facilities Manager.

7.3.3 Assignment of Claims. Facilities Manager shall not assign or transfer to others any claim which it has or may hereafter have against Provident-Flagship while any of the Bonds (including without limitation, post-petition interest) and any other sums due under any of the Bond Documents remain unpaid, unless such assignment or transfer is made expressly subject to the terms and conditions hereof.

## ARTICLE 8

### DESTRUCTION TAKING

8.1 Casualty and/or Condemnation Proceeds. If, during the period any Bonds are Outstanding, the whole or any part of the Student Housing Facilities are damaged or destroyed by fire or other casualty required to be insured against under this FOMA or Taken, then the Casualty Proceeds and/or the Condemnation Proceeds, as, applicable, shall be paid immediately to Trustee (with the understanding that any Casualty Proceeds and Condemnation Proceeds received by Facilities Manager, LSU, Provident-Flagship or other named insured parties shall be immediately turned over to Trustee) to be held and disbursed by the Trustee in accordance with the terms of the Bond Documents, the Facilities Lease and the Ground Sublease as applicable, and in this instance, the Facilities Management Fee shall be adjusted in accordance with Section 5.1(d); however, if the entire Student Housing Facilities are damaged or destroyed by fire or other casualty and if Provident-Flagship does not repair, restore, replace, or rebuild the entire Student Housing Facilities, then either Party may terminate this FOMA by giving sixty (60) days' prior written notice to the other Party.

## ARTICLE 9

### BUSINESS INTERRUPTION

9.1 Interruption of Operations. If the Student Housing Facilities suffer damage or loss that results in an interruption in the operations of the Student Housing Facilities or any part thereof, Facilities Manager shall continue to be obligated to perform the Facilities Manager Duties and shall also generally coordinate the efforts of all parties involved in the repair and rebuilding of the Student Housing Facilities, or any part thereof and, in this instance, the Facilities Management Fee that would otherwise be due and payable under this FOMA had such damage, destruction and/or loss not occurred shall be equitably reduced/pro-rated, based on square footage, bed count and/or any other reasonable measuring metric mutually agreeable to the Parties and LSU, and further based on the size and scope of the Facilities Manager Duties still being performed by the Facilities Manager for the non-impaired improvements of the Student Housing Facilities.

## ARTICLE 10

### RESTRICTION ON ASSIGNMENTS BY FACILITIES MANAGER.

10.1 Assignments. Facilities Manager may not effect an Assignment without the prior written approval of Provident-Flagship. Any Assignment by Facilities Manager in violation of this Article 10 shall be a material and non-curable breach of this FOMA by Facilities Manager, which shall entitle Provident-Flagship to immediately terminate this FOMA.

## ARTICLE 11

### TRADEMARKS AND OTHER PROPRIETARY MATERIAL.

11.1 License to Use LSU Trademarks. In order to facilitate the Facilities Manager Duties, Provident-Flagship shall cause LSU to enter into a license agreement (the "License Agreement") with Facilities Manager in the form attached hereto as Exhibit 11.1, which License Agreement shall grant to the Facilities Manager, subject to the terms and conditions contained therein, a revocable, non-exclusive and nontransferable license (the "License") to use the marks identified and/or specified therein (the "Marks") solely for the purpose of providing the Facilities Management Duties under this FOMA and for no other purpose whatsoever. Notwithstanding anything in this FOMA to the contrary, a breach by the Facilities Manager under the License Agreement shall be a material and non-curable breach of this FOMA by Facilities Manager, which shall entitle Provident-Flagship to immediately terminate this FOMA.

11.2 Covenants of Facilities Manager. Facilities Manager covenants to Provident-Flagship that:

11.2.1 Use in Commercially Reasonable Manner. Facilities Manager agrees to use the Marks in a commercially reasonable manner solely for purposes of performing the Facilities Manager Duties and to take commercially reasonable steps to ensure that no act or omission of Facilities Manager or use thereof by Facilities Manager shall in any manner reflect adversely upon the goodwill, prestige, image, or reputation of the Marks, LSU and/or the University;

11.2.2 Protect the Proprietary Rights. Facilities Manager shall take all reasonable measures to maintain and protect the proprietary rights of LSU in and to the Marks; and

11.2.3 Avoidance of Obligations. Facilities Manager shall not in any way seek to avoid its obligations under this FOMA through the assertion or allegation of any persons, entities, government agencies, bureaus, or instrumentalities that the Marks, or any of them, are invalid or ineffective or by reason of any contest concerning the rights of LSU therein.

11.3 Other Proprietary Information/Materials of LSU. Facilities Manager acknowledges that LSU is or will become owner or licensee of certain other intellectual property (the “LSU Intellectual Property”) including, but not limited to, university manuals and any enhancements, modification, or substitutions thereto. To the extent that Provident-Flagship, subject to the authorization of LSU in its sole and unfettered discretion, authorizes Facilities Manager in writing to utilize any part of any LSU Intellectual Property, then Facilities Manager shall be deemed to have been granted a revocable, non-exclusive and nontransferable license to use the same in accordance with the standards, terms and conditions contained in this Article 11.

11.4 Proprietary Information/Materials of Facilities Manager. Provident-Flagship acknowledges that, in connection with the performance by the Facilities Manager of the Facilities Manager Duties under this Agreement, Provident-Flagship may be provided with, and/or have access to, the Facilities Manager’s Proprietary Information and, in connection therewith (i) nothing contained in this FOMA shall confer any proprietary or other rights in Facilities Manager’s Proprietary Information and (ii) Provident-Flagship shall not use and/or disclose such Facilities Manager’s Proprietary Information to any third party whomsoever other than LSU or Trustee or as otherwise required by law and, upon the Termination of this FOMA and a request by Facilities Manager, shall return or destroy all such Facilities Manager’s Proprietary Information in its possession.

## ARTICLE 12

### MISCELLANEOUS

12.1 Recitals. The Recitals set forth at the beginning of this FOMA are deemed to be true and accurate and are incorporated into this FOMA by this reference.

12.2 Representations and Warranties and Covenants of Facilities Manager. Facilities Manager represents and warrants to and covenants with Provident-Flagship and LSU as follows:

12.2.1 Due Organization, Etc. Facilities Manager is duly organized, validly existing, and in good standing under the laws of the State of Georgia, is duly qualified to do business in the State of Louisiana, and has full power, authority, and legal right to execute, perform, and timely observe all of the provisions of this FOMA and Facilities Manager’s execution, delivery, and performance of this FOMA have been duly authorized.

12.2.2 Valid and Binding Obligations. This FOMA constitutes a valid and binding obligation of Facilities Manager and does not and will not constitute a breach of, or default under, the organizational documents or bylaws of Facilities Manager or the terms, conditions, or provisions of any law, order, rule, regulation, judgment, decree, agreement, or instrument to which Facilities Manager is a party or by which it or any of its assets is bound or affected.

12.2.3 No Third Party Approval Required. No approval of any third party is required for Facilities Manager's execution and performance of this FOMA that has not been obtained prior to the execution of this FOMA.

12.2.4 Maintaining Legal Existence. Facilities Manager shall, at its own expense, keep in full force and effect throughout the Operating Term its legal existence and the rights required for it timely to observe all of the terms and conditions of this FOMA.

12.2.5 No Litigation. There is no litigation or proceeding pending or threatened against Facilities Manager and/or its Affiliates that could adversely affect the validity of this FOMA or the ability of Facilities Manager to comply with its obligations under this FOMA.

12.2.6 Operation of Student Housing Facilities. Facilities Manager shall not operate the Student Housing Facilities in any manner or for any purposes other than as specifically set forth in this FOMA.

12.2.7 Required Approvals. Facilities Manager shall maintain throughout the Operating Term all Approvals that are in its name or an Affiliate's name and that are necessary to operate the Student Housing Facilities.

12.2.8 No Abandonment. Except as otherwise expressly permitted under this FOMA, and subject to the Termination provisions in this FOMA, Facilities Manager shall not abandon the Student Housing Facilities during the Operating Term.

12.2.9 Limitation on Alterations. Facilities Manager shall not make, authorize or permit any material modifications or alterations to the Student Housing Facilities, or any part thereof, except as expressly authorized by this FOMA.

12.3 Representations and Warranties of Provident-Flagship. Provident-Flagship represents and warrants to Facilities Manager as follows:

12.3.1 Due Organization, Etc. Provident-Flagship is duly organized, validly existing, and in good standing under the laws of the State of Louisiana, and has full power, authority, and legal right to execute, perform, and timely observe all of the provisions of this FOMA and Provident-Flagship's execution, delivery, and performance of this FOMA have been duly authorized.

12.3.2 Valid and Binding Obligation. This FOMA constitutes a valid and binding obligation of Provident-Flagship and does not constitute a breach of or default under its organizational structure or the terms, conditions, or provisions of any law, order, rule, regulation, judgment, decree, agreement, or instrument to which Provident-Flagship is a party or by which it or any of its assets is bound or affected.

12.3.3 No Third Party Approval Required. Other than the approvals required by the Trustee, LSU and Greenhouse LLC, no approval of any other third party is required for Provident-

Flagship's execution and performance of this FOMA that has not been obtained prior to the execution of this FOMA.

12.3.4 Required Approvals. Provident-Flagship shall maintain throughout the Operating Term all Approvals that are required to be in its name and that are necessary to own the Student Housing Facilities, but the foregoing shall not relieve Facilities Manager from obtaining permits, licenses, authorizations and other Approvals required hereunder.

12.3.5 No Adverse Litigation/Condemnation. There, is no litigation or proceeding pending or threatened against Provident-Flagship, or to the actual knowledge of Provident-Flagship, against the Student Housing Facilities, that could adversely affect the validity of this FOMA or the ability of Provident-Flagship to comply with its obligations under this FOMA; similarly, Provident-Flagship is not aware of any condemnation proceeding pending or threatened against the Student Housing Facilities or any portion thereof.

#### 12.4 The Project Committee.

12.4.1 Reference is hereby made to the "Project Committee" as contemplated under Section 14 of the Ground Sublease, which has been established to, among other things, (i) coordinate, in an advisory position, the performance by Provident-Flagship and Facilities Manager of their respective obligations under this FOMA and (ii) render non-binding advice to Facilities Manager with respect to the Facilities Manager Duties.

12.4.2 Each of Provident-Flagship and Facilities Manager shall use their commercially reasonable efforts to actively participate in the work of the Project Committee, provide thoughtful input to Project Committee deliberations, and focus on the best interests of the Student Housing Facilities and Project Committee goals rather than on personal interests. As such, and without limiting the generality of the foregoing, each of Provident-Flagship and Facilities Manager covenant to one another that each Party shall (1) review all relevant material before Project Committee meetings; (2) attend Project Committee meetings and, if appropriate, voice objective opinions on issues; (3) pay attention to Student Housing Facilities activities that affect or are affected by the Project Committee's work; and (4) support the general efforts of those matters approved by the Project Committee.

12.5 Governing Law. This FOMA and all disputes relating to the performance or interpretation of any term of this FOMA shall be construed under and governed by the laws of the State of Louisiana, without giving effect to any choice or conflict of law provision or rule (whether of the State of Louisiana or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Louisiana. To the extent permitted by law, Facilities Manager hereby irrevocably:

12.5.1 Jurisdiction of East Baton Rouge Parish. Submits to the jurisdiction of any state or federal court of competent jurisdiction sitting in East Baton Rouge Parish, Louisiana, in any action or proceeding arising out of or relating to this FOMA and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court agrees not to bring any action or proceeding arising out of or relating to this FOMA in any other court;

12.5.2 Conclusive Final Judgment. Agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity; and

12.5.3 Waiver of Defense of Inconvenience. Waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any Facilities Manager with respect thereto.

12.6 Waivers, Modifications, Remedies. No failure or delay by a Party to insist on the strict performance of any term of this FOMA, or to exercise any right or remedy consequent on a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such term. Neither this FOMA nor any of its terms may be changed or modified, waived, or terminated (unless as otherwise provided hereunder) except by an instrument in writing signed by both Parties and approved by LSU. No waiver of any breach shall affect or alter this FOMA, but each and every provision of this FOMA shall continue in full force and effect with respect to any other then existing or subsequent breach of this FOMA. The remedies provided in this FOMA are cumulative and not exclusive of the remedies provided by law or in equity.

12.7 Severability of Provisions. If a court of competent jurisdiction or an arbitrator determines that any term of this FOMA is invalid or unenforceable to any extent under applicable law, the remainder of this FOMA (and the application of this FOMA to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

12.8 Notices. Notices, consents, determinations, requests, approvals, demands, reports, objections, directions, and all other communications required or permitted to be given under this FOMA shall be in writing and shall be deemed to have been duly given and to be effective on the date on which such communications are delivered by personal delivery, by facsimile transmission (with telephonic confirmation of receipt), Federal Express, or other similar courier service or by the United States Postal Service or its successor after being deposited with the United States Postal Service as Express Mail or as registered or certified matter, postage prepaid, return receipt requested, addressed to the Parties at the addresses specified below, or at such other address as the Party to whom the notice is sent has designated in accordance with this Section. All such communications from Facilities Manager to LSU shall also be given by Facilities Manager to Trustee in the same manner as given to LSU. Until a Party provides a change in address in accordance with this Section, notices will be sent to the following addresses:

To Facilities Manager: Rise Residential, LLC  
Attention: Courtney Gordon  
129 North Patterson Street  
Valdosta, Georgia 31601

Telephone: 229-219-8137  
Facsimile: 229-219-8110

With a copy to: Coleman Talley LLP  
3475 Lenox Road NE, Suite 400  
Atlanta, Georgia 30326  
Attention: Justin Scott/Lisa Wannamaker

Telephone: 770-698-9556  
Facsimile: 770-698-9729

To Provident-Flagship: PROVIDENT GROUP – FLAGSHIP PROPERTIES  
L.L.C.

c/o Provident Resources Group Inc.  
 Attn: President  
 5565 Bankers Avenue  
 Baton Rouge, LA 70808  
 Telephone: (225) 766-3977  
 Facsimile: (225) 766-3988

With a copy to: PHELPS DUNBAR LLP  
 Attention: Ragan Richard  
 400 Convention, Suite 1100  
 Baton Rouge, LA 70802  
 Telephone: (225) 346-0285  
 Facsimile: (225) 381-9197

With a copy to Trustee: Hancock Whitney Bank Corporate Trust  
 Attn: Corporate Trust Department  
 445 North Boulevard, Suite 201  
 Baton Rouge, LA 70802

Telephone: (225) 248-7407  
 Facsimile: (225) 248-7469

With a copy to the LSU Representative: Daniel T. Layzell  
 Executive Executive Vice President for Finance and Administration and CFO  
 Louisiana State University and Agricultural and Mechanical College  
 330 Thomas Boyd Hall  
 Baton Rouge, Louisiana 70803  
 Fax (225) 578-5403

## 12.9 Indemnity.

12.9.1 Facilities Manager Indemnity Obligations. Facilities Manager hereby agrees to defend, indemnify and hold harmless Provident-Flagship, and its trustees, officers, employees, directors, agents, and Consultants (hereinafter collectively referred to as the "Provident-Flagship Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) arising out of, resulting from, or due to (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of Facilities Manager, its agents or employees, or others working at the direction of Facilities Manager or on its behalf (but in no instance including Provident-Flagship, LSU, Greenhouse LLC, or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them) (the "Facilities Manager Group"), (ii) any violation of Governmental Regulations by the Facilities Manager Group, or (iii) any breach or misrepresentation by the Facilities Manager Group under this FOMA, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, subject to the limitation that any indemnity obligation of the Facilities Manager hereunder shall be limited to the proportionate share of Facilities Manager Group's fault.

12.9.2 This indemnification will inure to the successors and assigns of Provident-Flagship Indemnitees and will also be binding upon the successors and assigns of Facilities Manager, and this indemnification will survive the expiration or termination of this FOMA and the dissolution or, to the extent allowed by law, the bankruptcy of Facilities Manager. This indemnification does not

extend to claims to the extent arising out of the negligence of Provident-Flagship Group, its agents (other than RISE and Facilities Manager) or employees, or others working at the direction of Provident-Flagship Group at the Student Housing Facilities, or claims exclusively between the undersigned parties arising from the terms or regarding the interpretation of this FOMA.

12.9.3 Provident Flagship Indemnity Obligations. Provident-Flagship hereby agrees to defend, indemnify, and hold harmless Facilities Manager, and its trustees, officers, employees, directors, agents, and Consultants (hereinafter collectively referred to as the "Facilities Manager Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) ("Losses") arising out of, resulting from, or due to (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of Provident-Flagship, its agents or employees, or others working at the direction of Provident-Flagship or on its behalf (but in no instance including Greenhouse LLC, LSU, Facilities Manager or any other entity or person affiliated, related, employed by, or contracted to any of them or working under the direction of any of them) (the "Provident-Flagship Group"), (ii) any violation of Governmental Regulations by the Provident-Flagship Group, or (iii) any breach or misrepresentation by the Provident-Flagship Group under this FOMA, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, subject to the limitation that any indemnity obligation of Provident-Flagship hereunder shall be limited to the proportionate share of Provident-Flagship Group's fault.

This indemnification will inure to the successors and assigns of Facilities Manager Indemnitees and will also be binding upon the successors and assigns of Provident-Flagship, and this indemnification will survive the expiration or termination of this FOMA and the dissolution or, to the extent allowed by law, the bankruptcy of Provident-Flagship. This indemnification does not extend to claims to the extent arising out of the negligence of Facilities Manager Group, the agents or employees of either of them, or others working at the direction of Facilities Manager Group at the Student Housing Facilities, or claims exclusively between the undersigned parties arising from the terms or regarding the interpretation of this FOMA.

12.9.4 Facilities Manager Indemnity to LSU. Facilities Manager hereby agrees to defend, indemnify, and hold harmless LSU, and its respective trustees, supervisors, officers, employees, directors, agents, and Consultants, as third party beneficiaries (hereinafter "LSU Indemnitees") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss (including expenses and reasonable attorneys' fees) arising out of, resulting from, or due to (i) any intentional, reckless or negligent act or omission or breach of fiduciary duty on the part of Facilities Manager, its agents or employees, or others working at the direction of Facilities Manager or on its behalf [but in no instance including LSU or any other entity or person affiliated, related, employed by or contracted to any of them or working under the direction of any of them] (the "Facilities Manager LSU Group"), (ii) any violation of Governmental Regulations by the Facilities Manager LSU Group, or (iii) any breach or misrepresentation by the Facilities Manager under this FOMA, including any of the foregoing resulting in bodily injury (including death), personal injury or property damage, subject to the limitation that any indemnity obligation of Facilities Manager hereunder shall be limited to the proportionate share of Facilities Manager LSU Group's fault.

This indemnification will inure to the successors and assigns of LSU Indemnitees and will also be binding upon the successors and assigns of Facilities Manager, and this indemnification will survive the expiration or termination of this FOMA and dissolution or, to the extent allowed by law, any bankruptcy of Facilities Manager. This indemnification does not extend to claims to the extent arising out of the negligence of LSU, or its agents or employees, or others working at the direction of LSU at the Student

Housing Facilities, or claims exclusively between LSU and Facilities Manager arising from the terms or regarding the interpretation of this FOMA.

12.9.5 Survive Termination. The provisions of this Subsection 12.9 shall survive the Term of this FOMA and other activities contemplated by this FOMA as provided by Governmental Regulations.

12.10 Survival. The indemnification obligations set forth in this Article 12 shall expressly survive any Termination of this FOMA.

12.11 Force Majeure Events. If, at any time during the Term, either of Provident-Flagship or Facilities Manager is unable to perform its obligations under this FOMA due to a Force Majeure Event, or if it becomes necessary, in the reasonable opinion of Provident-Flagship (if the situation is not an Emergency), to cease operation of the Student Housing Facilities or any portion thereof to protect the Student Housing Facilities and/or the health, safety and welfare of the students, guests, invitees and/or employees of LSU, Provident-Flagship or Facilities Manager due to the occurrence of a Force Majeure Event, then Provident-Flagship after obtaining prior written approval from the LSU Representative, may direct Facilities Manager to close and cease or partially cease operation of all or any part of the Student Housing Facilities as necessary based on the occurrence of the Force Majeure Event, reopening and recommencing operation of the Student Housing Facilities when Provident-Flagship and LSU deem that the re-opening and re-commencement of operations may be done-pursuant to applicable Governmental Regulations and without jeopardy to the Student Housing Facilities, the students, guests, invitees and/or Project Personnel. Except as otherwise expressly provided in this FOMA, the time within which a Party is required to perform an obligation (other than the payment of money) shall be extended for a period of time equivalent to the period of delay caused by a Force Majeure Event.

12.12 Estoppel Certificates. On request at any time and from time to time during the Term, Facilities Manager shall execute, acknowledge, and deliver to Provident-Flagship and LSU, Trustee or any Mortgagee, within ten (10) days following Facilities Manager's receipt of written request therefor, a certificate: (a) certifying that this FOMA has not been modified and is in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and specifying the modifications), (b) stating whether, to the best knowledge of the signatory of such certificate, any default exists, including any Event of Default, and if so, specifying each default of which the signatory may have knowledge; and (c) providing any additional information and statements reasonably requested by Provident-Flagship, LSU, Trustee, or a Mortgagee.

12.13 Counterparts. This FOMA may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

12.14 Relationship of the Parties. Provident-Flagship and Facilities Manager acknowledge and agree that this FOMA creates an independent contractor relationship, with certain agency rights specifically set forth herein; provided that, (a) Facilities Manager's authority is subject to the terms and conditions of this FOMA, and (b) nothing contained in this FOMA shall create an agency coupled with an interest. Nothing contained in this FOMA shall constitute, or be construed to be or to create, a partnership, joint venture, or lease between Facilities Manager and Provident-Flagship or LSU with respect to the Student Housing Facilities or the operation thereof. This FOMA shall not be construed at any time to be an interest in real estate or a lien or security interest of any nature against the Student Housing Facilities or any other land used in connection with the Student Housing Facilities or any equipment, fixtures, inventory, motor vehicles, contracts, documents, accounts, notes, drafts, acceptances, instruments, chattel paper, general intangibles or other personal property now existing or that may hereafter be acquired or entered into with respect to the Student Housing Facilities or the operation

thereof. Notwithstanding anything to the contrary in this FOMA or otherwise, in no event shall Facilities Manager have any right to bind Provident-Flagship or LSU except as expressly set forth in this FOMA.

#### 12.15 Confidentiality.

12.15.1 Generally. Subject to Section 12.15.2 below and any disclosure required pursuant to the Bond Documents or pursuant to any applicable Governmental Regulations, each Party agrees to keep confidential all information of a proprietary or confidential nature about or belonging to the other Party to which the other Party gains or has access by virtue of the relationship between the Parties arising from or related to this FOMA. Except as disclosure may be required to obtain the advice of professionals or Consultants, financing for the Greenhouse District Project from a lender or potential lender, or in furtherance of a permitted assignment of this FOMA, or as may be required by law or by the order of any government, governmental or quasi-governmental unit, tribunal, or otherwise to comply with Governmental Regulations, each Party shall make every effort to ensure that such information is not disclosed to the press or to any other third party or entity without the prior consent of the other Party. The obligations set forth in this Section 12.15.1 shall survive any Termination of this FOMA. In addition, and without limiting the generality of the foregoing, Facilities Manager shall not disclose any specific information regarding the financial and/or operational performance of the Student Housing Facilities to any third party without the prior written consent of Provident-Flagship.

12.15.2 Open Records Information. If Facilities Manager receives a request under any Governmental Regulations pertaining to any freedom of information and/or open records type of Governmental Regulations, Facilities Manager will promptly inform Provident-Flagship and the LSU Representative thereof.

12.16 Exculpation. Notwithstanding anything to the contrary contained in this FOMA, neither Provident-Flagship, LSU, the Trustee, the Bondholders nor Affiliates of any thereof, nor any officer, director, employee or agent of the same, nor any of their respective heirs, administrators, executors, personal representatives, successors and assigns, shall have any personal liability or other personal obligation with respect to any payment, performance or observance of any amount, obligation, or liability to be paid, performed or observed under this FOMA or any of the representations, warranties, covenants, indemnifications or other undertakings of Provident-Flagship hereunder and, except as otherwise expressly and intentionally provided in this FOMA, Facilities Manager agrees it shall not seek to obtain a money judgment against Provident-Flagship, LSU, Trustee, Bondholders or Affiliates of any thereof, or against any officer, director, employee or agent of the same, or against any of their respective heirs, administrators, executors, personal representatives, successors or assigns.

12.17 Interest. Except as otherwise specifically provided herein to the contrary, any and all amounts that may become due from one Party to the other under this FOMA shall bear interest from and after the respective due dates thereof (but in no event earlier than date upon which the Party making the claim for payment notifies the other Party thereof) until the date on which the amount is received in the designated bank account, at an annual rate of interest equal to the rate as specifically set forth herein related to such overdue amount, or if none is specified, then an interest rate equal to the Prime Rate plus four percent (4.00%) per annum (“Default Rate”). In no event will Provident-Flagship be entitled to pay or charge interest in excess of any statutory limitations on interest applicable to Provident-Flagship.

12.18 Further Assurance. Facilities Manager agrees to cooperate to, initial, execute, re-execute, deliver and/or re-deliver any and all documents, agreements and/or instruments deemed necessary or desirable in the sole discretion of the Provident-Flagship and LSU in order to correct any error in

computation of any number or any typographical error or ministerial error and/or otherwise to carry out the terms of this FOMA.

12.19 Construction. The Parties have participated jointly in the negotiation and drafting of this FOMA. In the event an ambiguity or question of intent or interpretation arises, this FOMA shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this FOMA. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including, without limitation.

12.20 Right of Offset. To the extent that the Facilities Manager owes any amounts to Provident-Flagship under the terms of this FOMA and/or any agreement between the Parties as a result of a mathematical error, erroneous information and/or any contemplated true-up procedures, then Facilities Manager understands and agrees that such amounts can be deducted from, withheld against and/or be used to offset any amounts that may otherwise be due and payable to Facilities Manager from Provident-Flagship under this FOMA.

12.21 Third Party Beneficiaries. None of the obligations hereunder of either Party shall run to or be enforceable by any party other than the Parties to this FOMA or by a party deriving rights hereunder as a result of an assignment permitted pursuant to the terms of this FOMA; provided, and notwithstanding the foregoing, the Trustee and LSU shall be express and intended third party beneficiaries hereunder and, and furthermore, all indemnities and disclaimers in favor of Provident-Flagship shall extend to Trustee and LSU as third party beneficiaries hereunder. As a third party beneficiary, the Trustee shall have the right to enforce its rights hereunder and exercise any rights it has with respect to the Student Housing Facilities under the Bond Documents or as a result of any assignment pertaining to this FOMA; provided that other than as expressly provided herein or as set forth in the Indenture, Trustee shall have no additional or different rights than Provident-Flagship has hereunder. To the extent that the Trustee makes any demands or exercises any rights under this FOMA, Provident-Flagship shall have no right to make any contrary demands or exercise any rights that are contrary to those exercised by Trustee. As a third party beneficiary, subject to the terms of the Bond Documents, LSU shall have the right to enforce its rights hereunder and exercise any rights it has with respect to the Student Housing Facilities under the Facilities Lease.

12.22 Survivability. The indemnity, hold harmless and defense obligations contained in this FOMA, as well as any provision that by its nature requires performance after Termination of this FOMA, shall survive the Termination of this FOMA.

12.23 Delivery of Information for Approvals Generally. With respect to approvals to be obtained from either Provident-Flagship or Facilities Manager under this FOMA, the applicable time period within which the Party receiving the request (the “receiving party”) is required to give its approval or disapproval shall not commence until after the receiving party has received (i) a written request for its approval, which shall expressly set forth all items (with specificity) for which the receiving party’s approval is requested and (ii) all reasonable information that the receiving party has requested in order to deliver its approval or disapproval.

12.24 Ethics Code; Conflicts; Notices. Facilities Manager agrees to comply with the Operating Standards and Louisiana state law regarding conflicts of interest, gifts to public servants and notices of contract claims.

12.25 Prevailing Party Fees. In the event of a dispute with reference to this FOMA, the prevailing party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), shall be entitled to reasonable attorneys' fees and costs incurred in resolving such dispute. References to "reasonable attorney's fees" herein shall be deemed to include all such fees in connection with litigation, including any pre-trial proceedings, trial or appeal.

12.26 Dispute Resolution.

12.26.1 In the event a claim, dispute, or controversy (each a "Claim") arises out of or relates to this FOMA, as a condition precedent to mediation initiated hereunder, the Parties shall meet and attempt to resolve the matter in good faith. If the matter is not resolved by the Parties within fifteen (15) days after the date the Claim arose, then the Parties shall each designate a senior representative (with similar or equivalent organizational stature) and each designated senior representative shall have the authority to settle or compromise the Claim (provided, however, the ability of any senior representative of Provident-Flagship is required to obtain the prior written approval from LSU to settle and/or compromise any such claim), and they shall meet at a mutually agreeable time and place within thirty (30) days after the date the Claim arose, and thereafter as often as they deem reasonably necessary to exchange relevant information and to attempt to resolve the Claim.

12.26.2 If the Claim has not been resolved within fifteen (15) days after the date on which the senior representatives first meet, then either Party may request a non-binding mediation of the Claim by providing the other written notice of the desire to mediate the Claim. Once such a mediation notice is issued by one of the Parties, the following mediation procedures shall be mandatory unless the Parties agree in writing to waive mediation. All such mediations shall occur before a single mediator. The mediator shall be selected by the senior representatives referred to in Section 12.21(a) above and the mediation shall thereafter be privately administered by the Parties and the mediator, but if the Parties are unable to agree upon an acceptable mediator within ten (10) days after the date the written notice of desire to mediate is received, either Party may petition the American Arbitration Association ("AAA") for the appointment of a mediator, and the mediation, including the selection of the mediator, shall occur pursuant to the AAA's Commercial Arbitration Rules and Mediation Procedures then in effect. Notwithstanding the above, demand for mediation shall be made within a reasonable time after the Claim has arisen, but in no event after the date when notification of legal or equitable proceedings would be barred by the applicable statute of limitations.

12.26.3 If the Claim has not been resolved pursuant to mediation within sixty (60) days after initiation of the mediation procedure, then either Party may file suit in a court of competent jurisdiction pursuant to Section 12.5 for such Claim. No claim arising under or relating to this Agreement or the performance of any Party thereunder shall be subject to arbitration.

*[signature pages follow on next page]*

*[Signature and acknowledgment page for Facilities Operation and Maintenance Agreement by and between Provident Group - Flagship Properties L.L.C. and Rise Residential, LLC]*

**THUS DONE AND PASSED** at Baton Rouge, State of Louisiana on the day, month and year first above written but effective as of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto sign their names with me, Notary, after due reading of the whole.

**WITNESSES:**

**Provident Group - Flagship Properties  
L.L.C.**, a Louisiana limited liability company

By: Provident Resources Group Inc.,  
a Georgia non-profit corporation,  
Its Sole Member

\_\_\_\_\_  
**Name:** \_\_\_\_\_

**By:** \_\_\_\_\_  
Steve E. Hicks, Chief Executive Officer

\_\_\_\_\_  
**Name:** \_\_\_\_\_

\_\_\_\_\_  
**Notary Public**  
**Name:** \_\_\_\_\_  
**Bar Roll Number:** \_\_\_\_\_  
**My commission is for life.**

*[Signature and acknowledgment page for Facilities Operation and Maintenance Agreement by and between Provident Group - Flagship Properties L.L.C. and Rise Residential, LLC]*

**THUS DONE AND PASSED** at \_\_\_\_\_, State of \_\_\_\_\_ on the day, month and year first above written but effective as of \_\_\_\_\_, 2019, in the presence of the undersigned competent witnesses, who hereunto sign their names with me, Notary, after due reading of the whole.

**WITNESSES:**

**RISE Residential, LLC**  
a Georgia limited liability company

\_\_\_\_\_  
**Name:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

\_\_\_\_\_  
**Name:** \_\_\_\_\_

\_\_\_\_\_  
**Notary Public**

**Name:** \_\_\_\_\_

**Bar Roll Number:** \_\_\_\_\_

**My commission is for life.**

**EXHIBIT A**  
**MASTER GLOSSARY**

“**Additional Bonds**” – as defined in the Indenture, to the extent the same are issued in accordance with the terms of the Indenture.

“**Affiliate**” or “**Affiliates**” – means, with respect to a Party as of the relevant date in question, any other Person directly or indirectly controlling, controlled by, or under common control with a Party, as the case may be, and any Person directly or indirectly controlling, controlled by or under common control with such entities. The term “control” (including “controls,” “controlled by,” and “under common control with”) shall mean the ability through ownership, direct or indirect, of voting stock or other equity interests, to direct or cause the direction of the management and policies of a person, partnership, corporation, limited liability company or other entity. Without limiting the generality of the foregoing, Affiliate shall include (a) any Person which beneficially owns or holds fifty percent (50%) or more of any class of voting securities of such designated Person or fifty percent (50%) or more of the equity interest in such designated Person and (b) any Person of which such designated Person beneficially owns or holds fifty percent (50%) or more of any class of voting securities or in which such designated Person beneficially owns or holds fifty percent (50%) or more of the equity interest. Under no circumstances shall the Trustee or any Bondholder be deemed to be an Affiliate of Provident-Flagship.

“**Agent**” – as defined in Section 2.3 of this FOMA.

“**Approved Operating Plan and Budget**” – as defined in Section 3.9.5 of this FOMA.

“**Approvals**” – licenses, approvals, permits, authorizations, registrations, and the like required by any Governmental Authority having jurisdiction over Provident-Flagship, LSU and/or the Student Housing Facilities.

“**Assignment**” – (i) assignment, pledge, encumbrance, or transfer in any manner of an interest in this FOMA, or any rights or obligations under this FOMA; for purposes of this FOMA, any of the following events shall also be deemed to be an Assignment: (1) any transfer of an aggregate of more than fifty percent (50%) (measured by fair market value or voting power) of the legal and/or beneficial interest (whether partnership interest, corporate stock, shares, or otherwise) of a Party during any consecutive twelve-month period; (2) any transfer of an aggregate of more than fifty percent (50%) (measured by fair market value or voting power) of the legal and/or beneficial interest (whether partnership interest, corporate stock, shares, or otherwise) by an investor or investors of any owner of a Party during any consecutive twelve-month period; and (3) any change in the actual or effective voting control of a Party or an owner of such Party

“**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.

“**Board**” – the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and its successors and assigns.

“**Bond Counsel**” – Kutak Rock LLP or other counsel acceptable to the Trustee and the Authority and experienced in matters relating to tax-exemption of interest income on obligations issued by states and their political subdivisions.

“**Bond Documents**” – collectively, the Bonds and the related Bond Purchase Agreement, Indenture, Loan Agreement, any and all promissory notes provided under or in connection with the

Indenture or Loan Agreement, the Mortgage, the Collateral Assignment of Contract Documents, the Tax Regulatory Agreement (as each of such documents, to the extent not defined herein, are defined in the Indenture) and all other instruments or agreements executed by the Authority, Trustee and/or Provident-Flagship 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 2019 Bonds and any Additional Bonds.

“**Business Day**” or “**business day**” – a day excluding Saturday, Sunday, and any Holiday.

“**Campus**” – the campus of the University, located in Baton Rouge, Louisiana.

“**Casualty Proceeds**” – the proceeds paid under any casualty and property insurance policy maintained by either Party under this FOMA with respect to the Student Housing in accordance with the terms of this FOMA, as a result of damage to or destruction of the Student Housing arising as a result of a fire or other casualty.

“**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 Ground Lease, given to the Authority, the Trustee or Provident-Flagship, as applicable, for the benefit of the Bondholders, that collaterally assigns or pledges the right, title and interest of Provident-Flagship, RISE, the Facilities Manager or the Authority in and to any or all of the Contract Documents as security for the payment of the Bonds, dated on or about the date hereof by Provident-Flagship, RISE or the Facilities Manager, that certain Assignment Agreement dated on or about the date hereof by the Authority to the Trustee, and any such assignments or pledges set forth in the Mortgage.

“**Condemnation Proceeds**” – the proceeds payable in respect of any Taking of all or a portion of the Student Housing Facilities.

“**Construct**”, “**Constructed**” or “**Construction**” – to Develop, improve, 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 Greenhouse District Project.

“**Consultant**” – as defined in the Development Agreement.

“**Contract Documents**” – collectively, the Development Agreement, the FOMA, the Construction Contract, the Architect’s Agreement, the Construction Documents and any and all contracts entered into by RISE or Provident-Flagship for the engagement of contractors, materialmen, and laborers from time to time in connection with the performance of the Greenhouse District 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 Greenhouse District Project, as such may be amended, modified or supplemented from time to time.

“**Corporate Personnel**” – any personnel from the corporate offices of Facilities Manager and its Affiliates or who perform activities in connection with the services provided by Facilities Manager under this FOMA, but are not providing any Facilities Manager Duties physically at the Student Housing Facilities.

**“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 Greenhouse District Project.

**“Direct or Indirect Profit”** – any form of compensation received by Facilities Manager or any of its Affiliates in excess of the Facilities Management Fee and any other direct or indirect compensation to which Facilities Manager is entitled under this FOMA, including without limitation, either of the following: (a) amounts in excess of Facilities Manager’s Out-of-Pocket Expenses or (b) any permitted mark-up retained by Facilities Manager or its Affiliates for goods or services provided to the Student Housing Facilities.

**“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, Construction, operation and use of the Greenhouse District Project, (b) obtain any required extension of public and private Utility Services for the Greenhouse District Project, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Greenhouse District Project Site (including such rights granted herein), and (d) satisfy the legal requirements and insurance requirements in connection with the performance of the of the Greenhouse District Project.

**“Development Agreement”** – that certain Greenhouse District (Phase III) Project Development Agreement dated as of September 1, 2019, between Provident-Flagship and RISE, with the Trustee Greenhouse LLC and LSU as intended third party beneficiaries, regarding the performance of the Greenhouse District Project, and any amendments, modifications and supplements thereto.

**“Effective Date”** – the date of issuance of the Series 2019 Bonds, which is \_\_\_\_\_, 2019.

**“Emergency”** – a situation imminently threatening life, health, or safety or imminently threatening serious risk or damage to the Student Housing Facilities.

**“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”** – all items of furniture, furnishing, fixtures, and equipment and other personal property used or held for use in storage in the ordinary course of operating the Student Housing Facilities.

**“Event of Default”** – any matter identified as an Event of Default under Article 4 of this FOMA.

**“Executive Vice President for Finance”** – the Executive Vice President for Finance and Administration and CFO of the University and shall include any permanent or interim officer of any successor office.

**“Facilities Lease”** – the Greenhouse District (Phase III) Facilities Lease dated as of September 1, 2019, by and between Provident-Flagship and LSU, as amended, modified or supplemented from time to time.

**“Facilities Manager”** – initially, RISE Residential, LLC, a limited liability company organized and existing under the laws of the State of Georgia and authorized to do business in the State, a wholly owned Affiliate of RISE Development LLC, and its successors and assigns.

**“Facilities Manager’s Proprietary Information”** – (i) information regarding Property Personnel and Corporate Personnel and (ii) all written policies, procedures and manual developed by the Facilities Manager and (iii) other information provided to Provident-Flagship that is conspicuously marked as

confidential and/or proprietary; provided, however, Facilities Manager's Proprietary Information shall not include such information that (a) is or becomes generally available to the public other than as a result of a breach of this FOMA, (b) was within the legal and rightful possession of Provident-Flagship prior to it being furnished to Provident-Flagship by the Facilities Manager, (c) becomes available to Provident-Flagship on a non-confidential basis from a source other than the Facilities Manager, provided that to the knowledge of Provident-Flagship, such party is not bound by a confidentiality agreement with respect to such information; or (d) was independently developed by Provident-Flagship without reference to the Facilities Manager's Proprietary Information provided by Facilities Manager to Provident-Flagship or made available by Facilities Manager to Provident-Flagship.

**"Federal Bankruptcy Code"** – 11 U.S.C. Section 101, *et seq.*, as the same may be amended from time to time.

**"Final Completion," "Finally Complete" or "Finally Completed"** - as defined in Article XIX of 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.

**"FM Operating Expenses"** – as defined in Section 5.2 of this FOMA.

**"Force Majeure Event"** – as defined in the Development Agreement.

**"Foreclosure Event"** – as defined in Section 3.1 of this FOMA.

**"Foundation"** – the LSU Real Estate and Facilities Foundation, a nonprofit corporation organized and existing under the laws of the State and a Tax-Exempt Organization, and its successors and assigns.

**"Generally Accepted Accounting Principles"** – those conventions, rules, procedures, and practices, consistently applied, affecting all aspects of recording and reporting financial transactions which are generally accepted by major independent accounting firms in the United States.

**"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, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.

**"Governmental Regulations"** – any and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, case precedents, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigations, reports, guidelines and requirements or accreditation standards of any Governmental Authority having jurisdiction over LSU, Greenhouse LLC, the Property, the Greenhouse District Project or the Greenhouse District Project Site or affecting the Property, the Greenhouse District Project or the Greenhouse District Project Site, including, without limitation, all applicable Environmental Laws and 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.

**"Greenhouse District"** – as defined in the Recitals of this FOMA.

**"Greenhouse District Project"** – as defined in the Ground Lease.

**"Greenhouse District Project Site"** – as defined, described and/or depicted in the Development Agreement.

“**Greenhouse LLC**” – Greenhouse District Project LLC, a limited liability company organized and existing under the laws of the State and the sole member of which is the Foundation, and its successors and assigns.

“**Greenhouse LLC Representative**” – the Person or Persons designated in writing by Greenhouse LLC to serve as Greenhouse LLC's representatives in connection with this Ground Sublease, initially Leu Anne Greco, Esquire, and J. Bryan Benchoff, each of which is a Manager of Greenhouse LLC and is authorized to represent Greenhouse LLC, and any other person(s) designated in writing by Greenhouse LLC to LSU from time to time as person(s) who is (are) authorized to act on behalf of Greenhouse LLC under the Ground Lease.

“**Ground Lease**” – the Greenhouse District (Phase III) Ground Lease Agreement dated as of September 1, 2019, by and between LSU and Greenhouse LLC, as amended, modified and supplemented from time to time.

“**Ground Sublease**” – the Greenhouse District (Phase III) Ground Sublease dated as September 1, 2019, by and between Greenhouse LLC and Provident-Flagship, as amended, modified and supplemented from time to time.

“**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.

“**Hazardous Site Condition**” – as defined in Section 2.21.5 of this FOMA.

“**Holiday**” - any day which shall be a legal holiday in the State of Louisiana or for the federal government, or a day on which banking institutions in the State of Louisiana are authorized or required by law to be closed, a day on which LSU or the University is required by law to close, or a day on which LSU or the University is authorized to close or is closed.

“**Indenture**” – as defined in the Recitals of this FOMA.

“**Land**” – as defined in the Recitals of this FOMA, and more particularly described in **Exhibit A** to the Ground Lease.

“**License**” – as defined in Section 11.1 of this FOMA.

“**License Agreement**” – as defined in Section 11.1 of this FOMA.

“**Lien**” – as defined in the Ground Lease.

“**Loan Agreement**” – the Loan Agreement dated as of September 1, 2019, by and between the Authority and Provident Flagship, as amended, modified and supplemented from time to time, relating to the Bonds.

“**LSU**” – the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, and its successors or assigns.

“**LSU Intellectual Property**” – as defined in Section 10.3 of this FOMA.

“**LSU Representative**” – one or more of the persons designated and authorized in writing from time to time by LSU to represent the Board and the University in exercising its rights under the Facilities

Lease, the Ground Lease, the Ground Sublease and this FOMA. The LSU Representative, throughout the term of the Facilities Lease, shall be the Vice President for Finance or his designee(s).

**“LSU Standards”** – as defined in Section 2.1.1 of this FOMA.

**“Maintenance Reserve Account” or “MRA”** – the Maintenance Reserve Account established in the Facilities Lease.

**“Maintenance Reserve Account Requirement”** – as defined in the Facilities Lease

**“Marks”** – as defined in Section 11.1 of this FOMA.

**“Mortgage”** – that certain Multiple Indebtedness Mortgage, Leasehold Mortgage, Pledge of Leases and Rents and Security Agreement dated the date of issuance of the Series 2019 Bonds by Provident-Flagship 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.

**“Operating Expenses”** – as defined in the Loan Agreement and this FOMA.

**“Operating Standard(s)”** – as defined in Section 2.1 of this FOMA.

**“Operating Year”** – the Fiscal Year.

**“Outstanding”** – as of the date of determination, all Bonds issued and delivered under the Indenture except: (i) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation; (ii) Bonds which have matured and have been paid in full or have been defeased in accordance with the provisions of the Indenture; (iii) Bonds issued in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to the Indenture, and (iv) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Indenture.

**“Out-of-Pocket Expenses”** – the reasonable out of pocket costs paid to non-Affiliates of Facilities Manager (with no mark-up or profit to Facilities Manager) incurred directly by Facilities Manager or any Affiliate providing Facilities Manager Duties, which are limited to the following: reasonable air and ground transportation, meals, lodging, reasonable business entertainment expenses, taxis, gratuities, computer services, document reproduction, printing, promotional materials, stationery, postage, long-distance telephone calls, and facsimiles; provided however, the following expenses shall not be reimbursable to Facilities Manager under this FOMA: Facilities Manager’s overhead or general expenses, including but not limited to costs, expenses, salaries, wages or other compensation of Corporate Personnel of Facilities Manager, telephone, facsimile, telecommunications, computer, duplicating, stationery and postage and any other office expenses incurred at Facilities Manager’s principal office, any part of Facilities Manager’s capital expenses, and any costs for which Facilities Manager is liable under this FOMA.

**“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.

**“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 Committee”** – that certain advisory committee established by Provident-Flagship pursuant to the Ground Sublease, which committee is composed of three (3) representatives of LSU, two

(2) representatives of Greenhouse LLC, one (1) representative of Provident-Flagship and one (1) representative of the Facilities Manager.

**“Property”** – as defined in the Recitals of this FOMA.

**“Property Personnel”** – all individuals (other than Corporate Personnel) performing Facilities Manager Duties at the Property employed by Facilities Manager or an Affiliate of Facilities Manager or both.

**“Property Personnel Costs”** – all costs set forth in an Approved Operating Plan and Budget that are associated with the employment, management or termination of Property Personnel.

**“Proposed Operating Plan and Budget”** – the annual operating plan and proposed budget for the Student Housing Facilities prepared by Facilities Manager for approval by Provident-Flagship, which approval shall be conditioned upon the approval of the same by LSU in its sole and unfettered discretion.

**“Provident-Flagship”** – Provident Group - Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State, the sole member of which is Provident Resources, and its successors and assigns.

**“Provident Resources”** – Provident Resources Group Inc., a nonprofit corporation duly organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, and its permitted successors and assigns.

**“Remediation”** – means and 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.

**“Rental”** – as defined in Section 7 of the Facilities Lease.

**“Rental Commencement Date”** – as defined in the Facilities Lease.

**“Replacement and Repair Account” or “RRA”** – as defined in the Facilities Lease.

**“Resident Requests and Complaints”** – as defined in Section 3.5 of this FOMA.

**“RISE”** – RISE Tigers, LLC, a limited liability company organized and existing under the laws of the State of Georgia and authorized to do business in the State and a wholly owned Affiliate of RISE Development LLC, and its successors and assigns.

**“RISE Development LLC”** – RISE Development LLC, a limited liability company organized and existing under the laws of the State of Georgia and the parent company of RISE.

**“Series 2019 Bonds”** –the Authority’s Lease Revenue Bonds (Provident Group-Flagship Properties, LLC – Louisiana State University Greenhouse District (Phase III) Project) Series 2019, issued in the original aggregate principal amount of \$ \_\_\_\_\_.

**“State”** – the State of Louisiana.

**“Student Housing Facilities”** – as defined in the recitals of this FOMA.

**“Student Housing Facilities Equipment”** – all movable property, including without limitation, machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description and installed in, located on, or exclusively used in connection with, the Student Housing Facilities, excluding those items owned by Residents.

**“Subordination Agreement”** – as defined in Article 6 of this FOMA.

**“Substantial Completion Date”** – the date set forth in (and as so defined in) the Development Agreement, being the date by which RISE is committed under the Development Agreement to deliver each component of the Greenhouse District Project to Provident-Flagship, 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” or “Taken”** – 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 FOMA shall remain in full force and effect as set forth in Section 4.1 hereof.

**“Termination” or “Terminate”** – when used with respect to this Agreement, means the expiration or sooner cessation or termination of this FOMA for any reason whatsoever and by any Person or by operation of law, as the case may be.

**“Trustee”** – Hancock Whitney Bank, a Mississippi state banking corporation, as Trustee under the Indenture, and its successors and assigns in such capacity, as set forth in the Indenture.

**“Uncontrollable Expenses”** – those expenses set forth in an Approved Operating Plan and Budget for which the Facilities Manager cannot reasonably control and/or retrain.

**“University”** – Louisiana State University Agricultural and Mechanical College, the flagship institution of the State under the management and supervision of the Board.

**EXHIBIT 2.1.1**  
**LSU STANDARDS**

**LSU POLICY STATEMENTS** (<http://sites01.lsu.edu/wp/policiesprocedures/>)

PS-1.07	Equal Opportunity
PS-6.03	Solicitation of Advertisement
PS-6.15	New Use of Electronic Mail
PS-6.20	Security of Data
PS-6.25	Privacy of Computing Resources
PS-14.03	Soliciting and Deliveries of Personal Orders
PS-18.06	Emergency Response Plan
PS-19.06	Environmental Health & Safety
PS-23.06	Facilities Design and Development
PS-26.04	Policy for Persons with Disabilities
PS-30-032	Student Privacy Right
PS-40.04	Employee Records Confidentiality of Personnel Records of University Employees
PS-49.06	Building Coordinator
PS-60-R02	Food Service within LSU Facilities and Premises
PS-67-R05	Misuse of Drugs or Alcohol
PS-73.05	Sexual Harassment
PS-74.02	Records and Archives
PS-78 and Appendix II	Serving, Possessing, and Consuming of Alcoholic Beverages on Campus
PS-82.02	Use of LSU Facilities and Premises
PS-83-R00	Managing Communicable Diseases
PS-88-R00	Summer Youth Camps

PS-91-R0	Campus Mail
PS-93.03	Use of LSU Name and Indicia
PS-95.02	Sexual Harassment of Students
PS-96-R00	Firearm Policy for Employees
PS-97-R00	Emergency Evacuation plan for Persons with Disabilities
PS-101.02	Appropriate Use of University Equipment, Materials, Services and Other Property
PS-102-R00	Violence Free Workplace
PS-107.02	Computer Users' Responsibilities
PS-108-R00	Prohibition of Hazing
PS-113.02	Social Security Number Policy
PS-118.02	Tobacco Free Campus

**LSU PERMANENT MEMORANDA** (<http://sites01.lsu.edu/wp/policiesprocedures/>)

PM-5	Holiday Schedule
PM-14	Operation and Maintenance of Physical Plant
PM-32	Use of LSU System Facilities and Premises
PM-33	Drug-Free Workplace and Drug Testing Policy
PM-55	Equal Opportunity Policy
PM-73	Title IX and Sexual Misconduct Policy

**RES LIFE OPERATING POLICIES** (<https://sites01.lsu.edu/wp/reslife/policies/>)

Living on Campus Handbooks

LSU Code of Student Conduct

Family Educational Rights and Privacy Act (FERPA)

RLOP-01	Attendance, Leave, Tardiness, Breaks
RLOP-02	Cellular Phone Use
RLOP-03	Employee Dress/Uniform Policy
RLOP-04	Fire Drills
RLOP-05	Media Policy
RLOP-06	Overtime Policy
RLOP-07	Pet Policy for staff
RLOP-08	Professional Development Opportunities and Expectations
RLOP-09	Red Flags Rules Policy-Identity Theft Prevention Program
RLOP-10	Sexual Harassment
RLOP-11	Assistance or Service Animals
RLOP-12	Training Opportunities and Expectations
RLOP-13	Using Grills Outside Residence Halls and Apartments
RLOP-14	Live-in Roommate Occupancy Policy
RLOP-20	Key Policy
RLOP-21	Painting Public Areas in Residence Halls
RLOP-22	Procurement
RLOP-23	Maintenance Procurement and Receiving
RLOP-25	Maintenance Personnel in Residence Halls and Apartments
RLOP-40	Apartment Contract Review Process Ed Gay/Nicholson
RLOP-41	Appeal Process Edward Gay/Nicholson
RLOP-42	Res Hall Contract Appeal Process (Release without Penalty)
RLOP-60	FERPA Procedures

RLOP-61	Live-in Staff Apartment Agreement and Inspection
RLOP-62	Live-in Staff Painting Process
RLOP-63	Meal Plans
RLOP-64	On-Call Procedures
RLOP-65	Policy Enforcement Notices
RLOP-66	Room Apartment Entry by Staff
RLOP-67	Space Reservations
RLOP-68	Special Requests
RLOP-69	Student Conduct Contractual Review Process

**OFFICE OF PLANNING DESIGN AND CONSTRUCTION STANDARDS**

(<https://sites01.lsu.edu/wp/facilityservices/departments/pdc/design-standards>)

LSU Design Standards

LSU Wayfinding Guidelines

Room Numbering Standards

**MISCELLANEOUS RESIDENTIAL LIFE MANUALS, PROCESSES, AND GUIDANCE**

(<https://1drv.ms/f/s!AgMfRavMPCiagRooyxBAZ2X2LCm2>)

Process Manual 2017

Contract Renewal Guide

Emergency Management Manual

Custodial Supervisors Manual

Custodial Training Manual

**EXHIBIT 2.1.2  
CERTIFICATION**

**CERTIFICATION OF FACILITIES MANAGER  
PURSUANT TO SECTION 2.1.2 OF THAT CERTAIN  
FACILITIES OPERATIONS AND MAINTENANCE AGREEMENT**

Reference is hereby made to that certain FACILITIES OPERATIONS AND MAINTENANCE AGREEMENT dated as of September 1, 2019 (the “FOMA”), by and between PROVIDENT GROUP-FLAGSHIP PROPERTIES L.L.C., a limited liability company organized and existing under the laws of the State of Louisiana, and RISE RESIDENTIAL, LLC a limited liability company organized and existing under the laws of the State of Georgia (the “Facilities Manager”).

Capitalized terms used in this certification (the “Certification”) without definition shall have the meaning given to them under the FOMA.

Pursuant to Section 2.1.2 of the FOMA, the Facilities Manager hereby represents, warrants and certifies to Provident Flagship, LSU and the University that the Facilities Manager has reviewed the LSU Standards referenced and/or specified in Exhibit 2.1.1 of the FOMA, as the same exists on the Certification Date (as such term is defined below), and understands the requirements and expectation required thereunder.

This Certification is executed on the \_\_\_ day of \_\_\_\_\_, 20\_\_\_ (the “Certification Date”).

FACILITIES MANAGER:  
RISE Residential, LLC, a Georgia limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT 3.1**  
**FACILITIES MANAGER DUTIES**

## **EXHIBIT 3.1: FACILITIES MANAGER DUTIES**

### I. General Overview

It will be the responsibility of the Facilities Manager to provide services in alignment with the high standards of an educational institution from the perspectives of sanitation, public relations, and protection of the physical facility. Services should be commensurate with APPA guidelines, which are described further in this Exhibit 3.1.

### II. Responsibilities of Facilities Manager

#### A. Personnel

1. Facilities Manager will exclusively handle all matters pertaining to human resource issues. This will include but is not limited to recruitment, screening, hiring, and retention. These matters will be done in compliance with existing statutes, regulations and other laws pertaining to affirmative action, non-discrimination, wage and hour and any other stipulations germane to prudent personnel management. Facilities Manager shall defend, hold harmless and indemnify Greenhouse LLC from all claims, demands, suits, judgments, costs, damages, and attorney's fees arising from any claim or assertion that Facilities Manager violated any applicable law or employment contract.
2. The Facilities Manager is responsible for training personnel for duties performed under this program. Custodial staff will complete the LSU Training Series contained in the *Residential Life Custodial Training Manual* within the first year of employment. Custodial Supervisors will use the Residential Life Custodial Supervisors Manual or a similar manual approved by LSU.
3. All personnel will be dressed in a manner authorized by the Facilities Manager and approved by Greenhouse LLC. The personnel will be neat and clean in appearance. Uniforms will be worn which fully identify the worker as a member of the Facilities Manager's work force.
4. Payment to all employees is the responsibility of the Facilities Manager. Facilities Manager will pay at least the minimum wage. Facilities Manager shall follow all state/local laws.
5. Facilities Manager will remove any employee from the work force deemed objectionable by Greenhouse LLC or LSU.
6. All Facilities Manager personnel will be issued a picture identification card that is to be worn in a visible location at all times. Facilities Manager will maintain photos of all employees working on LSU Property.
7. Guns, knives, or other dangerous weapons will not be permitted on campus. Facilities Manager will immediately dismiss employees who do not adhere to this policy.
8. Alcohol and drugs are prohibited on LSU's Campus. LSU is a smoke and tobacco free campus and electronic cigarettes are no allowed.
9. Facilities Manager and employees are subject to and will comply with the rules and regulations governing vehicular parking and traffic per Public Safety for LSU's Campus.
10. All employees must successfully complete a background check prior to starting work on the LSU campus. Greenhouse LLC shall have the right to require that any employee be terminated, or prospective employee not hired, to the extent necessary to protect the safety and welfare of the residents and guests on the Project.
11. Trades and Vendors will comply with the following qualifications and licensing:
  - a. Minor Maintenance: General maintenance staff may perform minor maintenance without licensing for tasks that do not involve modifications, alterations, replacement, or construction of systems inside of walls, below floors, or above ceilings.
  - b. Lock Smith: Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  - c. Major Maintenance: Work that modifies, alters, replaces, or constructs systems within buildings, on site, or underground/overhead. Trades and Vendors will require the following qualifications and licensing:
  - d. Trades: Trades will be required to meet the following qualifications and licenses

1. Plumbers - Licensed as a Journeyman Plumber from the State Plumbing Board of Louisiana for repairs of existing plumbing; new installations require a Master Plumbers' license ([www.spbla.com](http://www.spbla.com)). Supervisor must have a master plumbing license.
  2. Electricians - Licensed as Master Electrician by the State Licensing Board for Contractors ([www.lslbc.state.la.us](http://www.lslbc.state.la.us)). Journeyman (no state license) can be used when directly supervised by a Master Electrician.
  3. HVAC technicians - Possession of appropriate EPA refrigerant recycling and recovery certification for technicians (as required under Section 608 of the Clean Air Act, 1990)".
  4. Closed Circuit TV – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  5. Controls – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  6. Life Safety – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  7. Fire Alarm Technicians - State contractors' license required. State licensed electrical contractors can install and repair fire alarm systems. Certifying and planning of systems must be performed by firms certified by the State Fire Marshal.
- e. Vendors: Vendors will be required to have a current Louisiana Contractors licenses for the work to be completed and their staff must meet the following qualifications and licenses:
1. Plumbers - Licensed as a Journeyman Plumber from the State Plumbing Board of Louisiana for repairs of existing plumbing; new installations require a Master Plumbers' license ([www.spbla.com](http://www.spbla.com)). Supervisor must have a master plumbing license.
  2. Electricians - Licensed as Master Electrician by the State Licensing Board for Contractors ([www.lslbc.state.la.us](http://www.lslbc.state.la.us)). Journeyman (no state license) can be used when directly supervised by a Master Electrician.
  3. HVAC technicians - Possession of appropriate EPA refrigerant recycling and recovery certification for technicians (as required under Section 608 of the Clean Air Act, 1990)".
  4. Lock Smith – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  5. Closed Circuit TV – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  6. Controls – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  7. Life Safety – Licensed in accordance with LS State Fire Marshal ([http://www.lasfm.org/lic\\_contact.htm](http://www.lasfm.org/lic_contact.htm))
  8. Fire Alarm Technicians - State contractors' license required. State licensed electrical contractors can install and repair fire alarm systems. Certifying and planning of systems must be performed by firms certified by the State Fire Marshal.>

#### B. Computer Maintenance Management System (CMMS)

The department of Residential Life operates a CMMS for management of maintenance operations for all facilities, equipment, systems, and furniture. The CMMS tracks work requests, manages work orders, and other industry standard functions. The Facility Manager will use the existing Residential Life CMMS to manage work requests and work orders for the facilities, equipment, systems, and furniture. The Facility Manager may, at its own expense develop an interface to connect the Residential Life CMMS to the corporate system on a real time basis. The primary platform for management of all maintenance operations will be the Res Life CMMS.

#### C. Safety

1. Facilities Manager will train all employees on application of chemicals and the use of equipment.
2. Facilities Manager will insure the all staff are provided and use the appropriate safety equipment at all times.

3. Facilities Manager will train all employees and implementation of a program to minimize exposure to blood borne pathogens. Program will educate about the risk of possible exposure, clean-up procedures and all vaccination required by OSHA Security.
4. The Facilities Manager will provide reasonable cooperation to the Department of Public Safety in their efforts to promote a safe and secure environment of the campus.

#### D. Supervision

1. Facilities Manager will provide the supervision necessary to maintain the program. This must include an on-site supervisor during all shifts manned.
2. Facilities Manager will safeguard against loss, theft, or damage of all property, material, equipment and accessories which employees of the Facilities Manager might be exposed to while performing duties.
3. Facilities Manager will maintain keys in a locked key box.
4. Keys will be checked out at the beginning of each shift and returned at the end of each shift. If keys are missing, Facilities Manager is to notify a University representative, who will be identified in advance for this purpose, immediately. Facilities Manager will be responsible for any cost associated with the re-keying due to lost keys.

#### E. Damage

The Facilities Manager will be responsible for the repair/replacement for any damage to the facility or personal injury caused by any employee of the Facilities Manager.

#### F. Equipment/Supplies

1. Facilities Manager will maintain and procure all equipment necessary to perform the program. Equipment should be kept in a clean condition.
  - a. Maintenance tools will be signed out by individual maintenance personnel daily and inventoried at the end of each day
  - b. Equipment will be assigned a unique barcoded number, entered into the CMMS, and inventoried in accordance with Residential Life Student Housing Facilities Control Operating Policy.
2. Neither the LSU nor Greenhouse LLC shall be responsible for any loss of equipment or supplies.
3. A small and large wet-vac, mop and bucket, and other emergency cleaning items should be housed within the area or otherwise be readily available to Facilities Manager and Residential Staff for after hour cleanups on a small scale.

- G. MSDS Sheets will be maintained on job site for all chemicals used. University Representative will also be provided two (2) copies of MSDS sheets per chemical used.

**Note:** University Representative will supply one (1) copy of MSDS sheet to the Office of Environmental Health and Safety.

#### H. Emergencies

During emergency conditions (hurricane preparedness, floods, etc.), employees will report to the University for instructions. Personnel must be available to perform extra duties or emergency services.

#### I. Facilities Manager's Representative

A representative of the Facilities Manager shall be appointed within 24 hours of receipt of contract. This person shall be available to the University for the purpose of reporting problems, requesting scheduling changes, etc. This individual shall be someone other than the on-site supervisor and they shall be the sole contact person for routine matters.

## J. Scheduling

The maintenance program is a 24-hour operation. While most activities will take place during the day between 8:00am and 4:30pm, there is a need for after-hours coverage for emergencies. The Facilities Manager will maintain and staff on-call coverage for after hours for both maintenance and custodial services seven days a week, including holidays. Request for changes to the shift will be approved by the Department of Residential Life and will be determined to best meet the needs of faculty, staff, and students and to facilitate facility needs.

## K. Recycling

1. The Facilities Manager, on each shift, will remove all materials denoted recyclable from inside buildings. Recyclable materials shall be transported and placed in an appropriate and acceptable manner in the designated collection container. Recyclables shall include white paper, mixed paper, aluminum, glass or plastic containers, and cardboard.
2. The Facilities Manager must ensure compliance with the recycling program of the University, as same shall be amended over the Project life cycle, and accommodate any procedural changes that occur. The weights of all recycled materials will be provided to the Department of Residential Life for reporting purposes.

## L. Method of Evaluation/Quality Control

1. Evaluator(s): Director and Associate Director of Housing Operations
2. Procedure: The University will monitor feedback from students, staff, and guests. The designated staff will also document cleanliness of areas using a "Custodial Quality Control Checklist." Any findings or reports deemed to be less than satisfactory by the University will result in written notification to the Facilities Manager. Facilities Manager must acknowledge receipt within 24 hours of receiving notice and resolve in a reasonable manner via the work order processes.

## M. Rating Scale

1. The following rating scale will be used when evaluating services:
  - **E** – (Excellent) APPA Level 1- A condition indicating continuous care and attention.
  - **G** – (Good) APPA Level 2- A condition indicating care and attention, though improvements may be made.
  - **A** – (Average) APPA Level 3- A condition indicating laxity, but which can be corrected without much effort.
  - **NI** – (Need Improvement) APPA Level 4- A condition indicating neglect over a comparatively short time, but which can be corrected without much effort.
  - **P** – (Poor) APPA Level 5- A condition indicating complete neglect over a long period.

## N. Apartment and Residence Hall Custodial Responsibilities:

1. The below matrix outlines specific duties that will be completed in entirety for detailed cleanings, daily operations, move-in/move-out, and conferences. This is also required for mid-semester moves when an entire apartment or room becomes vacant. The Facilities Manager will be notified of the vacancy by Residential Life. Outside of these detailed cleanings, suite bathrooms are cleaned once a week while students are occupying the units. Bathrooms are cleaned thoroughly as outlined in the attached matrix. If the units are utilized for summer conferences, cleanings are completed between each conference group per attached matrix.

a. \_\_\_\_\_ Apartments

**Routine Custodial (Apartments)**

<b>Custodial Overhead Responsibilities</b>	<b>Frequency / Notes</b>
Custodial salaries / benefits	
Custodial equipment repair, maintenance, and replacement	
Custodial office supplies / cleaning supplies / uniforms	
Custodial software, work order management	
Custodial telephones (land lines and cell phones)	
Budgeting / cost management / reporting	
Access management (keys)	Must be on Res Life and LSU Standard for system and management
Staffing procedures (hiring / firing) / scheduling	
Performance evaluation / routine quality control	
Transportation (golf carts)	
On-call staffing for after hours, weekends, holidays	Two weekly shifts (Monday 4:30 pm until 8:00 am Monday thru Friday and Friday 4:30 pm until 8:00 am Monday)
All personnel with be considered emergency essential	Must be on site when directed by LSU EOC for emergencies

<b>Common and Public Area Responsibilities</b>	<b>Frequency / Notes</b>
Empty & reline trash can. Clean if necessary	2xD M-S
Clean horizontal & vertical surfaces	1xD M-S
Clean & sweep outside verandah up to 10' from exterior doors.	1xD M-F
Clean, sanitize, and polish water fountains	1xD M-F
Dust mop floor. Vacuum carpets & mats	1xD M-F
Wet mop floor. Remove spots from carpet	1xD M-F
High dust	1xD M-F
Burnish & dust mop floor – 1 <sup>st</sup> floor	3xW M,W,F
Burnish & dust mop floor- 2 <sup>nd</sup> and up	2xW T,Th
Police area for trash (including verandah)	2xD M-S
Strip & refinish floors with a minimum of 3 coats of wax	1xY (July)
Spray Buff or equivalent and top coat with 1 coat of wax	1xY (December)
Shampoo Carpets	2xY
Vacuum Carpets	1xD M-F
Remove Gum	Upon finding
Clean Stairwells (interior and exterior)	1xD M-F
Scrub stairwells (interior and exterior)	2xY
Clean all kitchens surfaces	1xD M-F
Clean kitchen ovens in residence halls	1xW
Clean burner pans	1xW
Low dust - polish furniture	1xD M-F
Clean light fixtures	1xW M-F

<b>Exterior Entrance and Exit Responsibilities</b>	<b>Frequency / Notes</b>
Empty & reline trash can. Clean if necessary	1xD M-S
Sweep concrete/hard surface (10 ft from entrances)	1xD M-S

Clean glass & window frames	1xD M-S
Vacuum mats (both sides) and sweep under mat	1xD M-S
Clean entrance doors (glass, metal or wood surfaces)	1xD M-S
Clean exterior fixtures	2xY M-S

<b>Public Access Restroom Responsibilities</b>	<b>Frequency / Notes</b>
Empty, clean & reline trash can	2xD M-S
High dust	2xD M-S
Low dust	2xD M-S
Clean & disinfect horizontal & vertical surfaces & restroom fixtures	2xD M-S
Clean & replenish all dispensers	2xD M-S
Dust mop floor	2xD M-S
Wet mop floor	2xD M-S
Police area (replenish supplies, clean spills, wipe surfaces, empty trash and report malfunctioning fixtures as needed)	3xD M-S
Soap Scrub or Deep Clean floors	3xYr
Remove any and all Graffiti	1XD M-S

<b>Janitor Closet Responsibilities</b>	<b>Frequency / Notes</b>
Clean janitorial closets	2xW

<b>Entrances, Corridors, and Lobby Responsibilities</b>	<b>Frequency / Notes</b>
Empty & reline trash can. Clean if necessary	1xD M-S
Clean horizontal & vertical surfaces	1xD M-S
Clean, disinfect & polish water fountains	1xD M-S
Dust mop floor.	1xD M-S
Vacuum carpets & mats, removed gum and soiled spots	1xD M-S
Wet mop floor.	1xD M-S
Low dust	1xD M-S
High dust	1xD M-S
Dust mop & scrub floor – 1 <sup>st</sup> floor	3xW M-S
Dust mop & scrub floor- 2 <sup>nd</sup> and up	2xW M-S
Buff floors	1xW M-S
Vacuum & spot clean upholstered furniture	1xW M-S
Buff first floor lobby	1XD M-S
Clean entrance door glass	1XD M-S
Clean glass partition & display cases	1xD M-S
Spot clean smudges, finger marks on walls, door facing, and doors.	1xD M-S
Dust furniture	1xD M-S

<b>Stairs and Landings</b>	<b>Frequency / Notes</b>
Clean horizontal & vertical surfaces	1xD M-S
Dust mop floor or sweep floor	1xD M-S
High dust	1xW M-S
Wet mop floor	1xD M-S
Pressure wash exterior stairs and landings	1xM

<b>Elevators</b>	<b>Frequency / Notes</b>
Clean & polish horizontal & vertical surfaces	1xD M-S
Dust mop floor or sweep floor	1xD M-S
Vacuum interior & horizontal tracks	1xW M-S
Wet mop floor	1xD M-S
Remove graffiti	1xD M-S
Remove any trash	1xD M-S

<b>Break Room, Office Space, and Reception Responsibilities</b>	<b>Frequency / Notes</b>
Empty trashcan. Clean & reline if necessary	1xD M-F
Clean/dust horizontal & vertical surfaces	1xD M-F
Dust mop floor	1xD M-F
Complete vacuum floor. Remove spots and gum	1xD M-F
Wet mop floor	1xD M-F
Low dust	1xD M-F
High dust	1xW M-F
Vacuum & spot clean upholstered furniture	1xW M-F
Vacuum Air Supply and Return Air Vents	1xW
Clean windows	1xW
Dust blinds	1xW

<b>Classroom / Gathering Area Responsibilities</b>	<b>Frequency / Notes</b>
Empty trashcan. Clean & reline if necessary	2xD M-F
Clean/dust all horizontal & vertical surfaces (desks, boards, chairs, etc.)	1xD M-F
Dust mop floor	1xD M-F
Complete vacuum floor. Remove spots and gum	1xD M-F
Wet mop floor	1xD M-F
Shampoo carpet	1x Yr
Strip, refinish/seal hard surface floors	1x Yr
Low dust (furniture, table/chair rails and legs)	1xD M-F
High dust areas over 6 feet (vents, light fixtures, blinds)	1xW M-F
Police and Replenish chalk, erasers, and markers (maintain 2 writing utensils at each board and 1 eraser per board)	1xD M-F
Vacuum & spot clean upholstered furniture	1xM
Vacuum Air Supply and Return Air Vents	1XW
Damp Clean desk and table tops, spot clean door surfaces, and smudges on walls and light switch.	1xD

<b>Weekend Services (4-hour shift on Saturday and Sunday, 7-11 am or 8-12 am)</b>	<b>Frequency / Notes</b>
Pick up trash from around the exterior of buildings	1xD S-S
Check front desks for work orders, respond to emergency needs such as a main light bulb, toilet overflowing, refrigerator out, vomit or fecal matter clean up that was not handled by on-call crew	1xD S-S
Check hall bathrooms for major issues, flush all toilets, sweep up any paper or trash off floors	1xD S-S
Restock tissue and paper towels dispensers as needed	1xD S-S
Thoroughly clean main floor public restrooms	1xD S-S
Clean glass windows and doors at entrances of buildings	1xD S-S

Sweep off/vacuum entrance mats	1xD S-S
Rearrange furniture in lobby/entrances areas as needed	1xD S-S
Priority is to handle emergencies and make sure first impression areas are properly maintained for students, parents, and visitors.	1xD S-S

Floors (hard surfaces)	Frequency / Notes
Mop and scrub	1xD
Buff floors for high traffic areas	3xW M,W,F
Soap scrub	1xY (December)
Strip and wax	1xY (July)

Additional Responsibilities	Frequency / Notes
Escort contractors and vendors	As required
Change out assets	As required
Assist residents and staff with props, asset, and needs within the building	As required
Set up and take down for programs	As required
Change light bulbs	As required
Change batteries in smoke detectors, as needed	As required
Pressure wash exterior areas of buildings (sidewalks, windows, walls, porches, patios, etc.)	2xY M-F
Trash and recycling (daily)	1XD M-S
Pickup and pull from receptacles throughout: hallways, trash rooms, public spaces, and restrooms.	1XD M-S
Bring to common location for pick up and delivery to dumpsters	1XD M-S
Deliver trash and recyclables to dumpsters	1XD M-S
Pick up in parking lots and on the exterior of the building (this includes in landscape bushes and exterior trash receptacles)	1XD M-S

**Move-in and Move-out (Apartments)**

Bedroom Area Responsibilities
Sweep and dust all baseboards
Wipe Walls
Clean all bed frames
Clean blinds and make sure they are down and closed
Make sure closet doors are on track
Wipe closet doors on the inside and outside
Wipe all window ledges
Open the window and clean the track
Make sure bedroom furniture is arranged appropriately
Check walls for paint and plaster issues (report to sup)
Clean all AC vents above bedroom doors
Wipe legs of desk chair and clean off cushions
Clean foot rest on desk
Clean top surfaces of desk and dresser
Clean inside drawers of desk and dresser
Wipe closet rods and shelf/shelves

Clean bookcase shelves
Clean and disinfect mattress/ replace if necessary
Clean light fixtures
Wipe light switch plate and outlets
Place linen info sheet, cup & soap on dresser
Make beds with linen and place towels on bed
Vacuum carpet if dust bunnies fall on it when cleaning

**Bathroom Responsibilities**

Remove all stains from tubs and clean thoroughly
Check caulking around tub edges and at base of toilet
Scrub all shower walls
Replace old shower curtains
Replace rusted shower curtain rings
Clean base of toilet and area behind toilet
Clean pipe behind toilet
Clean walls around commode
Remove all hard water stains from sink and faucet
Clean all vanity drawers and counter top
Clean under vanity, including doors
Remove hard water stains from inside/outside of toilet
Wipe shower rod, towel bar/ring, & shower head
Clean heater vent
Clean light cover
Clean mirror
Clean light fixture
Wipe light switch plate and outlets
Clean robe hook behind door
Scrub floors with doddle bug pad if necessary
Sweep and dust all baseboards
Sweep and mop floor
Wipe walls

**Living Room Responsibilities**

Mop tile areas around entrance doors
Wipe front door, inside and out
Dust AC vents
Sweep and dust all baseboards
Wipe walls
Clean blinds and make sure they are down and closed
Wipe all window ledges
Open the window and clean the track
Windex windows

Check lamps for working bulbs and top screws (finial)
Clean or replace lamp shades
Check ceilings for stickers, cobwebs and mildew
Report and wall damage to supervisor
Clean light fixtures
Wipe light switch plate and outlets
Vacuum carpet if dust bunnies fall on it when cleaning

**Kitchen Responsibilities**

Clean stove hood
Clean exhaust fan
Replace lights
Clean burner pans, replace if necessary
Pull stove and fridge from wall
Clean walls and baseboards
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Wipe and clean out drawers
Wipe light switch plate and outlets
Polish sinks with cleaner
Check dishwasher and cabinets for dishes and dispose
Clean inside dishwasher after running it for a rinse cycle
Clean outside door of dishwasher
Clean inside and out of fridge including door & handle
Clean shelves in fridge
Wash or replace exhaust vent
Clean microwave inside and out, including glass plate
Clean stove top, oven and broiler

**Laundry Responsibilities**

Pull washer and dryer from wall
Clean walls and baseboards
Clean dryer vent and hoses
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Clean around door seal to washer and dryer

**Hallway Responsibilities**

Set thermostat to 72 degrees
Wipe walls and baseboards
Wipe around AC vents
Check filter & make sure date is for May, if not...replace

**Furniture Responsibilities**

Check couch and sofa pillows for cleanliness
Check furniture for trash deep down inside for trash
Return pillows to correct position
Return furniture to its normal position
Wipe down and clean chairs at breakfast bar

**Other Responsibilities**

Make sure all lights are working and are off
Lock door
Dispose trash
Pressure wash exterior
Clean trash in hedges and grounds
Empty exterior trash receptacles

b. Residence Halls

**Routine Custodial (Residence Halls)**

<b>Custodial Overhead Responsibilities</b>	<b>Frequency / Notes</b>
Custodial salaries / benefits	
Custodial equipment repair, maintenance, and replacement	
Custodial office supplies / cleaning supplies / uniforms	
Custodial software, work order management	
Custodial telephones (land lines and cell phones)	
Budgeting / cost management / reporting	
Access management (keys)	Must be on Res Life and LSU Standard for system and management
Staffing procedures (hiring / firing) / scheduling	
Performance evaluation / routine quality control	
Transportation (golf carts)	
On-call staffing for after hours, weekends, holidays	Two weekly shifts (Monday 4:30 pm until 8:00 am Monday thru Friday and Friday 4:30 pm unit 8:00 am Monday)
All personnel with be considered emergency essential	Must be on site when directed by LSU EOC for emergencies

<b>Common and Public Area Responsibilities</b>	<b>Frequency / Notes</b>
Empty & reline trash can. Clean if necessary	2xD M-S
Clean horizontal & vertical surfaces	1xD M-S

Clean & sweep outside verandah up to 10' from exterior doors.	1xD M-F
Clean, sanitize, and polish water fountains	1xD M-F
Dust mop floor. Vacuum carpets & mats	1xD M-F
Wet mop floor. Remove spots from carpet	1xD M-F
High dust	1xD M-F
Burnish & dust mop floor – 1 <sup>st</sup> floor	3xW M,W,F
Burnish & dust mop floor- 2 <sup>nd</sup> and up	2xW T,Th
Police area for trash (including verandah)	2xD M-S
Strip & refinish floors with a minimum of 3 coats of wax	1xY (July)
Spray Buff or equivalent and top coat with 1 coat of wax	1xY (December)
Shampoo Carpets	2xY
Vacuum Carpets	1xD M-F
Remove Gum	Upon finding
Clean Stairwells (interior and exterior)	1xD M-F
Scrub stairwells (interior and exterior)	2xY
Clean all kitchens surfaces	1xD M-F
Clean kitchen ovens in residence halls	1xW
Clean burner pans	1xW
Low dust - polish furniture	1xD M-F
Clean light fixtures	1xW M-F

**Exterior Entrance and Exit Responsibilities**

**Frequency / Notes**

Empty & reline trash can. Clean if necessary	1xD M-S
Sweep concrete/hard surface (10 ft from entrances)	1xD M-S
Clean glass & window frames	1xD M-S
Vacuum mats (both sides) and sweep under mat	1xD M-S
Clean entrance doors (glass, metal or wood surfaces)	1xD M-S
Clean exterior fixtures	2xY M-S

**Public Access Restroom Responsibilities**

**Frequency / Notes**

Empty, clean & reline trash can	2xD M-S
High dust	2xD M-S
Low dust	2xD M-S
Clean & disinfect horizontal & vertical surfaces & restroom fixtures	2xD M-S
Clean & replenish all dispensers	2xD M-S
Dust mop floor	2xD M-S
Wet mop floor	2xD M-S
Police area (replenish supplies, clean spills, wipe surfaces, empty trash and report malfunctioning fixtures as needed)	3xD M-S
Soap Scrub or Deep Clean floors	3xYr
Remove any and all Graffiti	1XD M-S

**Janitor Closet Responsibilities**

**Frequency / Notes**

Clean janitorial closets	2xW
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**In-Unit Restroom Responsibilities**

**Frequency / Notes**

Clean toilets inside and out	1xW
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Clean shower walls top to bottom, shower flooring, polish shower spout and handle, clean shower curtain with bathroom cleaner to remove soap scum and mildew	1xW
Wipe towel bars/hooks	1xW
Wipe toilet paper holder	1xW
Wipe any other wall mounted fixtures	1xW

<b>Entrances, Corridors, and Lobby Responsibilities</b>	<b>Frequency / Notes</b>
Empty & reline trash can. Clean if necessary	1xD M-S
Clean horizontal & vertical surfaces	1xD M-S
Clean, disinfect & polish water fountains	1xD M-S
Dust mop floor.	1xD M-S
Vacuum carpets & mats, removed gum and soiled spots	1xD M-S
Wet mop floor.	1xD M-S
Low dust	1xD M-S
High dust	1xD M-S
Dust mop & scrub floor – 1 <sup>st</sup> floor	3xW M-S
Dust mop & scrub floor- 2 <sup>nd</sup> and up	2xW M-S
Buff floors	1xW M-S
Vacuum & spot clean upholstered furniture	1xW M-S
Buff first floor lobby	1XD M-S
Clean entrance door glass	1XD M-S
Clean glass partition & display cases	1xD M-S
Spot clean smudges, finger marks on walls, door facing, and doors.	1xD M-S
Dust furniture	1xD M-S

<b>Stairs and Landings</b>	<b>Frequency / Notes</b>
Clean horizontal & vertical surfaces	1xD M-S
Dust mop floor or sweep floor	1xD M-S
High dust	1xW M-S
Wet mop floor	1xD M-S
Pressure wash exterior stairs and landings	1xM

<b>Elevators</b>	<b>Frequency / Notes</b>
Clean & polish horizontal & vertical surfaces	1xD M-S
Dust mop floor or sweep floor	1xD M-S
Vacuum interior & horizontal tracks	1xW M-S
Wet mop floor	1xD M-S
Remove graffiti	1xD M-S
Remove any trash	1xD M-S

<b>Break Room, Office Space, and Reception Responsibilities</b>	<b>Frequency / Notes</b>
Empty trashcan. Clean & reline if necessary	1xD M-F
Clean/dust horizontal & vertical surfaces	1xD M-F
Dust mop floor	1xD M-F
Complete vacuum floor. Remove spots and gum	1xD M-F
Wet mop floor	1xD M-F
Low dust	1xD M-F

High dust	1xW M-F
Vacuum & spot clean upholstered furniture	1xW M-F
Vacuum Air Supply and Return Air Vents	1xW
Clean windows	1xW
Dust blinds	1xW

<b>Classroom / Gathering Area Responsibilities</b>	<b>Frequency / Notes</b>
Empty trashcan. Clean & reline if necessary	2xD M-F
Clean/dust all horizontal & vertical surfaces (desks, boards, chairs, etc.)	1xD M-F
Dust mop floor	1xD M-F
Complete vacuum floor. Remove spots and gum	1xD M-F
Wet mop floor	1xD M-F
Shampoo carpet	1x Yr
Strip, refinish/seal hard surface floors	1x Yr
Low dust (furniture, table/chair rails and legs)	1xD M-F
High dust areas over 6 feet (vents, light fixtures, blinds)	1xW M-F
Police and Replenish chalk, erasers, and markers (maintain 2 writing utensils at each board and 1 eraser per board)	1XD M-F
Vacuum & spot clean upholstered furniture	1xM
Vacuum Air Supply and Return Air Vents	1XW
Damp Clean desk and table tops, spot clean door surfaces, and smudges on walls and light switch.	1xD

<b>Weekend Services</b>	<b>Frequency / Notes</b>
Pick up trash from around the exterior of buildings	1xD S-S
Check front desks for work orders, respond to emergency needs such as a main light bulb, toilet overflowing, refrigerator out, vomit or fecal matter clean up that was not handled by on-call crew	1xD S-S
Check hall bathrooms for major issues, flush all toilets, sweep up any paper or trash off floors	1xD S-S
Restock tissue and paper towels dispensers as needed	1xD S-S
Thoroughly clean main floor public restrooms	1xD S-S
Clean glass windows and doors at entrances of buildings	1xD S-S
Sweep off/vacuum entrance mats	1xD S-S
Rearrange furniture in lobby/entrances as needed	1xD S-S
Priority is to handle emergencies and make sure first impression areas are properly maintained for students, parents, and visitors.	1xD S-S

<b>Floors (hard surfaces)</b>	<b>Frequency / Notes</b>
Mop and scrub	1xD
Buff floors for high traffic areas	3xW M,W,F
Soap scrub	1xY (December)
Strip and wax	1xY (July)

<b>On-Call Staffing Standard</b>	<b>Frequency / Notes</b>
One supervisor and two staff members per shift (the on call supervisor may call one or both individuals depending on the size of the clean up)	As Needed
Supervisor should keep on call phone on them and will answer immediately or respond within 5 minutes	As Needed
On call staff will respond to pages within 10 minutes	As Needed

As Needed
On call supervisors and staff members will arrive on campus within 30 minutes of notification of incident

Additional Responsibilities	Frequency / Notes
Escort contractors and vendors	As required
Change out assets	As required
Assist residents and staff with props, asset, and needs within the building	As required
Set up and take down for programs	As required
Change light bulbs	As required
Change batteries in smoke detectors, as needed	As required
Pressure wash exterior areas of buildings (sidewalks, windows, walls, porches, patios, etc.)	2xY M-F
Trash and recycling (daily)	1XD M-S
Pickup and pull from receptacles throughout: hallways, trash rooms, public spaces, and restrooms.	1XD M-S
Bring to common location for pick up and delivery to dumpsters	1XD M-S
Deliver trash and recyclables to dumpsters	1XD M-S
Pick up in parking lots and on the exterior of the building (this includes in landscape bushes and exterior trash receptacles)	1XD M-S

**Move-in and Move-out (Residence Halls)**

Bedroom Area Responsibilities
Sweep and dust all baseboards
Wipe Walls
Clean all bed frames
Clean blinds and make sure they are down and closed
Make sure closet doors are on track
Wipe closet doors on the inside and outside
Wipe all window ledges
Open the window and clean the track
Make sure bedroom furniture is arranged appropriately
Check walls for paint and plaster issues (report to sup)
Clean all AC vents above bedroom doors
Wipe legs of desk chair and clean off cushions
Clean foot rest on desk
Clean top surfaces of desk and dresser
Clean inside drawers of desk and dresser
Wipe closet rods and shelf/shelves
Clean bookcase shelves
Clean and disinfect mattress/ replace if necessary
Clean light fixtures
Wipe light switch plate and outlets
Place linen info sheet, cup & soap on dresser
Make beds with linen and place towels on bed
Vacuum carpet if dust bunnies fall on it when cleaning

**Bathroom Responsibilities**

Remove all stains from tubs and clean thoroughly
Check caulking around tub edges and at base of toilet
Scrub all shower walls
Replace old shower curtains
Replace rusted shower curtain rings
Clean base of toilet and area behind toilet
Clean pipe behind toilet
Clean walls around commode
Remove all hard water stains from sink and faucet
Clean all vanity drawers and counter top
Clean under vanity, including doors
Remove hardwater stains from inside/outside of toilet
Wipe shower rod, towel bar/ring, & shower head
Clean heater vent
Clean light cover
Clean mirror
Clean light fixture
Wipe light switch plate and outlets
Clean robe hook behind door
Scrub floors with doddle bug pad if necessary
Sweep and dust all baseboards
Sweep and mop floor
Wipe walls

**Living Room Responsibilities**

Mop tile areas around entrance doors
Wipe front door, inside and out
Dust AC vents
Sweep and dust all baseboards
Wipe walls
Clean blinds and make sure they are down and closed
Wipe all window ledges
Open the window and clean the track
Windex windows
Check lamps for working bulbs and top screws (finial)
Clean or replace lamp shades
Check ceilings for stickers, cobwebs and mildew
Report and wall damage to supervisor
Clean light fixtures
Wipe light switch plate and outlets
Vacuum carpet if dust bunnies fall on it when cleaning

**Kitchen Responsibilities**

Clean stove hood
Clean exhaust fan
Replace lights
Clean burner pans, replace if necessary
Pull stove and fridge from wall
Clean walls and baseboards
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Wipe and clean out drawers
Wipe light switch plate and outlets
Polish sinks with cleaner
Check dishwasher and cabinets for dishes and dispose
Clean inside dishwasher after running it for a rinse cycle
Clean outside door of dishwasher
Clean inside and out of fridge including door & handle
Clean shelves in fridge
Wash or replace exhaust vent
Clean microwave inside and out, including glass plate
Clean stove top, oven and broiler

**Laundry Responsibilities**

Pull washer and dryer from wall
Clean walls and baseboards
Clean dryer vent and hoses
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Clean around door seal to washer and dryer

**Hallway Responsibilities**

Set thermostat to 72 degrees
Wipe walls and baseboards
Wipe around AC vents
Check filter & make sure date is for May, if not...replace

**Furniture Responsibilities**

Check couch and sofa pillows for cleanliness
Check furniture for trash deep down inside for trash
Return pillows to correct position
Return furniture to its normal position
Wipe down and clean chairs at breakfast bar

**Other Responsibilities**

Make sure all lights are working and are off
Lock door
Dispose trash
Pressure wash exterior
Clean trash in hedges and grounds
Empty exterior trash receptacles

**Conference Greater Than Two Days (Residence Halls)**

**Linen Service Responsibilities**

Make beds (top sheet / bottom sheet / blanket / pillow case / pillow)
Change linens
Towels / washcloth service (large bath towel / 2 washcloths / hand towel)
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Clean around door seal to washer and dryer

**Bedroom Area Responsibilities**

Sweep and dust all baseboards
Wipe Walls
Clean all bed frames
Clean blinds and make sure they are down and closed
Make sure closet doors are on track
Wipe closet doors on the inside and outside
Wipe all window ledges
Open the window and clean the track
Make sure bedroom furniture is arranged appropriately
Check walls for paint and plaster issues (report to sup)
Clean all AC vents above bedroom doors
Wipe legs of desk chair and clean off cushions
Clean foot rest on desk
Clean top surfaces of desk and dresser
Clean inside drawers of desk and dresser
Wipe closet rods and shelf/shelves
Clean bookcase shelves
Clean and disinfect mattress/ replace if necessary

Clean light fixtures
Wipe light switch plate and outlets
Place linen info sheet, cup & soap on dresser
Make beds with linen and place towels on bed
Vacuum carpet if dust bunnies fall on it when cleaning

**Bathroom Responsibilities**

Remove all stains from tubs and clean thoroughly
Check caulking around tub edges and at base of toilet
Scrub all shower walls
Replace old shower curtains
Replace rusted shower curtain rings
Clean base of toilet and area behind toilet
Clean pipe behind toilet
Clean walls around commode
Remove all hard water stains from sink and faucet
Clean all vanity drawers and counter top
Clean under vanity, including doors
Remove hardwater stains from inside/outside of toilet
Wipe shower rod, towel bar/ring, & shower head
Clean heater vent
Clean light cover
Clean mirror
Clean light fixture
Wipe light switch plate and outlets
Clean robe hook behind door
Scrub floors with doddle bug pad if necessary
Sweep and dust all baseboards
Sweep and mop floor
Wipe walls

**Living Room Responsibilities**

Mop tile areas around entrance doors
Wipe front door, inside and out
Dust AC vents
Sweep and dust all baseboards
Wipe walls
Clean blinds and make sure they are down and closed
Wipe all window ledges
Open the window and clean the track
Windex windows
Check lamps for working bulbs and top screws (finial)
Clean or replace lamp shades
Check ceilings for stickers, cobwebs and mildew
Report and wall damage to supervisor

Clean light fixtures
Wipe light switch plate and outlets
Vacuum carpet if dust bunnies fall on it when cleaning

**Kitchen Responsibilities**

Clean stove hood
Clean exhaust fan
Replace lights
Clean burner pans, replace if necessary
Pull stove and fridge from wall
Clean walls and baseboards
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Wipe and clean out drawers
Wipe light switch plate and outlets
Polish sinks with cleaner
Check dishwasher and cabinets for dishes and dispose
Clean inside dishwasher after running it for a rinse cycle
Clean outside door of dishwasher
Clean inside and out of fridge including door & handle
Clean shelves in fridge
Wash or replace exhaust vent
Clean microwave inside and out, including glass plate
Clean stove top, oven and broiler

**Laundry Responsibilities**

Pull washer and dryer from wall
Clean walls and baseboards
Clean dryer vent and hoses
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
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Check appliances for rust
Clean around door seal to washer and dryer

**Hallway Responsibilities**

Set thermostat to 72 degrees
Wipe walls and baseboards
Wipe around AC vents
Check filter & make sure date is for May, if not...replace

**Furniture Responsibilities**

Check couch and sofa pillows for cleanliness
Check furniture for trash deep down inside for trash
Return pillows to correct position

Return furniture to its normal position
Wipe down and clean chairs at breakfast bar

**Other Responsibilities**

Make sure all lights are working and are off
Lock door
Dispose trash
Pressure wash exterior
Clean trash in hedges and grounds
Empty exterior trash receptacles

**Conferences Less Than Two Days (Residence Halls)**

**Bathroom Responsibilities**

Remove all stains from tubs and clean thoroughly
Check caulking around tub edges and at base of toilet
Scrub all shower walls
Replace old shower curtains
Replace rusted shower curtain rings
Clean base of toilet and area behind toilet
Clean pipe behind toilet
Clean walls around commode
Remove all hard water stains from sink and faucet
Clean all vanity drawers and counter top
Clean under vanity, including doors
Remove hardwater stains from inside/outside of toilet
Wipe shower rod, towel bar/ring, & shower head
Clean heater vent
Clean light cover
Clean mirror
Clean light fixture
Wipe light switch plate and outlets
Clean robe hook behind door
Scrub floors with doddle bug pad if necessary
Sweep and dust all baseboards
Sweep and mop floor
Wipe walls

**Living Room Responsibilities**

Mop tile areas around entrance doors
Wipe front door, inside and out
Dust AC vents
Sweep and dust all baseboards
Wipe walls
Clean blinds and make sure they are down and closed
Wipe all window ledges

Open the window and clean the track
Windex windows
Check lamps for working bulbs and top screws (fnial)
Clean or replace lamp shades
Check ceilings for stickers, cobwebs and mildew
Report and wall damage to supervisor
Clean light fixtures
Wipe light switch plate and outlets
Vacuum carpet if dust bunnies fall on it when cleaning

**Kitchen Responsibilities**

Clean stove hood
Clean exhaust fan
Replace lights
Clean burner pans, replace if necessary
Pull stove and fridge from wall
Clean walls and baseboards
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Wipe and clean out drawers
Wipe light switch plate and outlets
Polish sinks with cleaner
Check dishwasher and cabinets for dishes and dispose
Clean inside dishwasher after running it for a rinse cycle
Clean outside door of dishwasher
Clean inside and out of fridge including door & handle
Clean shelves in fridge
Wash or replace exhaust vent
Clean microwave inside and out, including glass plate
Clean stove top, oven and broiler

**Laundry Responsibilities**

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Clean walls and baseboards
Clean dryer vent and hoses
Sweep and mop floor under machines and all around
Clean cabinet doors and shelves
Clean light fixture
Check appliances for rust
Clean around door seal to washer and dryer

**Hallway Responsibilities**

Set thermostat to 72 degrees
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Return pillows to correct position
Return furniture to its normal position
Wipe down and clean chairs at breakfast bar

**Other Responsibilities**

Make sure all lights are working and are off
Lock door
Dispose trash
Pressure wash exterior
Clean trash in hedges and grounds
Empty exterior trash receptacles

N. Apartment and Residence Hall Maintenance Responsibilities.

The Facility Manager will be required to establish a procedure for the processing of all work requests received for facilities, systems, furniture and equipment included in the Project. The following is provided and will be followed to mirror currently used procedures by Residential life to insure a transparent system between Residential Life and Facility Manager maintained properties. This section provides practical procedures on the expectations and communication between the Maintenance Department and customers. It is designed to define the Levels of Service that can be expected by Residential Life that best serve the priorities of LSU Residential Life and LSU as a whole.

A. Core Responsibilities

The primary responsibility of the Facility Manager is to insure that all building systems are operating as designed to provide a safe and healthy learning environment for students and staff. The maintenance operation provides the following types of services for the buildings, grounds, systems, equipment, and furnishings:

- Emergency Repair – Immediate response to potential building shut-down situations
- Corrective – Repair & replacement of building and site components
- Preventative – Routine tasks to keep buildings, grounds, and systems functioning properly
- Code Compliance – Testing, repair, & replacement to comply with regulations
- Minor Improvement – small building & site enhancement projects

B. Maintenance Services Requests

- a. The Facility Manager will provide a Maintenance Service function - The Maintenance Service will be a 24 hour, 365 day operation responsible for receiving work requests, approving, and dispatching/scheduling. All work requests will be logged into the Residential Life CMMS, where work orders will be assigned, scheduled, tracked, and measured to completion.
- b. The CMMS will automatically send an email response to the requestor notifying them that the request has been received, accepted or rejected, converted to a work order, and when the work order should be completed.
- a. Hours of Operation - The Maintenance Service will be staffed from 7:30 am to 4:00 PM Monday thru Friday except holidays. The Facility Manager will provide an after hour contact/service for emergency requests.

- b. Work Requestors & Building Liaisons - All Residential Life buildings will have one or more Building Liaisons assigned to receive work requests from any staff / student requestor in their building, normally the front desk. If the request is an emergency situation; in addition to submitting the request, the building liaison should call the Maintenance Service to discuss and clarify the severity of the problem. The Maintenance Service will notify the relevant personnel to respond to the emergency.
- c. Maintenance Service Function - The Maintenance Service and Supervisors will review all work requests as they are received, assess the severity of the problem, assign a priority level, and then assign the work order to the appropriate maintenance technician. If further clarification is required the Maintenance Service will contact the Building Liaison/Requester.
- d. Maintenance Staff - All Maintenance staff will review the work orders as received. The priority level and severity of the problem will dictate the order in which each work request is resolved. When work is completed, the Maintenance technician will add the appropriate comments related to the resolution. Maintenance staff shall enter all relevant information regarding the work order prior to closure inclusive of all hours and materials which have been allotted to the particular work order.
- c. Response/Resolution Priorities - Response Priorities will be assigned to each work order request. The priority may be adjusted up or down by the Supervisor or as conditions warrant. In some cases, a temporary solution may be implemented to allow time for a permanent resolution.

C. Response Level Scenario:

<b>Response Level</b>	<b>Scenario</b>	<b>Completion</b>
Priority 10 – Emergency (EM10)	Major Loss of Heat or Cooling Major Loss of Water or Sanitation Immediate Security or Safety Issues	95% of Work Orders Same Day or within 24 hrs.
Priority 8 – Urgent (CM8)	Door Failure Clogged Drain Loose Handrails Improper Lighting	80% of Work Orders Next Day or within 36 hrs.
Priority 7 – Code Compliance (CM7)	Fire Marshal Inspections / ADA	100% of Work Orders in two days or within 48 hrs.
Priority – 6 Routine (CM6)	General Maintenance	60% of Work Orders in five days or within 120 hrs.

D. Maintenance Schedules

Facility Manager will establish schedules for each building to conduct preventative and routine work for that building. Maintenance staff will be responsible for developing a list of tasks to be performed on the building by conducting walkthroughs and/or reviewing work orders. This compiled list will be prioritized based on the highest need and potential impact to the learning environment and safety of the students. Work will be completed as time and resources allow starting with the highest to lowest and based upon priority.

E. Key Performance Indicators

Performance measures will be established, measured and reviewed for continuous improvement of maintenance services. These performance indicators will focus on response, work order backlog, completed versus open work, and completed work orders by facility. The key performance indicators shall be mutually agreed upon between Facility Manager and LSU.

F. Work Order Priorities

All work orders entered into the CMMS will fall into one of the following priorities. Work orders will be addressed first by their priority level and subsequently by their request date. Any work order that is not addressed within the time frame of their established priority level will be elevated to the next higher priority level.

If an immediate repair is not possible, the affected/requestor will be notified of the estimated time of repair and any temporary loss of services required to address the issue (e.g. precautionary shutdowns of electrical or plumbing systems). After hours and on weekends, on-call staff will need to be notified, and a representative from the appropriate craft will be called in. An emergency will be handled immediately to within 24 hours. If the situation has been temporarily addressed but not completely resolved, the work order may be re-prioritized as an Urgent or Routine work order.

**Emergency Work Orders:** (EM 10) Emergency (Measured) items include, but are not limited to:

- Conditions that affect the safety or health of members of the campus community or surrounding area.
- Conditions that immediately affect the continued performance of academic, student, or administrative functions - Examples include:
  - Major loss of building heat
  - Loss of power to all circuits in area (if one outlet of many is effected this should be classified as a lower priority)
  - Elevator malfunctions
  - Smoke
  - Fire alarms
  - Continuous leaks that may result in damage to facility or contents (If leak can be contained it should be, i.e.- turning off water source if drain is leaking or marking the equipment "out of order" if more are available)
- Immediate security issues - Examples include:
  - Broken windows or doors that cannot be secured for a "sensitive area" such as student records area
  - Fire or emergency systems in state of alarm or limited function that must be returned to normal to insure safety of occupants
  - Exterior doors that will not secure

**Urgent Work Orders:** Urgent work is work that is needed to accomplish the University's primary objective (education) by preventing a breakdown of essential operation or housekeeping functions, or improving the operational performance of a necessary system. Urgent work covers situations are those that severely impair but do not hinder operations. These situations will be investigated and completed within 36 hours. If the situation has been temporarily addressed but not completely resolved, the work order may be re-prioritized as a Routine work order.

**(CM 8) Urgent (Measured)** work orders include, but are not limited to:

- Door failure
  - Depending on situation, if the door is an inner door, and the area can be secured through locking an outer door.
- Clogged drains (not overflowing)
  - Drains that can be secured by turning off water
  - Leaks that only result from use of system and other facilities are available.
- Improper lighting
  - Part of a light fixture is inoperable in a mission critical area, over desks or student areas (two bulbs of four in an florescent fixture)
- Plumbing repair
  - Broken Toilet seats
  - Loose fixtures
- Floor and ceiling repair
  - Loose or frayed carpet in high traffic areas

- Loose handrails on stairs
- Step coverings
- Water damaged ceiling tiles, broken or loose.

(CM 7) Code Compliance ADA / Fire Marshal (Measured) work orders include, but are not limited to:

- Fire Marshal or code compliance corrective actions. Items that need to be corrected as soon as possible to remedy fire marshal inspection discrepancies, code inspector or safety findings, etc. Takes priority over routine work orders

### **Routine Work Orders**

Routine maintenance items are items that can be scheduled and completed within a one-week period and will be placed into the schedule upon completion of any Emergency or Urgent work orders. These items are routine in nature or minor events that should be planned in advance. **\*\*Major events should be scheduled farther in advance to insure availability of resources and materials\*\***

(CM 6) Routine (Measured) work orders include, but are not limited to:

- General Maintenance Issues
  - Lighting (Bulbs or fixture outages that do not affect the operation of the area at the present time)
  - Electrical (General electrical issues that do not pose a safety risk)
  - Plumbing (Plumbing repairs to maintain regular operations, replacement of toilet seats (discolored toilet seats, paper dispensers, etc.)
  - Grounds keeping issues
  - Painting

### **Preventive Maintenance Work Orders**

(PM 5) Preventative Maintenance (Measured) work orders are designed to insure optimum operation and life cycle of the item. The following matrix identifies those tasks, but are not limited to and may be changed with approval from LSU.

#### **Exterior**

- Exterior lighting
  - All interior and exterior common area / parking lights will be visually inspected on a weekly basis and repairs made as needed
  - Lighting inspection reports will be held on record for 12-months
- Drains, Gutters, Downspouts and Exterior Dryer Vents
  - All drains will be inspected and cleaned on a quarterly basis
  - Gutters and downspouts will be inspected and cleaned on a semi-annual basis. Repairs/replacements will be made as needed
- Dumpsters & Dumpster enclosures
  - Dumpsters and enclosures will be inspected for proper operation on a quarterly basis.
  - Hinges, slats, doors and dumpster lids will be repaired or replaced as needed
- Gates and Fencing
  - All fencing and gates will be inspected on a weekly basis to ensure Student Housing Facilities operation and remains in good repair
- Golf Carts
  - All golf carts will be inspected on a weekly basis
  - Tires, brakes and charging systems will be inspected for proper operation
- Landscaping
  - Lawn Care
    - Mowing, edging, trimming, blow debris from sidewalks/pavements
    - Fertilizer application
    - Herbicide and Insect control

- Landscaped areas will be inspected weekly to ensure all plants are healthy and Student Housing Facilities trimmed
- All trees will be trimmed to the following:
  - 3 feet from building
  - 8 feet off the ground
  - 5 feet from electrical wires
- Irrigation Systems
  - All zones, timers and heads will be tested annually for proper operation
- Smoke detectors
  - All smoke detectors will be inspected monthly
    - Staff will test the smoke detector to ensure operation
    - Batteries will be replaced as needed or on an annual basis (which every is shorter)
- Winterize
  - All exterior spigots will be covered
  - In the event of freezing temperatures, weather signage will be placed at entrances
  - Irrigation pipes will be properly sealed during cold weather
- Exterior Cleaning and Pressure washing
  - Deep cleaning and pressure washing of all windows, doors and exterior brick/siding/façade will be cleaned semi-annually
  - Sidewalks will be pressure washed semi-annually
- Parking lot cleaning
  - Parking lots will be cleaned and maintained on a daily basis
  - Parking lots will be swept semi-annually
  - Parking lines will be repainted bi-annually
- Roof
  - Roof systems will be inspected bi-annually by an independent vendor who will perform a comprehensive inspection of the system and make recommendation of repairs/replacements
  - Repairs will be made as needed

#### **Interior**

- Interior Repairs and Maintenance (painting / drywall / flooring / caulking / doors / hardware)
  - All repairs will be made by the staff in a professional manner
  - When making caulking repairs, old caulk will be removed prior to applying new caulk
- Alarm Systems - Door
  - Alarm systems will be tested annually by an independent vendor who will perform a comprehensive inspection of the system and make recommendation of repairs/replacements
- Cameras / Security Systems
  - Security systems will be tested by an independent vendor who will perform a comprehensive inspection of the system and make recommendation of repairs/replacements
- Fire / Safety systems
  - Alarms, Sprinklers, Extinguishers and Backflow Preventers will be tested by an independent vendor who will perform a comprehensive inspection of the system and recommendation of repairs/replacements
- Entry / Key / Lock Maintenance
  - All key, cards and keying systems will be reprogrammed on an annual basis
  - Keying systems will receive software upgrades as available
  - Key-out reports will be run at the end of each day to ensure all keys have been returned
- HVAC

- HVAC systems will be inspected and cleaned semi-annually
  - Inspect disconnect box to ensure covers are in place and closed
  - All coils will be cleaned
  - Freon will be charged and levels inspected
  - Check for leaks
- Filters changed on a monthly basis
  - Repairs / replacement completed as necessary
- Windows / Doors
  - All window and screen will be visually inspected on a weekly basis to ensure none are in disrepair
    - All broken window or screens will be repaired immediately
  - Door will be inspected to ensure locking systems are working properly and door seal are in good condition
- Elevator
  - Elevator systems will be tested by an independent vendor who will perform a comprehensive inspection of the system and make recommendation of repairs/replacements
- Electrical Repairs and Maintenance
  - All electrical components will be inspected annually
    - All electrical repairs needed beyond the drywall into the wall will be performed by a licensed electrician
- Plumbing Repair and Maintenance
  - All pipes will be visually inspected for leaks on a monthly basis
    - All plumbing repairs will be completed in a professional manner
  - All toilets and faucets will be inspected for leaks
  - Toilet flappers will be replaced on an annual basis
- Pest Control
  - Pest control will be performed on a bi-weekly basis by an independent contract
    - 1/3 of the building exterior and common spaces will be sprayed monthly
    - All in-unit complaints will be addressed on 24-hour basis

**Scheduled Maintenance**

Scheduled Maintenance items are items that will require more time than a normal Routine work order because of parts ordering or customer requirements, but do not fall within the description of a Project. Scheduled Maintenance items should be completed within 30 days.

**Deferred**

Deferred work orders include items that can be scheduled and completed within the framework of a project plan, that are scheduled to support Major Events or functions on the campus, or will by design, exceed the 30 days window for completion within a Scheduled Maintenance work order.

O. Apartment and Residence Hall Maintenance Responsibilities:

1. The below matrix outlines specific duties that will be completed by the Facility manager’s facility maintenance staff,

a. \_\_\_\_\_ Apartments

<b>Maintenance Overhead Responsibilities</b>	<b>Frequency / Notes</b>
Maintenance salaries / benefits	Payroll operates on a semi-monthly basis
Maintenance equipment repair, maintenance, and replacement	Maintenance equipment will be audited and have prev. maint on a semi-annual basis. Repairs will be done as needed

Maintenance office supplies / cleaning supplies / uniforms	Supplies will be ordered as needed; Uniforms will be supplied on a Semi-annual basis
Maintenance software, work order management	Software to handle all facility management actions
Maintenance telephones (land lines and cell phones)	Land line phones will be available in office and there will be one cell phone for on-call emergencies
Budgeting / cost management / reporting	Budgets will be completed annually and reported monthly
Access management (keys)	Key access will be controlled via a key management system
Staffing procedures (hiring / firing) / scheduling	Staffing will be managed by the community manager and staff will receive schedules on a monthly basis
Performance evaluation / routine quality control	Performance evals will be conducted annually; QC audits will be conducted quarterly
Transportation (golf carts)	Golf carts will be issued
Permitting / inspections	Fire alarm, elevator, generator, DAS; Backflow; fire suppression,
Capital planning	CapEx projects will be determined on an annual basis to coincide with budget preparations
Work order processing / response	Work orders response time will align with Section L herein with 24/7 emergency response

Maintenance Responsibilities	Frequency / Notes
Elevator repair and maintenance	All Expenses Not Covered by MRA
Fire / safety system maintenance	All Expenses Not Covered by MRA
Key / lock maintenance	All Expenses Not Covered by MRA
Security camera maintenance	All Expenses Not Covered by MRA
Electric repair and maintenance	All Expenses Not Covered by MRA
Exterior / envelope cleaning and maintenance	All Expenses Not Covered by MRA
Interior repair and maintenance (painting / drywall / flooring / caulking / doors / hardware)	All Expenses Not Covered by MRA
Plumbing repair and maintenance	All Expenses Not Covered by MRA
Roof repair and maintenance	All Expenses Not Covered by MRA
Pest control	All Expenses Not Covered by MRA
Preventative maintenance	All Expenses Not Covered by MRA
Appliance repair and maintenance	All Expenses Not Covered by MRA

Maintenance Responsibilities	Frequency / Notes
Filter replacement	Monthly
Smoke alarm battery replacement	Annually
Exterior Lighting	Inspection weekly
HVAC cleaning	Annually
Elevators	Quarterly
Common Area floor cleaning	Semi Annually
Toilet flapper replacement	Bi-annually
Backflow testing / Repairs	Annually
Fire Suppression testing / Repairs	Annually

b. Residence Halls

Maintenance Overhead Responsibilities	Frequency / Notes
Maintenance salaries / benefits	Payroll operates on a semi-monthly basis

Maintenance equipment repair, maintenance, and replacement	Maintenance equipment will be audited and have prev. maint on a semi-annual basis. Repairs will be done as needed
Maintenance office supplies / cleaning supplies / uniforms	Supplies will be ordered as needed; Uniforms will be supplied on a Semi-annual basis
Maintenance software, work order management	Software to handle all facility management actions
Maintenance telephones (land lines and cell phones)	Land line phones will be available in office and there will be one cell phone for on-call emergencies
Budgeting / cost management / reporting	Budgets will be completed annually and reported monthly
Access management (keys)	Key access will be controlled via a key management system
Staffing procedures (hiring / firing) / scheduling	Staffing will be managed by the community manager and staff will receive schedules on a monthly basis
Performance evaluation / routine quality control	Performance evals will be conducted annually; QC audits will be conducted quarterly
Transportation (golf carts)	Golf carts will be issued
Permitting / inspections	Fire alarm, elevator, generator, DAS; Backflow; fire suppression,
Capital planning	CapEx projects will be determined on an annual basis to coincide with budget preparations
Work order processing / response	Work orders response time will align with Section L herein with 24/7 emergency response

Maintenance Responsibilities	Frequency / Notes
Elevator repair and maintenance	All Expenses Not Covered by MRA
Fire / safety system maintenance	All Expenses Not Covered by MRA
Key / lock maintenance	All Expenses Not Covered by MRA
Security camera maintenance	All Expenses Not Covered by MRA
Electric repair and maintenance	All Expenses Not Covered by MRA
Exterior / envelope cleaning and maintenance	All Expenses Not Covered by MRA
Interior repair and maintenance (painting / drywall / flooring / caulking / doors / hardware)	All Expenses Not Covered by MRA
Plumbing repair and maintenance	All Expenses Not Covered by MRA
Roof repair and maintenance	All Expenses Not Covered by MRA
Pest control	All Expenses Not Covered by MRA
Preventative maintenance	All Expenses Not Covered by MRA
Appliance repair and maintenance	All Expenses Not Covered by MRA

Maintenance Responsibilities	Frequency / Notes
Filter replacement	Monthly
Smoke alarm battery replacement	Annually
Exterior Lighting	Inspection weekly
HVAC cleaning	Annually
Elevators	Quarterly
Common Area floor cleaning	Semi Annually
Toilet flapper replacement	Bi-annually
Backflow testing / Repairs	Annually
Fire Suppression testing / Repairs	Annually
Card access battery and Uninterruptable Power Source ("UPS") Replacements	Annually

**EXHIBIT 3.9.4**  
**REQUIRED INFORMATION AND PROJECTIONS**

**EXHIBIT 3.10.2**  
**MONTHLY/QUARTERLY REPORTS**

The following reports are to be provided on a monthly basis on the 20<sup>th</sup> day of each month following the month to which the report relates:

- Operating Statement (summary and detail)
- Balance Sheet
- Budget Comparison (summary and detail) with variance explanation
- Rolling 13 Month Trend Report (summary and detail)
- Reforecast Report for Fiscal Year
- General Ledger
- Summary of Capital Expenditure- List of current expenditures (with supporting invoices) in comparison to budget.
- Check Register

The following reports are to be provided on a quarterly basis on the 20<sup>th</sup> day of each month following the quarter to which the report relates:

- Operating Summary (summary and detail)
- Balance Sheet
- Budget Comparison (summary and detail) with variance explanation

**EXHIBIT 3.10.3**  
**DESTRUCTION OF RECORDS**

**Title/Topic:** Records and Archives

**Number:** 74.02

**Functional Classification:** Institutional Governance & Administration

**Monitoring Unit:** Office of Academic Affairs

**Initially Issued:** July 1, 1990

**Last Revised:** April 1, 2016

**Last Reviewed:** April 1, 2016

## UNIVERSITY RECORDS AND UNIVERSITY ARCHIVES

### PURPOSE

To define University Records, establish on campus a University Archives, designate a University Archivist and outline the responsibility of that officer, to set forth the policies and procedures for the definition and retention of University Records, and to bring University policy and practice into conformance with the applicable statutes.

### DEFINITIONS

Records -- The State Archival, Historical and Public Records Act defines "records" papers, letters, books, drawings, maps, plats, photographs, magnetic or optical media, microfilm, microphotograph, motion picture film, or other document or any other material, regardless of physical form or characteristic, generated or received under law or in connection with official business...(R.S. 44:402)

University Records -- All of the records of the University, its offices, departments, and bureaus, or collected or preserved by such offices, departments, and bureaus for informational or legal value, are University Records. The personal papers of faculty, officers, and staff of the University, documenting their personal research and professional activities, are not included in University Records.

Retention and disposal schedule -- Defined by statute "a set of disposition instructions prescribing how long, in what location, under what conditions, and in what form records series shall be kept." (R.S. 44:402)

University Archivist -- An officer of the LSU Libraries, designated by the Dean of LSU Libraries, with the following responsibilities and authority:

1. to review and appraise University records in all offices and bureaus of the University;
2. to designate for retention and preservation those records having continuing administrative value or permanent historical value, and to authorize the destruction of those records which are no longer of value;
3. to prepare retention and disposal schedules for classes of record material, as required by statute (R.S. 44:411);
4. to arrange with each office and bureau within the University for the timely and appropriate transfer of non-current records to appropriate storage facilities, and to direct the arrangement, description, and access to these materials in accordance with accepted archival principles and practices;
5. to develop and maintain a records management manual for the guidance of University offices, departments and bureaus;
6. to serve as the University's records officer and act as liaison with the State Division of Archives, Records Management, and History, as required by statute (R.S. 44:411).

University Archives -- A unit of the LSU Libraries, under the general direction of the University Archivist, which serves the following functions:

1. to receive, appraise, organize, describe, preserve, and make available records of historical, legal, fiscal, and/or administrative value to the University;
2. to provide information services that will assist the faculty and administrative staff in the operation of the University;
3. to facilitate efficient records management;
4. to serve research and scholarship by making available and encouraging the use of its collections by members of the institution and the community at large;
5. to promote knowledge and understanding of the origins and development of the University, its mission, and its programs

### **GENERAL POLICY**

The records of the offices, departments, and bureaus of the University are University Student Housing Facilities. They may not be discarded, sold, destroyed, or in any way alienated without securing prior written authorization of the University Archivist.

The University Archivist will work with the offices, departments, and bureaus of the University to develop retention and disposal schedules for classes of records they create. The University Archivist will appraise specific groups of records and determine which have continuing administrative value and/or permanent historical value. These records will be designated for retention in the University Archives; other records will be scheduled for destruction.

The University Archivist will prepare and maintain a Records Management Manual for the guidance of University departments, offices and bureaus, which will serve as the official statement of the procedures to be followed in reviewing, storing, and disposing of records.

University Records transferred to the custody of the University Archives will be managed in accordance with normally accepted archival principles and practices. Access to the records will be provided to the originating agency upon request; access to other offices and departments, and individual citizens and researchers, will be provided, subject to normal security and confidentiality restrictions, in accordance with established procedures and as directed by applicable statutes.

### **PROCEDURES**

Procedures for implementing this policy will be developed by the University Archivist during the course of a two year University Records Survey. One product of the Survey will be a Records Management Procedures Manual, which will outline the procedures to be followed by University personnel.

**EXHIBIT 5.1**  
**FACILITIES MANAGER FEES**

The purpose of this Exhibit 5.1 is to provide the guidelines and parameters as to how the Facilities Manager Fees are determine/calculated and paid.

1. Definitions: For purposes of this Exhibit 5.1, any capitalized term not defined herein will have the meaning given to such term in the FOMA to which this Exhibit 5.1 is attached; furthermore, the following definitions shall apply:

(a) “Applicable Percentage”: means the following:

(i) 1.75% if Facilities Manager is providing Asset Management Services and Facilities Maintenance Services.

(ii) 2.25% if Facilities Manager is providing Asset Management Services, Facilities Maintenance Services and Custodial Services.

(b) “Effective Gross Income” means the gross revenue, derived directly from the operations of the Student Housing Facilities, respectively determined in accordance with Generally Accepted Accounting Principles, except that the following shall not be included in determining Effective Gross Income:

(i) any applicable excise, sales, occupancy and use taxes, or similar government taxes, duties, levies or charges collected directly from student residents and/or lessees, or as a part of the sales price of any goods, services, or displays, such as gross receipts, admission, or similar or equivalent taxes, including, but not limited to, any transaction tax, head tax, occupancy tax, amusement tax, beverage tax, or local or state sales tax;

(ii) any other government taxes, duties, levies and/or charges collected directly from student residents and/or lessees, or as a part of the sales price of any goods or services sold at the Student Housing Facilities;

(iii) receipts from the financing, sale or other disposition of capital assets and other items not in the ordinary course of business at Student Housing Facilities;

(iv) receipts from awards or sales in connection with any Taking, from other transfer in lieu of and under the threat of any Taking, and other receipts in connection with any Taking;

(v) proceeds of any insurance, including the proceeds of any business interruption insurance payable directly to Facilities Manager as the named insured thereunder (notwithstanding the foregoing, the proceeds of any business interruption insurance maintained by Provident-Flagship as the named insured thereunder shall be included as Effective Gross Income);

(vi) rebates, discounts, volume discounts, reduced rates, or credits of a similar nature;

(vii) proceeds of any financing;

(viii) other income or proceeds derived from operations outside of the Facility which are not generated in the ordinary and customary course of business;

(ix) interest earned on funds held in any account maintained by Provident-Flagship and LSU;

(x) the value of any complimentary goods or services;

(xi) refunds to any student resident and/or lessee of any sums or credits to any such person for lost or damaged items which are the result of the acts and/or omission of Facilities Manager; and/or

(xii) any revenue merely collected by Student Housing Facilities which are then paid to the utility and/or service provider under a service contract (as contemplated under Section 3.7 of this FOMA) who actually provided the goods and/or services to the Facility and/or the students/tenants thereof (each, a “Pass Through Revenue Expense”).

(c) Intentionally Omitted.

(d) “Asset Management and Facilities Maintenance Services” means the activities associated with the routine/ day to day maintenance and preventative maintenance as to Student Housing Facilities.

(e) “Custodial Services” means activities associated with the routine/day to day cleaning and periodic upkeep as to Student Housing Facilities.

## 2. Determination and Payment of Facilities Manager Fee.

(a) Provident-Flagship shall pay to the Facilities Manager, on a monthly basis, the product of (i) the Applicable Percentages multiplied by (ii) the Effective Gross Income generated by Student Housing Facilities for said measuring period.

(b) Since the Parties recognize and understand that the amount of Effective Gross Income cannot be determined until after the close of any particular measuring period, the Parties agree to the following mechanism to estimate and pay the Facilities Manager Fee:

(1) In connection with the process to finalize an Approved Operating Plan and Budget, Provident-Flagship, subject to the approval therefrom from LSU, shall estimate the amount of the Facilities Manager Fee that Provident-Flagship believes that will be due and payable for any Operating Year (the “Estimated Facilities Manager Fees”).

(2) After the Estimated Facilities Manager Fees has been determined for any particular Operating Year, Provident Flagship shall pay one-twelfth (1/12) of said Estimated Facilities Manager Fees on the 25<sup>th</sup> day of each month as payment for the next succeeding month..

(3) As soon as reasonably practicable after June 30 and December 31 of each calendar year, Provident-Flagship shall cause LSU to determine the actual Facilities Manager Fees that is due and payable under the terms of this FOMA, and:

(i) to the extent that the Facilities Manager Fees for any particular measuring period reveals a deficiency resulting from determination of the actual Facilities Manager Fees, then Provident-Flagship shall pay any such deficiency to the Facilities Manager with the Estimated Facilities Manager Fees for the next succeeding month; and

(ii) to the extent that the Facilities Manager Fees for any particular measuring period reveals an overpayment from determination of the actual Facilities Manager Fee, then, Provident-Flagship shall receive a credit in the amount of the overpayment with the Estimated Facilities Manager Fees for the next succeeding month(s).

**EXHIBIT 5.3.3**

**OPERATIONAL FUNDING REQUEST**

### **Operational Funding Request Procedures**

All invoices and expenses shall be submitted in accordance with, and paid in accordance to, the terms of the FOMA. All Funding requests, reports and accounts payable invoices will be submitted to the corporate office of Provident Resources Group, Inc. (“PRG”), the sole member of Provident-Flagship, LLC, as noted below. Once Funding requests and invoices have been submitted; payment processing will occur based on funds available.

- 1) **Vendors:** All new vendors must be approved in accordance with the terms of the Facilities Lease.
- 2) **Funding:** All Funding requests and accounts payable invoices must be submitted to the PRG Controller directly via email. Funding requests should be submitted on a timely basis. All invoices submitted must include the following information:
  - a) Funding requests will be submitted no later than the 20<sup>th</sup> day of the month for the following accounting period’s approved budgeted expenses.
  - b) Operational funding requests should include the following:
    - i) Certificate of Operational Funding (Exhibit \_\_)
    - ii) Certification of Costs Reflected as Expended Funds (Exhibit \_\_)
      - (1) Operating statement for the costs in the prior month
      - (2) General ledger detail for all costs in prior month
      - (3) Invoices supporting the detail items in the prior month
  - c) Invoices submitted must meet LSU Standards and federal minimum standards with regard to reimbursement procedures. All invoices must reflect Reimbursable Expenses as defined in the FOMA. Guidelines, include but are not limited to:
    - i) Invoices should include the vendor’s name, description of the services provided (if not otherwise obvious), the date and the total expense. The invoice must specifically identify the Student Housing Facilities, retail space or other portion of the Student Housing Facilities where the work was performed.
    - ii) Vendor statements are not sufficient support for items to be paid. An actual invoice must be attached for reimbursement.
    - iii) If a credit card is used to pay for an item, the detailed receipt should be submitted. Credit card charges without a detailed receipt are processed on a limited basis and must include a written certification as to the nature of the charge and why a receipt was not obtained. Loss of receipts on a frequent basis will result in the loss of credit card privileges. Only charges with a valid business purpose will be reimbursed.
    - iv) Personal expense reimbursements should include the individual’s name, amount, date, time and place of travel, business purpose and business relationship. In addition, vendor receipts should be included where applicable (for hotel, airfare, etc.). Mileage reimbursement will not exceed the federal reimbursement rates.
    - v) Reimbursement for salary expenses should include a detailed pay register showing gross wages, deductions and net payment amount. Support should also include pay date range, pay date of the check and check number.
    - vi) Examples of non – reimbursable expenditures include, but are not limited to: all items excluded under Section 5.2 of the FOMA, travel insurance, first class tickets or upgrades, chartered flights, limousine travel (unless comparable to cost of taxi or similar), movies,

memberships dues, golf clubs or outings, spa or exercise charges, expenses for spouses, friends or relatives, prepaid credit cards, and gift cards.

All expenses must meet federal requirements associated with IRS Code Section 501(c)3 regulations. Reimbursement should not include any private benefit and inurement, costs associated with any political campaign or legislative activities.

- vii) All expenses must meet federal requirements associated with IRS Code Section 501(c)3 regulations. Funding should not include any private benefit and inurement, costs associated with any political campaign or legislative activities.
- 3) **Funding request payments:** Operational Funding request payments will be processed by the 25<sup>th</sup> of the month by the PRG Corporate office subject to approval of all submitted items and cash availability.
  - 4) To the extent that the terms of this agreement are inconsistent with the terms of the FOMA, the terms of the FOMA shall supersede and prevail.

**PROVIDENT FLAGSHIP, LLC  
CERTIFICATE OF OPERATIONAL FUNDING**

This certificate is pursuant to the FOMA between Provident Group Flagship Properties, LLC and RISE Residential, LLC.

Prior [Month/Year] budget amount funded	\$125,000.00
Less: Prior [Month/Year] funds expended (support to be attached)	(115,000.00)
Excess (Deficiency) in Prior [Month/Year] Funding	\$10,000.00
Next [Month/Year]'s Budget Amount to be funded	\$150,000.00
Deficiency (Excess) from above	\$140,000.00
Funding Request	\$140,000.00

Payable via:

- Wire – Wire instructions are provided below
- ACH – ACH instructions are provided below
- CHECK – vendor instructions are provided below

Wire/ACH instructions:

Beneficiary Account Name: \_\_\_\_\_

Beneficiary Address: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Bank ABA Number: \_\_\_\_\_

Bank Account Number: \_\_\_\_\_

Certified By: RISE Residential, LLC

\_\_\_\_\_  
Name: \_\_\_\_\_ Date

Approved By: Provident Group – Flagship Properties L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Date

Provident Resources Group, Inc., the sole member of Provident Group – Flagship Properties L.L.C.

**FM OPERATING EXPENSES  
IN CONNECTION WITH THE  
FACILITIES OPERATION AND MAINTENANCE AGREEMENT**

Accounts Payable Supervisor  
Provident Group - Flagship Properties L.L.C. c/o Provident Resources Group Inc.  
5565 Bankers Avenue  
Baton Rouge, Louisiana 70808

The undersigned Authorized Facility Manager Representative, acting for and on behalf of RISE Residential, L.L.C. pursuant to the Facilities Operation and Maintenance Agreement dated as of September 1, 2019 (the “FOMA”), by and between the Provident Group - Flagship Properties L.L.C. (“Provident-Flagship”) and RISE Residential, LLC (“Facility Manager”) relating to the Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Group-Flagship Properties, LLC - Louisiana State University Greenhouse District (Phase III) Project) Series 2019 hereby requests payment be made from amounts on deposit in the Provident-Flagship operating account to the person, firm or corporation in the amount and for the purpose set forth on the attached requisition schedule of payees, the total of which is summarized below.

The undersigned also states and certifies the following:

1. These costs have been incurred by the Facility Manager and are presently due and payable or have been paid by the Facility Manager and are reasonable costs that are payable or reimbursable under the FOMA.
2. Each item included for payment or reimbursement has not previously been paid or reimbursed from Provident – Flagship moneys and no part thereof has been included in any other Reimbursement Request previously filed with the Provident-Flagship.
3. There has not been filed with or served upon the Facility Manager any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request.
4. All costs meet LSU Standards and federal minimum standards with regard to funding procedures.

Total amount of all attached invoices: \_\_\_\_\_

RISE Residential, L.L.C.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

Required Attachments:  
Requisition Schedule of Payees  
Invoices

**EXHIBIT 11.1**  
**LICENSE TO USE LSU TRADEMARKS**

**LICENSE AGREEMENT****LICENSE AGREEMENT**

This License Agreement (the "Agreement") is made and entered into and dated effective as of \_\_\_\_\_, 2019 (the "Effective Date") by and between 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 (the "Licensor") and Rise Residential, LLC, a limited liability company organized and existing under the laws of the State of Georgia (the "Licensee"), with reference to the following facts:

A. Licensor owns all the right, title and interest in and to those certain trademarks, trade names, copyrights and/or other similar intellectual property set forth on Exhibit A attached hereto, as amended from time to time (collectively referred to herein as the "Marks").

B. Heretofore, Provident Group - Flagship Properties L.L.C., a limited liability company organized and existing under the laws of the State of Louisiana ("Provident-Flagship") and the Licensee have entered into that certain Facilities Operation and Maintenance Agreement dated as of September 1, 2019 (the "FOMA").

C. Pursuant to Article 11 of the FOMA, and in order to facilitate the performance of the Facilities Manager Duties (as such term is defined in the FOMA), Licensor desires to enter into this Agreement to provide the Licensee with the limited right to utilize the Marks in connection with performance of the Facilities Manager Duties under the FOMA, subject in all instances to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Licensor and the Licensee (each, individually, a "Party" and collectively the "Parties") to this Agreement, the Parties hereby agree as follows:

1. License Grant. Subject to the terms and conditions contained in this Agreement, the Licensor hereby grants to the Licensee a non-exclusive and nontransferable license (the "License") to use the Marks solely for the purpose of performing the Facilities Manager Duties and for no other purposes whatsoever.

2. Reservation of Rights.

(a) Licensor hereby reserves any and all rights not expressly and explicitly granted in this Agreement, including the Licensor's right to authorize or license the use of the Marks, as well as, any derivations or variations thereof, to any third party for any purpose whatsoever.

(b) Notwithstanding anything to the contrary contained in this Agreement:

(i) Neither the Licensor nor any other licensee or transferee of the Licensor shall be in any way restricted from any use of the Marks.

(ii) Licensor and the Licensee expressly acknowledge and agree that, except for the License, nothing contained in this Agreement shall be construed as granting to the Licensee any other property rights, by license or otherwise, to any of the Marks, or to any invention, patent, copyright, trademark, or other intellectual property right of Licensor.

(iii) The License granted pursuant to this Agreement is personal to the Licensee and is not transferrable or assignable by contract, operation of law or any other method of transfer for any reason without the Licensor's prior written consent, which consent may be withheld, delayed and/or conditioned in the sole and unfettered discretion of the Licensor.

3. [Intentionally Deleted].

4. Ownership of Marks. Licensee hereby acknowledges that the Licensor is the owner of the Marks, and any trademark applications and/or registrations related thereto. Licensee agrees that it will do nothing inconsistent with the intellectual property rights of the Licensor in the Marks and further agrees that all use of the Marks by the Licensee shall inure to the benefit of the Licensor. Licensee agrees that nothing in this Agreement shall give the Licensee any right, title or interest in the Marks other than the right to use the Marks in accordance with this Agreement. Licensee agrees not to register or attempt to register the Marks as a trademark, service mark, internet domain name or trade name with any domestic or foreign governmental or quasi-governmental authority and agrees that it will not violate any of the intellectual property rights of the Licensor in the Marks. It is specifically understood and agreed that Licensee may not register or use either the Marks, or an abbreviation of the Marks, as part of an internet domain name. The provisions of this section 4 shall survive the expiration or termination of this Agreement.

5. Use of the Marks; Protection of the Marks.

(a) Proper Use. Licensee agrees that the use of the Marks under this Agreement shall only occur in connection with performance of the Facilities Manager Duties and for no other purpose whatsoever (the "Permitted Activity") and shall, at all times, be in compliance with the terms of this Agreement and the FOMA. Nothing in this Agreement shall authorize or be construed as authorizing the Licensee to use the Marks for any purpose other than the purposes described herein. Licensee shall not have any right (by contract, operation of law and/or otherwise) to sublicense, transfer or assign the right to the use of the Marks and Licensee may not use the Marks in connection with, or for the benefit of, any third party or the products or services of any third party (except as otherwise specifically contemplated in the FOMA). Without limiting the generality of the foregoing, Licensee further agrees that the Marks may not be used on or in connection with any products or services that are or could be deemed, as determined by the Licensor in the exercise of its reasonable business judgment, to have a material adverse effect on adversely upon the goodwill, prestige, image, or reputation of the Marks or the Licensor.

(b) Quality Standards. As the Licensee uses the Marks in connection with the Permitted Activity, Licensee agrees to maintain a consistent level of quality and appearance for the use of the Marks in connection with the performance of the Permitted Activity, substantially equal to that found

in the Licensor's existing products, as part of its promotional, marketing and/or advertising materials or in conformity with the standards established by Licensor from time to time, including, but not limited to, the Operating Standards (as such term is defined in the FOMA).

(c) Monitoring by Licensor. Licensor shall have the right to periodically monitor the use of the Marks by the Licensee in conjunction with the operation and promotion of the Permitted Activity. If the Licensor determines, in good faith, that Licensee is using the Marks improperly or that such use does not conform to the quality standards set forth in Section 5(b), Licensor shall notify the Licensee in writing (an "Improper Use Notice"), and the Licensee shall remedy the improper use within three (3) business days following receipt of any such Improper Use Notice, and the failure by Licensee to do so shall constitute a breach by Licensee hereunder and a breach of the FOMA by the Licensee.

(d) Legend; Disclaimer. To the extent requested by the Licensor, Licensee shall include with any online publication or publication in print of the Marks a trademark legend indicating that the Marks are the property of the Licensor and are used by Licensee under the license granted pursuant to this Agreement.

(e) Covenants of Licensee. The Licensee hereby covenants to the Licensor as follows:

(i) Licensee shall refrain from authorizing, and shall not authorize, any third party to use the Marks, except in strict conformity with this Agreement and the FOMA.

(ii) Licensee agrees to use the Marks in a commercially reasonable manner and fashion and to take commercially reasonable steps to ensure that no act or omission of Licensee or use by the Licensee shall in any manner reflect adversely upon the goodwill, prestige, image or reputation of the Marks or the Licensor.

(iii) Licensee shall take all reasonable measures to maintain and protect the proprietary rights of the Licensor in and to the Marks.

(iv) Licensee shall not, during the term of this Agreement and thereafter, whether as a result of the expiration of the Term (as hereinafter defined) or as a result of the earlier termination hereof, contest the validity of the rights of the Licensor to the Marks or willingly become a party adverse to the Licensor in connection with any litigation in which such rights of the Licensor are contested.

(v) Licensee shall promptly notify the Licensor of any infringement or potential infringement of the Marks that comes to its attention. Licensee will cooperate with the Licensor, at the request of the Licensor, in taking steps to terminate any such infringement. Licensee shall not, however, have the right to take any legal action to protect against any infringement of the Marks without, in each instance, the prior written consent of the Licensor. Any and all damages recovered in any action or proceeding commenced by the Licensor for any such infringement shall belong solely and exclusively to the Licensor. To the extent that the Licensee incurs reasonable out of pocket legal fees and other costs in connection with the requests of the Licensor under this paragraph, the Licensor shall reimburse the Licensee for same within forty-five (45) days following a request therefor accompanied by reasonable supporting documentation.

(vi) Licensee shall not in any way seek to avoid its obligations under this Agreement and/or the FOMA through the assertion or allegation by any persons, entities, government agencies, bureaus, or instrumentalities that the Marks, or any of them, are invalid or ineffective or by reason of any contest concerning the rights of the Licensor therein.

(vii) Licensee shall comply with any laws, rules and/or regulations, including, but not limited to, any county, parish, state and/or federal law with regard to the use of the Marks and the conduct of its Permitted Activity.

6. Term and Termination.

(a) The term of this Agreement and the License granted herein shall be coterminous with the term of the FOMA (the "Term") unless this Agreement is terminated by the Licensor as a result of any of the following events:

(i) If the Licensee breaches any of its obligations under this Agreement and fails to cure such breach within ten (10) days after receipt of written notice describing such breach (a "Notice of Breach");

(ii) If the Licensee seeks protection under any bankruptcy, receivership, creditors Agreement or other comparable proceeding, or if any such proceeding is instituted against the Licensee and are not dismissed with one hundred twenty (120) days after the institution thereof;

(iii) If the Licensee ceases the conduct of the Permitted Activity and/or the performance of the Facilities Manager Duties for any reason, including, without limitation, by reason of liquidation or dissolution;

(iv) If the FOMA is terminated for any reason whatsoever;

(v) If the Licensee and the Licensor mutually agree in writing to terminate this Agreement; and/or

(vi) If the Licensee makes use of the Marks on goods or services other than in connection with the Permitted Activity or in connection with an infringement of Licensor's rights, including but not limited to rights under trademark, patent, trade secret or copyright laws.

(b) Upon the termination of this Agreement, the Licensee will be deemed to have assigned, transferred and conveyed to the Licensor any rights, equities, goodwill, titles or other rights in and to the Marks which may have been obtained by Licensee from the Licensor, and the Licensee will execute any instrument reasonably requested by the Licensor to accomplish or confirm the foregoing.

7. Representations and Warranties and Covenants.

(a) Licensee hereby represents, warrants and covenants to the Licensor as follows:

(i) The execution and delivery of this Agreement by the Licensee and the performance of its obligations under this Agreement do not and will not conflict with, violate, or result in

any default under any agreement, instrument or other contract to which Licensee is a party or by which it is bound.

(ii) Licensee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Georgia and authorized to do business in the State of Louisiana and has all limited liability company power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

(iii) The execution, delivery and performance by Licensee of this Agreement and the consummation of the transactions contemplated by this Agreement has been duly and validly authorized by all requisite company action, and no other company act or proceeding on the part of the Licensee is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement.

(iv) There are no claims, actions, suits or other proceedings pending or, to the knowledge of Licensee, threatened, which, if adversely determined, would adversely affect the ability of the Licensee to consummate the transactions contemplated by this Agreement or perform its obligations under this Agreement.

(v) Licensee expressly acknowledges and agrees that any unauthorized use or misuse of the Marks by Licensee will result in irreparable harm to the Licensor and that the Licensor, in addition to any other rights or remedies specified in this Agreement, shall be entitled to any remedy, legal or equitable, including, without limitation, preliminary injunctive relief, to correct any harm that results from such violation.

(b) Licensor represents and covenants to the Licensee as follows:

(i) Licensor is the owner of the Marks and, to the Licensor's knowledge, the use of the Marks and the License granted under this Agreement will not infringe any intellectual property or any other rights of any third party.

(ii) The execution and delivery of this Agreement by the Licensor and the performance of its obligations under this Agreement do not and will not conflict with, violate or result in any default under any Agreement, instrument or other contract to which Licensee is a party or by which it is bound.

(iii) Licensor is a public constitutional corporation organized and existing under the laws of the State of Louisiana has all corporate power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement.

(iv) The execution, delivery and performance by the Licensor of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by all requisite corporate action, and no other act or proceeding on the part of the Licensor is necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement.

(v) There are no claims, actions, suits, or other proceedings pending or, to the knowledge of Licensor, threatened, which, if adversely determined, would adversely affect the ability of the Licensee to consummate the transactions contemplated by this Agreement or perform its obligations under this Agreement.

8. Indemnification.

(a) Licensee shall indemnify and hold harmless the Licensor and its affiliates, as well as their respective members, supervisors, officers, directors, agents, employees, successors and assigns from and against any and all costs and expenses (including, without limitation, reasonable attorney's fees and costs) of any and all claims, suits, losses, damages, costs, demands, obligations, investigations, causes of action and judgments arising out of, based on or in any other manner related to: (i) the breach of any representation, warranty, covenant or obligation of the Licensee under this Agreement; (ii) any use by Licensee of the Marks that is not permitted by or not in accordance with the terms of this Agreement and/or the FOMA; or (iii) any claims by third parties against the Licensor arising out of this Agreement, except to the extent such claims directly result from the breach by Licensor of its representations and covenants provided in section 7(b).

(b) To the extent allowed by law, Licensor shall indemnify and hold harmless Licensee and its affiliates, as well as their respective members, officers, directors, agents, employees, successors and assigns from and against any and all costs and expenses (including, without limitation, reasonable attorney's fees and costs) of any and all claims, suits, losses, damages, costs, demands, obligations, investigations, causes of action and judgments arising out of any assertion or allegation by any persons, entities or government agencies that the Marks used by the Licensee infringe any trademark, trade name, patent or any other personal property or intellectual property right of any third party.

(c) In the event of the existence of any claim, demand or other action giving rise to a claim for indemnification under this Agreement (in each instance, a "Claim"), the Claim shall be asserted and resolved as follows:

(i) In the event that a Party seeking indemnification (an "Indemnified Party") has a Claim against a Party obligated to provide indemnification pursuant to sections 8(a) or 8(b) (an "Indemnifying Party") which does not involve a Claim being asserted against or sought to be collected by a third party, the Indemnified Party shall, with reasonable promptness, notify the Indemnifying Party of such Claim, specifying the nature of such Claim and the amount or the estimated amount thereof to the extent then feasible (the "Claim Notice"). If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days after the date of delivery of the Claim Notice that it disputes such Claim, with a detailed statement of the basis of such position (the "Dispute Notice"), the amount of such Claim shall be conclusively deemed a liability of the Indemnifying Party hereunder.

(ii) In the event that any Claim for which the Indemnifying Party would be liable to an Indemnified Party hereunder is asserted against an Indemnified Party by a third party (a "Third Party Claim"), the Indemnified Party shall deliver a Claim Notice to the Indemnifying Party. The Indemnifying Party shall have thirty (30) days from date of delivery of the Claim Notice to notify the Indemnified Party (A) whether the Indemnifying Party disputes liability to the Indemnified Party hereunder with respect to the Third Party Claim and, if so, the basis for such a dispute, and (B) if such

Party does not dispute liability, whether or not the Indemnifying Party desires, at the sole cost and expense of the Indemnifying Party, to defend against the Third Party Claim; provided that the Indemnified Party is hereby authorized (but not obligated) to file any motion, answer or other pleading and to take any other action which the Indemnified Party shall deem necessary or appropriate to protect the Indemnified Party's interests.

(iii) In the event that the Indemnifying Party notifies the Indemnified Party that the Indemnifying Party does not dispute the Indemnifying Party's obligation to indemnify with respect to the Third Party Claim, the Indemnifying Party shall defend the Indemnified Party against such Third Party Claim by appropriate proceedings, provided that, unless the Indemnified Party otherwise agrees in writing, the Indemnifying Party may not settle any Third Party Claim (in whole or in part) if such settlement does not include a complete and unconditional release of the Indemnified Party. If the Indemnified Party desires to participate in, but not control, any such defense or settlement, the Indemnified Party may do so at its sole cost and expense. If the Indemnifying Party elects not to defend the Indemnified Party against a Third Party Claim, whether by failure of such party to give the Indemnified Party timely notice as provided herein or otherwise, then the Indemnified Party, without waiving any rights against such party, may settle or defend against such Third Party Claim in the Indemnified Party's sole discretion and the Indemnified Party shall be entitled to recover from the Indemnifying Party the amount of any settlement or judgment and, on an ongoing basis, all indemnifiable costs and expenses of the Indemnified Party with respect thereto, including interest from the date such costs and expenses were incurred.

(iv) If at any time, in the reasonable opinion of the Indemnified Party, notice of which shall be given in writing to the Indemnifying Party, any Third Party Claim seeks material prospective relief which could have an adverse effect on any Indemnified Party, the Indemnified Party shall have the right to control or assume (as the case may be) the defense of any such Third Party Claim and the amount of any judgment or settlement and the reasonable costs and expenses of defense shall be included as part of the indemnification obligations of the Indemnifying Party hereunder. If the Indemnified Party elects to exercise such right, the Indemnifying Party shall have the right to participate in, but not control, the defense of such Third Party Claim at the sole cost and expense of the Indemnifying Party.

(v) Nothing herein shall be deemed to prevent an Indemnified Party from making a Claim, and an Indemnified Party may make a Claim hereunder, for potential or contingent damages, provided the Claim Notice sets forth the specific basis for any such potential or contingent claim or demand to the extent then feasible and the Indemnified Party has reasonable grounds to believe that such Claim may be made.

(vi) The Indemnified Party's failure to give reasonably prompt notice as required by paragraph 8(c)(1) of any actual, threatened or possible claim or demand which may give rise to a right of indemnification hereunder shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Indemnified Party unless the failure to give such notice materially and adversely prejudiced the Indemnifying Party.

9. Notice. Any and all notices, demands or other communications required or desired to be given hereunder by any Party shall be in writing and shall be validly delivered to another Party only if

served either personally by overnight courier service, or if deposited in the United States first class mail, certified return receipt requested, postage prepaid at the address/facsimile numbers set forth below signature of each Party. If such notice, demand or other communication is served personally, service shall be conclusively deemed made at the time of such personal service. If such notice is sent by overnight courier service, service shall be conclusively deemed made at the time of written confirmation of receipt, if on or before 5:00 P.M. local time on a legal business day at the place of receipt, and if not, then on the next legal business day thereafter. If such notice, demand or other communication is given by mail, service shall be conclusively deemed made on the date shown on the return receipt. A Party may change its address for the purpose of receiving notices, demands and other communications as provided in this paragraph by delivering written notice in the manner set forth in this paragraph.

10. Taxes. Licensee shall pay any tax (and any related interest or penalty), however designated and/or imposed as a result of the existence or operation of this Agreement.

11. General Provisions.

(a) This Agreement contains the entire agreement between the Parties pertaining to the subject matter hereof and supersedes any and all prior agreements, representations and understandings of the Parties, written or oral. This Agreement is intended by the Parties to be an integrated, final complete and exclusive statement of the matter set forth herein. No prior trade practice and no parole or extrinsic evidence of any nature shall be used to supplement, modify or vary any of the terms hereof. There are no conditions precedent to the full effectiveness of this Agreement. Each Party acknowledges that it is not relying, and has not relied, upon any representation, warranty or statement, oral or written, made by any other Party with respect to this Agreement, except as expressly set forth in this Agreement.

(b) No provision of this Agreement may be amended, modified, supplemented, changed, waived, discharged or terminated, except by a writing signed by or on behalf of each Party hereto.

(c) Licensor shall have the right to assign its rights and obligations under this Agreement to any third party without the consent of the Licensee.

(d) This Agreement and the obligations of the Parties shall be interpreted, construed and enforced in accordance with the laws of the State of Louisiana, without regard to the conflicts of law provisions. Furthermore, each of the Parties expressly:

(i) Submits to the jurisdiction of any state or federal court of competent jurisdiction sitting in East Baton Rouge Parish, Louisiana, in any action or proceeding arising out of or relating to this Agreement or the FOMA and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court;

(ii) Agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity; and

(iii) Waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of any Party with respect thereto.

(e) This Agreement may be executed in one or more counterparts, any one of which, if originally executed, shall be binding upon each of the Parties signing thereon, and all of which taken together shall constitute one and the same instrument. One or more photostatic copies of this Agreement may be originally executed by the Parties hereto, and such photostatic copies shall be deemed originals and shall be valid, binding and enforceable in accordance with their terms.

(f) Each Party agrees and covenants that it will, at any time, and from time to time, upon the request of the other, execute, acknowledge, deliver or perform all such further acts, agreements and assurances as may be required to carry out the terms and provisions of this Agreement.

(g) Each Party represents and warrants that, in executing this Agreement, such Party has had the opportunity to obtain independent accounting, financial, investment, legal, tax and other appropriate advice; that the terms of this Agreement have been carefully read by such Party and its consequences explained to such Party by its independent advisors, and that such Party fully understands the terms and consequences of this Agreement. Each Party further represents and warrants that, in executing this Agreement, such Party has not relied on any inducements, promises or representations made by the other Party or the accountants, attorneys or other agents representing or serving the other Party. Each Party represents and warrants that its execution of this Agreement is free and voluntary.

(h) This Agreement shall be construed in accordance with its fair meaning as if prepared by all Parties, and shall not be interpreted against either Party on the basis that it was prepared by one Party or the other.

(i) The captions, headings, and subcaptions used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions thereof. Words used in this Agreement in the masculine gender shall include the neuter and feminine gender, words used herein in the neuter gender shall include the masculine and feminine, words used in this Agreement in the singular shall include the plural, and words used in the plural shall include the singular, wherever the context so reasonably requires.

(j) If any Party commences any action or other proceeding to enforce or interpret this Agreement, including any action to reform, rescind or in any manner affect the provisions of this Agreement, the prevailing Party (as determined by the court, agency or other authority before which such suit or proceeding is commenced), in addition to such other relief as may be awarded, shall be entitled to all costs and reasonable attorneys' fees incurred in connection therewith.

(k) Nothing contained as part of this Agreement shall be interpreted to, nor shall it constitute, a partnership, joint venture or other similar relationship between the Parties.

(l) If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the Parties as contained herein, the remainder of this

Agreement and the application of such provision or provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(m) No consent or waiver, express or implied, by any Party to or of any breach or default by any other Party in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by such other Party of the same or any other obligations hereunder. Failure on the part of a Party to complain of any act of the other Party or to declare a Party in default, irrespective of how long such failure continues, shall not constitute a waiver of such Party of its rights hereunder.

(n) The rights and remedies of the Parties hereunder shall not be mutually exclusive, and the exercise by any Party of any right to which it is entitled shall not preclude the exercise of any other right it may have.

(o) Dispute Resolution.

(i) In the event a claim, dispute, or controversy (each a "Claim" for purposes of this Section 11) arises out of or relates to this Agreement, as a condition precedent to mediation initiated hereunder, the Parties shall meet and attempt to resolve the matter in good faith. If the matter is not resolved by the Parties within fifteen (15) days after the date the Claim arose, then the Parties shall each designate a senior representative (with similar or equivalent organizational stature) and each designated senior representative shall have the authority to settle or compromise the Claim, and they shall meet at a mutually agreeable time and place within thirty (30) days after the date the Claim arose, and thereafter as often as they deem reasonably necessary to exchange relevant information and to attempt to resolve the Claim.

(ii) If the Claim has not been resolved within fifteen (15) days after the date on which the senior representatives first meet, then either Party may request a non-binding mediation of the Claim by providing the other written notice of the desire to mediate the Claim. Once such a mediation notice is issued by one of the Parties, the following mediation procedures shall be mandatory unless the Parties agree in writing to waive mediation. All such mediations shall occur before a single mediator. The mediator shall be selected by the senior representatives referred to in Section 11(o)(i) above and the mediation shall thereafter be privately administered by the Parties and the mediator; however, if the Parties are unable to agree upon an acceptable mediator within ten (10) days after the date the written notice of desire to mediate is received, either Party may petition the American Arbitration Association ("AAA") for the appointment of a mediator, and the mediation, including the selection of the mediator, shall occur pursuant to the AAA's Commercial Arbitration Rules and Mediation Procedures then in effect. Notwithstanding the above, demand for mediation shall be made within a reasonable time after the Claim has arisen, but in no event after the date when notification of legal or equitable proceedings would be barred by the applicable statute of limitations.

(iii) If the Claim has not been resolved pursuant to mediation within sixty (60) days after initiation of the mediation procedure, then either Party may file suit in a court of competent jurisdiction sitting in East Baton Rouge Parish, Louisiana, pursuant to Section 11(d) for such Claim. No claim arising under or relating to this Agreement or the performance of any Party thereunder shall be subject to arbitration.

THUS DONE AND PASSED in the place and on the day, month and year first above written, in the presence of the undersigned competent witnesses, who hereunto sign their names with the \_\_\_\_\_ and me, Notary, after due reading of the whole.

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

LICENSOR:

Board of Supervisors of Louisiana State  
University and Agricultural and Mechanical  
College

By: \_\_\_\_\_  
Dr. F. King Alexander, President of  
Louisiana State University

LICENSEE:

RISE Residential, LLC  
a Georgia limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Printed Name

LSBA Roll No. \_\_\_\_\_  
My Commission is for Life.

EXHIBIT A TO LICENSE AGREEMENT

LSU TO PROVIDE SPECIFIC MARKS TO BE PROVIDED PRIOR TO EXECUTION OF THIS  
LICENSE AGREEMENT



## Request from LSU A&M to Approve Construction of a New Sorority House by Kappa Kappa Gamma

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

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

- C.6 The lease of any immovable property, as lessee or lessor, where the lease is for the construction or renovation of any fraternity or sorority house
- E.1 Any contract or series of related contracts for the construction, renovation, or other capital improvement of buildings or other immovable property of the Board where the construction cost is projected to be greater than \$1 million

### **1. Summary of the Matter**

The existing sorority house for Kappa Kappa Gamma (KKG) was constructed in the late 1960s and no longer suits their needs. KKG has raised capital funds and identified financing to demolish its existing house and construct a new one on the same site, at a total projected project cost of approximately \$9.7 million. The new house will house approximately the same number of in-house residents, but will significantly increase the amount of study, work, and meeting spaces available for KKG members.

This Board has already approved the schematic design for the new KKG house, at its September 2018 meeting. For convenient reference, a copy of that Board item is attached.

Construction is expected to start at the end of the current semester, with the new house projected to open in time for Fall 2020.

### **2. Review of Business Plan**

The property will be leased to Delta Iota House Association of Kappa Kappa Gamma Fraternity, the corporation formed by KKG to own and maintain the house, for an annual rent of \$10. This is the same rate charged for all fraternities and sororities who have built houses on LSU-owned property. Delta Iota House will be solely responsible for all costs associated with construction and operation of the building. As with all construction projects on LSU's campus, LSU must approve the plans and specifications prior to construction beginning. LSU will also verify that Delta Iota House has sufficient cash and committed financing in hand to complete the construction prior to authorizing construction to begin.

### **3. Fiscal Impact**

The project will provide student housing and meeting space for Kappa Kappa Gamma members at no cost to the University, and there is no fiscal impact to the University.

### **4. Description of Competitive Process**

Not applicable.

### **5. Review of Legal Documents**

KKG has leased the same property from LSU since 1965. That original lease was for a term of 99 years. LSU has consistently required fraternities and sororities seeking to construct new houses or to conduct major renovations of existing houses to execute a new, updated lease form rather than rely on the terms of the original lease. The updated lease form provides greater clarity to the relationship between the parties and simplifies to some extent the ability of the organizations to obtain financing for the construction. In accordance with LSU's consistent practices, the term of the lease is left undisturbed, so that the new lease will expire on the same date that the original 1965 lease would have expired. A draft of the lease is attached; some terms are still under negotiation. A termination of the original lease, as amended in 2000, will also be prepared. All legal agreements will be reviewed by the Office of General Counsel prior to execution by the President.

## **6. Parties of Interest**

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

LSU  
Kappa Kappa Gamma Sorority  
Delta Iota House Association of Kappa Kappa Gamma Fraternity

## **7. Related Transactions**

None.

## **8. Conflicts of Interest**

None known.

## **ATTACHMENTS**

- I. Transmittal Letter
- II. Draft Lease
- III. September 2018 Schematic Design Board Packet

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes Dr. F. King Alexander, President of Louisiana State University, or his designee to execute a lease with Delta Iota House Association of Kappa Kappa Gamma Fraternity, with the lease containing such terms and conditions as the President, in consultation with the General Counsel, deems to be in the best interests of LSU.



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**CAMPUS CORRESPONDENCE**

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**To:** F. King Alexander, President of LSU  
Finance & Administration / CFO

**Date:** April 5, 2019

**Through:** Daniel T. Layzell, Executive Vice President for  
Finance & Administration / CFO

**Through:** Tony Lombardo, Associate Vice President for  
Facilities & Property Oversight

**From:** Patrick H. Martin, V, Assistant Vice President for  
Real Estate, Public Partnerships, and Compliance

A handwritten signature in purple ink, likely belonging to Patrick H. Martin, V, is written over the 'From:' field.

**Re:** Board of Supervisors Agenda, April 26, 2019  
Request from LSU A&M to Approve Construction of a New Sorority House by Kappa Kappa  
Gamma

LSU is requesting that the Board of Supervisors authorize the President to execute a lease with Delta Iota House Association of Kappa Kappa Gamma Fraternity, with the lease containing such terms and conditions as the President, in consultation with the General Counsel, deems to be in the best interests of LSU.

We request this item be placed on the agenda for the April 5, 2019 Board of Supervisors meeting.

Thank you.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**LEASE**

**BE IT KNOWN** that on the dates hereinafter set forth, but effective as of the \_\_ day of \_\_\_\_\_, 2019, before the undersigned Notaries Public, duly commissioned and qualified in and for the aforesaid Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (hereinafter “Board” or “LESSOR”), a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, State of Louisiana, appearing herein through its President, F. King Alexander, duly authorized;

and

**DELTA IOTA HOUSE ASSOCIATION OF KAPPA KAPPA GAMMA FRATERNITY**, a Louisiana Corporation domiciled in the City of Baton Rouge, Parish of East Baton Rouge, State of Louisiana, herein represented by \_\_\_\_\_ by virtue of a duly authorized resolution attached hereto and made a part hereof as Exhibit “A” (hereinafter referred to as “LESSEE”),

**W I T N E S S E T H:**

**WHEREAS**, LESSEE is Louisiana Corporation formed to support the operations of the LSU Delta Iota Chapter of Kappa Kappa Gamma Sorority (herein the “Sorority”);

**WHEREAS**, LESSEE desires to lease from Board, the following described property located on the campus of Louisiana State University (herein “LSU” or “University”) an institution under the supervision and management of Board:

A certain lot or parcel of ground comprising a portion of the Louisiana State University Campus, Parish of East Baton Rouge, State of Louisiana, together with all improvements thereon and all rights, ways, privileges and servitudes thereunto belonging to or in anywise appertaining, and being more particularly described as Lot No. Five (5) of the new Sorority Lots as shown on map of survey made by C. Carter Brown, dated June 25, 1964, and revised October 7, 1964, entitled “Louisiana State University Subdivision of Sorority Area”;

herein the “Leased Premises;”

**WHEREAS**, LESSEE desires to construct improvements on the Leased Premises for housing for the Fraternity at University;

**WHEREAS**, LESSOR and LESSEE desire to enter into this Lease for the purposes set forth herein, and

**WHEREAS**, the Leased Premises have previously been leased to Kappa Sigma Home Building Corporation, a Louisiana nonprofit corporation, and occupied by the Fraternity.

**NOW, THEREFORE**, LESSOR and LESSEE agree and do hereby agree and enter into this Lease as follows:

1. Terms not defined herein shall be defined as set forth on Exhibit “B” hereto.
2. For the consideration and upon the terms and conditions hereinafter expressed, LESSOR hereby leases the Leased Premises to LESSEE from the Effective Date hereof through

and including February 28, 2064. This Lease shall terminate on March 1, 2064, unless terminated earlier in accordance with the provisions of this Lease. Furthermore, in consideration for the lease of the Leased Premises by LESSOR to LESSEE, LESSEE shall do the following:

- a. Pay annual rental of \$10.00;
- b. Within three (3) years of the Effective Date of this Lease, demolish and remove all existing structures on the Leased Premises and construct the Improvements at a cost in excess of Eight Million Dollars (\$8,000,000); and
- c. Otherwise fulfill the terms and conditions of this Lease.

3. With respect to any construction on the Leased Premises, including particularly, but not exclusively, the construction of the Improvements, the LESSEE and Fraternity shall abide by the provisions of this Lease and in particular the rules, regulations, requirements and provisions set forth in Exhibit "C" hereto, and shall be subject to the following rules, regulations, requirements and provisions:

- a. The location of any Improvements on the Leased Premises shall require the prior approval of the LSU Representative.
- b. The University shall have the sole authority to determine whether the Contractor for any Improvements or Work and/or whether the LESSEE in connection therewith have complied with the plans, specifications and other contractual obligations assumed by Contractor and/or LESSEE.
- c. Subject to the provisions of Section 16 hereof, there is hereby reserved to the University the right to require the removal of the Improvements should the LESSEE and/or Fraternity fail, refuse or neglect to comply with the material rules, regulations, requirements and provisions set forth herein.

4. The Leased Premises shall be used for the construction of the Improvements and for the operation of a home for Delta Iota Chapter of the Kappa Kappa Gamma Sorority at Louisiana State University, and for no other use or purpose whatsoever without the prior written consent of the LSU Representative.

5. At all times, the immovables located on and the condition of the Leased Premises shall be maintained in good condition and in conformance with the general plans adopted by the University for the beautification of the campus and in a manner acceptable to the President of Louisiana State University and to the Campus Committee established to monitor the provisions of that certain Permanent Memorandum dated August 25, 1994 ("PM-68"), which may be amended and/or restated from time-to-time and which is incorporated into the Lease and shall be binding on LESSEE and any successors in interest. LESSEE and Fraternity shall at all times be in compliance with PM-68 as it may be amended from time to time. The landscaping of the Leased Premises shall also conform with the general plans adopted by the University for the beautification of the campus.

6. LESSEE, Fraternity and their invitees shall use their best efforts to keep the Leased Premises and any improvements thereon free from any and all contamination and pollution. LESSEE, Fraternity and their invitees shall not store any hazardous or toxic substance on or about the Leased Premises or any improvements thereon. LESSEE and Fraternity agree to notify University immediately of any and all contamination or pollution discovered on, about, or near the Leased Premises or any improvements thereon. LESSEE and Fraternity, each in solido, shall save and hold LESSEE and University harmless and defend and indemnify LESSOR and University for any charge or liability resulting from any contamination or pollution present on or about the Leased Premises or in or on any improvements thereon if such contamination or pollution was caused in whole or in part by LESSEE and Fraternity and/or an invitee of either.

7. In the event any constructions, renovations, alterations, or improvements are made on or about the Leased Premises or on or about any buildings or improvements located thereon, (other than with respect to any Work, which shall be governed by Exhibit "C" hereto) and a

laborer's or materialman's lien or claim is filed against the Leased Premises or any part thereof as a result of said constructions, renovations, alterations, or improvements, LESSEE shall within twenty (20) days of the recordation of any such claim or lien have such claim or lien cancelled or deposit with the recorder of mortgages of East Baton Rouge Parish, Louisiana, a bond or adequate funds guaranteeing payment of said lien or claim in full.

8. LESSEE acknowledges that it has recently examined and inspected the Leased Premises and found them in good and safe condition. LESSEE and Fraternity, each in solido, agree to defend, indemnify, save and hold LSU harmless from any responsibility or liability, including gross negligence, strict liability, negligence, or any other fault whatsoever, sole or concurrent with any other person or entity, for loss or damage to any person whomsoever or to the property of LESSEE, Fraternity or others arising from the present or future condition or upkeep and maintenance of the Leased Premises or any construction thereon, LESSEE's and/or Fraternity's activities and/or operations on or about the Leased Premises or those of their tenants or invitees and/or any way arising out of, incidental to, and/or related to any activities and/or operations conducted on or near the Leased Premises. LESSEE and University agree to defend, indemnify, save and hold LESSOR and University harmless from any responsibility whatsoever for any and all liability including gross negligence, strict liability, negligence or any other fault, sole or concurrent, for loss, injuries, or damages caused to LESSEE, Fraternity, their tenants, invitees or others by any vice or defect of the Leased Premises or any constructions or improvements thereon or LESSEE's or Fraternity's or their tenants' or invitees' activities and/or operations on or about the Leased Premises. LESSEE and Fraternity expressly assume all such liability, and LESSEE and Fraternity agree to defend and indemnify LESSOR and University and to hold LESSOR and University harmless from any and all losses, injuries, or damages (including costs and reasonable attorney's fees) to any person or persons whomsoever and to the property of any persons whomsoever arising out of, or incidental or related to, LESSEE's, Fraternity's, or their tenants' or invitees' occupancy, use, operation, condition, including but not limited to contamination or pollution or condition of the Leased Premises. LESSEE's and Fraternity's obligation to defend LESSOR and University shall include payment of all reasonable costs, expenses, and fees of legal counsel of LESSOR's and University's choice.

9. In the event it should become necessary for LESSOR or University to take any action to enforce any of the terms, covenants, conditions or provisions of this Lease, or to recover any of the amounts due hereunder, as rent or otherwise, LESSEE and Fraternity shall pay all costs and expenses thereof, including reasonable fees of any attorney engaged by LESSOR or University in connection therewith.

10. The waiver by LESSOR or University of any breach of any term, covenant, condition or provision herein contained shall not be deemed to be a waiver of such term, covenant, condition or provision with respect to any preceding or subsequent breach of the same or any other term, covenant, condition, or provision hereunder. No term, covenant, condition, or provision of this Lease shall be deemed to have been waived by LESSOR or University, unless such waiver is in writing by LESSOR.

11. LESSOR or its designee may secure and/or remove any constructions on or about the Leased Premises, including but not limited to any fraternity or sorority house at no expense to LESSOR, if the house or any other construction or improvement:

- a. constitutes an imminent danger to any person; or
- b. becomes uninhabitable; or
- c. has been abandoned by LESSEE or Fraternity; or
- d. constitutes a nuisance; or
- e. has not been used or occupied for a period of more than one hundred eighty (180) days, exclusive of LESSOR and University holidays.

LESSEE shall promptly, upon demand, reimburse LESSOR and University for all related costs and expenses.

12. Unless otherwise approved in writing by the LSU Representative, notwithstanding any terms and conditions of any mortgage or other agreement between LESSEE or Fraternity and another person or entity to the contrary, any insurance proceeds payable for any damage or destruction to the Improvements, shall be used to repair or restore the Improvements to the extent reasonably feasible. Any mortgagee having a mortgage upon the Improvements at the time of the damage or destruction shall have the right to require that the insurance proceeds be escrowed with it and disbursed in periodic payments to the persons performing the restoration work as such work progresses.

13. LESSOR and LESSEE agree that in the event of any fact, occurrence, circumstance, or condition that would cause LESSEE to be in default of any term, condition, or obligation under any loan, mortgage, or other agreement existing between LESSEE and any Lender, then said Lender and LESSEE shall provide notice of same to LESSOR and University, and LESSOR and University shall have the right (but not the obligation) within thirty (30) calendar days after receipt of said notice to take such action as may be required to cure said default. In the event that LESSOR or University elects to cure said default, it shall be entitled to recover from LESSEE all costs, fees, and expenses incurred curing said default. By execution of this instrument, LESSOR and University do not assume, bind themselves for, or guarantee performance by LESSEE of, any present and future obligation arising under the Lease.

14. No lease, option, right of first refusal, servitude, mortgage, pledge, security interest, or other burden or encumbrance shall be granted on or affecting the Leased Premises or any improvements thereof, by LESSEE or Fraternity, or otherwise, without the prior written consent of the LSU Representative. Notwithstanding any terms and conditions of any mortgage or other agreement, no debt of LESSEE shall be secured by mortgage, pledge, or other security interest in any contract or lease rights between LESSEE and LESSOR, under any circumstances. LESSOR shall not be bound by any agreement, contract, term, condition, or obligation between LESSEE and any sub-lessee.

15. LESSEE shall not transfer or assign its interests in this Lease by sale, assignment or otherwise without the prior written consent of the LSU Representative. Any terms and conditions contained in any mortgage by LESSEE in favor of any lender or creditor or other agreement between LESSEE and any lender or creditor inconsistent with any term or condition contained herein shall be null and void and have no effect or prejudice on the rights of LESSOR and University as set forth herein or established by law. LESSEE agrees that it shall not grant a mortgage or security interest in LESSEE's Improvements located or to be located on the Leased Premises, except with the prior written consent of the LSU Representative.

16. Without limiting the rights of Board and University to suspend or revoke the Fraternity's rights to operate the Fraternity at the University or to allow any members or former members of the Fraternity to occupy the Improvements and/or the Leased Premises, and only so long as any debt approved in accordance with Section 14 of this Lease shall remain outstanding, University agrees that it will not exercise its right to require removal of the Improvements for any default other than failure to maintain, upkeep, repair or occupy the Improvements such that the Improvements, in Lessor's sole opinion, (i) constitute an imminent danger to any person, (ii) become uninhabitable, (iii) have been abandoned by LESSEE or Fraternity, (iv) constitute a nuisance, or (v) have not been occupied for a period in excess of one hundred eighty (180) days, exclusive of LESSOR and University holidays. In the event of such failure to maintain, upkeep, or repair the Improvements, Lessor will give any mortgagee of the Improvements an opportunity to cure said default, and if said default is not cured within thirty (30) days of such notice, University shall have the right to require the removal of the Improvements by the Lessee. Furthermore, the entirety of all loan proceeds secured by such a mortgage or security interest shall be used solely and exclusively for the acquisition, design, construction, renovation and/or improvement of said property.

17. In addition to the insurance requirements related to any construction and set forth on Exhibit C hereto, LESSEE shall maintain general liability insurance in accordance with Exhibit "D" hereto and in a form and with coverage limits acceptable to LESSOR and as otherwise required by PM-68.

18. With respect to any matter that requires the consent of either Board or University, unless the Lease specifically provides otherwise, such consent may be given by the LSU Representative.

19. Fraternity shall be obligated to join the Louisiana State University Greek Life and pay in a timely manner all fees established and assessed by Greek Life and other services applicable to the Leased Premises deemed necessary and appropriate by the University to insure that the Leased Premises are maintained in a safe condition and in a good state of appearance. LESSEE and Fraternity shall at all times remain in good standing with Louisiana State University Office of Greek Affairs.

20. Subject to the provisions of Section 16 hereof and, in addition, to the provisions of Sections 20(a) and (b) below, the University shall have the power at all times to make such rules, regulations and requirements as it shall see fit relative to the conduct and activities of people in said fraternity home or on the grounds leased herein, and to change or alter the same as may be deemed good for the University, and failure on the part of the LESSEE to conform to the rules and regulations thus provided shall subject said LESSEE to immediate termination of the Lease with order to remove buildings on the property herein leased at the option of the University and the University shall be the sole judge of the rules and conformity thereto.

- a. Permitted Uses. Subject to the terms and provisions hereof, Lessee and Fraternity shall use the Leased Premises and the buildings and improvement thereon solely for the housing, dining, and personal living needs of the LSU students and for the conduct of appropriate social and organizational activities of the Fraternity. LESSEE and Fraternity's use of the Leased Premises and the buildings and improvement thereon shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish or municipal government now or hereafter in effect, including all environmental laws and regulations, as well as all applicable LSU Rules and Regulations.
- b. Prohibited Uses. The possession, use, and/or consumption of any alcoholic beverage in or upon the Leased Premises or the buildings and improvement thereon must be in compliance with all applicable federal, state, or local statutes, ordinances, rules or regulations, and any rules or regulations adopted by LSU. Controlled substances, as defined by federal, state, or local statutes, ordinances, rules or regulations shall not be possessed, used or sold in or upon the Leased Premises or the buildings and improvement thereon in violation of applicable law. The illegal possession, use and/or sale in or upon the Leased Premises or the buildings and improvement thereon of any controlled substance or illegal drugs is strictly prohibited. Any criminal behavior or violation of LSU Rules and Regulations, including but not limited to, assault and battery, hazing, or sexual misconduct are also strictly prohibited. Neither the Leased Premises nor the buildings and improvement thereon shall be used at any time for the purpose of carrying on any business, profession or trade of any kind whatsoever.

21. Notwithstanding anything to the contrary set forth in this Lease, in the event of the default of LESSEE hereunder or the default of Fraternity hereunder including, but not limited to, failure to comply with the terms, conditions, rules, regulations, requirements and provisions set forth in this Lease and/or in PM-68, or the withdrawal or suspension of the charter of the Gamma Chapter of Kappa Sigma Fraternity by the National Kappa Sigma organization, the disbanding of the Gamma Chapter of Kappa Sigma Fraternity, or if the Board or University suspends and/or revokes the Fraternity's rights to operate the Fraternity at the University, each of which occurrences shall constitute a default by LESSEE, LESSOR, in addition to any other rights under Louisiana law, shall have the right, at its sole option to terminate this Lease and either:

- a. purchase the Improvements in accordance with Applicable Laws for an amount equal to the book value as of such termination date of the

unamortized portion of the Improvements based on a forty-seven (47) year amortization;

- b. require that subject to approval by the LSU Representative, Lessee assign, sublease or otherwise transfer its interest in the Improvements and its rights under the Lease to another LSU affiliated fraternity or sorority in good standing with University, or assign, sublease or transfer its Lease to a non-profit approved by Lessor as an affiliate organization; or
- c. subject to the provisions of Section 16 hereof, require LESSEE, at LESSEE's expense, to remove the Improvements from the Leased Premises and restore the Leased Premises to a clean and orderly unimproved condition provided.

22. In the event of the termination of this Lease other than as a result of the default of LESSEE or Fraternity, and other than at the end of the term, LESSOR shall have the sole option to purchase the Improvements in accordance with Applicable Laws for an amount equal to the book value as of such termination date of the unamortized portion of the Improvements based on a forty-seven (47) year amortization.

23. At the expiration of the term of this Lease:

- a. LESSOR shall have the right, at Lessor's sole option and to the extent allowed by Applicable Laws, to renew or extend this Lease on mutually agreeable terms and conditions;
- b. Lessor shall have the right to require that LESSEE and Fraternity transfer to LESSOR, at no cost, the Improvements; or
- c. LESSOR, at its sole option, can instead require the LESSEE at LESSEE's expense to remove the Improvements from the Leased Premises and restore the Leased Premises to a clean and orderly unimproved condition.

24. Notwithstanding anything to the contrary set forth herein, each and every obligation of LESSEE and Fraternity is deemed to be in solido.

25. Venue for any disputes arising under the Lease, as amended, shall be the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana

26. This Lease, including the Exhibits attached hereto, constitutes the entire agreement between the parties hereto and supersedes any prior agreements relative to the Leased Premises. This Lease can only be modified in writing signed by the parties hereto.

27. In the event that any term or condition of the Lease, as amended, is determined to be in violation of any law, regulation, or ordinance, the Parties agree that any such term or condition will be severed from the Lease, as amended, and the Lease, as amended, shall be construed to give all other terms and conditions full force and effect.

**NOW COMES**, the Delta Iota Chapter of Kappa Kappa Gamma Sorority who intervenes in this Lease, and specifically assumes all of the obligations of Sorority as set forth herein.

*[Signatures on Following Page]*

Signature Page to Lease  
Between Board of Supervisors of Louisiana State University  
Agricultural and Mechanical College and Star and Crescent Foundation of Louisiana, Inc.

**THUS DONE AND SIGNED** in \_\_\_\_\_, Louisiana, on this \_\_\_ day of \_\_\_\_\_, 2016, in the presence of me, Notary, and the following competent witnesses, who have signed in the presence of the parties and me, Notary.

WITNESSES:

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

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University

\_\_\_\_\_  
Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Notary No. or La. Bar Roll No.: \_\_\_\_\_

**THUS DONE AND SIGNED** in \_\_\_\_\_, Louisiana, on this \_\_\_ day of \_\_\_\_\_, 2016, in the presence of me, Notary, and the following competent witnesses, who have signed in the presence of the parties and me, Notary.

WITNESSES:

**DELTA IOTA HOUSE ASSOCIATION  
OF KAPPA KAPPA GAMMA  
FRATERNITY**

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_

By: \_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Printed Name of Notary: \_\_\_\_\_  
Notary No. or La. Bar Roll No.: \_\_\_\_\_

WITNESSES:

**INTERVENOR:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

**DELTA IOTA CHAPTER OF KAPPA  
KAPPA GAMMA FRATERNITY**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Request from LSU A&M to Approve the Schematic Design of the New  
Kappa Kappa Gamma Sorority House**

**To: Members of the Board of Supervisors**

**Date: September 7, 2018**

This is a significant board matter pursuant to the Board's Bylaws, Art. VII, Sec. 9:

- A.6. Schematic Designs: Exterior elevations of new buildings and of renovations or construction projects that significantly alter the appearance of the exterior of the building or other physical structures, where the construction cost is anticipated to exceed \$1 million.

**1. Summary of the Matter**

Pending approval of the schematic design for the New Kappa Kappa Gamma Sorority House by the University Architect and the University's Facility Design and Development Committee (FDDC) at their upcoming August 23, 2018 meeting; LSU requests the Board's final approval of this schematic design.

**2. Review of Business Plan**

N/A

**3. Fiscal Impact**

N/A.

**4. Description of Competitive Process**

N/A.

**5. Review of Legal Documents**

N/A

**6. Parties of Interest**

N/A

**7. Related Transactions**

N/A

**8. Conflicts of Interest**

None.

## **ATTACHMENTS**

- I. Transmittal Memo
- II. Schematic Design (Site Plan & the Exterior Elevations)

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the exterior elevations for the New Kappa Kappa Gamma Sorority House.



# PLANNING, DESIGN & CONSTRUCTION

FINANCE &amp; ADMINISTRATION

August 2, 2018

**To:** F. King Alexander,  
President

**Through:** Daniel T. Layzell,  
Executive Vice President, Finance & Administration/CFO

**Through:** Tony Lombardo, Associate Vice President  
Facility & Property Oversight

**Through:** Danny Mahaffey, Assistant Vice President/University Architect  
Facility & Property Oversight

**From:** Roger Husser, Assistant Vice President  
Planning, Design & Construction

A handwritten signature in blue ink, appearing to read "R. Husser".

**Subject** **Board of Supervisors Agenda, September 7, 2018**  
**The New Kappa Kappa Gamma Sorority House, Schematic Design**

The New Kappa Kappa Gamma Sorority House project is in the schematic design phase of development. The schematic design requires approval by the Board of Supervisors to assure campus development is in accordance with adopted design standards. It is therefore requested that this project be placed on the agenda for the September 7, 2018 meeting of the Board of Supervisors.

The project is being recommended for approval by Planning, Design, and Construction. The Facilities Design and Development Committee (FDDC) will review at its meeting on August 23, 2018. Enclosed are copies of reduced images of the proposed design which includes the demolition of the existing building. Representatives from the Design team will attend the meeting to make the presentation to the Board of Supervisors.

Funding for the project is being provided through private funds.

ATTACHMENT II



**PROJECT SITE**



A RESIDENCE DESIGNED FOR  
THE DELTA IOTA CHAPTER OF  
KAPPA KAPPA GAMMA SORORITY OF LSU



FUSCH ARCHITECTS INC.  
404 WESTSHORE AVE SUITE 200 DALLAS, TEXAS 75244  
TEL: 214-520-0000 WWW.FUSCHARCHITECTS.COM

4050 WEST LAKESHORE DRIVE  
BATON ROUGE, LOUISIANA

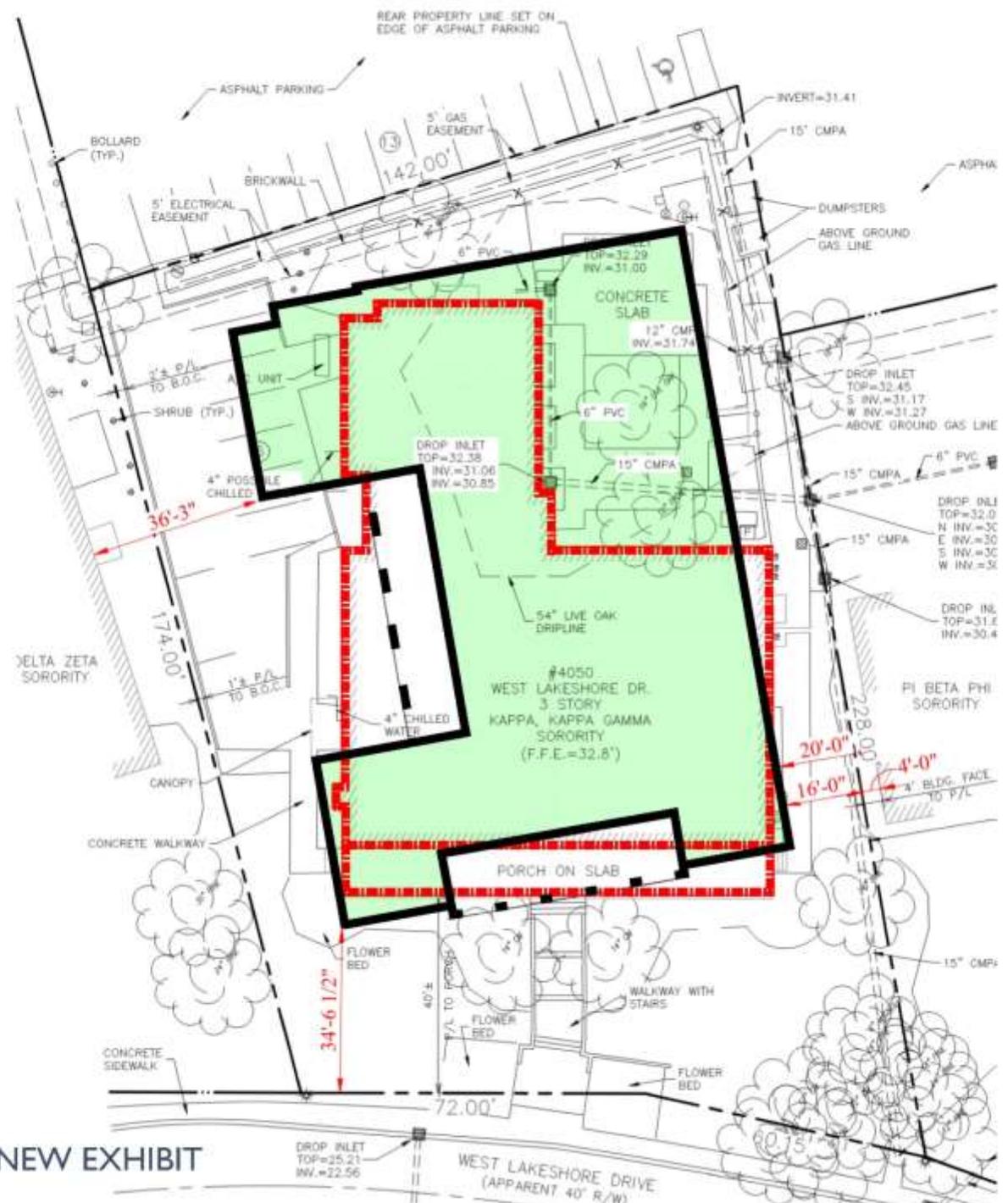


A RESIDENCE DESIGNED FOR  
THE DELTA IOTA CHAPTER OF  
KAPPA KAPPA GAMMA SORORITY OF LSU



FUSCH ARCHITECTS INC  
108 STEPHENS AVE. FIRM, DALLAS, TEXAS 75201  
TEL: 214 886-9111 WWW.FUSCHARCHITECTS.COM

4050 WEST LAKESHORE DRIVE  
BATON ROUGE, LOUISIANA



ORIGINAL/NEW EXHIBIT

DROP INLET  
 TOP=25.21  
 INV.=22.56  
 WEST LAKESHORE DRIVE  
 (APPARENT 40' R/W)



## SOUTH ELEVATION

A RESIDENCE DESIGNED FOR  
 THE DELTA IOTA CHAPTER OF  
 KAPPA KAPPA GAMMA SORORITY OF LSU



FUSCH ARCHITECTS, INC.  
 4048 AVONDALE AVE. SUITE 200, DALLAS, TEXAS 75246  
 TEL: 972-498-4022 - WWW.FUSCHARCHITECTS.COM

4050 WEST LAKESHORE DRIVE  
 BATON ROUGE, LOUISIANA



WEST ELEVATION

A RESIDENCE DESIGNED FOR  
 THE DELTA IOTA CHAPTER OF  
 KAPPA KAPPA GAMMA SORORITY OF LSU



**Request from LSU Health Sciences Center – New Orleans to Approve Execution of a Lease Agreement Between the LSU Board of Supervisors and the LSU Health Foundation, New Orleans for the Butterworth and Hutchinson Buildings**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

This is a significant board matter pursuant to the Board’s Bylaws, Art. VII, Sec. 1:

- C. The lease of any immovable property, as lessee or lessor, where either:
1. The lease is potentially for a term of more than five (5) years or, for leases for agricultural purposes, more than eight (8) years (include any optional renewal terms provided for in the lease to calculate the potential term);
  2. The lease is for more than 10,000 square feet of building space

**1. Summary of the Matter**

LSU Health Sciences Center-New Orleans ("LSUHSC-NO") proposes that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU Board") enter into a lease agreement of the Butterworth and Hutchinson Buildings to LSU Health Foundation, New Orleans ("Foundation"). As part of the larger old Charity Hospital repurposing process, the LSU Real Estate and Property Foundation entered into a competitive process for a developer for the adaptive re-use of the former Charity Hospital Building. The entity, 1532 Tulane Partners, Inc., was awarded the contract. That entity is in need of office space reasonably close to Charity Hospital facilities for its work in repurposing the old Charity Hospital. The Foundation proposes that the LSU Board lease the Butterworth and Hutchinson Buildings to the Foundation. The Foundation will then sublease the two buildings to 1532 Tulane Partners, Inc. for a period of five (5) years during the period that the Developer will be renovating and repurposing the Charity Hospital buildings. Foundation and/or its sublessee will be permitted to renovate the Butterworth and Hutchinson space for its use as office space.

**2. Review of Business Plan**

Not Applicable.

**3. Fiscal Impact**

It is expected that the rental to be paid by Foundation to the LSU Board will be fair market value of approximately \$4.70 per square foot, for a total of \$180,000.00 per year.

**4. Description of Competitive Process**

As indicated above, 1532 Tulane Partners, Inc. was the entity chosen through a competitive process conducted by the LSU Real Estate and Property Foundation to develop the Charity Hospital property. The LSU Health Foundation, New Orleans, as lessee from the LSU Board of the Butterworth and Hutchinson Buildings, will sublease the Butterworth and Hutchinson Buildings to 1532 Tulane Partners, Inc.

**5. Review of Legal Documents**

Drafts of appropriate legal documents are attached and have been presented to the Office of the General Counsel for its review.

**6. Parties of Interest**

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, LSU Health Sciences Center-New Orleans, the LSU Health Foundation, New Orleans, and 1532 Tulane Partners, Inc.

**7. Related Transactions**

See above. The LSU Real Estate and Property Foundation is working with 1532 Tulane Partners, Inc. to repurpose the Charity facilities.

**8. Conflicts of Interest**

Not Applicable.

**ATTACHMENTS**

- I. Transmittal Letter from Chancellor Hollier
- II. Site Map of location of Butterworth and Hutchinson Buildings.
- III. Lease Agreement for Butterworth and Hutchinson Buildings between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and LSU Health Foundation, New Orleans.

**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 (“LSU”), or his designee, to execute a Lease Agreement for the Butterworth and Hutchinson Buildings by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to LSU Health Sciences Foundation, said Lease Agreement to contain such terms and conditions as the President deems are in the best interest of LSU.



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

April 4, 2019

Dr. F. King Alexander  
 President and Chancellor  
 LSU System Office  
 381 West Lakeshore Drive, Room 107  
 Baton Rouge, LA 70808

Dear Dr. Alexander,

This is a significant board matter, pursuant to the Bylaws of the Louisiana State University Board of Supervisors Article VII, Section 1C:

1.C. Lease of Immovable Property, as Lessee or Lessor, where either:

1. The lease is potentially for a term of more than five (5) years or, for leases for agricultural purposes, more than eight (8) years (include any optional renewal terms provided for in the lease to calculate the potential term); or
2. The lease is for more than ten thousand (10,000) square feet of building space.

LSU Health Sciences Center-New Orleans ("LSUHSC-NO") proposes that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU Board") enter into a lease agreement of the Butterworth and Hutchinson Buildings to LSU Health Foundation, New Orleans ("Foundation"). As part of the larger old Charity Hospital repurposing process, the LSU Real Estate and Property Foundation entered into a competitive process for a developer for the adaptive re-use of the former Charity Hospital Building. The entity, 1532 Tulane Partners, Inc., was awarded the contract. That entity is in need of office space reasonably close to Charity Hospital facilities for its work in repurposing the old Charity Hospital. The Foundation proposes that the LSU Board lease the Butterworth and Hutchinson Buildings to the Foundation. The Foundation will then sublease the two buildings to 1532 Tulane Partners, Inc. for a period of five (5) years during the period that the Developer will be renovating and repurposing the Charity Hospital buildings. Foundation and/or its sublessee will be permitted to renovate the Butterworth and Hutchinson space for its use as office space.

LSU Health New Orleans is respectfully requesting approval of this Lease of Immovable Property. 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,

*for* 

Larry Hollier, MD  
 Chancellor

Enclosures

# ATTACHMENT II

## EXHIBIT C PROPERTY TO BE LEASED

### HUTCHINSON & BUTTERWORTH BUILDINGS LOCATION AND PROPERTY DESCRIPTION

The two buildings are located on the LSU Health New Orleans Downtown Campus

Figure 1. LSU Health New Orleans Downtown Campus Map with locations of Hutchinson (1545 Tulane Avenue) and Butterworth (1541 Tulane Avenue)

### LSU HEALTH DOWNTOWN CAMPUS MAP NEW ORLEANS, LOUISIANA

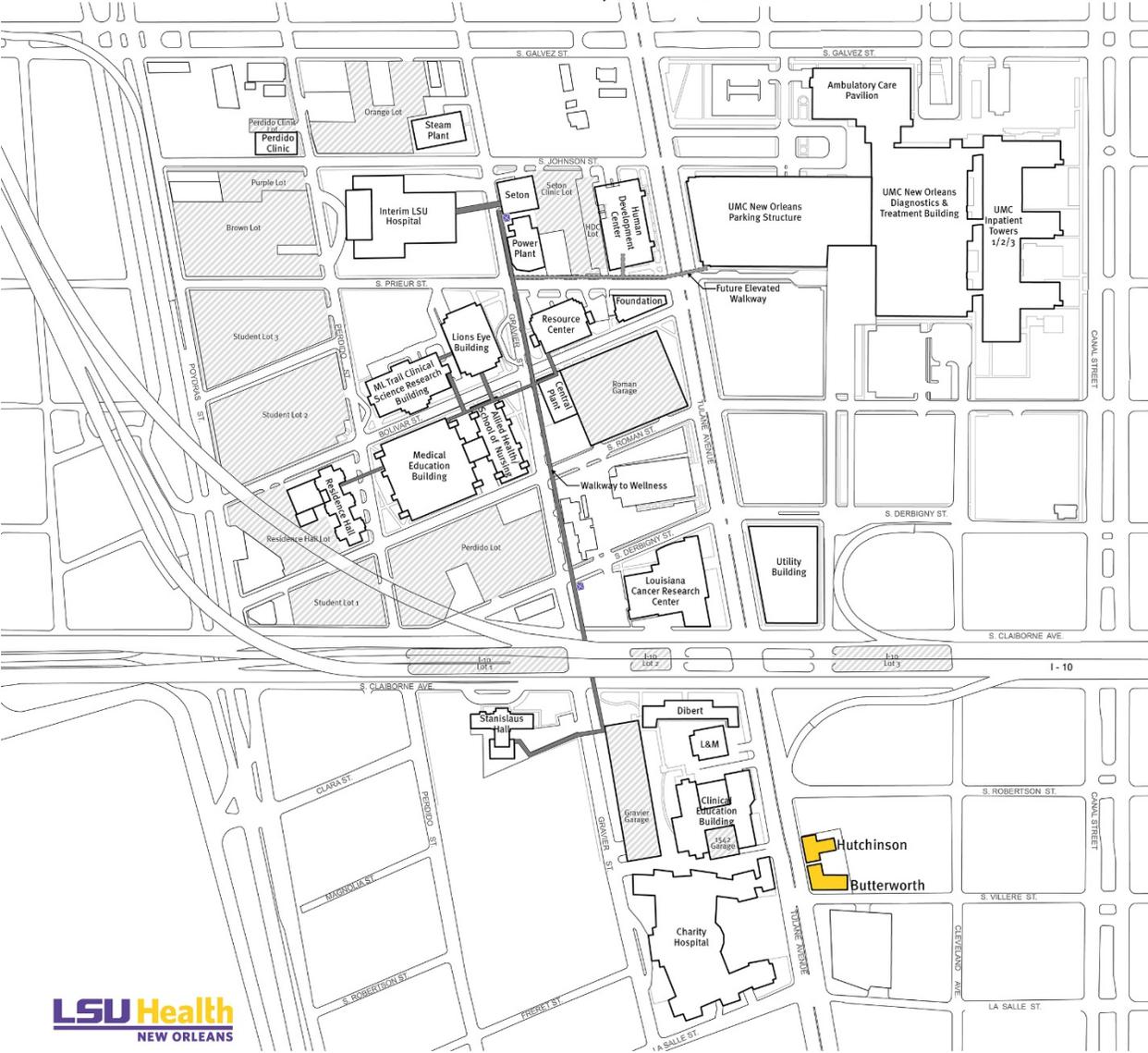
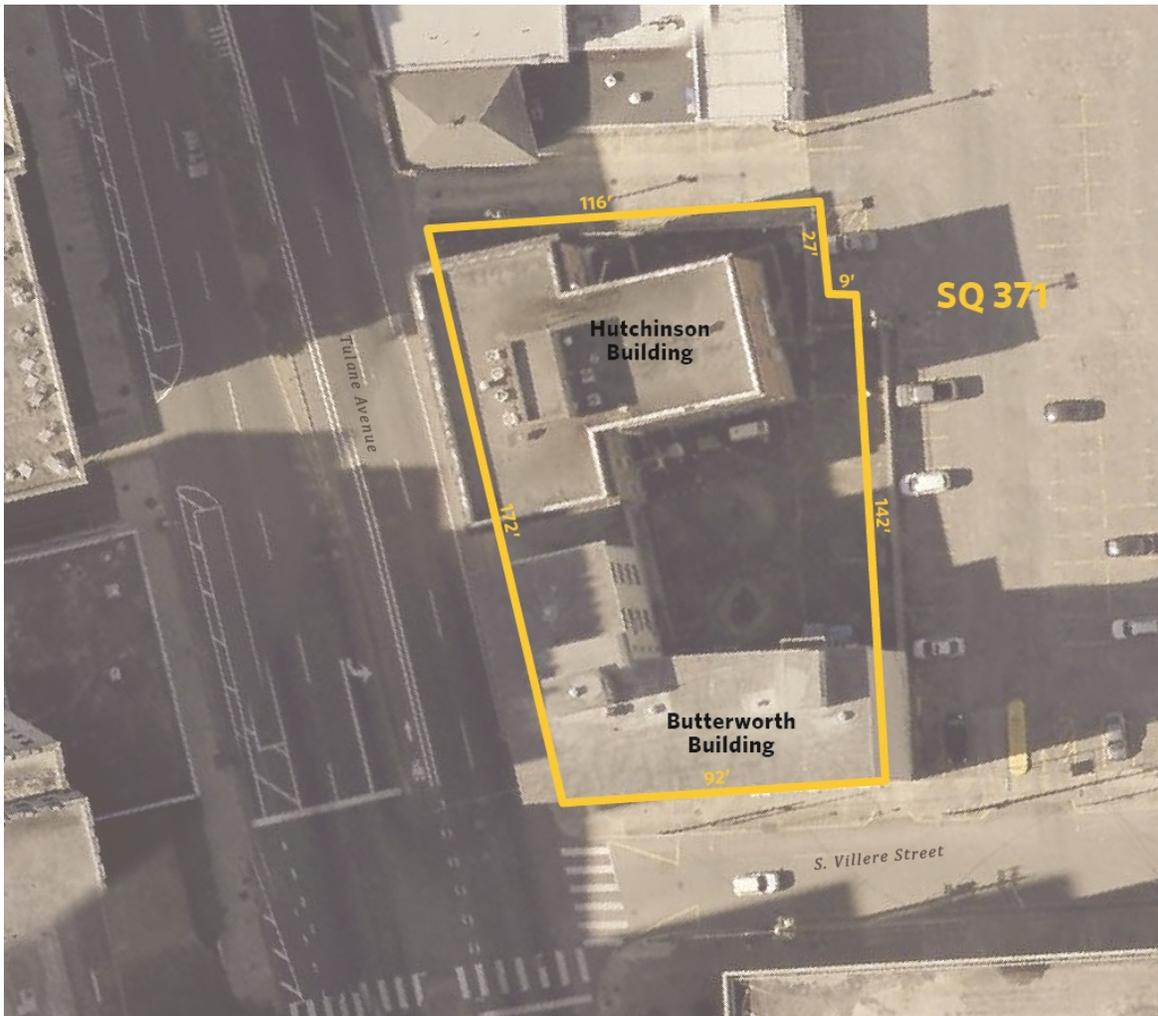


Figure 2. Property to be Leased is Located on SQ 371 in New Orleans, Louisiana



**PROPERTY DESCRIPTION:** The Butterworth and Hutchinson Buildings are located on a single parcel on the southeast corner of SQ 371 in the First Municipal District, City of New Orleans, Parish of Orleans, State of Louisiana. The single parcel has been formed through consolidating of 4 lots at the intersection of Tulane Avenue and S. Villere Street. The total land area is 18,402 SF (0.42 acres). Using the property description on the New Orleans Tax Assessor's Office website, the metes and bounds are as follows:

*On the northwest corner of Tulane Avenue and South Villere Street, the point of beginning is set at the intersection of the right of ways then proceeding N26d22'21"W for 172'; then N53d53'03"W for 116'; then S35d35'55" for 27'; then N53d53'03" for 9'; then S37d36'10" for 142'; then S52d39'21" for 92' to the point of beginning.*

ATTACHMENT III

LEASE AGREEMENT  
FOR BUTTERWORTH AND HUTCHINSON BUILDINGS  
(STATE ID #00532 AND #00530, RESPECTIVELY)

THIS LEASE AGREEMENT FOR BUTTERWORTH AND HUTCHINSON BUILDINGS (STATE ID #00532 AND #00530 RESPECTIVELY) (herein "Lease Agreement") is entered into effective as of the \_\_\_ day of \_\_\_\_\_, 2019 (herein "Effective Date") for the purposes and on the terms stated herein, and is made by and between:

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (the "Board"), a public constitutional corporation organized and existing under the Constitution of the State of Louisiana of 1974 herein represented by Dr. F. King Alexander, President of Louisiana State University, duly authorized by a resolution of the Board, a copy of which is attached hereto as **Exhibit "A"** and made a part hereof, with a principal office located at, and a mailing address of Office of the President, Louisiana State University, 3810 West Lakeshore Drive, Baton Rouge, Louisiana, 70808, herein appearing for the benefit of the Louisiana State University Health Sciences Center – New Orleans (herein "LSUHSC-NO");

**AND**

**LSU HEALTH FOUNDATION, NEW ORLEANS**, a private Louisiana nonprofit organization ("Foundation") herein represented by its duly authorized \_\_\_\_\_ by a resolution of its Board of Directors, a copy of which is attached hereto as **Exhibit "B"** and made a part hereof with a principal office located at \_\_\_\_\_ (both Board and Foundation referred to herein as the "Party" or, collectively, the "Parties");

and provides as follows:

WITNESSETH

**WHEREAS**, Foundation is a private non-profit Louisiana corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax-exempt purpose is to support the mission and programs of LSUHSC-NO, a higher education institution under the management and supervision of Board;

**WHEREAS**, Louisiana Revised Statutes 17:3361, *et seq.*, expressly authorizes Board to lease property to a nonprofit corporation such as Foundation;

**WHEREAS**, Board is the owner of those certain structures known as the Butterworth and Hutchinson Buildings located on the campus of LSUHSC-NO in New Orleans, Louisiana, Site ID #00532 and #00530, respectively, the locations of which structures are reflected on **Exhibit "C"** (herein together the "Buildings");

**WHEREAS**, Foundation desires to use the Buildings described herein either itself or through a sublease to a sublessee chosen through a competitive process, which subleasee shall make renovations to the Buildings;

**WHEREAS**, Board and Foundation agree that all transactions conducted pursuant to this Agreement shall comply with applicable State and federal laws and regulations; and

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

## **ARTICLE I. DEFINITIONS**

The terms used in this Agreement shall for purposes of this Agreement, have the meanings specified below:

**"Agreement"** means, in its entirety, this Lease Agreement for Butterworth and Hutchinson Buildings (State ID #00532 and #00530, respectively) for the lease of the Leased Premises by the Board to the Foundation.

**"Applicable Laws"** means all laws, statutes, rules, regulations, zoning ordinances, building codes, resolutions and orders of any governmental authority, whether federal, state, or local, applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or any third parties.

**"Architect"** means any architect or other design professional, including their permitted successors and assigns, engaged by Foundation or Foundation's sublessee to perform architectural or design services with respect to any phase of the design and/or construction and renovation of the Improvements or any substitute or successor architect or other design professional so engaged.

**"Board"** means Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

**"Buildings"** means the Butterworth and Hutchinson Buildings (State ID #00532 and #00530, respectively).

**"Business Day"** means any day other than: (i) a Saturday, (ii) a Sunday, or (iii) any other day on which the Board or LSUHSC-NO is closed for business.

**"Butterworth Building"** means that certain structure designated as Building ID #00532, street address of 1541 Tulane Avenue, located on the campus of LSUHSC-New Orleans in New Orleans, Louisiana, Site ID No. 1-36-049, on the Butterworth and Hutchinson Tract, which structure is reflected on **Exhibit "C"** hereto.

**"Construction Contract"** means one or more agreements for the construction of the Improvements entered into by and between the Foundation and/or its sublessee and the Contractor,

including all amendments, modifications, exhibits, schedules, supplements, and change orders to all such agreements.

**"Contractor"** means the contractor or contractors selected by Foundation and/or its sublessee to construct the Improvements and their permitted successors and assigns.

**"Effective Date"** means the \_\_ day of \_\_\_\_\_, 2019.

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

**"Foundation"** means the LSU Health Foundation, New Orleans.

**"Hutchinson Building"** means that certain structure designated as Building ID #00530, street address of 1545 Tulane Avenue, located on the campus of LSUHSC-New Orleans in New Orleans, Louisiana, Site ID No. 1-36-049, on the Butterworth and Hutchinson Tract, which structure is reflected on **Exhibit "C"** hereto;

**"Improvements"** means any construction and renovations, constructed in one or more phases, by Foundation or its sublessee on the Leased Premises in accordance with Plans and Specifications and the terms of this Agreement and made pursuant to Article V hereof.

**"Leased Premises"** means the Butterworth and Hutchinson Tract, all as more specifically described on **Exhibit "C"** attached hereto *in globo*, cross-hatched and marked "Leased Areas" thereon, which Leased Premises are leased by Board to Foundation pursuant to this Agreement.

**"LSUHSC-NO"** means Louisiana State University Health Sciences Center – New Orleans.

**"LSUHSC-NO Construction Monitor"** means one or more persons designated and authorized in writing from time to time by the Chancellor of LSUHSC-NO or his/her designee to monitor the construction progress during any construction phase of the Work who shall be either a licensed architect or a licensed engineer, provided, however, that the initial University Construction Monitor shall be the LSUHSC-NO's Associate Vice Chancellor for Property and Facilities Management.

**"LSU Representative"** means the Assistant Vice President and University Architect, their designees, and any other individuals specifically authorized in writing by the LSU President to act as the LSU Representative hereunder.

**"OFPC"** means the Office of Facility Planning and Control within the Division of Administration for the State of Louisiana.

**"Payment and Performance Bonds"** means payment and performance bonds required in connection with performance of the Work and described in Section 5.1(d) of this Agreement.

**"Permitted Use"** means the renovation and/or use of the Leased Premises by Foundation or its sublessee for the construction and provision of office space to support the development of the adaptive reuse of the former Charity Hospital Building, and for such other uses as are agreed to in writing by the President of LSU.

**"Plans and Specifications"** means one or more sets of final plans and specifications, including any amendments thereto, for design of the Improvements, materials selection and method of construction for the construction of the Improvements, whether in one or in multiple phases, and for all Work related thereto, which have been approved, in writing, by the LSU Representative.

**"Punch List"** means a list prepared by the Architect and approved by the LSUHSC-NO Construction Monitor and the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion, prior to final acceptance.

**"Rent"** means the payments to be made by Foundation to LSUHSC-NO for the lease of the Leased Premises as set forth in Section 2.2 of this Agreement.

**"State"** means the State of Louisiana.

**"Substantial Completion"** means the date or dates on which: (a) the Architect has certified to Foundation that the Work (or, if approved by the LSUHSC-NO Construction Monitor and the LSU Representative, any portion of the Work) has been completed substantially in accordance with the Plans and Specifications, subject to customary Punch List items remaining to be completed, (b) the LSUHSC-NO Construction Monitor and the LSU Representative have given written approval of the Architect's certificate, which approval shall not be unreasonably delayed, withheld or conditioned, and (c) governmental certificates and approvals required to allow beneficial use and occupancy of the Improvements have been obtained, including, but not limited to, a Certificate of Occupancy (whether temporary or final) and State Fire Marshal approval.

**"Term"** means five (5) years from the Effective Date hereof.

**"Tract C"** is composed of that certain parcel reflected as "*Butterworth and Hutchinson Tract*" on **Exhibit "C"** hereto on which is located the Butterworth Building and the Hutchinson Buildings.

**"Work"** means all work and activities required to be undertaken in order to design and construct the Improvements including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the design, planning and construction, in one or more phases, of all facilities and all necessary utility placements, relocations, tie-ins and upgrades related to the Buildings.

## **ARTICLE II. LEASE OF LEASED PREMISES AND RENT**

**Section 2.1 Lease.** For and in consideration of payment of Rent as set forth in Section 2.2, Board hereby leases the Leased Premises to Foundation for the Term, and hereby grants to Foundation such rights of use and access as are necessary for Foundation or its sublessee to

perform the Work and conduct the Permitted Use in the Leased Premises. The parties agree that the Leased Premises are leased to Foundation as is, where is. The Foundation accepts the leasehold estate in its present condition, and no repairs, replacements, additions, alterations, improvements, reconstruction, or remodeling of any kind or nature shall be done or performed by Board or LSUHSC-NO.

**Section 2.2 Rent.** Foundation shall pay Rent to Board for the lease of the Leased Premises, which Rent shall be due and payable in advance in twelve (12) equal monthly installments of \_\_\_\_\_ each, on the first day of every month to LSUHSC-NO, and delivered to the following location: Associate Vice Chancellor of Finance, LSU Health Sciences Center, 433 Bolivar Street, Suite 811, New Orleans, LA 70112.

**Section 2.3 Furnishings.** The lease of the Leased Premises includes any furnishings or equipment located in the Buildings as of the Effective Date hereof.

### **ARTICLE III. AGREEMENT TO CONSTRUCT IMPROVEMENTS**

**Section 3.1 Improvements.** Foundation or its sublessee shall construct the Improvements, in one or more phases, in accordance with the Plans and Specifications at Foundation's or its sublessee's sole cost and expense.

### **ARTICLE IV. UNIVERSITY PURPOSES, USE OF LEASED PREMISES AND WAIVER OF WARRANTIES**

**Section 4.1 University Purposes.** The project is intended to benefit the LSU Health Sciences Center – New Orleans and further its educational, scientific, research, and/or public service functions by supporting the development of the adaptive reuse of the former Charity Hospital Building and therefore will benefit the LSU Health Sciences Center. The benefits will also produce partnership and relationship connectivity with the City of New Orleans and the local biomedical district.

**Section 4.2 Permitted Use.** Except with the prior, written consent of the LSU Representative, the Leased Premises shall be used only for a Permitted Use.

**Section 4.3 Prohibited Uses.** The Leased Premises shall not be used for the sale, distribution, storage, transportation or handling of petroleum or other similar, synthetic products, and the Leased Premises in violation of any Applicable Laws. Foundation shall not permit any contamination or pollution on or about the Leased Premises or increase the fire or insurance hazard by any use thereof.

**Section 4.4 Permits.** Before beginning any Work on the Leased Premises, Foundation or its sublessee shall obtain any permit(s) required by the State of Louisiana, the Parish of Orleans and the United States of America or any of their agencies, subdivisions, or departments and otherwise as required by Applicable Laws.

**Section 4.5 Prior Approval.** Storage tanks shall not be installed or otherwise placed in or on the Leased Premises without the LSU Representative's prior, written consent which, in addition to any other conditions required by the LSU Representative, shall be subject to the condition that any such tanks shall be located on a concrete slab and shall be surrounded by a retaining wall that will retain the products stored in the tanks in the event of any spill, discharge, leak, overfill, or other release.

**Section 4.6 Environmental.** Except in conformity with applicable environmental laws and regulations, Foundation and its sublessee and any tenant(s), and their agents, employees representatives, contractors, customers, patients, permittees or invitees shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of, on or in the Leased Premises, or any ground parking lots (collectively the "Property"), other than those Hazardous Substances usually and customarily used with respect to a Permitted Use provided that such Hazardous Substances are used, stored, generated, maintained, disposed, processed, produced or made in compliance with all Applicable Laws. Foundation and/or its sublessee shall dispose and remove of all Hazardous Substances and waste at their own expense, provided however, Board shall have the right to require that Foundation or its sublessee engage, at Foundation's or sublessee's expense, a contractor approved by Board to dispose of all Hazardous Substances and waste used, stored, generated or disposed of on the Property. If Hazardous Substances are used, stored, generated, or disposed of, on or in the Property during the Term of this Agreement or otherwise as a result of the action of Foundation, sublessee, or their agents, employees, representatives, contractors, customers, patients, permittees or invitees, Foundation and its sublessee shall indemnify and hold harmless the Board from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the Property, or any neighboring lands or structures owned by Board, damages caused by losses or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant, and expert fees) arising during or after the Term and arising as a result of the use or contamination by Foundation, its sublessee, or its/their agents, employees, representatives, contractors, customers, patients, permittees or invitees. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any clean up, removal, or restoration mandated by a federal, state, or local agency or political subdivision. Without limitation of the foregoing, if Foundation, its sublessee or their agents, employees, representatives, contractors, customers, patients, permittees or invitees, cause or permit the presence of any Hazardous Substance on the Property that results in contamination, Foundation, and its sublessee shall promptly, at their sole expense, take any and all necessary actions to return the Property to the condition existing prior to the presence of any such Hazardous Substance on the Property. Foundation shall first obtain Board's approval for any such remedial action. As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive, and that is regulated by any local government, the State of Louisiana, or the United States Government. "Hazardous Substance" includes any and all materials or substances that are defined as "hazardous waste", "extremely hazardous waste", or a "hazardous substances" pursuant to state, federal, or local government law. "Hazardous Substance" includes but is not restricted to asbestos, PCBs, or petroleum.

**Section 4.7 Waiver of Warranties.** Foundation represents that it has inspected the Leased Premises and is familiar with the condition of each portion thereof and accepts the same in its present "AS IS" condition with all latent, apparent, non-apparent and hidden vices and defects.

Board shall not be required to make any alterations, repairs or improvements of any kind whatsoever whether general or special, ordinary or extraordinary, structural or non-structural, to prepare the Leased Premises for Foundation's occupancy, nor shall Board be required to make any alterations, repairs or improvements of any kind whatsoever, whether general or special, ordinary or extraordinary, structural or non-structural, to the Leased Premises. EXCEPT AS DISCLOSED IN THIS LEASE AGREEMENT, BOARD MAKES NO REPRESENTATION WHATSOEVER REGARDING THE LEASED PREMISES OR FOUNDATION'S USE OR OCCUPANCY OF ANY PART THEREOF FOR ANY PURPOSE EVEN INCLUDING THE PERMITTED USE, AND FOUNDATION HEREBY WAIVES, RELEASES, RENOUNCES AND BOARD DISCLAIMS ANY GUARANTIES AND ANY IMPLIED OR EXPRESSED WARRANTIES OF MERCHANTABILITY, TENANTABILITY, COMPLIANCE WITH LAWS, HABITABILITY, FITNESS OR FITNESS FOR A PARTICULAR PURPOSE (INCLUDING, WITHOUT LIMITATION, ANY CLAIM FOR ANY DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING FROM THE CONDITION OF THE LEASED PREMISES OR ANY PART THEREOF AS DELIVERED BY BOARD TO FOUNDATION). BOARD HAS NOT MADE, NOR HAS FOUNDATION RELIED UPON ANY REPRESENTATION AS TO CONDITION, SAFETY, OR SECURITY OF THE LEASED PREMISES. EXCEPT AS OTHERWISE SET FORTH IN THIS LEASE AGREEMENT, FOUNDATION EXPRESSLY WAIVES THE WARRANTIES PROVIDED BY LOUISIANA CIVIL CODE ARTICLES 2696 AND 2697 AND ANY AND ALL OTHER WARRANTIES REGARDING THE CONDITION OF THE LEASED PREMISES OR THE MERCHANTABILITY, TENANTABILITY, COMPLIANCE WITH LAWS, HABITABILITY, FITNESS OR FITNESS OF THE LEASED PREMISES FOR A PARTICULAR PURPOSE OR ANY PURPOSE (INCLUDING THE PERMITTED USE). FOUNDATION ACKNOWLEDGES THAT THIS WAIVER HAS BEEN BROUGHT TO ITS ATTENTION.

**Section 4.8 Release.** Board shall not be held accountable, responsible or liable to Foundation, Foundation's sublessee, guests, or occupants, or any other persons on or about the Leased Premises, or any other property owned by Board for any damage to person or property caused by, connected with, or arising from the conditions of the Leased Premises or other property or the act or negligence of Foundation, its employees, clients, sublessees, or occupants, or others, nor by other tenants, nor by occupants of contiguous or adjacent property, or the public, or by any other cause, substance, material, or catastrophe whatsoever. Foundation, for itself and its officers, members, managers, contractors, directors, shareholders, employees, agents, successors and assigns hereby release, acquit, and forever discharge Board, its members, managers, officers, directors, employees, shareholders, agents, successors, and assigns from and against any and all causes of action, suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, damages, property damages, injuries, judgments, liabilities, claims, and demands whatsoever, in contract and tort, in law and in equity, whether known or unknown, liquidated or unliquidated related directly or indirectly to Foundation's or its officers, members, managers, contractors, directors, shareholders, members, employees, agents, or successors', sublessees', and assigns' use, access, or lease of the Leased Premises or any other property owned by Board. This Section will survive the termination of this Lease Agreement.

## ARTICLE V. CONSTRUCTION

**Section 5.1 Improvements.** Foundation or its sublessee shall construct any Improvements at no cost whatsoever to Board or to LSUHSC-NO, in a good and workmanlike manner, in accordance with and in compliance with all Applicable Laws, and in accordance with the following provisions:

A. Plans and Specifications/Change Orders. At least thirty-days (30-days) prior to commencement of construction of any Improvements (other than painting, floor cover replacement, adding, repairing, or other similar minor improvements addressed by Article VII hereof) proposed final plans and specifications approved by the LSUHSC-NO Construction Monitor shall be delivered to the LSU Representative for his/her review. The LSU Representative shall approve or disapprove such proposed final plans and specifications in writing within thirty-days (30-days) of receipt thereof. After approval by the LSU Representative, any change in Work and materials relating to construction of the Improvements which either: (1) materially alters the nature or quality of the Improvements and impacts the costs by more than FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), or (2) materially alters the structures of one or more of the Buildings and impacts the costs by more than FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00), is subject to the prior review and approval of the LSU Representative, which approval shall not be unreasonably withheld, delayed, or conditioned. Foundation or its sublessee shall notify the LSU Representative in writing of any such proposed changes in Work or materials, and provide to the LSU Representative copies of the proposed changes, and the LSU Representative shall either approve or disapprove any such changes within seven (7) Business Days after receipt of such notice from Foundation or its sublessee. If the LSU Representative fails to respond within such seven (7) day period, it shall be deemed that LSU approves such changes. Notification to the LSU Representative shall include copies of proposed change orders approved by the Contractor, the Architect, the Foundation, any sublessee and the LSUHSC-NO Construction Monitor, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such changes in the Work or materials. Complete copies of all final change orders shall be provided to the LSU Representative no later than the commencement of the Work represented by the change order, even if LSU Representative's approval is not required.

B. Commencement and Completion of Work. Unless delayed by *force majeure*, Foundation agrees, itself or through its sublessee and at no expense to Board or to LSUHSC-NO, to: (1) commence the Work on the Leased Premises within a reasonable time after the LSU Representative has given written approval of the notice to commence; and (2) make best reasonable efforts to achieve Substantial Completion of said Work within a reasonable period thereafter. No Work shall commence until the LSU Representative has given written consent to the notice to proceed and written approval to the final proposed plans and specifications. The commencement and completion dates set forth herein may be extended by a written request issued by the Foundation and or its sublessee and approved in writing by the LSU Representative. Notwithstanding anything to the contrary set forth in this Lease Agreement, Foundation and/or its sublessee shall complete all phases of the Work and all Improvements on the Leased Premises within five (5) years of the Effective Date hereof.

C. Construction Contract. The Work shall be performed on behalf of Foundation or its sublessee pursuant to the terms of the Construction Contract, and Foundation or its sublessee shall comply with all requirements of La. R.S. 9:4801. Foundation or its sublessee shall not enter into a proposed Construction Contract without the prior, written approval of the LSU Representative. The LSU Representative shall approve or disapprove the proposed final Construction Contract within ten (10) days of receipt from Foundation or its sublessee. Proper notice of the Construction Contract and Payment and Performance Bonds shall be recorded properly in the mortgage records of Orleans Parish prior to commencement of the Work. No change or change order to the Construction Contract, which materially and substantially deviates from the Construction Contract as originally approved, shall be implemented without the prior, written consent of the LSU Representative. Board and Foundation or its sublessee hereby acknowledge the following, and, to the extent practically and legally possible, the Construction Contract, and all subcontracts entered into by the Contractor shall acknowledge expressly that they have been informed of the following:

(i) The Work will be performed solely and exclusively for Foundation and/or its sublessee.

(ii) Foundation and its sublessee are separate legal entities from LSUHSC-NO and Board. They are not acting as agent for LSUHSC-NO or Board, and Foundation and its sublessee have no authority to obligate LSUHSC-NO or Board to any extent whatsoever.

(iii) Neither Board, LSUHSC-NO, nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of Work performed pursuant to this Agreement.

(iv) Foundation and its sublessee have no ownership interest in the Leased Premises on which the Work will be performed. Any improvements placed on the Leased Premises shall, at Board's sole option, become property of Board upon completion of the Term of this Agreement. The Work shall not give rise to any rights against the Leased Premises, the Board, or LSUHSC-NO.

(v) It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSUHSC-NO Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to or for any party as a result of or in connection with any consent, approval or review given or undertaken in connection with the Work. No party shall infer, based on any consent, approval or review given or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the LSUHSC-NO Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such consent, approval or review shall only be deemed to indicate "no objection" to the particular matter at issue.

D. Payment and Performance Bonds. Foundation and its sublessee shall require that the Contractor provide a performance and labor and materials payment bond(s) with a corporate surety authorized to do business in the State of Louisiana. Said bond(s) shall be for the greater of the full amount of the contract sum or the guaranteed maximum price as defined and

established in the Construction Contract. Foundation, its sublessee, Board and LSUHSC-NO shall be obligees under the bond(s).

E. Rights Concerning the Leased Premises during Construction. To the extent necessary, Foundation, its sublessee, and the Contractor shall have the right to occupy and use the Leased Premises, with reasonable ingress to and egress from the Leased Premises, during the Term of this Agreement and, with the prior written consent of LSUHSC-NO Construction Monitor, during the Work shall fence or block off that area of the Leased Premises necessary to perform the Work in a safe and secure manner. Foundation assumes all responsibility for the condition of the Leased Premises during the Term of this Agreement. Foundation, its sublessee, and the Contractor shall maintain the Leased Premises and any improvement or construction thereon in a reasonably prudent manner at all times. Board and LSUHSC-NO shall not be responsible for the construction of any Improvement or Work. Furthermore, Board and LSUHSC-NO shall not be responsible for any maintenance or repairs to the Leased Premises or the Work during the Work and during the Term. The LSUHSC-NO Construction Monitor and the LSU Representative and any other individuals authorized by the LSU Representative shall at all times have access to the Leased Premises and the exercise of all rights as owner except as otherwise provided herein, even those not specifically acknowledged herein. Foundation accepts the Leased Premises for the purposes herein outlined without any warranty of title or recourse whatsoever against Board.

F. LSU Rules and Regulations; Access During Construction. Foundation and its sublessee agree that they will comply with all applicable Board and LSUHSC-NO regulations, policies, and mandates. Foundation or its sublessee will secure, at their own expense, all necessary permits, and licenses from all regulatory agencies or bodies. Foundation and its sublessee shall make these same requirements of the Contractor. At all times during construction, the LSUHSC-NO Construction Monitor, the LSU Representative and any individuals authorized by the LSU Representative shall have the right, but not the obligation, to enter the Leased Premises and review the Work to determine that it is being performed in compliance with the Plans and Specifications and in a good and workmanlike manner.

G. Acceptance of Construction. Foundation and Board acknowledge that the Work may be undertaken and completed in two (2) or more phases to minimize disruption and loss of productivity. Foundation, itself and on behalf of its sublessee, agrees to work to identify and facilitate completion of all warranty and Punch List items within the first year following acceptance of the Work. Foundation and its sublessee will not accept the Work without the written approval of the LSU Representative. Board reserves the right to refuse to approve the acceptance of any phase of the Work unless monies equal to the value of the Punch List deficiencies are withheld by the Foundation, itself and on behalf of its sublessee and designated for payment to the Contractor only upon completion of the Punch List items. Final payment shall not be made to the Contractor on a phase of the Work until the LSU Representative agrees in writing that the Punch List items have been completed, and no liens have been filed or threatened. Notwithstanding anything to the contrary contained in this Lease Agreement, the reservation of the right to approve or disapprove and the reservation of the right to review any aspect of the Work shall not be deemed to imply any oversight of the construction by Board, LSUHSCNO or any of their employees, agents, or representatives.

H. Funds for Construction. At the LSU Representative's request, prior to the commencement of any phase of the Work, Foundation and its sublessee shall satisfy the LSU Representative that the total amount of money needed to complete the Work or any phase of the Work has been collected or acquired by the Foundation and/or its sublessee and is dedicated to that use. At the LSU Representative's sole option, Foundation or its sublessee may be required to provide a letter of credit, a performance bond, or a dedicated escrow account to guarantee its performance. If the LSU Representative determines that outside expertise is needed to review a financing plan, to be utilized by Board or its sublessee to pay for the Work, Foundation or its sublessee shall reimburse the Board or LSUHSC-NO the reasonable cost of employing such experts.

I. On-Site Construction Inspector. If, in the LSU Representative's sole discretion, it becomes necessary, Foundation or its sublessee at Foundation's or its sublessee's expense shall hire an on-site construction inspector or clerk of the works for full-time supervision of the Work.

J. Inspection and Survey. Foundation and/or its sublessee shall inspect the Leased Premises, and arrange for any necessary surveys and other site investigations at its expense. Foundation and/or its sublessee accept the Leased Premises in its present condition.

K. No Liens; Release of Recorded Liens. Foundation and its sublessee shall not suffer or permit any liens to be enforced against the Leased Premises or Board because of a failure to pay for any Work, labor, services, or materials supplied or claimed to have been supplied to Foundation or its sublessee or to anyone through or under the Foundation or its sublessee. If any such liens shall be recorded against the Leased Premises, Foundation or its sublessee shall cause the same to be released of record, or in the alternative, if the Foundation or its sublessee in good faith desires to contest the same, Foundation or its sublessee shall be privileged to do so, but in such case, Foundation or its sublessee shall promptly deposit with the Recorder of Mortgages of Orleans Parish a bond guaranteeing payment of any such liens and hereby agrees to indemnify, defend with an attorney of the LSU Representative's choice, and save Board harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

**Section 5.2 Signage.** Before erecting or placing any sign upon the Leased Premises or the Improvements, Foundation and/or its sublessee shall submit the design specifications of such sign to the LSU Representative for approval. Foundation and its sublessee may only erect or place signage hereunder if it has obtained the prior written approval of the LSU Representative.

## **ARTICLE VI. INSURANCE**

**Section 6.1 Insurance during Construction.** Unless otherwise approved in writing by the LSU Representative, during the Work and prior to the final acceptance of all Work by Foundation and/or its sublessee and written approval by the LSU Representative that final acceptance has occurred, Foundation and/or its sublessee shall maintain or require the Contractor to maintain the following:

A. Builder's Risk Insurance. Foundation, its sublessee, or Contractor shall provide a Builder's Risk Insurance Policy. The insurance shall afford property hazard insurance coverage against loss or damage by fire, lightning, explosion, earthquake, collapse, theft, sprinkler leakage, vandalism, malicious mischief, and such other perils as are included in the ISO Causes of Loss – Special Form (CP130), and against such other insurable perils as, under good insurance practices, from time to time are insured against for properties of similar character and location, for not less than ONE HUNDRED PERCENT (100%) of the full replacement value of the Work, the Leased Premises, and the Improvements under construction to protect against any damage or loss prior to the completion of the Work, including the Leased Premises and the Improvements. This policy shall be taken out prior to commencement of construction of any Work and, notwithstanding the above, may be discontinued only upon the provision to the LSU Representative by Foundation or its sublessee of written notice of Substantial Completion of all Work, or the particular phase of the Work to which the Builder's Risk applies. The coverage shall include, but not be limited to, the architect and engineer fees to provide plans, specifications, and supervision of Work or for the repair and/or replacement of property damage following a loss during construction. A certificate of insurance as evidence of such insurance shall be provided to the LSU Representative prior to commencement of any Work. The policy shall include coverage for the insurable interests, if any, of Board, LSUHSC-NO, the Foundation, its sublessee and their Contractor(s), and any subcontractors as their interests may appear.

B. General Liability and Property Damage Insurance. Foundation, its sublessee and their Contractors, before commencing any construction, shall procure such comprehensive liability and property damage insurance, including insurance for the operation of motor vehicles, which will cover Foundation's, its sublessee's, Board's, Contractor's and the Architect's legal liability arising out of the construction performed by Foundation, its sublessee, or any of their contractors or subcontractors and by anyone directly or indirectly employed by either of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding buildings, which may arise from operations for the construction of the Work, with minimum limits of liability of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) per occurrence and FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) general aggregate. Foundation and its sublessee shall also require their contractors and subcontractors to have in full force and effect a policy of workmen's compensation and employer's liability insurance before proceeding with the construction under this Agreement. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of the Work.

C. Architect's Design, Errors, and Omissions. Upon execution of this Agreement, Foundation or its sublessee shall provide the LSU Representative with evidence that the Architect has procured architect's design, errors, and omissions insurance coverage for the Work in an amount acceptable to the LSU Representative, and Board shall be named as an additional insured on said policy.

**Section 6.2 Foundation's or Sublessee's Insurance During the Term.** Throughout the Term of this Agreement, Foundation, or its sublessee shall at all times maintain or cause to be maintained, with respect to the Leased Premises and the Improvements, insurance in the following types and amounts. Such insurance shall be with insurance companies duly licensed to do business in the State of Louisiana and bearing a rate of A+XV in the latest Best Casualty Insurance Reports.

TYPE	AMOUNT
Commercial General Liability Insurance for the following where the exposure exists: (a) Property-operations (b) broad form lease liability (c) Products and Completed operations (d) use of Contractors and subcontractors (e) personal injury (bodily injury and death) (f) broad form property damage (g) explosion, collapse and underground property damage (h) independent Contractors (i) sprinkler leakage legal liability	Limits in an amount not less than: \$2,000,000.00 per occurrence; \$5,000,000.00 General Aggregate; and \$5,000,000.00 Products & Completed Operations Aggregate; less a commercially reasonable deductible. “Claims Made” form is not acceptable.
Business Automobile Liability Insurance for bodily injury and property damage, covering owned automobiles, hired automobiles and leased automobiles.	Combined single limit of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) per occurrence
Worker’s Compensation and Employer’s Liability Insurance	Limits as required by the Labor Code of the State of Louisiana and Employer’s Liability coverage.
Business Interruption Insurance covering loss of rents by reason or total or partial suspension of, or interruption in, the operation of Leased Property caused by the damage thereof.	Twelve (12) months guaranteed rental revenue

**Section 6.3 Insurance Policies.** Unless otherwise approved by the LSU Representative in writing, the following requirements shall be applicable to insurance policies and coverages required pursuant to the terms of this Agreement:

A. Required Insurance Shall Be Primary. All insurance required hereby shall be primary as respects Board, its members, officers, employees and authorized agents. Any insurance or self-insurance maintained by the Louisiana Office of Risk Management and Board shall be excess and noncontributory of Foundation, its sublessee's or their Contractors’ insurance.

B. Failure to Comply with Reporting Requirements. Any failure of the Foundation, its sublessee or Contractor to comply with reporting requirements of a policy required hereby shall not affect coverage provided to Board, its members, officers, employees, and authorized agents.

C. Application of Multiple Policies. The Foundation's, its sublessee and/or Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the policy limits.

D. No Release. Neither the acceptance of the completed Work nor the payment therefor shall release the Foundation, its sublessee, Contractor, or insurer from applicable obligations of the insurance requirements or indemnification requirements set forth herein.

E. No Recourse. The insurance companies issuing the required policies shall have no recourse against Board for payment of premiums or for assessments under any form of the policies.

F. Excess Insurance. Excess umbrella insurance may be used to meet the minimum requirements for the general liability and automobile liability only.

G. Deductibles and SIRs. Foundation, its sublessee and/or their Contractor shall be responsible for all deductibles and self-insured retentions.

H. No Special Limitations. The coverage required hereunder shall contain no special limitations (e.g. limitations beyond those that are normal and customary based on the policy, coverage, and activity insured) on the scope of protection afforded to Board, its members, officers, employees and authorized agents.

I. Licensed Louisiana Insurers. All insurance shall be obtained through insurance companies duly licensed and authorized to do business in the State of Louisiana, which, to the extent available on commercially reasonable terms, bear a rating of A+:XV in the latest A. M. Best Co. ratings guide. If at any time an insurer issuing a policy hereunder does not meet the minimum A. M. Best Co. ratings, and such requirement has not been waived in writing by the LSU Representative, the Foundation, its sublessee and/or Contractor shall obtain a policy with an insurer that meets the A. M. Best Co., rating required and shall submit another Certificate of Insurance as required hereunder.

J. Occurrence Based Policies. All insurance required hereunder, with the exception of Architect's Design Errors and Omissions policies, shall be occurrence coverage. Except as specifically permitted herein, claims-made policies are not allowed.

K. Verification of Coverage. The Foundation or its sublessee shall furnish the LSU Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LSU Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall, to the extent allowed by law, provide at least a twenty-day (20-day) written notification to the LSU Representative prior to the cancellation thereof. Upon failure of the Foundation and its sublessee to furnish, deliver and maintain such insurance as provided herein, and expiration of any applicable cure period, then Board may, but shall not be obligated to, obtain said insurance on behalf of the Foundation and its sublessee at the Foundation's itself and on behalf of its sublessee's commercially reasonable cost and expense.

Failure of the Foundation and its sublessee to purchase and/or maintain either itself or through its sublessee and contractor(s), any required insurance, shall not relieve the Foundation and its sublessee from any liability or indemnification hereunder.

L. Additional Insureds. Foundation, its sublessee, Board and their members, officers, employees and authorized agents shall each be named as additional insureds on all policies required hereby.

M. Additional Insurance. The LSU Representative may review Foundation's and its sublessee's required insurance as stated herein at the time of renewal of the policies or at the time of a material change, and the LSU Representative reserves the right to require reasonable additional limits or coverages to the extent available at commercially reasonable rates. Foundation itself and on behalf of its sublessee agree to comply with any such reasonable request by the LSU Representative or to allow reasonable changes or reductions in coverages.

N. Blanket Policies. If any blanket general insurance policy of Foundation or its sublessee, as applicable, complies with the requirements of this Agreement, such insurance shall fulfill the requirements set forth herein.

O. Limitation on Liability. The insurance and other provisions of this Agreement do not waive or abrogate, are not intended to waive or abrogate, and shall not be interpreted to waive or abrogate, the limitation on liability established under La. R.S. 13:5106 for Board.

## ARTICLE VII.

### OPERATION, MAINTENANCE, REPAIRS, SECURITY AND OTHER SERVICES

**Section 7.1 Licenses, Permits and Accreditation.** Foundation and its sublessee, as applicable, shall procure and maintain all licenses, permits and accreditation, if any, required for their use of the Leased Premises.

**Section 7.2 Maintenance and Repair of Leased Premises.** Foundation and/or its sublessee, at their sole cost and expense during the Term, shall provide all maintenance and repair to the Buildings (or any replacement thereof) and the Leased Premises including but not limited to all major maintenance and ordinary and routine maintenance during the Term including heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and security systems, operating maintenance, repairs, janitorial, and custodial.

**Section 7.3 Utilities.** Foundation agrees that Foundation and/or its sublessee will be responsible for the cost of all utilities serving the Leased Premises, including electric power, water and sewer, IT and telephone, and Foundation and/or its sublessee shall pay directly all utilities servicing the Leased Premises. No such utilities expense shall be charged to or paid by Board or LSUHSC-NO. Should Board or LSUHSC-NO be charged for any utilities serving the Leased Premises, Foundation shall immediately reimburse Board and/or LSUHSC-NO for such expense.

**ARTICLE VIII.  
ACQUISITION OF IMPROVEMENTS AT END OF TERM**

**Section 8.1 Transfer of Improvements.** Upon the expiration of the Term of this Lease Agreement, Foundation and its sublessee shall transfer to the Board all or any part of the Improvements and Work placed or performed on the Leased Premises, or in or to the Buildings. The parties agree to execute any and all documents necessary to effectuate the transfer and the acceptance thereof by Board and will record the transfer and acceptance in the records of Orleans Parish, if appropriate. To the extent allowed by Applicable Law, Foundation and/or its Lessee shall own all Improvements and Work during the Term of this Lease Agreement. Upon the transfer to the Board of any and all Improvements and Work placed or performed during the Term, on the Leased Premises or in or to the Buildings, said Improvements shall be in good condition, subject to the normal wear and tear of prudent use, and Foundation agrees to maintain said Improvements in good condition until the termination of this Lease Agreement.

**Section 8.2 Period of Inspection.** Foundation agrees that, in addition to any other rights of access and inspection set forth in this Lease Agreement, during the last One Hundred Twenty (120) days of the Term, the LSU Representative, and other individuals authorized by the LSU Representative may inspect the Leased Premises and the Buildings at all reasonable times to determine the condition of the Leased Premises and the Buildings.

**ARTICLE IX.  
INDEMNIFICATION**

**Section 9.1 Indemnification by Foundation.** Foundation, for itself and for its sublessees, successors, assigns, agents, contractors, employees, invitees, customers, and licensees, agrees to indemnify, defend, and to hold Board harmless against any loss for damages or injuries that may be suffered by Board or by any person, including but not limited to Foundations, sublessees, agents, contractors, employees, invitees, and licensees, and for any loss for damages or injuries suffered to or by the Leased Premises or to the Buildings, to the extent such loss arises out of or is related to the Work or Foundation's or its sublessee's occupancy or use of the Leased Premises, the Improvements, or the Buildings, or to the acts or omissions of Foundation or Foundation's sublessee, successors, assigns, agents, contractors, employees, invitees, customers, or licensees, except to the extent caused by acts or omissions by Board's members, officers and employees unless said Board, members, officers and employees are acting at the direction or request of the Foundation itself and/or on behalf of its sublessee, and Foundation or its sublessee agrees to defend Board with an attorney of Board's choice in any legal action against it and pay in full and satisfy any claims, demands or judgments made or rendered against Board, and to reimburse Board for any legal expenses, including attorney's fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder, and repair any damages to the Leased Premises, Improvements, or to the Buildings.

**Section 9.2 Indemnification by Board.** To the extent allowed by Applicable Laws, Board, agrees to indemnify, defend and hold Foundation harmless against any loss for damages or injuries that may be suffered by Foundation or by any person including but not limited to Board's members, employees, or officers, except if any of such persons are acting at the direction or request of the Foundation, or its sublessee, to the extent that such loss, damage or injuries arise out of or

are related to the fault or negligence of Board, its members, employees, or officers, and Board agrees to defend Foundation in any legal actions against it and, to the extent allowed by Applicable Law, pay in full and satisfy any such claims, demands or judgments made or rendered against Foundation, and to reimburse Foundation for any legal expenses, including attorney fees and court costs, which may be incurred by it in defense of any such claim or legal action arising thereunder; provided, however, that Board's costs and expenses incurred in fulfilling this indemnity and defense shall be limited to proceeds from the Office of Risk Management or otherwise which are available for this purpose.

**ARTICLE X.  
TERM**

**Section 10.1 Term.** The Term of this Agreement shall continue and remain in full force and effect for a period of five (5) years commencing on the Effective Date.

**ARTICLE XI.  
NOTICES**

**Section 11.1 Notices.** All notices, requests and communications required or permitted by this Agreement, shall be given in writing by: (i) personal delivery (confirmed by courier delivery service); (ii) expedited delivery service with proof of delivery; (iii) facsimile and confirmed in writing by mail; or (iv) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

Such notices when given by Foundation shall be addressed to Board as follows:

Board:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Attention: F. King Alexander, President Louisiana State University 3810 West Lakeshore Dr. Baton Rouge, Louisiana 70808 Phone: _____ Email: _____
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With copies to:	LSU Health Sciences Center New Orleans Attention: John A. Harman Vice Chancellor for Administration and Finance 433 Bolivar Street, Room 811 New Orleans, Louisiana 70112 Phone: 504-568-5135 Email: jharman@lsuhsc.edu
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Such notices when given by Board shall be addressed to Foundation as follows:

Foundation:                   LSU Health Sciences Center Foundation, New Orleans  
2000 Tulane Avenue, Fourth Floor  
New Orleans, LA 70112  
Attn: Matthew Altier, President  
and Chief Executive Officer  
Phone: \_\_\_\_\_  
Email: [maltier@lsuhealthfoundation.org](mailto:maltier@lsuhealthfoundation.org)

Any party may change its address for purposes of this Section 11.1 by giving written notice of such change to the other party in the manner provided in this section. Except as expressly provided herein, any notice provided for herein shall become effective only upon and at the time of first receipt by the party to whom it is given, unless such notice is only mailed by certified mail, return receipt requested, in which case it shall be deemed to be received three (3) business days after the date that it is mailed. Either party may, by proper written notice hereunder to the other party, change the individual address to which such notice shall thereafter be sent; provided, however, such new notice address will be effective ten (10) business days after delivery of notice of the new notice address. Rent payments shall be made payable to Board as provided in Section 2.2 above, which Rent payments may be made via regular mail addressed as shown in Section 2.2, but shall not be timely unless received by Board on or before the date on which they are due.

## **ARTICLE XII. FOUNDATION DEFAULT**

**Section 12.1 Default by Foundation.** Board may declare Foundation in default upon one or more of the following events:

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

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

C.     Taking of Improvements. The taking by execution of the Improvements and/or the leasehold interest for the benefit of any person or entity other than Board; or

D.     Involuntary Bankruptcy. A court having jurisdiction shall enter an order for relief in any involuntary case commenced against Foundation, and/or its sublessee, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or

order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, sequestration, or other similar official of or for Foundation and/or its sublessee or any substantial part of the properties of Foundation and/or its sublessee or ordering the winding up or liquidation of the affairs of Foundation and/or its sublessee, and the continuance of any such decree or order not stayed and in effect for a period of ninety (90) consecutive days; or

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

F. Abandonment of Project. Foundation and/or its sublessee, after commencement of construction but prior to substantially completing construction of the Improvements, abandons (with no intent to continue) construction for a period of NINETY (90) consecutive days, excluding delays caused by *force majeure*.

#### **Section 12.2 Failure by Foundation and/or its Sublessee to Take Remedial Action.**

Whenever any event of default referred to in this section shall have occurred and be continuing and Foundation and/or its sublessee refuses or fails to take the reasonable and necessary remedial action to cure such default in the time period specified therefor, in addition to any other remedies herein or by law provided, Board shall have the right, in addition to any other rights Board may have under Applicable Law, without any further demand or notice, to declare this Agreement terminated. In the event of the termination of this Agreement, Foundation for itself and for its sublessee expressly waives any notice to vacate. Furthermore, in the event of the termination of this Agreement during the Work, Board shall be the owner of all Improvements made on or to the Leased Premises, provided, however, at Board's sole option and discretion, in the event of the termination of this Agreement during the Work, Foundation and its sublessee shall transfer and/or lease any Improvements constructed pursuant to the Agreement, transfer its rights and obligations under this Agreement and transfer any funds Foundation and its sublessee have dedicated to complete the construction of the Improvements (subject to applicable donor restrictions and the terms of any valid and perfected liens, pledges and security interests) to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to Board.

### **ARTICLE XIII. BOARD DEFAULT**

**Section 13.1 Default by Board.** Foundation may declare Board in default upon the failure of Board to observe or perform any covenant, condition, or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default be continuing and Board has not taken any action reasonably anticipated to cure such default, in addition to any other remedies herein or by law provided, Foundation shall have the right, without any further demand or notice to declare this Agreement terminated and shall have no further obligation to perform any of the obligations of Foundation under this Agreement.

**ARTICLE XIV.  
MISCELLANEOUS**

**Section 14.1 Relationship of Parties.** Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship, between the parties hereto. It is understood and agreed that no provision contained herein, or any acts of the Parties hereto, creates a relationship other than the relationship of Board and Foundation under this Agreement.

**Section 14.2 Attorneys' Fees.** If either Party is required to commence legal proceedings relating to this Agreement, the prevailing party to the extent allowed by Applicable Laws shall be entitled to receive reimbursement for its reasonable attorneys' fees and costs of suit.

**Section 14.3 Louisiana Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Louisiana, and all obligations of the parties created hereunder are performable in Orleans Parish, Louisiana.

**Section 14.4 Non-waiver.** No waiver by Board or Foundation of a breach of any of the covenants, conditions, or restrictions of this Agreement shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Agreement. The failure of Board or Foundation to insist in any one or more cases upon the strict performance of any of the covenants of the Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by the Board or acceptance of payment by the Board of 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 Board or 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 hereto.

**Section 14.5 Severability.** If any clause or provision of this Agreement is illegal, invalid or unenforceable under present or future laws effective during the Term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

**Section 14.6 Authorization.** By execution of this Agreement, Foundation and Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed; and that the persons signing this Agreement on their behalf have due authorization to do so.

**Section 14.7 Use of Name, Logos, or Marks.** No party shall make use of any other party's name, logo, or marks without their prior written consent.

**Section 14.8 Amendment.** No amendment, modification, or alteration of the terms of this Agreement shall be binding unless made in writing, dated on or subsequent to the date hereof and duly executed by the parties hereto.

**Section 14.9 Assignment, Subleases, or Mortgage.** The mortgage or encumbrance of the Buildings, the Improvements, the Work or Foundation's and/or its sublessee's Interest in this Agreement, or the Leased Premises without the prior, written consent of the LSU Representative, and any attempt to mortgage or encumber the Buildings, the Improvements, the Work or Foundation's and/or its sublessee's interest in this Agreement or the Leased Premises, without the prior, written consent of the LSU Representative shall be null and void. Foundation shall not assign this Agreement or any part hereof without the prior, written consent of the LSU Representative, and any attempt of assignment without the prior, written consent of the LSU Representative shall be null and void. Foundation may sublease a portion of the Leased Premises to an entity chosen through a competitive process with the prior, written consent of the LSU Representative.

**Section 14.10 Books, Records, and Audit.** The books, accounts and records of Foundation, which pertain directly to the Work and construction of the Improvements and/or the occupancy of the Leased Premises, shall be maintained at the principal office of Foundation. Board may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Foundation and its Contractor(s) to the extent necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to Foundation's performance of its obligations under this Agreement. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of Board, by independent auditors retained by Board to conduct such audit, or by the Louisiana Legislative Auditor, but any and all such audits shall be conducted without materially, unreasonably, or unnecessarily interrupting or interfering with the normal conduct of business affairs of the Foundation. Foundation shall make this same requirement, on behalf of Board, of its sublessee.

**Section 14.11 Successors and Assigns.** All of the covenants, agreements, terms and conditions to be observed and performed by the parties hereto shall be applicable to and binding upon their respective successors and assigns including any successor by merger or consolidation of LSUHSC-NO or Board into another educational institution or governing body.

**Section 14.12 Notice of Lease.** Foundation agrees not to record this Agreement. At the Foundation's request, the parties will execute a Notice of Lease for recording in the records of Orleans Parish, and the cost of recording will be borne by Foundation.

**Section 14.13 LSU Representative.** In addition to any other individuals specifically authorized in writing by the President of the LSU System to act as the LSU Representative, the Assistant Vice President and his/her designee and the University Architect and his/her designee are hereby authorized to act as the LSU Representative. It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the LSUHSC-NO Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with this Agreement or the Work. No party shall infer, based on any consent, approval, or review given or undertaken by the Board, its members, employees and agents including, but not limited to, the LSU Representative and the LSUHSC-NO Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such

consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

**Section 14.14 Entire Agreement.** This Agreement, together with the exhibits attached hereto, contain the final and entire agreement between the parties hereto with respect to the Leased Premises and contain all of the terms and conditions agreed upon with respect to the Leased Premises, 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 14.15 Curative Matters.** Except for the express representations and warranties of the Board set forth in this Agreement, any additional matters necessary or desirable to make the Leased Premises useable for the Foundation’s purpose shall be undertaken, in the Foundation’s sole discretion, at no expense to the Board.

**Section 14.16 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, partnerships, limited liability companies, trusts, and all other entities 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 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 unless specifically stated. The section, article, and other headings in this Agreement are for reference purposes and shall not control or affect the renovation of this Agreement or the interpretation hereof in any respect. Article, section and subsection and exhibit references are to this Agreement unless otherwise specified. All exhibits attached to this Agreement constitute part of this Agreement and are incorporated herein. All references to a specific time of day in this Agreement shall be based upon Central Standard Time (or the other standard of measuring time then in effect in New Orleans, Louisiana).

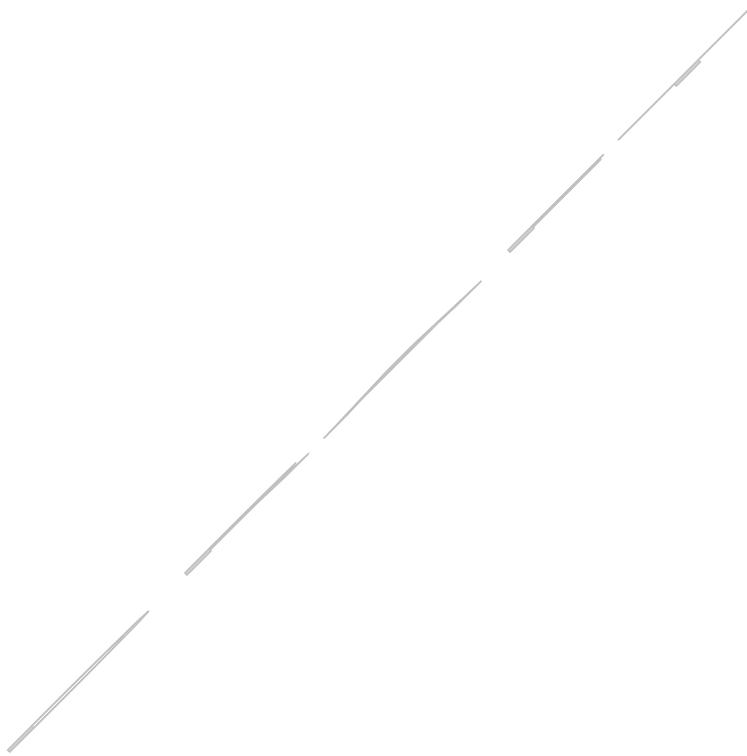
**Section 14.17 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be declared an original.

**Section 14.18 Authorization.** By execution of this Agreement, Foundation and Board each represent to the other that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business, that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed, and that the persons signing this Agreement on their behalf have due authorization to do so.

**Section 14.19 Ancillary Agreements.** In the event it becomes necessary or desirable for the Board to approve in writing any ancillary agreements or documents concerning the Leased Premises or concerning the construction, operation or maintenance of the Improvements or to alter or amend any such ancillary agreements between the Board and the Foundation or to give any approval or consent of the Board required under the terms of this Agreement, all agreements, documents or approvals shall be forwarded to the LSU Representative for approval.

**Section 14.20 Oversight by Division of Administration Office of Facility Planning and Control (“OFPC”).** Design and construction of the Improvements is subject to oversight by OFPC in accordance with La. R. S. 17:3361(A)(2), and such oversight includes, but is not limited to: (a) the right to review and approve plans and specifications prior to commencement of construction and to require changes to conform to Applicable Laws, including space and quality standards, and International Building Code review, and (b) the right to conduct periodic inspections during construction to ensure that all Work is being performed in compliance with the OFPC approved Plans and Specifications.

*[Remainder of Page Intentionally Left Blank. Signature Pages Follow.]*



*(Signature Page for Lease Agreement for  
Butterworth and Hutchinson Buildings, State ID #00532 and #00530, Respectively)*

**IN WITNESS WHEREOF**, the parties hereto have executed this Lease Agreement for the Butterworth and Hutchinson Buildings (State ID #00532 and #00530, respectively) as of the dates indicated on the attached Acknowledgments.

**WITNESSES:**

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

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

*[Acknowledgment for the Butterworth and Hutchinson Buildings Lease Agreement]*

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_ day of \_\_\_\_\_, 2019, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared F. King Alexander, appearing herein in his capacity as the President of Louisiana State University, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Supervisors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

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

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
PRINTED NAME: \_\_\_\_\_  
Notary Public  
La. Bar/Notary ID No. \_\_\_\_\_

*[Acknowledgment for Butterworth and Hutchinson Buildings Lease Agreement]*

STATE OF LOUISIANA

PARISH OF \_\_\_\_\_

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_\_ day of \_\_\_\_\_, 2019, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared \_\_\_\_\_, appearing herein in his/her capacity as \_\_\_\_\_ for the \_\_\_\_\_, a non-profit organization, who, being by me and first duly sworn, declared and acknowledged to me, Notary, that \_\_\_ executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Directors and that said instrument is the free act and deed of said Foundation and was executed for the uses, purposes and benefits therein expressed.

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

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Foundation

\_\_\_\_\_  
Print Name: \_\_\_\_\_

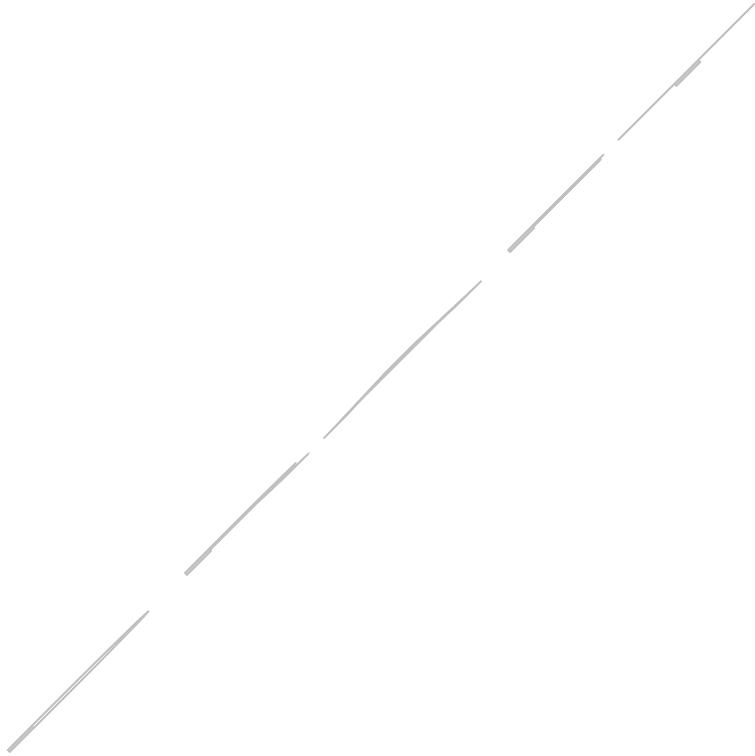
\_\_\_\_\_  
PRINT NAME: \_\_\_\_\_

Notary Public

La. Bar/Notary ID No. \_\_\_\_\_

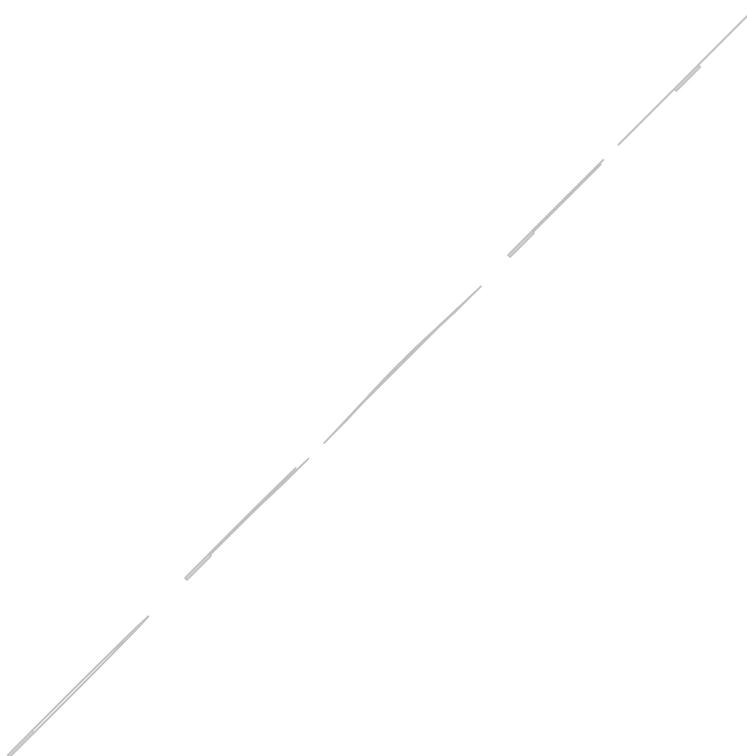
**EXHIBIT "A"**  
**TO LEASE AGREEMENT**  
**FOR BUTTERWORTH AND HUTCHINSON BUILDINGS**  
**(STATE ID #00532 AND #00530, RESPECTIVELY)**

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



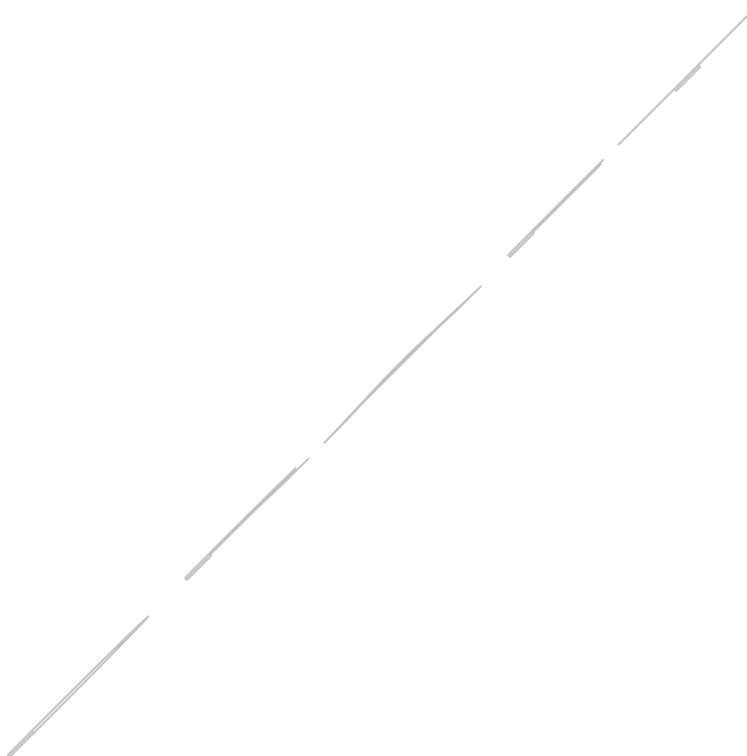
**EXHIBIT "B"**  
**TO LEASE AGREEMENT**  
**FOR BUTTERWORTH AND HUTCHINSON BUILDINGS**  
**(STATE ID #00532 AND #00530, RESPECTIVELY)**

**RESOLUTION OF THE FOUNDATION**



**EXHIBIT "C"**  
**TO LEASE AGREEMENT**  
**FOR BUTTERWORTH AND HUTCHINSON BUILDINGS**  
**(STATE ID #00532 AND #00530, RESPECTIVELY)**

**PLAT SHOWING BUTTERWORTH AND HUTCHINSON BUILDINGS**





**Request from LSU A&M to Approve Employment Contract with Scott Woodward, Athletic Director**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

Pursuant to Article VII, Section 9 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

A.1. Appointments and all other personnel actions relating to the President, Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks approval of the proposed employment contract for Scott Woodward, Athletic Director effective May 6, 2019. The key terms of the proposed contract are summarized below:

	Term		Base Salary <sup>a</sup>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
<u>Contract Action</u>				
New Appointment	N/A	4/30/2025	N/A	\$525,000

Notes:

- a. Athletic Director Scott Woodward will also receive additional salary in the amount of \$575,000 annually paid by an affiliated entity.

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to this employment contract will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the proposed contract.

**ATTACHMENTS**

- I. Memorandum of Agreement: Scott Woodward, Athletic Director

**RECOMMENDATION:**

Based on the recommendation of the President, it is recommended that the Board approve the employment contract with the Athletic Director.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College approves the employment contract with Scott Woodward, as described in this item, and to include in such amendments any terms and conditions as the President, in consultation with the General Counsel, deems to be in the best interests of LSU.

**BINDING TERM SHEET CONTRACT BETWEEN LOUISIANA STATE UNIVERSITY AND  
SCOTT WOODWARD**

**Position:** Athletic Director at Louisiana State University A&M (“LSU”), commencing on May 6, 2019

**Reporting:** Athletic Director shall report directly to the President of LSU

**Term:** Effective May 6, 2019 and ending April 30, 2025

**Compensation:**

- Athletic Director Base Salary (paid by LSU):  
\$525,000.00 (annually; pro-rated for partial years)
- Additional Salary (paid by affiliated entity):
  - 2019-2020: \$575,000 (annually; pro-rated for partial years)
  - 2020-2021: \$575,000 (annually; pro-rated for partial years)
  - 2021-2022: \$850,000 (annually; pro-rated for partial years)
  - 2022-2023: \$850,000 (annually; pro-rated for partial years)
  - 2023-2024: \$975,000 (annually; pro-rated for partial years)
  - 2024-2025: \$975,000 (annually; pro-rated for partial years)

**Incentives (paid by LSU or affiliated entity):**

- Relocation/Signing Bonus:

\$250,000 (payable within 30 days of May 6, 2019)

- Retention Bonuses:

Five-Year Retention (payable May 6, 2024): \$250,000.00 (if Athletic Director remains employed as the Athletic Director at LSU from the inception of employment through April 30, 2024)

Contract Term Completion (payable May 6, 2025): \$500,000 (if Athletic Director remains employed as the Athletic Director at LSU from the inception of employment through April 30, 2025)

**Termination by Athletic Director:** If Athletic Director terminates the employment at any time in the first three (3) years of the agreement (i.e. prior to April 30, 2022), Athletic Director will pay to LSU as liquidated damages an amount equivalent to the total base salary and other compensation, including relocation/signing bonuses, from May 6, 2019 to the date of termination.

**Disclosures:** LSU agrees to provide to Athletic Director disclosures of any and all athletic compliance issues known to any athletic department Compliance officials or at the Vice President level or above of LSU.

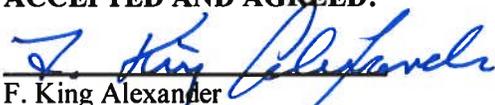
**Liquidated Damages to Previous Employer:** LSU will work in good faith with Athletic Director to satisfy any obligations to Athletic Director’s previous employer in connection with the termination of his employment contract, including payment of liquidated damages up to an amount of \$50,000.

**Termination by LSU:** LSU may terminate the employment at any time for convenience, and in such event will pay to the Athletic Director as liquidated damages an amount equal to the total base salary and other compensation, including a pro rata portion of retention bonuses, remaining in the Term at the time of termination. LSU may also terminate the employment for cause, pursuant to a mutually-agreed clause in the long-form contract.

**Sanctions:** In the event the NCAA Committee on Infractions or any other body imposes any sanctions on any LSU varsity athletic team as a result of conduct or circumstances occurring prior to Athletic Director's arrival, the Term shall automatically be extended for a period of two (2) years (i.e. May 1, 2025 – April 30, 2027), at the same base salary set forth above, with additional salary of \$975,000 per year (annually; pro-rated for partial years).

**Miscellaneous:** This is a legally binding agreement and shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having subject matter and personal jurisdiction over the parties that is domiciled in East Baton Rouge Parish, Louisiana. The parties intend to negotiate in good faith and to prepare and execute a formal long-form contract that more fully states the terms of their agreement, which, once executed and approved by the LSU Board of Supervisors, will supersede the terms of this Contract, but unless and until that occurs, this Contract remains in full force and effect. THE CONTRACT IS ALSO PENDING AN APPROVED BACKGROUND CHECK.

**ACCEPTED AND AGREED:**

  
F. King Alexander  
On behalf of Louisiana State University

4/17/2019  
Date

  
\_\_\_\_\_  
Scott Woodward

4/17/19  
Date



**Request from LSU A&M to Approve Compensation Changes for Frank “Will” Wade, Head Coach Men’s Basketball**

**To: Members of the Board of Supervisors**

**Date: April 26, 2019**

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

A.1. Appointments and all other personnel actions relating to the President, Head Coaches and Athletic Directors.

**1. Summary of the Matter**

This resolution seeks to approve a compensation change effective April 14, 2019 to remove Supplemental Compensation, Other Supplemental Compensation, Incentive Compensation, and any other benefits, compensation or remuneration set forth in the agreement per item 12.D (ii) of the employment agreement for the period of suspension.

This resolution also seeks to approve a compensation change effective April 15, 2019 to reinstate supplemental compensation per Item 6 of the employment agreement.

**2. Review of Business Plan**

Not applicable.

**3. Fiscal Impact**

The Athletic Department currently expects that all funds relating to this employment contract will be paid from revenues generated by the Athletic Department. While authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the supplemental compensation. No state general fund or tuition dollars are used.

**4. Review of Documents Related to Referenced Matter**

The Office of General Counsel has reviewed the contract as executed. The CFO has reviewed this action pursuant to the contract.

**ATTACHMENTS**

- I. Memorandum of Agreement: Frank “Will” Wade, Head Coach Men’s Basketball

**RECOMMENDATION:**

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President to approve the proposed compensation change.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to approve the compensation change for Frank “Will” Wade as described in this item, and to include in such amendments any terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

## FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

THIS FIRST AMENDMENT (“**this Amendment**”) is made by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“**LSU**”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by F. King Alexander, its duly authorized President, on the one hand, and Frank W. “Will” Wade (“**COACH**”) for the services of COACH.

### **RECITALS:**

A. LSU and COACH entered into an Employment Agreement dated June 22, 2017, whereby LSU and COACH agreed that COACH would assume the duties as Head Men’s Basketball Coach of the Team (as defined in Section 2 of the Employment Agreement).

B. LSU and COACH acknowledge and affirm that the Employment Agreement is currently in full force and effect and has not expired or been terminated.

C. LSU and COACH have agreed to modify Section 8, titled “Incentive Compensation and Retention Bonus”, of the Employment Agreement as set forth in this Amendment.

D. LSU and COACH have agreed to supplement Section 12A, i-xvii, titled “Termination by LSU for Cause”, of the Employment Agreement as set forth in this Amendment.

### **AGREEMENT:**

LSU AND COACH hereby modify Section 8 of the Employment Agreement in the following respect:

COACH hereby agrees that he is not entitled to, and thus forfeits all incentives pursuant to Section 8(A)-(B) of the Agreement for the 2018-2019 basketball season as a result of COACH breaching Section 3H of the Agreement. Further, COACH hereby agrees to waive any and all claims for these incentives in the event that LSU shall have “cause” (as defined in Section 12A, i-xx) to terminate COACH, whether such claim is based on the Employment Agreement or otherwise.

LSU AND COACH hereby supplement Section 12A, i-xvii of the Employment Agreement in the following respect:

xviii. If the NCAA Committee on Infractions, subject to any and all appeals before the NCAA Infractions Appeals Committee, ultimately finds COACH to have committed any Level 1 or Level 2 violation, as defined by NCAA regulations, before April \_\_\_\_, 2019, LSU shall have cause to

LSU:  
COACH: FW

terminate COACH'S employment, whether such claims are pursuant to the Employment Agreement or otherwise. In that event, COACH hereby agrees to waive any and all claims that LSU wrongfully terminated him or terminated him without cause, whether such claim is based on the Employment Agreement or otherwise.

xix. If the NCAA Committee on Infractions issues a formal notice of allegations of a Level 1 or Level 2 violation to LSU involving COACH, LSU shall have cause to terminate COACH'S employment, whether such claims are pursuant to the Agreement or otherwise. In that event, COACH hereby agrees to waive any and all claims that LSU wrongfully terminated him or terminated him without cause, whether such claim is based on the Employment Agreement or otherwise.

xx. If COACH is indicted in any federal or state criminal proceeding, LSU shall have cause to terminate COACH'S employment, whether such claims are pursuant to the Employment Agreement or otherwise. In that event, COACH hereby agrees to waive any and all claims that LSU wrongfully terminated him or terminated him without cause, whether such claim is based on the Employment Agreement or otherwise.

In all other respects, LSU and COACH ratify and reaffirm all other terms, provisions, and conditions of the Employment Agreement.

**THUS DONE AND SIGNED**, by LSU and COACH, in multiple originals, on the \_\_\_\_, day \_\_\_\_, 2019.

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

By: \_\_\_\_\_  
F. King Alexander, President Date  
Louisiana State University and  
Agricultural and Mechanical College

  
\_\_\_\_\_  
Frank W. "Will" Wade, Head Coach Date  
Louisiana State University and  
Agricultural and Mechanical College 4/14/19

**RECOMMENDED:**

\_\_\_\_\_  
Joseph Alleva, Vice Chancellor and Athletic Director  
Louisiana State University and  
Agricultural and Mechanical College

\_\_\_\_\_  
Daniel T. Layzell, Vice President for Finance and Administration/CFO  
Louisiana State University and  
Agricultural and Mechanical College



## Board of Supervisors

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### LSU BOARD OF SUPERVISORS MEETING

*University Administration Building Board Room*

*Louisiana State University*

*3810 W. Lakeshore Drive, Baton Rouge, LA 70808*

*Friday, April 26, 2019 | Time: Upon Adjournment of Committee Meeting*

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1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of the Minutes of the Board Meeting held on March 20, 2019
4. Approval of the Minutes of the Executive Committee Meeting held on April 16, 2019
5. Personnel Actions Requiring Board Approval
6. Reports from Council of Staff Advisors and Council of Faculty Advisors
7. President's Report
8. Reports to the Board
  - a. Approval of 2019 - 2020 Board of Supervisors Meeting Dates
  - b. 2019 2<sup>nd</sup> Quarter Summary
  - c. 3<sup>rd</sup> Quarter Consolidated Investment Report
9. Committee Reports
10. Chairman's Report
11. Adjournment



## Board of Supervisors

2019 - 2020  
PROPOSED BOARD MEETING DATES

*Unless otherwise noted, Board meetings will be held at the  
LSU University Administration Building in Baton Rouge.*

MONTH	DATE	REMARKS
October	October 25, 2019	Home Game October 26: Auburn <i>Board Tailgate</i>
November	-	No Board Meeting in November
December	December 6, 2019	-
January	January 10, 2020	Board Meeting Location: LSU-A
	January 25 - 27, 2020	DC Mardi Gras
February	-	No Board Meeting in February
March	March 6, 2020	-
April	April 24, 2020	-
May	May 22, 2020	-
June	June 19, 2020	-
July	-	No Board Meeting in July
August	August 14, 2020	-
September	September 11, 2020	Home Game September 12: Texas
October	October 23, 2020	Home Game October 24
November	-	No Board Meeting in November
December	December 4, 2020	-

### MISC.

2019 Football Board Travel Game: Vanderbilt - September 21, 2019

Louisiana State University  
Office of Internal Audit

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# **Quarterly Audit Summary**

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## Multi-Campus

### **Financial Statement Audit (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 a financial statement audit of the Louisiana State University System (System) for the year ended June 30, 2018, as a part of the Single Audit of the State of Louisiana and to provide accountability over public funds.

#### Audit Findings and Recommendations:

The LLA found that the financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units of the System as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The following finding was included in the report:

Weaknesses in Agreements for use of State Assets at University Medical Center New Orleans(UMCNO) – For the 3<sup>rd</sup> consecutive year, the System did not have complete, signed agreements for all equipment being utilized by the partner managing UMCNO.

#### Management's Response and Corrective Action Plan:

Management concurred with the finding and is in the final stages of negotiating an agreement with UMCNO. Also noted was that options are being considered to resolve items purchased by HCSD but not reimbursed by UMCNO.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## Louisiana State University and A&M College

### **LSU First Pharmacy Benefits Manager**

#### Audit Initiation:

This review originated as a management request in accordance with the FY 2018 Board approved audit plan and was conducted by Gallagher Benefit Services, with input from LSU Internal Audit.

#### Audit Scope and Objectives:

The primary objective of the audit was to ensure Citizens Rx (the PBM) was in compliance with contract terms, specifically the financial guarantees and claims processing. The review included drug claims billed between January 1 and December 31, 2017.

#### Audit Findings and Recommendations:

Minor issues were noted regarding claims processing. However, the volume and impact were minimal, particularly given the complexity of LSU's pharmacy plan design.

#### Management's Response and Corrective Action Plan:

Most of the issues were corrected prior to the audit closeout. Citizens Rx is working with LSU's Plan Administrator to identify the appropriate solutions for remaining findings. It should also be noted that the PBM contract will go out for bid this year, as the current contract is set to expire December 31, 2019.

### **PCI DSS Compliance Readiness Review**

#### Audit Initiation:

This external audit was conducted by CampusGuard.

#### Audit Scope and Objectives:

A Payment Card Industry Data Security Standard (PCI DSS) Readiness Review was conducted July 17-20, 2018, by CampusGuard for Louisiana State University (LSU). This review focused on the overall infrastructure supporting merchant

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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activity, processing methods and environments used by those merchants, and some general security best practices.

## Audit Findings and Recommendations:

For all of the examined campuses and merchants, some current practices were found to be non-compliant with PCI DSS standards. The non-compliance ranged from simple items such as missing or incomplete policy and procedures, to more complex items such as the use of computers and the network, and their role in processing payment cards, as well as relationships with third parties. Recommendations were made to address the issues noted.

## Management's Response and Corrective Action Plan:

Management concurred with the findings and developed correction action plans to address them.

## **Athletics Agreed Upon Procedures (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 agreed upon procedures to assist in evaluating whether the Statement of Revenues and Expenses of the LSU A&M Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2018

### Audit Findings and Recommendations:

There were no significant audit findings.

### Management's Response and Corrective Action Plan:

A management response was not required.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## Louisiana State University Health Sciences Center New Orleans

### **Internet of Things**

Audit Initiation:

This audit was included on the Board approved Fiscal Year 2018 audit plan.

Audit Scope and Objectives:

The audit objectives were to determine:

- Whether proper controls over security of data accessible in or through the Internet of Things (IoT) environment are in place
- Whether proper controls are in place to ensure that IoT devices/equipment are properly managed and secured

Our work included IoT devices at LSUHSC-NO. Personally-owned devices were not included in the scope.

Audit Findings and Recommendations:

Based on our testing, we found that not all IoT compatible devices and equipment are inventoried. We recommended that IT asset inventory include all devices capable of storing and transmitting data, regardless of acquisition cost of the device, and that HSCNO consider acquiring software that would proactively scan the physical network for unidentified devices.

Management's Response and Corrective Action Plan:

Management concurred with the finding and presented a corrective action plan to address the recommendations.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## **Financial Controls Expenditures Review (Consulting)**

### Audit Initiation:

We began the audit Financial Controls for Expenditures from the Board approved Fiscal Year 2019 Audit Plan. During planning management recognized that risks may not be mitigated adequately in some areas. At management's request we excluded these areas from the audit and instead performed a consulting engagement to review monthly payroll, student refund disbursement, check deposits and month-end close.

### Audit Scope and Objectives:

This consulting engagement was limited to the review of processes and procedures in place within the Office of Accounting Services as of August 2018 for monthly payroll, student refund disbursements and check deposits. We researched best practices and compared with the current practices at LSUHSC-NO.

### 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 these recommendations and is in the process of implementing controls to mitigate the identified risks.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## **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 procedures at Louisiana State University Health Sciences Center New Orleans (LSUHSC-NO) as part of the LSU System audit, and to evaluate its accountability over public funds for the period July 1, 2017, through June 30, 2018.

### Audit Findings and Recommendations:

LSUHSC-NO processed two illegitimate wire transfers that resulted in a loss of \$52,886. In April 2018, Accounting Services received and processed two email requests for wire transfers totaling \$60,060. The two email requests appeared to have come from the Associate Vice Chancellor for Administration and Finance's (VCAF) email account. However, on April 10, 2018, LSUHSC-NO discovered that the emails were counterfeit and not initiated by the Associate VCAF. LSUHSC-NO notified the bank and was able to recover \$7,174 of the total amount requested.

### Management's Response and Corrective Action Plan:

New policies have been implemented to reduce the chance that a phishing email will be successful in compromising a user's account.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## Louisiana State University Health Sciences Center Shreveport

### **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 procedures at Louisiana State University Health Sciences Center Shreveport (Center) as part of the LSU System audit, and to evaluate the Center's accountability over public funds for the period July 1, 2017, through June 30, 2018.

#### Audit Findings:

The audit report included a finding related to inadequate controls over accounts receivables. The Center does not have adequate controls over federal, state, and private grants and contracts to pursue collection of accounts receivable. Furthermore, the Center failed to establish proper allowance and write-off procedures.

#### Management's Response and Corrective Action Plan:

Management concurred with the finding and provided a corrective action plan.

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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## Louisiana State University Health Sciences Center Health Care Services Division

### **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 procedures at Louisiana State University Health Sciences Center – Health Care Services Division (HCSD) as part of the LSU System audit, and to evaluate the Center's accountability over public funds for the period July 1, 2017, through June 30, 2018.

#### Audit Findings:

The following findings were reported:

- For the third consecutive year, HCSD and System administration did not have a final, signed agreements for all equipment being utilized by the partner managing University Medical Center New Orleans.
- Regarding the prior-year finding related to Weaknesses over Property Control, \$1.6 million of EKLMC movable property remained unlocated and was written off in accordance with state property regulations.
- HCSD did not attempt to collect from a contractor, HarmonIQ, debt totaling \$163,544 for services performed from February 2016 through November 2016. The lack of collection efforts results in noncompliance with state law and possible lost revenue.
- HCSD/Lallie Kemp Regional Medical Center did not have adequate controls over user IDs used to order medication inventory for the outpatient pharmacy. With the use of the shred ID, LAKMC was unable to provide sufficient evidence that the orders were placed and received by

# Quarterly Audit Summary

*Fiscal Year 2019, 2<sup>nd</sup> Quarter*

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separate individuals, increasing the risk that medications could be misappropriated without detection.

Management's Response and Corrective Action Plan:

Management concurred with the findings and provided correction action plans to address.

**LSU**  
**Deposit and Collateral Report**  
**For the Quarter Ended March 31, 2019**

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
<b>LSU A&amp;M, LSU Alexandria, LSU Eunice, LSU Shreveport, and LSU Health New Orleans</b>				
Chase - LSU, Health Plan Premium	\$ 108,454,914		\$ 108,454,914	\$ 136,254,648
Cottonport Bank-LSU Ag Center	578,910		578,910	1,200,002
Capital One - LSU-A	4,755,721		4,755,721	4,755,721
St. Landry Bank - LSU-E	420,078		420,078	1,250,035
Campus Federal Credit Union - LSU-S		\$ 100,335	100,335	250,000
Capital One (Hibernia National Bank) - LSU-S	21,140,395		21,140,395	21,217,242
Chase-HSCNO	42,006,448	18,600	42,025,048	60,018,479
<b>Total</b>	<b>\$ 177,356,466</b>	<b>\$ 118,935</b>	<b>\$ 177,475,401</b>	<b>\$ 224,946,127</b>
<b>LSU Health Shreveport</b>				
JPMC-Shreveport	\$ 71,227,061		\$ 71,227,061	\$ 93,189,099
JPMC-Shreveport Endowment Fds	9,648,787		9,648,787	-
<b>Total</b>	<b>\$ 80,875,848</b>	<b>\$ -</b>	<b>\$ 80,875,848</b>	<b>\$ 93,189,099</b>
<b>LSU Health Care Services Division</b>				
JP Morgan Chase (HCSD)	\$ 94,470,581		\$ 94,470,581	\$ 89,850,000
Capital One (MCLNO Trust Fund)	3,905,061		3,905,061	3,978,565
<b>Total</b>	<b>\$ 98,375,642</b>	<b>\$ -</b>	<b>\$ 98,375,642</b>	<b>\$ 93,828,565</b>
<b>Total Requiring Collateral</b>	<b>\$ 356,607,956</b>	<b>\$ 118,935</b>	<b>\$ 356,726,891</b>	<b>\$ 411,963,791</b>
<b>Deposits In Trust or Federal Obligations Not Requiring Collateral</b>				
Federated Money Markets	\$ 11,205,043		\$ 11,205,043	
Federated Funds-Treas. Oblig. (2)				-
<b>Total</b>	<b>\$ 11,205,043</b>	<b>\$ -</b>	<b>\$ 11,205,043</b>	
<b>Total Deposits</b>	<b>\$ 367,812,999</b>	<b>\$ 118,935</b>	<b>\$ 367,931,934</b>	

- (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 March 31, 2019**

Fund Description	As of 7/1/2018		As of 9/30/2018		As of 12/31/2018		As of 3/31/2019		As of 06/30/2019	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	
<b>Current Funds</b>										
Cash/Sweeps	\$328,817,689	\$341,354,052	\$341,354,052	\$320,178,425	\$320,178,425	\$343,054,109	\$343,054,109	\$0	\$0	
Money Market Accounts/Repos (A)	\$28,531	\$1,086,482	\$1,086,482	\$1,199,033	\$1,199,033	\$945,755	\$945,755	\$0	\$0	
Certificates of Deposit	\$100,239	\$100,239	\$100,239	\$100,335	\$100,335	\$100,335	\$100,335	\$0	\$0	
Treasury Notes	\$6,431,371	\$6,457,022	\$6,411,798	\$21,788,628	\$22,050,453	\$24,395,615	\$22,872,851	\$0	\$0	
CMO's	\$12,194	\$1,191	\$1,178	\$0	\$0	\$0	\$0	\$0	\$0	
Agency Securities (B)	\$111,198,710	\$116,452,882	\$109,942,126	\$119,408,596	\$115,012,860	\$123,356,364	\$121,000,028	\$0	\$0	
Mortgaged Backed Securities	\$24,883,702	\$23,491,867	\$22,471,167	\$30,072,527	\$29,491,294	\$28,825,660	\$28,490,104	\$0	\$0	
Equity Securities (C)	\$66,752	\$0	\$71,528	\$0	\$62,863	\$0	\$65,175	\$0	\$0	
Bond Mutual Funds	\$43,624,820	\$46,697,531	\$42,755,183	\$46,697,531	\$42,326,162	\$46,697,531	\$43,702,120	\$0	\$0	
Municipal Bonds (E)	\$86,777,337	\$89,832,231	\$83,897,325	\$88,856,377	\$83,988,942	\$89,450,258	\$87,284,966	\$0	\$0	
Corporate Bonds (D)	\$109,778,076	\$173,924,058	\$166,928,153	\$208,643,687	\$201,569,802	\$219,718,407	\$217,458,846	\$0	\$0	
<b>Total</b>	<b>\$711,719,421</b>	<b>\$799,397,555</b>	<b>\$775,019,231</b>	<b>\$836,945,139</b>	<b>\$815,980,169</b>	<b>\$876,544,034</b>	<b>\$864,974,289</b>	<b>\$0</b>	<b>\$0</b>	
<b>Endowment Funds</b>										
Cash/Sweeps	\$10,875,343	\$10,242,801	\$10,242,801	\$10,039,731	\$10,039,731	\$9,648,786	\$9,648,786	\$0	\$0	
Money Market Accounts/Repos (A)	\$0	\$1,271,290	\$1,271,290	\$313,739	\$313,739	\$91,023	\$91,023	\$0	\$0	
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$0	\$0	
Agency Securities (B)	\$2,373,165	\$2,509,075	\$2,329,905	\$2,509,075	\$2,371,310	\$2,509,075	\$2,415,955	\$0	\$0	
Mortgaged Backed Securities	\$2,549,768	\$2,189,501	\$2,094,644	\$2,187,987	\$2,142,934	\$2,030,618	\$2,013,312	\$0	\$0	
Equity Securities (C)	\$10,779,017	\$5,275,089	\$10,351,048	\$5,474,705	\$9,238,034	\$5,793,339	\$10,664,716	\$0	\$0	
Mutual Funds	\$49,822,343	\$46,568,590	\$50,769,675	\$48,081,688	\$49,674,991	\$48,821,246	\$53,193,512	\$0	\$0	
Municipal Bonds (E)	\$3,101,638	\$3,184,432	\$3,047,390	\$3,184,432	\$3,098,234	\$3,169,310	\$3,135,319	\$0	\$0	
Corporate Bonds (D)	\$9,047,724	\$9,807,163	\$9,518,521	\$10,798,164	\$10,530,678	\$9,528,664	\$9,509,264	\$0	\$0	
<b>Total</b>	<b>\$88,567,598</b>	<b>\$81,066,541</b>	<b>\$89,643,874</b>	<b>\$82,608,121</b>	<b>\$87,428,251</b>	<b>\$81,610,661</b>	<b>\$90,690,487</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Funds</b>										
Cash/Sweeps	\$3,028,809	\$3,348,755	\$3,348,755	\$3,737,567	\$3,737,567	\$3,905,061	\$3,905,061	\$0	\$0	
Money Market Accounts/Repos (A)	\$32,231,117	\$10,448,038	\$10,448,038	\$18,643,201	\$18,643,201	\$10,168,265	\$10,168,265	\$0	\$0	
Agency Securities (B)	\$730,811	\$732,417	\$725,332	\$732,417	\$734,698	\$732,417	\$740,248	\$0	\$0	
Equity Securities (C)	\$410,341	\$0	\$421,699	\$0	\$338,222	\$0	\$400,768	\$0	\$0	
<b>Total</b>	<b>\$36,401,078</b>	<b>\$14,529,210</b>	<b>\$14,943,824</b>	<b>\$23,113,185</b>	<b>\$23,453,688</b>	<b>\$14,805,743</b>	<b>\$15,214,342</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$836,688,097</b>	<b>\$894,993,306</b>	<b>\$879,606,929</b>	<b>\$942,666,445</b>	<b>\$926,862,108</b>	<b>\$972,960,438</b>	<b>\$970,879,118</b>	<b>\$0</b>	<b>\$0</b>	
<b>Deposits in Financial Institutions</b>										
Total Cash/Sweeps/MMA/Repos	\$374,981,489	\$367,751,418	\$367,751,418	\$354,111,696	\$354,111,696	\$367,812,999	\$367,812,999	\$0	\$0	
Total Certificates of Deposit	\$118,839	\$118,839	\$118,839	\$118,935	\$118,935	\$118,935	\$118,935	\$0	\$0	
<b>Total Deposits</b>	<b>\$375,100,328</b>	<b>\$367,870,257</b>	<b>\$367,870,257</b>	<b>\$354,230,631</b>	<b>\$354,230,631</b>	<b>\$367,931,934</b>	<b>\$367,931,934</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Investments</b>										
Treasury Notes	\$6,431,371	\$6,457,022	\$6,411,798	\$21,788,628	\$22,050,453	\$24,395,615	\$22,872,851	\$0	\$0	
CMO's	\$12,194	\$1,191	\$1,178	\$0	\$0	\$0	\$0	\$0	\$0	
Agency Securities (B)	\$114,302,686	\$119,694,374	\$112,997,363	\$122,650,088	\$118,118,868	\$126,597,856	\$124,156,231	\$0	\$0	
Mortgaged Backed Securities	\$27,433,470	\$25,681,368	\$24,565,811	\$32,260,514	\$31,634,228	\$30,856,278	\$30,503,416	\$0	\$0	
Equity Securities (C)	\$11,256,110	\$5,275,089	\$10,844,275	\$5,474,705	\$9,639,119	\$5,793,339	\$11,130,659	\$0	\$0	
Bond Mutual Funds	\$43,624,820	\$46,697,531	\$42,755,183	\$46,697,531	\$42,326,162	\$46,697,531	\$43,702,120	\$0	\$0	
Mutual Funds	\$49,822,343	\$46,568,590	\$50,769,675	\$136,938,065	\$133,663,933	\$48,821,246	\$53,193,512	\$0	\$0	
Municipal Bonds (E)	\$89,878,975	\$93,016,663	\$86,944,715	\$92,040,809	\$87,087,176	\$92,619,568	\$90,420,285	\$0	\$0	
Corporate Bonds (D)	\$118,825,800	\$183,731,221	\$176,446,674	\$219,441,851	\$212,100,480	\$229,247,071	\$226,968,110	\$0	\$0	
<b>Total Other</b>	<b>\$461,587,769</b>	<b>\$527,123,049</b>	<b>\$511,736,672</b>	<b>\$677,292,191</b>	<b>\$656,620,419</b>	<b>\$605,028,504</b>	<b>\$602,947,184</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$836,688,097</b>	<b>\$894,993,306</b>	<b>\$879,606,929</b>	<b>\$1,031,522,822</b>	<b>\$1,010,851,050</b>	<b>\$972,960,438</b>	<b>\$970,879,118</b>	<b>\$0</b>	<b>\$0</b>	
<b>LSU Paid Campuses</b>										
<b>Current Funds</b>										
Cash/Sweeps	\$181,674,912	\$203,182,436	\$203,182,436	\$143,406,677	\$143,406,677	\$177,356,466	\$177,356,466	\$0	\$0	
Money Market Accounts/Repos (A)		\$1,086,482	\$1,086,482	\$1,199,033	\$1,199,033	\$945,755	\$945,755	\$0	\$0	
Certificates of Deposit	\$100,239	\$100,239	\$100,239	\$100,335	\$100,335	\$100,335	\$100,335	\$0	\$0	
Treasury Notes	\$5,946,560	\$5,981,106	\$5,936,380	\$5,981,106	\$5,992,880	\$2,010,874	\$2,022,960	\$0	\$0	
CMO's	\$12,194	\$1,191	\$1,178	\$0	\$0	\$0	\$0	\$0	\$0	
Agency Securities (B)	\$106,431,935	\$111,597,769	\$105,185,500	\$114,553,969	\$110,223,622	\$114,502,219	\$112,185,223	\$0	\$0	
Mortgaged Backed Securities	\$24,739,884	\$23,399,388	\$22,382,418	\$29,980,855	\$29,402,259	\$28,757,743	\$28,424,240	\$0	\$0	
Equity Securities (C)	\$66,752	\$0	\$71,528	\$0	\$62,863	\$0	\$65,175	\$0	\$0	
Bond Mutual Funds	\$43,624,820	\$46,697,531	\$42,755,183	\$46,697,531	\$42,326,162	\$46,697,531	\$43,702,120	\$0	\$0	
Municipal Bonds (E)	\$69,850,308	\$74,813,338	\$69,103,860	\$74,813,338	\$70,083,243	\$76,907,058	\$72,919,232	\$0	\$0	
Corporate Bonds (D)	\$109,778,076	\$171,411,630	\$164,444,383	\$191,498,075	\$184,365,617	\$196,513,340	\$193,862,806	\$0	\$0	
<b>Total</b>	<b>\$542,225,680</b>	<b>\$638,271,110</b>	<b>\$614,249,587</b>	<b>\$608,230,919</b>	<b>\$587,162,691</b>	<b>\$643,791,321</b>	<b>\$631,584,312</b>	<b>\$0</b>	<b>\$0</b>	
<b>Endowment Funds</b>										
Money Market Accounts/Repos (A)		\$1,271,290	\$1,271,290	\$313,739	\$313,739	\$91,023	\$91,023	\$0	\$0	
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$0	\$0	
Agency Securities (B)	\$2,373,165	\$2,509,075	\$2,329,905	\$2,509,075	\$2,371,310	\$2,509,075	\$2,415,955	\$0	\$0	
Mortgaged Backed Securities	\$2,549,768	\$2,189,501	\$2,094,644	\$2,187,987	\$2,142,934	\$2,030,618	\$2,013,312	\$0	\$0	
Equity Securities (C)	\$10,764,405	\$5,267,439	\$10,336,092	\$5,467,055	\$9,222,264	\$5,785,689	\$10,647,045	\$0	\$0	
Municipal Bonds	\$3,101,638	\$3,184,432	\$3,047,390	\$3,184,432	\$3,098,234	\$3,169,310	\$3,135,319	\$0	\$0	
Corporate Bonds (D)	\$9,047,724	\$9,807,163	\$9,518,521	\$10,798,164	\$10,530,678	\$9,528,664	\$9,509,264	\$0	\$0	
<b>Total</b>	<b>\$27,855,300</b>	<b>\$24,247,500</b>	<b>\$28,616,442</b>	<b>\$24,479,052</b>	<b>\$27,697,759</b>	<b>\$23,132,979</b>	<b>\$27,830,518</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Funds</b>										
Money Market Accounts/Repos (A)	\$23,626,037	\$1,805,015	\$1,805,015	\$9,956,205	\$9,956,205	\$1,449,454	\$1,449,454	\$0	\$0	
Agency Securities (B)	\$730,811	\$732,417	\$725,332	\$732,417	\$734,698	\$732,417	\$740,248	\$0	\$0	
<b>Total</b>	<b>\$24,356,848</b>	<b>\$2,537,432</b>	<b>\$2,530,347</b>	<b>\$10,688,622</b>	<b>\$10,690,903</b>	<b>\$2,181,871</b>	<b>\$2,189,702</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$594,437,828</b>	<b>\$665,056,042</b>	<b>\$645,396,376</b>	<b>\$643,398,593</b>	<b>\$625,551,353</b>	<b>\$669,106,171</b>	<b>\$661,604,532</b>	<b>\$0</b>	<b>\$0</b>	

**LSU**  
**Investment Summary**  
**For the Quarter Ended March 31, 2019**

Fund Description	As of 7/1/2018	As of 9/30/2018		As of 12/31/2018		As of 3/31/2019		As of 06/30/2019	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
<b>LSU Health Shreveport</b>									
<b>Current Funds</b>									
Cash/Sweeps S.	\$71,661,018	\$70,084,920	\$70,084,920	\$75,562,440	\$75,562,440	\$71,227,062	\$71,227,062		
<b>Cash/Sweeps</b>	<b>\$71,661,018</b>	<b>\$70,084,920</b>	<b>\$70,084,920</b>	<b>\$75,562,440</b>	<b>\$75,562,440</b>	<b>\$71,227,062</b>	<b>\$71,227,062</b>	<b>\$0</b>	<b>\$0</b>
Money Market Accounts/Repos (A)	\$28,531	\$0	\$0	\$0	\$0	\$0	\$0		
Treasury Notes (B)	\$484,811	\$475,916	\$475,418	\$15,807,522	\$16,057,573	\$22,384,741	\$20,849,891		
Agency Securities (B)	\$4,766,775	\$4,855,113	\$4,756,626	\$4,854,627	\$4,789,238	\$8,854,145	\$8,814,805		
Mortgaged Backed Securities (B)	\$143,818	\$92,479	\$88,749	\$91,672	\$89,035	\$67,917	\$65,864		
Municipal Bonds (E)	\$16,927,029	\$15,018,893	\$14,793,465	\$14,043,039	\$13,905,699	\$12,543,200	\$14,365,734		
Corporate Bonds (D)	\$0	\$2,512,428	\$2,483,770	\$17,145,612	\$17,204,185	\$23,205,067	\$23,596,040		
<b>Total</b>	<b>\$94,011,982</b>	<b>\$93,039,749</b>	<b>\$92,682,948</b>	<b>\$127,504,912</b>	<b>\$127,608,170</b>	<b>\$138,282,132</b>	<b>\$138,919,396</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>									
Cash/Sweeps	\$10,875,343	\$10,242,801	\$10,242,801	\$10,039,731	\$10,039,731	\$9,648,786	\$9,648,786		
Equity Securities (C)	\$14,612	\$7,650	\$14,956	\$7,650	\$15,770	\$7,650	\$17,671		
Mutual Funds	\$49,822,343	\$46,568,590	\$50,769,675	\$48,081,688	\$49,674,991	\$48,821,246	\$53,193,512		
<b>Total</b>	<b>\$60,712,298</b>	<b>\$56,819,041</b>	<b>\$61,027,432</b>	<b>\$58,129,069</b>	<b>\$59,730,492</b>	<b>\$58,477,682</b>	<b>\$62,859,969</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$154,724,280</b>	<b>\$149,858,790</b>	<b>\$153,710,380</b>	<b>\$185,633,981</b>	<b>\$187,338,662</b>	<b>\$196,759,814</b>	<b>\$201,779,365</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU HCSD</b>									
<b>Current Funds</b>									
Cash/Sweeps	\$75,481,759	\$68,086,696	\$68,086,696	\$101,209,308	\$101,209,308	\$94,470,581	\$94,470,581		
<b>Total</b>	<b>\$75,481,759</b>	<b>\$68,086,696</b>	<b>\$68,086,696</b>	<b>\$101,209,308</b>	<b>\$101,209,308</b>	<b>\$94,470,581</b>	<b>\$94,470,581</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>									
Cash/Sweeps	\$3,028,809	\$3,348,755	\$3,348,755	\$3,737,567	\$3,737,567	\$3,905,061	\$3,905,061		
Money Market Accounts/Repos (A)	\$8,605,080	\$8,643,023	\$8,643,023	\$8,686,996	\$8,686,996	\$8,718,811	\$8,718,811		
Equity Securities (C)	\$410,341		\$421,699		\$338,222		\$400,768		
<b>Total</b>	<b>\$12,044,230</b>	<b>\$11,991,778</b>	<b>\$12,413,477</b>	<b>\$12,424,563</b>	<b>\$12,762,785</b>	<b>\$12,623,872</b>	<b>\$13,024,640</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$87,525,989</b>	<b>\$80,078,474</b>	<b>\$80,500,173</b>	<b>\$113,633,871</b>	<b>\$113,972,093</b>	<b>\$107,094,453</b>	<b>\$107,495,221</b>	<b>\$0</b>	<b>\$0</b>
<b>System Total</b>	<b>\$836,688,097</b>	<b>\$894,993,306</b>	<b>\$879,606,929</b>	<b>\$942,666,445</b>	<b>\$926,862,108</b>	<b>\$972,960,438</b>	<b>\$970,879,118</b>	<b>\$0</b>	<b>\$0</b>

\* 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)**

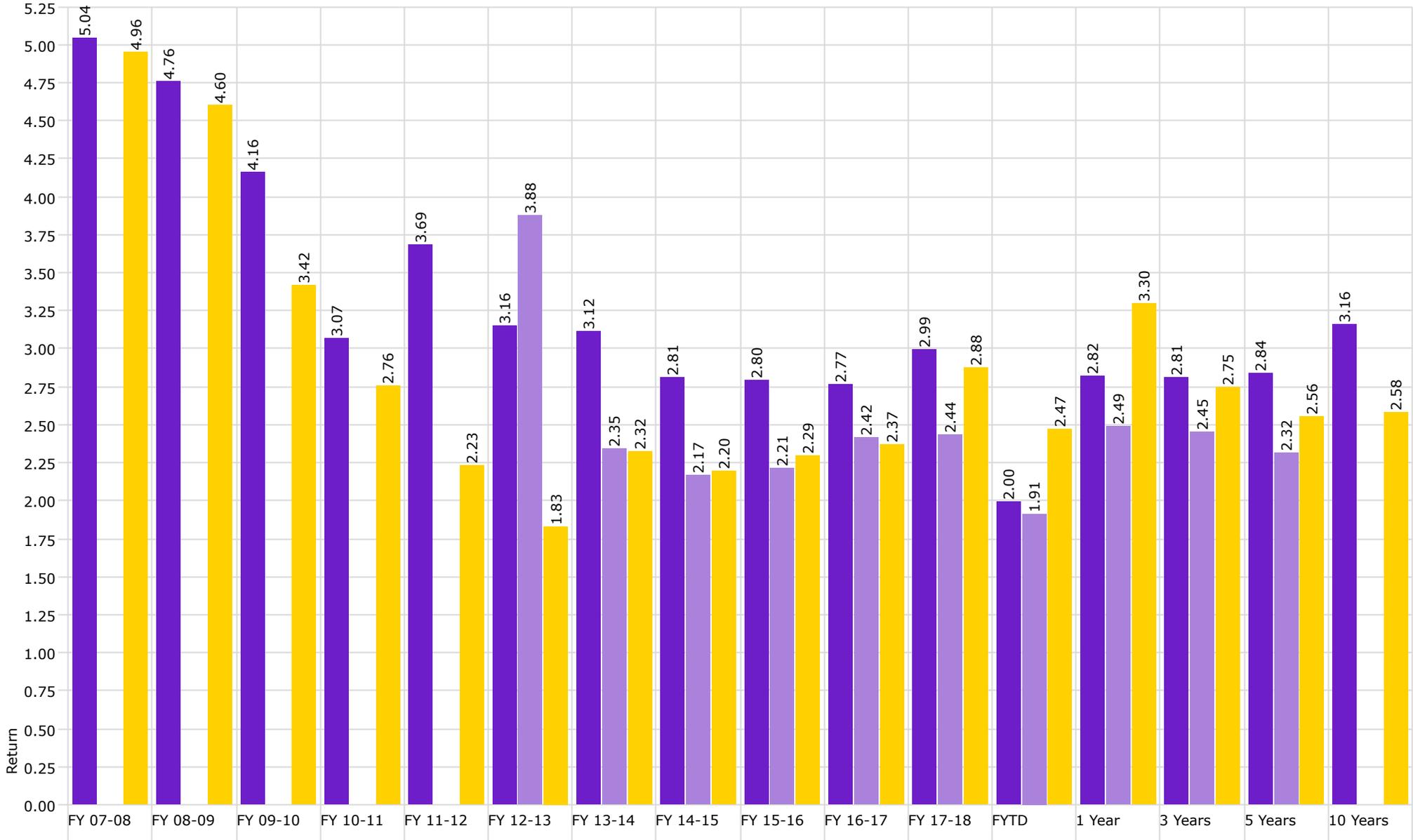
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

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 comparisons.



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

As of 3/31/2019



■ Non Endowed

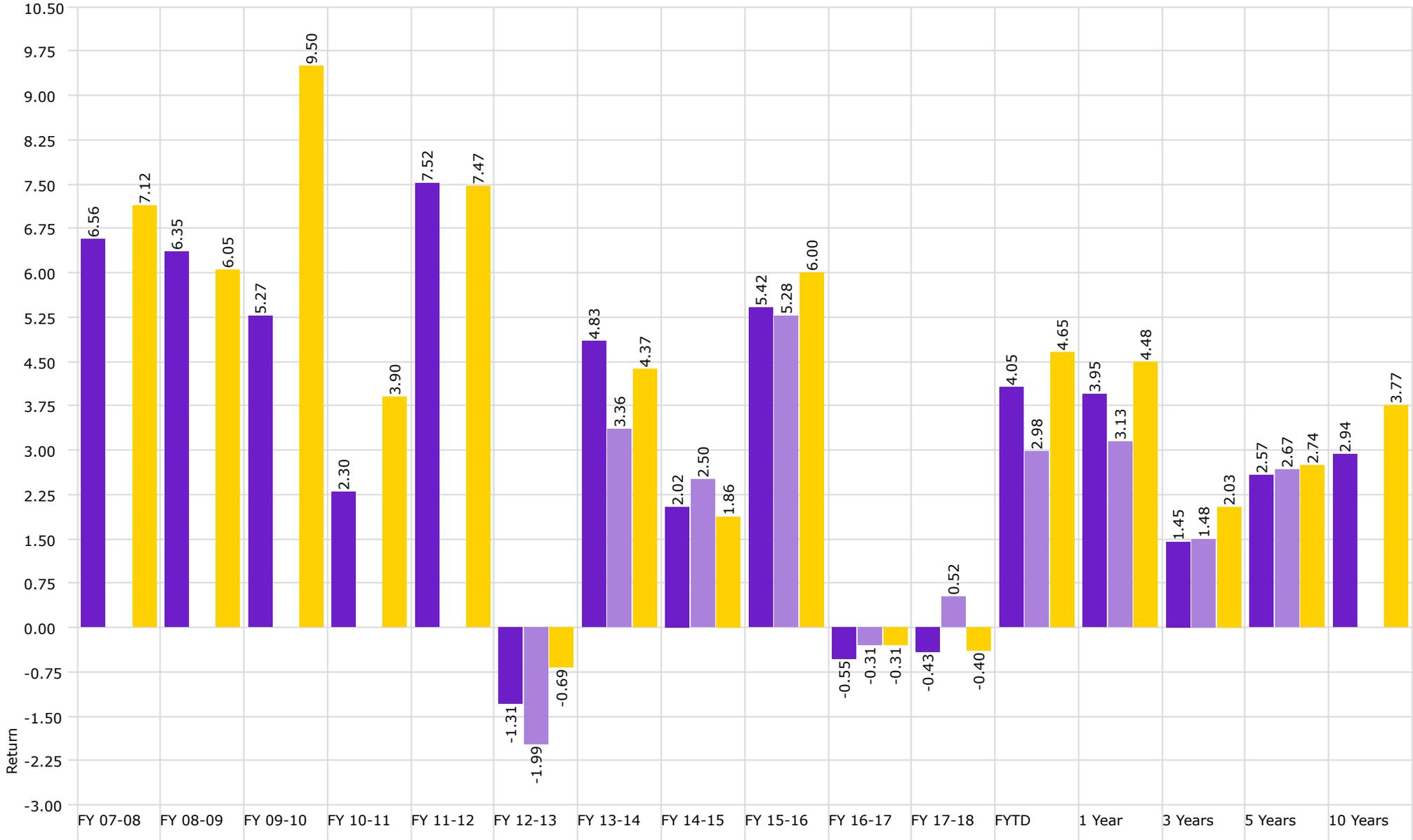
■ Health Plan

■ Barclays Aggregate Bond Index



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

As of 3/31/2019



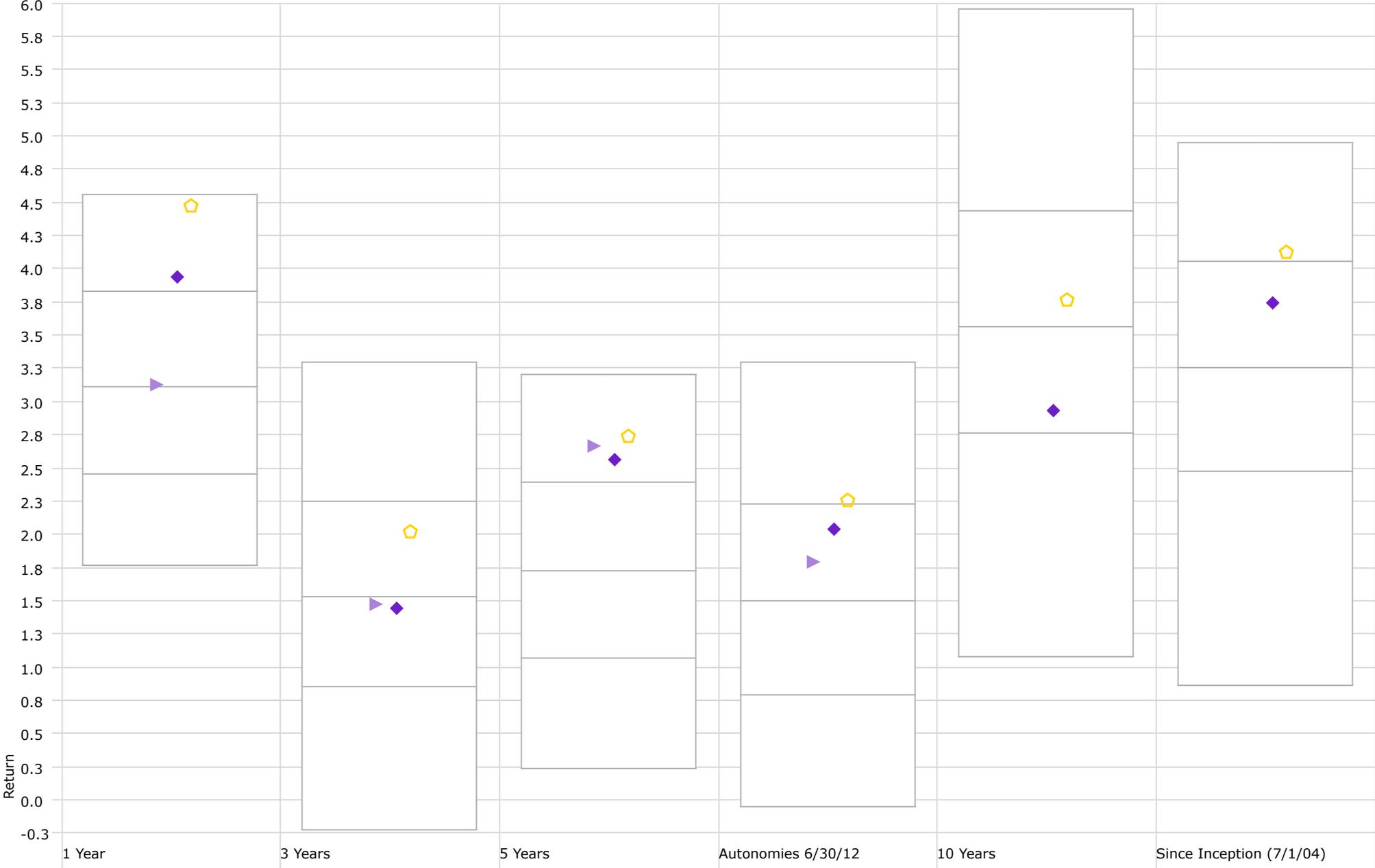
■ Non Endowed

■ Health Plan

■ Barclays Aggregate Bond Index

# Performance Relative to Peer Group (Total Return)

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



◆ Non Endowed

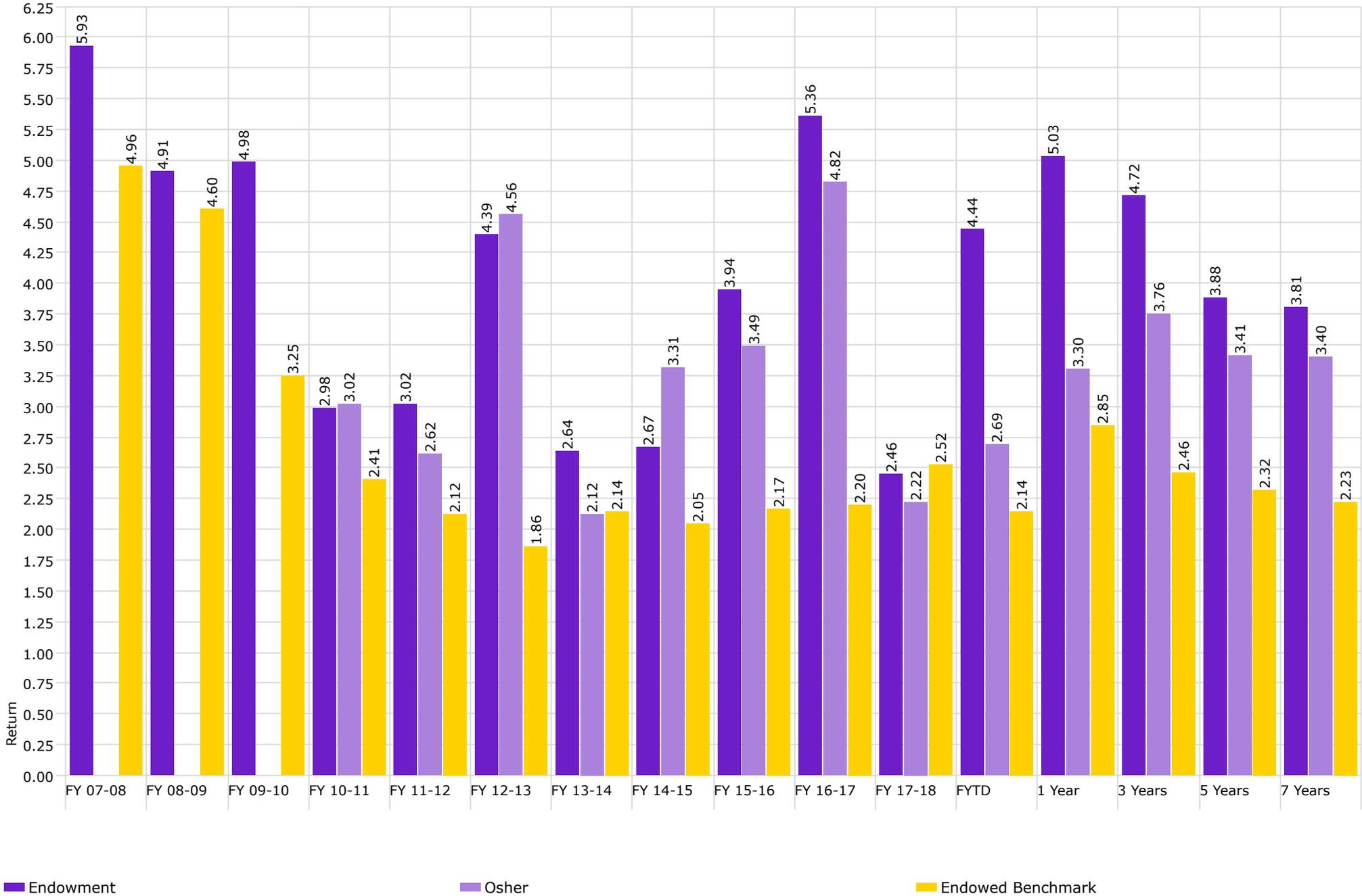
▶ Health Plan

⬠ Barclays Aggregate Bond Index



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

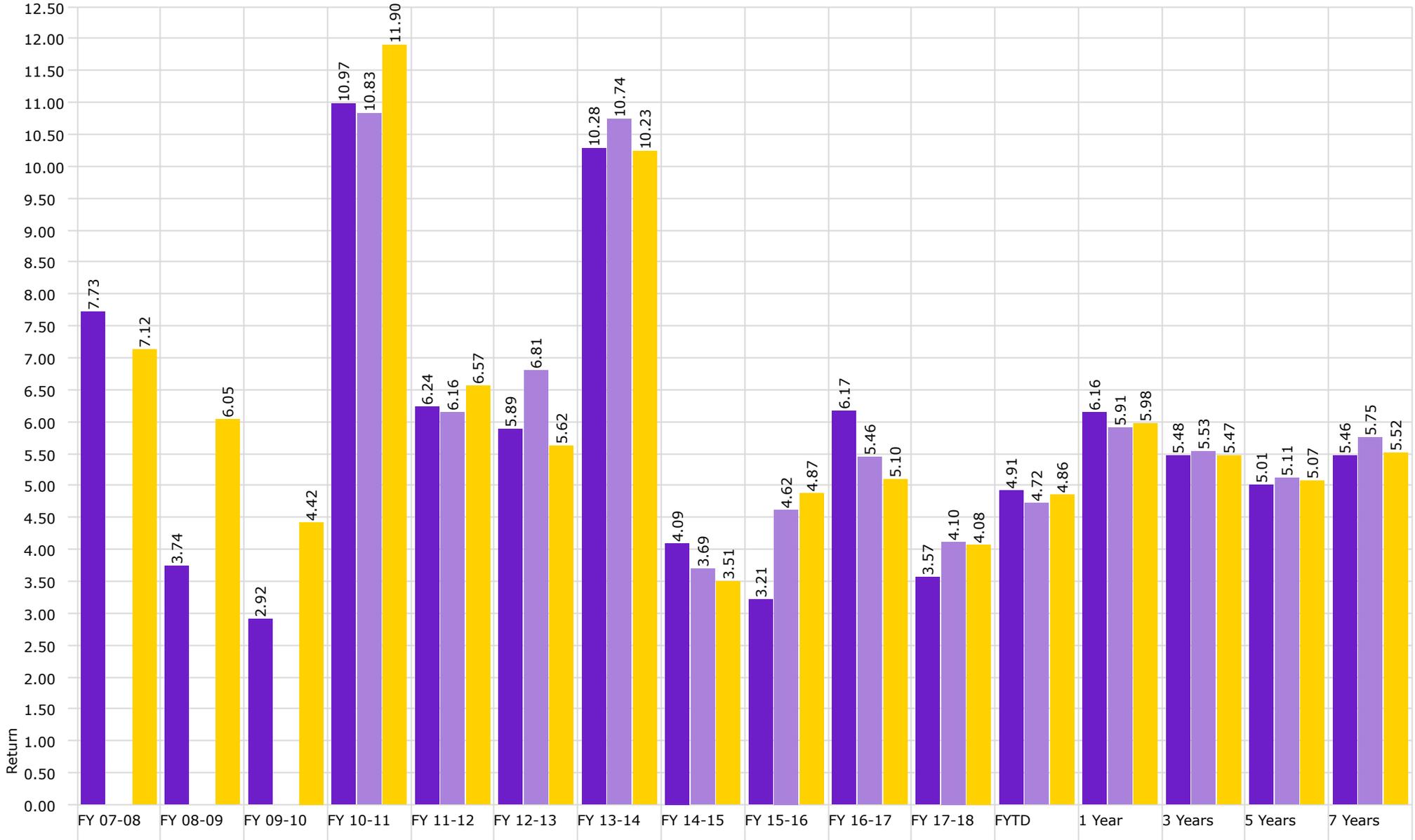
As of 3/31/2019





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

As of 3/31/2019



■ Endowment

■ Osher

■ Endowed Benchmark

INDEX REGULAR BOARD MEETING  
MARCH 20, 2019

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MINUTES  
REGULAR BOARD MEETING  
MARCH 20, 2019

1. Call to Order and Roll Call

Mr. James Williams, Chairman, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the Board Room of the University Administration Building at Louisiana State University in Baton Rouge on March 20, 2019.

The office administrator called the roll.

Present:

Mr. James M. Williams, Chairman  
Ms. Mary Werner, Chair-Elect  
Mr. Stephen J. Perry, Past Chair  
Mr. Glenn Armentor  
Mr. B. Wayne Brown  
Mr. Blake Chatelain  
Mr. Robert S. Dampf  
Ms. Valencia Sarpy Jones  
Mr. Stewart Lockett  
Mr. Lee Mallet  
Mr. James M. Moore, Jr.  
Mr. Rémy Voisin Starns  
Mr. Jimmie M. Woods  
Mr. Robert "Bobby" Yarborough

Absent:

Mr. Ronnie Anderson  
Mr. Jack "Jay" A. Blossman, Jr.

Also present for the meeting were the following: Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel for LSU; LSU officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comment

There were no individuals registered for public comment.

2. Invocation and Pledge of Allegiance

Michael Brands, 2019 Tiger Twelve and Biological Sciences student, delivered the pledge and invocation.

3. Approval of the Minutes of the Board Meeting held on January 25, 2019

Upon motion of Mr. Blake Chatelain, seconded by Ms. Mary Werner, the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on January 25, 2019.

4. Approval of the Minutes of the Property and Facilities Meeting held on February 18, 2019

Upon motion by Mr. Rémy Voisin Starns, seconded by Mr. Lee Mallet, the Board voted unanimously to approve the Minutes of the Property and Facilities Meeting held on February 18, 2019.

5. Personnel Actions Requiring Board Approval

The Board Chairman requested approval of the Personnel Actions.

Upon motion by Mr. Bobby Yarborough, seconded by Mr. Robert Dampf, the Board voted unanimously to approve the Personnel Actions Requiring Board Approval.

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

Staff Report by Tammy Millican included the following: Passing of Parking Director, Jeff Campbell; protocol for death of an employee; inclusion on search committees for hires; scholarships awarded to staff members and their families; welcoming reception for staff and staff appreciation; and update on staff meeting.

Faculty Report by Ken McMillian included the following: Establish fund for legal defense; election of graduate council advisors; library resources and creating education resources on tobacco/vapor wellness.

7. President's Report

Dr. Alexander reported on the statistics of the university's current freshman class.

Dr. Alexander reported on the upcoming LSU System campaign launch. He asked Bryan Benchoff, LSU Foundation President, to provide further details on the plan.

Dr. Alexander reported the national ranking of the nursing schools.

Dr. Alexander reported the statistics on the Match Day reports for the two medical schools.

Dr. Alexander shared student success stories from across all campuses.

Dr. Alexander reported on LSU's involvement on the Zulu Parade.

8. Reports to the Board

Upon motion of Mr. Perry, seconded by Ms. Werner, the Board votes unanimously to approve all reports to the Board.

- a. FY 19 Louisiana State University Metric Data
- b. Facility Summary Reports
- c. Internal Audit Summary FY 19 Quarter 1

9. Committee Reports

A motion was made by Mr. Starns, seconded by Ms. Jones, to approve the Committee resolutions there were approved by the Committees. The Board voted unanimously to approve all Committee resolutions.

9A. Academic & Research Committee

Dr. Stacia Hayne, Provost, is called to discuss the items for the Academic & Research Committee Agenda.

9.A.1 Request from LSU A&M for Full Approval of the Center for Analytics and Research in Transportation Safety

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

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU A&M for full authorization of the Center for Analytics and Research in Transportation Safety, subject to approval by the Louisiana Board of Regents.

9.A.2 Request from LSU Alexandria to Establish the Bachelor of Science in Accounting

Upon motion of Mr. Chatelain, seconded by Ms. Jones, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to establish a Bachelor of Science in Accounting at LSU Alexandria, subject to approval by the Louisiana Board of Regents.

9.A.3 Consent Agenda

1. Request from LSU A&M for a Letter of Intent for a BFA in Film and TV
2. Request from LSU A&M to Change the Name of the Public Administration Institute
3. Request from LSU Shreveport for Continued Approval of the Institute for Nonprofit Administration & Research
4. Request from LSU A&M to Name Eight Areas within the Alex Box Stadium and Tiger Stadium
5. Request from LSU Health Sciences - New Orleans to Approve the Establishment of 3 Endowed Professorships
6. Request from LSU A&M to Approve the Establishment of 2 Endowed Professorships
7. Request from LSU Shreveport to Augment 2 Endowed Professorships
8. Request from LSUHSC- Shreveport to Approve the Establishment of the O'Callaghan Family Endowed Professorship

Upon motion of Ms. Jones, seconded by Mr. Chatelain, the Committee voted unanimously to approve the following resolutions:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Letter of Intent to develop a proposal for a Bachelor of Fine Arts in Film and TV at LSU A&M, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU A&M's Public Administration Institute to change its name to the Department of Public Administration.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Request for Continued Approval of the Institute for Nonprofit Administration and Research from LSU Shreveport, subject to approval by the Louisiana Board of Regents.

**NOW, THEREFORE, BE IT RESOLVED** that the LSU Board of Supervisors does hereby approve the request from LSU A&M to name the following 11 Areas within Alex Box Stadium and Tiger Stadium:

1. Marucci Performance Center
2. Stan and Karen Woods Fueling Station
3. Dodson & Hooks – Recognition Wall
4. The Manship Family – Recognition Wall
5. Kathryn Denoux Boucvalt – Recognition Wall
6. Wally Pontiff, Jr. Foundation – Recognition Pillar
7. Al Oremus and Sam Sorce – Recognition Pillar
8. Ed Patterson, Jr. Family – Gate
9. Lawrence X. Boucvalt, Jr. – Recognition Wall
10. B. Jameson Chauvin Family – Recognition Wall
11. Gordon & Shannon McKernan Family – Recognition Wall

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU Health Sciences- New Orleans to establish the following 3 endowed professorships: 1) The Duna Penn, MD Professorship for Neonatal-Perinatal Medicine 2) Parker E. Mahan Professorship in Orofacial Pain 3) The Ed Leatherman, MD Professorship in Child & Adolescent Psychiatry

**BE IT FURTHER RESOLVED** that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gifts and otherwise complete the establishment of the Duna Penn, MD Professorship for Neonatal-Perinatal Medicine, Parker E. Mahan Professorship in Orofacial Pain, and Ed Leatherman, MD Professorship in Child & Adolescent Psychiatry.

**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 following 2 endowed professorships:

1. U.J. LeGrange Endowed Professorship in Accounting #11
2. Robey H. Clark Distinguished Professorship #3

**BE IT FURTHER RESOLVED** that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gifts and otherwise complete the establishment of the U.J. LeGrange Endowed Professorship in Accounting #11 and the Robey H. Clark Distinguished Professorship #3.

**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 Shreveport to augment the following 2 endowed professorships:

1. George and Regina Khoury Endowed Professorship in the College of Sciences
2. Miriam Sklar Endowed Super Professorship in Theoretical Math and Physics

**BE IT FURTHER RESOLVED** that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gifts and otherwise complete the augmentation of the George and Regina Khoury Endowed Professorship in the College of Sciences and the Miriam Sklar Endowed Super Professorship in Theoretical Math and Physics.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU

Health Sciences- Shreveport to establish the O'Callaghan Family Endowed Professorship in Microbiology; and

**BE IT FURTHER RESOLVED** that the President, as may be appropriate, is hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the O'Callaghan Family Endowed Professorship in Microbiology.

9.B. Finance Committee

Mr. Dan Layzell, Executive Vice President for Finance Administration, is called to discuss all items on the Finance Committee Agenda.

9.B.1 Presentation on Alternative Revenue Generation Opportunities

9.B.2 Request from LSU A&M to Employ a New Methodology for Setting the Institutional Scholarship Budget and Awarding Strategy

An overview on the request was given by Mr. Jose Aviles, Vice President for Enrollment Management.

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

**NOW, THEREFORE, BE IT RESOLVED** the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College (Board) approves the use of the proposed data-driven methodology described herein for the strategic awarding of institutional scholarships and which supersedes previous awarding criteria, as long as the financial need of the students remains a critical variable in the awarding process to ensure that Louisiana students of ability will have financial access to the University.

**BE IT FURTHER RESOLVED** that the University's annual operating budget that is considered and acted upon by the Board each year will include specific details on LSU's institutional scholarship budget in total for the fiscal year, including (but not limited to) both the need-based and merit-based scholarship budget components.

**BE IT FURTHER RESOLVED** that the President will provide an annual report to the Board on the results of LSU's awarding strategy before the end of each fiscal year, including (but not limited to) the total amount of institutional scholarships awarded to incoming students, the demographic profile of recipients relative to the overall student population, the net price paid by recipients, and related peer comparisons.

9.B.3 Request from LSU Health Sciences Center New Orleans to Authorize Limited Tuition Waivers in Relation to the Tuition Caps Erroneously Applied in Academic Years 2015-2016 Through 2017-2018

Upon motion of Mr. Moore, seconded by Ms. Werner, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University, or his designee, to authorize the establishment of the following tuition waivers in the School of Medicine and School of Allied Health Professions at Louisiana State University Health Sciences Center New Orleans: (1) One Fall 2015 School of Allied Health Professions Tuition Cap Waiver in the amount of \$5,472.00 applied to the applicable

student; (2) Two Spring 2016 School of Allied Health Professions Tuition Waivers, one in the amount of \$7,058.00 and one in the amount of \$2,403.75 applied to the applicable students; (3) Thirty-nine Spring 2017 School of Allied Health Professions Tuition Cap Waivers with thirty-eight in that amount of \$567.70 and one in the amount of \$567.59 applied to the applicable students; (4) Thirty-four Spring 2018 School of Allied Health Professions Tuition Cap Waivers in the amount of \$1,768.90 applied to the applicable students; and (5) one Spring 2018 School of Medicine Tuition Cap Waiver in the amount of \$1,508.90 applied to the applicable student, and;

**BE IT FURTHER RESOLVED** that F. King Alexander, President of the Louisiana State University, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to implement these tuition waivers which will result in no expectation of revenue recognition or collection from said students.

9.B.4 Request from LSU Eunice to Approve a Flat-Rate Charge for Dual Enrollment Tuition

Upon motion of Ms. Werner, seconded by Ms. Jones, the Committee voted unanimously on the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the Louisiana State University, or his designee, to approve the request from LSU Eunice to create a flat-rate charge for dual enrollment of \$50.00 per credit hour for all methods of delivery.

9.C. Property & Facilities Committee

Mr. Tony Lombardo, Associate Vice President for Facilities & Property Oversight, is called to discuss all items on the Property & Facilities Committee Agenda. Mr. Yarborough recused himself on Item 2 of the Property & Facilities Committee Agenda.

9.C.1. Overview of Public-Private Partnerships

Per Mr. Woods, Property & Facilities Committee Chair, this item will be deferred until the April Board Meeting.

9.C.2. Request from LSU Health Sciences Center - New Orleans to Approve Execution of Cooperative Endeavor Agreement and Related Documents for Lease and Operation of Hainkel Home and Certificate of Need to Louisiana Children's Medical Center

Upon motion of Mr. Brown, seconded by Mr. Mallet, 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 Cooperative Endeavor Agreement between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and a subsidiary of Louisiana Children's Medical Center ("LCMC") designated by LCMC, said Cooperative Endeavor Agreement to contain such terms and conditions as the President deems are in the best interest of the LSU Board of Supervisors.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of Louisiana State University, or his designee, is authorized to execute any leases, certificate of need agreements, affiliation

agreements and other documents, consents or approvals necessary to lease to a subsidiary of LCMC designated by LCMC, the John J. Hainkel, Jr. Home and Rehabilitation Center, the location of which property is more Property and Facilities Committee 3 specifically described on Exhibit A hereto and to otherwise implement the provisions of the Cooperative Endeavor Agreement.

- 9.C.3 Request from LSU Health Sciences Center-New Orleans to Authorize the President to Determine an Acceptable University Purpose for the Purchase of Immovable Property by the LSU Healthcare Network in La Place

Upon motion of Mr. Brown, seconded by Mr. Mallet, 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 hereby authorizes Dr. F. King Alexander, in his capacity as President of Louisiana State University, or his designee, to determine if an Acceptable University Purpose exists, for purposes of the Uniform Affiliation Agreement, for the LSU Healthcare Network to purchase the property in La Place, Louisiana for the purpose of housing ambulatory clinics.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of Louisiana State University, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to include in the Purchase any and all provisions and stipulations he deems in the best interest of the Board, the University, and the Healthcare Network.

- 9.C.4 Request from LSU Health Sciences Center - New Orleans to Revise Prior Approval of a Joint Agreement to Develop Residential Housing with Provident Group-HSC Properties, Inc. and LSU Health Foundation-New Orleans

Upon motion of Mr. Mallet, seconded by Mr. Starns, 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 removal of the LSU Health Sciences Center - New Orleans from the previously authorized Joint Agreement among the Board of Supervisors of LSU, LSU Health Foundation New Orleans, and Provident Group- HSC Properties, Inc.

**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 purchase immovable property for the purpose of parking as a part of the overall transaction with Provident GroupHSC Properties, Inc.

D. Athletic Committee

Mr. Joe Alleva, LSU Athletic Director, is called to discuss the item on the Athletic Committee Agenda.

- 9.D.1. Request from LSU A&M to Approve Employment Contract with Edward J. Orgeron, Jr., Head Football Coach.

Upon motion of Mr. Starns, seconded by Mr. Chatelain, 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 & Mechanical College authorizes the President, or his designee, to sign the contract with head football coach Edward Orgeron, Jr.

10. Chairman's Report

Mr. Williams congratulated the faculty and staff members recognized during the annual Faculty and Staff Jazz Brunch.

Mr. Williams recognized the achievements of LSU Accounting students competing in the Audit Innovation Technology Challenge.

Mr. Williams reported on LSU's involvement in the Zulu Parade.

Mr. Williams recapped on the success of the January Board meeting and related activities at LSU Shreveport.

Mr. Williams reported on the success of the Property & Facilities Committee Meeting held in February in New Orleans.

Mr. Williams announced of the 2020 opening of the LSU School of Construction Management.

Mr. Williams announced the next Board meeting will be held on Friday, April 26 in Baton Rouge.

11. Adjournment

Upon motion of Ms. Jones and second by Mr. Dampf, the meeting was adjourned.

MINUTES  
EXECUTIVE COMMITTEE MEETING  
APRIL 16, 2019

1. Call to Order and Roll Call

Mr. James Williams, Chairman, called to order the Executive Committee Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the Board Room of the University Administration Building at Louisiana State University in Baton Rouge on April 16, 2019

The office administrator called the roll.

Present:

Mr. James M. Williams, Chairman  
Ms. Mary Werner, Chair-Elect  
Mr. Stephen J. Perry, Past Chair  
Mr. Glenn Armentor  
Mr. Jack "Jay" A. Blossman, Jr.  
Mr. Blake Chatelain  
Ms. Valencia Sarpy Jones  
Mr. Jimmie M. Woods

Also present for the meeting were the following: Board of Supervisors Members, Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel for LSU; and representatives of the news media.

Public Comment

There were no individuals registered for public comment.

2. Potential Litigation Against the University

Motion to enter into Executive Session by Ms. Jones, seconded by Mr. Armentor. A roll call vote was requested by Mr. Tom Skinner. The Committee voted unanimously to enter into Executive Session.

Motion to end Executive Session by Mr. Armentor, seconded by Mr. Blossman. A roll call vote was requested by Mr. Tom Skinner. The Committee voted unanimously to end Executive Session.

As all business has been concluded for the Executive Committee Meeting, motion to adjourn the meeting by Ms. Jones, seconded by Mr. Blossman. Mr. Williams requested a roll call vote to adjourn the meeting. The Committee unanimously voted to adjourn the meeting.