AGENDA

LSU BOARD OF SUPERVISORS MEETING

Board Room, LSU System Building
Baton Rouge, Louisiana

FRIDAY, FEBRUARY 1, 2013

1:00 P.M.
INTEGRATED COMMITTEE MEETINGS

PUBLIC COMMENTS

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.lsusystem.edu/index.php/board-of-supervisors/public-comments/

I. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE
Dr. John F. George, Chairman

1. Status report on activities at the LSU Health Sciences Centers and the Health Care Services Division

2. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to University Medical Center in New Orleans

3. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to L. J. Chabert Medical Center in Houma

4. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to University Medical Center in Lafayette

5. Memorandum of Understanding for amendment of Cooperative Endeavor Agreement effective February 5, 2010 between Our Lady of the Lake Regional Medical Center and the LSU Board of Supervisors, relating to services previously provided by Earl K. Long Medical Center in Baton Rouge

6. Memorandum of Understanding relating to W.O. Moss Regional Medical Center in Lake Charles

---

II. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE

Mr. J. Stephen Perry, Chairman

1. Request to authorize an Assessment Structure for LSU Online

2. Request approval for a one year extension of the LSU Paul M. Hebert Law Center Scholarship Authority

3. Request approval of a B.F.A. in Digital Arts at LSU Shreveport

4. LSU Shreveport Response to SR 145, SCR 130, and HR 112, Regular Session, 2012 (Report Only)

III. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE

Mr. Ronald R. Anderson, Chairman

1. Consideration of the 2012-13 Mid-Year Budget Reduction

2. Request from LSU and A&M College to endow gifts received from the Leon Barton Trust and the Georgeanne Zimmer Barton Trust

---

IV. PROPERTY AND FACILITIES COMMITTEE
Mr. Raymond J. Lasseigne, Chairman

1. Recommendation to approve acceptance of the Donation of Land at the LSU Golf Practice Facility from Tiger Athletic Foundation to LSU

2. Recommendation to approve the Agricultural Center request for a Lease Agreement for Construction of a Multi-Purpose Pavilion at the Grant Walker 4-H Educational Center

3. Recommendation (i) authorizing the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") to proceed with the issuance of its Auxiliary Revenue Bonds in an amount not exceeding $120,000,000 in one or more series (the "Bonds") on behalf of Louisiana State University and Agricultural And Mechanical College ("LSU" or the "University"); and (ii) authorizing LSU, on behalf of the Board of Supervisors, to make application to the Louisiana State Bond Commission for approval of the issuance of the Bonds

4. Recommendation to approve the transfer of NOAH property by the LSU Board of Supervisors to the Division of Administration pursuant to Act No. 867 of 2012.

5. Presentation of a master plan for the Nicholson Gateway (Presentation only)

6. Recommendation to approve a Ground lease for construction of the LSU Foundation Building

V. ATHLETIC COMMITTEE
Mr. Stanley J. Jacobs, Chairman

1. Approval of amendments to Employment Agreement for Mr. Les Miles, Head Football Coach, Louisiana State University

VI. AUDIT COMMITTEE

Mr. James W. Moore, Jr., Chairman

The Audit Committee will meet in the President's Conference Room following the Integrated Committee Meetings and the Board Meeting. The Committee may go into Executive Session in accordance with the provisions of LA. R.S. 42:6.1 A (4)

AGENDA
LSU BOARD OF SUPERVISORS MEETING

(Immediately following the Integrated Committee Meetings)

Friday, February 1, 2013

Mr. Hank Danos, Chairman

1. Call to Order and Roll Call

2. Invocation and Pledge of Allegiance

3. Approval of the Minutes of the Board Meeting held on December 7, 2012 and the Special Board Meeting held on December 14, 2012

4. Personnel Actions Requiring Board Approval

5. President's Report

6. Reports from the Council of Faculty Advisors and the Council of Staff Advisors

7. Report on Activities of the Board of Regents

8. Reports to the Board

   A. Health Plan Status Report (Written Report Only)

   B. First Quarter Audit Summary FY 2013

   C. FY 2012-2013 2nd Quarter Consolidated Investment Report (Written Report Only - Available on LSU System website)

   D. FY 2012-2013 2nd Quarter Consolidated Financial Report (Written Report Only – Available on LSU System website)

   E. Proposed Grad Act Targets for years 3-6 of GRAD Act Agreements (Written Report Only)

9. Approval of Consent Agenda Items

   A. Request to approve a Letter of Intent for a Master of Arts in History at LSU Shreveport

   B. Request to approve an Inter-Institutional and License Agreement for Intellectual Property Management between LSU A&M and Portland State University

10. Committee Reports

I. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE
Dr. John F. George, Chairman

II. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE
Mr. J. Stephen Perry, Chairman

III. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE
Mr. Ronald R. Anderson, Chairman

IV. PROPERTY AND FACILITIES COMMITTEE
Mr. Raymond J. Lasseigne, Chairman

V. ATHLETIC COMMITTEE
Mr. Stanley J. Jacobs, Chairman

11. Chairman's Report

- Report from the Transition Advisory Team
- Report from the Presidential Search Committee

12. Adjournment

If you plan to attend any meeting listed on this notice and need assistance because you are disabled, please notify the Office of the LSU Board of Supervisors at (225) 578-2154 at least 7 days in advance of the meeting.

I. HEALTH CARE AND MEDICAL EDUCATION COMMITTEE

Dr. John F. George, Chair
Mrs. Ann D. Duplessis, Vice Chair
Mr. Ronald R. Anderson
Mr. Scott A. Angelle
Mr. Scott Ballard
Mr. R. Blake Chatelain
Mr. Garret "Hank" Danos
Mr. Stanley J. Jacobs
Mr. Raymond J. Lasseigne
Mr. Jack E. Lawton, Jr.
Mr. Lee Mallett
Mr. Justin T. Mannino
Mr. Rolfe McCollister, Jr.
Mr. James W. Moore, Jr.
Mr. J. Stephen Perry
Mr. Robert "Bobby" Yarborough

AGENDA

1. Status report on activities at the LSU Health Sciences Centers and the Health Care Services Division

2. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to University Medical Center in New Orleans

3. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to L. J. Chabert Medical Center in Houma

4. Amended and Restated Memorandum of Understanding originally approved December 14, 2012, relating to University Medical Center in Lafayette

5. Memorandum of Understanding for amendment of Cooperative Endeavor Agreement effective February 5, 2010 between Our Lady of the Lake Regional Medical Center and the LSU Board of Supervisors, relating to services previously provided by Earl K. Long Medical Center in Baton Rouge

6. Memorandum of Understanding relating to W.O. Moss Regional Medical Center

Resolution to approve the Amended and Restated Memorandum of Understanding for further negotiations among the LSU Board of Supervisors, Louisiana Children's Medical Center and others relating to the future operation of the Interim Louisiana Hospital and, upon its completion, the new University Medical Center in New Orleans

WHEREAS, on December 14, 2012, the LSU Board approved the Memorandum of Understanding by and among by and among Louisiana Children's Medical Center, a Louisiana nonprofit corporation, University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation, Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, State of Louisiana, Division of Administration, State of Louisiana, Department of Health and Hospitals, and Administrators of the Tulane Educational Fund, relating to the management and operation of the Interim Louisiana Hospital, currently owned and operated by LSU and, upon its completion, the new University Medical Center that is currently under construction in New Orleans.

WHEREAS, the parties to the Memorandum of Understanding now propose an Amended and Restated Memorandum of Understanding, which is attached hereto and made a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the attached Amended and Restated Memorandum of Understanding, by and among Louisiana Children's Medical Center, University Medical Center Management Corporation, Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, State of Louisiana by and through the Division of Administration, the Louisiana Department of Health and Hospitals, and the Administrators of the Tulane Educational Fund.

BE IT FURTHER RESOLVED that William L. Jenkins, Interim President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to include in the Amended and Restated Memorandum of Understanding any modifications that he deems consistent with the purpose of the Amended and Restated Memorandum of Understanding and in the best interest of the Board of Supervisors.

Resolution to approve the Amended and Restated Memorandum of Understanding relating to L. J. Chabert Medical Center in Houma

WHEREAS, on December 14, 2012, the LSU Board approved the Memorandum of Understanding by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration, Ochsner Health System, a Louisiana nonprofit corporation, and Hospital Service District No. 1 of the Parish of Terrebonne, a political subdivision of the State of Louisiana, as the owner and operator of Terrebonne General Medical Center, relating to the management and operation of the hospital facility and associated outpatient clinics known as L.J. Chabert Medical Center in Houma, Louisiana ,currently owned and operated by LSU.

WHEREAS, the parties to the Memorandum of Understanding now propose an Amended and Restated Memorandum of Understanding, which is attached hereto and made a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the attached Amended and Restated Memorandum of Understanding, by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration, Ochsner Health System, and Hospital Service District No. 1 of the Parish of Terrebonne.

BE IT FURTHER RESOLVED that William L. Jenkins, President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to include in the Amended and Restated Memorandum of Understanding any modifications that he deems consistent with the purpose of the Amended and Restated Memorandum of Understanding and in the best interest of the Board of Supervisors.

Resolution to approve Amended and Restated Memorandum of Understanding relating to the University Medical Center in Lafayette, Louisiana

WHEREAS, on December 14, 2012, the LSU Board approved the Memorandum of Understanding by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration and Lafayette General Health System, Inc., a Louisiana nonprofit corporation, relating to the management and operation of the hospital facility and associated outpatient clinics known as University Medical Center in Lafayette, Louisiana, currently owned and operated by LSU.

WHEREAS, the parties to the Memorandum of Understanding now propose an Amended and Restated Memorandum of Understanding, which is attached hereto and made a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the attached Amended and Restated Memorandum of Understanding, by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration, and Lafayette General Health System, Inc.

BE IT FURTHER RESOLVED that William L. Jenkins, Interim President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to include in the Amended and Restated Memorandum of Understanding any modifications that he deems consistent with the purpose of the Amended and Restated Memorandum of Understanding and in the best interest of the Board of Supervisors.

Approval of a Memorandum of Understanding for further negotiations among the LSU Board of Supervisors, Our Lady of the Lake Hospital, Inc. and others relating to the amendment of the Cooperative Endeavor Agreement effective February 5, 2010 between Our Lady of the Lake Regional Medical Center and LSU Board of Supervisors, relating to services previously provided by Earl K. Long Medical Center in Baton Rouge

WHEREAS, the proposed Memorandum of Understanding by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, State of Louisiana, Division of Administration, State of Louisiana and Department of Health and Our Lady of the Lake Hospital, Inc. relating to the amendment of the Cooperative Endeavor Agreement effective February 5, 2010 between Our Lady of the Lake Regional Medical Center and LSU Board of Supervisors, relating to services previously provided by Earl K. Long Medical Center in Baton Rouge is attached hereto and made a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the attached Memorandum of Understanding, by and among Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, State of Louisiana by and through the Division of Administration and the Louisiana Department of Health and Our Lady of the Lake Hospital, Inc.

BE IT FURTHER RESOLVED that William L. Jenkins, Interim President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to include in the Memorandum of Understanding any modifications that he deems consistent with the purpose of the Memorandum of Understanding and in the best interest of the Board of Supervisors.

Approval of a Memorandum of Understanding for further negotiations among the LSU Board of Supervisors, Southwest Louisiana Hospital Association d/b/a Lake Charles Memorial Hospital and others relating to the future operation of W.O. Moss Regional Medical Center in Lake Charles

WHEREAS, the proposed Memorandum of Understanding by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration, Lafayette General Health System, Inc., a Louisiana nonprofit corporation, relating to the management and operation of the hospital facility and associated outpatient clinics known as W. O. Moss Regional Medical Center in Lake Charles, Louisiana ,currently owned and operated by LSU, is attached hereto and made a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the LSU Board of Supervisors to execute the attached Memorandum of Understanding, by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, the Louisiana Department of Health and Hospitals, the State of Louisiana, by and through the Division of Administration, and Southwest Louisiana Hospital Association d/b/a Lake Charles Memorial Hospital.

BE IT FURTHER RESOLVED that William L. Jenkins, President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the LSU Board of Supervisors, in consultation with its legal counsel, to include in the Memorandum of Understanding any modifications that he deems consistent with the purpose of the Memorandum of Understanding and in the best interest of the Board of Supervisors.

AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING

Introduction

This Amended and Restated Memorandum of Understanding ("MOU") is made effective as of the 28th day of December, 2012 (the "Effective Date"), by and among Louisiana Children's Medical Center, a Louisiana nonprofit corporation ("LCMC"), University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation ("UMCMC"), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), State of Louisiana, Division of Administration (the "State"), State of Louisiana, Department of Health and Hospitals ("LaDHH"), and Administrators of the Tulane Educational Fund ("Tulane"). LCMC, UMCMC, LSU, the State, LaDHH and Tulane are referred to together as the "Parties," and each, a "Party."

This MOU is designed to set forth the understandings of the Parties with respect to its subject matter, and in particular their collective intentions with respect to a transaction whereby LCMC would become the sole member of UMCMC upon the closing under a Cooperative Endeavor Agreement (the "CEA") for a private/public collaboration whereby UMCMC would assume the responsibility, on terms and conditions agreed by the Parties, for the management and operation of the interim successor hospital to Medical Center of Louisiana in New Orleans ("MCLNO"), subsequently operated by LSU under the MCLNO license and currently known and hereinafter referred to as the "Interim Hospital," and, upon its completion, the new University Medical Center that is currently under construction in New Orleans (referred to herein as the "Transaction" and more fully addressed infra), all of which would include associated asset and property transfers.

Recitals

WHEREAS, the State and LaDHH, through their public and private educational institutions and health providers, have long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all their citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships between health providers and LSU and Tulane, as well as other universities and training institutions in Louisiana, are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, the Interim Hospital is currently experiencing severe financial challenges;

WHEREAS, LCMC, which is currently the sole member of Children's Hospital New Orleans and Touro Infirmary, has extensive experience in nonprofit hospital operations and finances, ongoing academic relationships with LSU, Tulane, and other academic and community organizations throughout New Orleans and the State of Louisiana, and is committed to the clinical, research and teaching missions in the communities it serves;

WHEREAS, to maintain the viability of the Interim Hospital, including its role as an Academic Medical Center and the current range of patient care services and programs, the Parties desire to rapidly explore a transaction in which (i) the Interim Hospital, as well as the new University Medical Center that is currently under construction in New Orleans (the "New Hospital"), will be leased, or occupancy thereof will be otherwise granted, to UMCMC, and (ii) LCMC will become the sole member of UMCMC and integrate the Interim Hospital and the New Hospital into the LCMC system (collectively, the "Transaction");

WHEREAS, among other things, the Transaction will afford LCMC and its affiliates the opportunity to acquire additional hospital facilities, access a Level 1 Trauma Center and a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration, all of which will serve to expand and diversify the LCMC system to better serve its patient population;

WHEREAS, LCMC is willing and desires to provide the financial resources and support, operational expertise, and other necessary resources and to take steps to ensure that the Interim Hospital continues to, and the New Hospital will: (i) serve as safety-net hospitals in accordance with applicable law (La. R.S. 17:1519 et seq.), and play a central role in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide Louisiana with tertiary services difficult to sustain in the typical community hospital, (iii) preserve the quality of medical education in Louisiana through medical training partnerships with LSU, Tulane, and other universities and training institutions, and (iv) prevent the major reductions in workforce currently contemplated for the Interim Hospital;

WHEREAS, the Parties recognize that the assumption of the management and operation of the Interim Hospital, and the physical transition to and management and operation of the New Hospital by UMCMC, will include the commitment and the assumption of significant financial and operational investments by LCMC, including without limitation, working capital, transition costs, and funding or financing for certain improvements for the New Hospital, and LCMC desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties recognize that changes to the composition of the Board of Directors of UMCMC will be required to avoid the impact of Medicare and Medicaid reimbursement rules addressing payments to related party organizations;

WHEREAS, the Parties recognize that consummation of the Transaction may require the approval of each of the members of the UMCMC Board of Directors;

WHEREAS, the Parties desire to engage in good faith discussions and negotiations, and establish the basis for negotiations between the Parties with regard to the Transaction and the development of the CEA contemplated hereby;

WHEREAS, the Parties recognize the CEA shall be subject to presentation and review by, and any required approval of, the Joint Legislative Committee on the Budget (the "JLCB") in accordance with law;

WHEREAS, the Parties intend the Transaction and subsequent operation of the Interim Hospital and the New Hospital will reduce the need for State General Funds expenditures below those previously contemplated; and

WHEREAS, the Parties will seek to incorporate the Graduate Medical Education provisions included in the Memorandum of Understanding among LSU, the State, LaDHH and Tulane dated August 28, 2009, as amended on March 2, 2010 (the "Original MOU") into the CEA.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Understandings and Commitments of the Parties

A. Suspension of Reductions of Programs and Services

While the Parties seek to negotiate the CEA, LSU and LaDHH will work together to suspend the anticipated reductions in programs and services at the Interim Hospital.

B. Cooperative Endeavor Agreement

Following the execution of this MOU, the Parties will seek to negotiate the CEA. The CEA shall contain the full and complete agreement of the Parties with respect to the terms and conditions for completing the Transaction, setting forth their respective rights and obligations, which will result in the final and binding CEA in form and substance satisfactory to the Parties (subject to presentation and review by, and any required approval of, the JLCB). The Parties are prepared to proceed diligently to negotiate such an agreement, which is anticipated to contain commercially reasonable representations and warranties, covenants, indemnifications, closing conditions and other provisions customary in similar transactions. Among other things, the CEA shall address the following:

(1) The identification of the steps and transaction documents necessary to consummate the Transaction, which may include: (i) an agreement with LSU, the State, and other appropriate parties, which would address, among other things, Graduate Medical Education programs based upon the Original MOU, (ii) the amendment and restatement of UMCMC's Articles of Incorporation and Bylaws, (iii) the financial commitments of LCMC and its affiliates, (iv) Affiliation Agreements to reflect the ongoing commitments between LCMC and its academic partners, and (v) fulfillment of LSU's obligation to provide healthcare to the medically indigent population.

(2) The appointment of LCMC as the sole member of UMCMC upon closing under the CEA, with certain reserved rights. In addition, the CEA shall contain governance provisions to be agreed upon;

(3) The creation of appropriate structures (e.g., Academic Councils and Advisory Committees) for UMCMC's academic affiliates, including LSU and Tulane, to provide ongoing input into UMCMC affairs, as well as provide avenues with respect to the ongoing implementation of the teaching and research missions of the Interim Hospital and the New Hospital, and collaboration in the implementation and use of LSU's health information technology and data warehouse services;

(4) The transfer, by lease or otherwise, of the Interim Hospital and the New Hospital to UMCMC shall be contingent on:

(a) Reaching an agreement with the LaDHH with respect to the adequacy of funding;

(b) Completion of appropriate due diligence with respect to the transfer of the Interim Hospital and the New Hospital;

(c) Receipt of all necessary and appropriate governmental and other third party approvals; and

(d) With respect to the New Hospital, timely completion and outfitting of the facilities in accordance with the existing plans and specifications, budget and property, plant and equipment specifications, subject to any mutually agreed change orders.

(5) Agreement with respect to appropriate governance structures for UMCMC and related revision of the Articles, Bylaws and the Original MOU and representation on the LCMC Board of Directors;

(6) The circumstances in which LCMC may withdraw, and LSU/State may require the withdrawal of LCMC, as the sole member of UMCMC;

(7) Intellectual property rights reasonable and appropriate to the operation of the Interim Hospital and the New Hospital, including the licensing of the names of certain Parties;

(8) A timetable regarding the transfer of the Interim Hospital operations to UMCMC, including the termination and potential re-hiring of employees; and

(9) Reasonable and necessary agreements and commitments with respect to the relationship between UMCMC and its academic partners, and their affiliates.

C. Financing.

The CEA shall ensure that the public/private partnership is financially sustainable and can meet its goals and objectives. LSU and LCMC will work together to optimize the availability of state and federal funds for this collaboration.

(1) The Parties will seek to maximize funding for services rendered by UMCMC to the extent allowed by federal law, and in amounts that shall be appropriated by the State Legislature involving the use of Medicaid disproportionate share ("DSH") reimbursement, Medicaid reimbursement, and supplemental payments available through upper payment limit funding.

(2) As a condition of the CEA, LSU will work with LaDHH to ensure that the public/private partnership is financially sustainable, that UMCMC shall be reimbursed as set forth herein, and that failure to receive such sustainable reimbursement shall be grounds for termination of the CEA as provided therein.

(3) Indigent Care. UMCMC and LSU will work cooperatively with LaDHH to secure appropriate funding to reimburse for the costs of professional services, pharmacy, durable medical equipment and other costs for care to indigent and prisoner care patients.

(4) The Parties will explore shared cost savings models designed to reward efficiency and economy in UMCMC operations and delivery systems.

(5) Capital Funds. LCMC will provide, subject to mutually agreed upon caps, the necessary working capital for the operation of the Interim Hospital and the New Hospital, the funding of the costs to physically transition the operations from the Interim Hospital to the New Hospital, and funding or financing for certain improvements associated with the New Hospital.

D. Consummation of Transaction

(1) The Parties acknowledge that the provisions outlined in this MOU are in need of further specification, and except as they may be made binding by the specific terms and conditions set forth herein, the terms of the Transaction must be embodied in a CEA, which will require timely approvals of their respective governing boards, and such additional approvals by regulatory authorities with jurisdiction over the Transaction. The Parties, agree, however, to work expeditiously and in good faith, and devote the necessary resources to the negotiation and consummation of the Transaction as may be reasonable and necessary.

(2) It is the intention of the Parties to enter into the CEA on or before March 31, 2013 and to close the Transaction on or before July 1, 2013.

E. Confidentiality

The Parties recognize that LCMC and UMCMC are parties to that certain Confidentiality, Non-Use and Non-Disclosure Agreement dated as of October 22, 2012.

F. Termination

The term of this MOU shall be from the Effective Date until the earlier of: (i) the effective date of the CEA between the Parties with respect to the Transaction, or (ii) April 30, 2013. In addition, any Party may terminate its obligations under this MOU, with or without cause, in its sole discretion, by giving at least five (5) days prior written notice of such termination to each of the Parties.

G. Publicity

The Parties shall make a public announcement regarding the subject matter hereof upon execution of this MOU. This MOU will become available to the public when it is circulated for consideration by the members of the Boards of UMCMC and LSU.

H. Intent of the Parties

This MOU is an expression of the intent of the Parties only and is not intended to be a binding agreement. This MOU is intended to, and shall, replace in its entirety the previous MOU by and among the Parties dated December 18, 2012, with respect to the subject matter hereof, and such previous MOU shall be of no force or effect. No offer, acceptance, commitment, undertaking, estoppel or obligation of any nature relating to the proposed Transaction outlined above shall be implied in fact, law or equity, unless and until a CEA has been executed and delivered by all Parties hereto. Unless and until a CEA among the Parties has been executed and delivered, no Party or its respective affiliates will be under any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this or any other written or oral expression or any course of conduct with respect to any such Transaction by any of the directors, officers, employees, agents or any other representatives of the Parties or any of their respective advisors.

I. Expenses

Each Party shall be responsible for its own legal, consulting and other expenses incurred in connection with discussions to date, due diligence, negotiation of this MOU and of the Transaction and the development of the CEA, as well as the consummation of the Transaction, unless the Parties otherwise agree in writing to share specific expenses between them.

J. Notices

Any notices required hereunder must be in writing and shall be deemed effective when delivered in person or the next business day after deposited for delivery by a recognized overnight courier, addressed to the party entitled to notice at the address set forth below:

If to LCMC: Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Steve Worley, President and CEO
Richard Guevara, Vice President of Legal Affairs

with a copy to:	Foley & Lardner 111 Huntington Avenue, Suite 2500 Boston, MA 02199 Attention: Mark J. Waxman, Esq.
If to UMCMC:	University Medical Center Management Corporation (A Major Affiliate of LSU Pursuant to La. R.S. 17:3390) P. O. Box 3374 Baton Rouge, LA 70821 Attention: Robert V. "Bobby" Yarborough, Chair
with a copy to:	Kantrow, Spaht, Weaver & Blitzer (APLC) City Plaza, Suite 300 445 North Boulevard Baton Rouge, LA 70802 Attention: Lee C. Kantrow, Esq.
If to LSU:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College 3810 West Lakeshore Drive Baton Rouge, LA 70808 Attention: William L. Jenkins, President
with a copy to:	Taylor, Porter, Brooks & Phillips LLP 8th Floor Chase Tower South 451 Florida Street Baton Rouge, LA 70801 Attention: Patrick D. Seiter, Esq.
If to the State:	State of Louisiana, Division of Administration Claiborne Building, 7th Floor 1201 N. Third Street Baton Rouge, LA 70802 Attention: Commissioner
with a copy to:	State of Louisiana, Division of Administration P. O. Box 94004 Baton Rouge, LA 70804-9004 Attention: Elizabeth Baker Murrill, Esq.
If to LaDHH:	State of Louisiana, Department of Health and Hospitals 628 N. Fourth Street P.O. Box 629 Baton Rouge, Louisiana 70821-0629 Attention: Secretary

with a copy to: State of Louisiana, Department of Health and Hospitals
628 N. Fourth Street
P.O. Box 629
Baton Rouge, Louisiana 70821-0629
Attention: Stephen Russo, Esq.

If to Tulane: Administrators of Tulane Educational Fund
Tulane University
218 Gibson Hall
6823 St. Charles Avenue
New Orleans, LA 70118-5684
Attention: Scott S. Cowen, President

with a copy to: Tulane University
6823 St. Charles Avenue
Suite 300
New Orleans, LA 70118
Attention: Victoria Johnson, Esq.

Remainder of Page Intentionally Left Blank

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

LOUISIANA CHILDREN'S MEDICAL CENTER

By: _____
Name: Steve Worley
Its: President and Chief Executive Officer

UNIVERSITY MEDICAL CENTER MANAGEMENT CORPORATION (A MAJOR AFFILIATE OF LSU PURSUANT TO LA R.S. 17:3390)

By: _____
Name: Robert V. "Bobby" Yarborough
Its: Chair

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

By: _____
Name: William L. Jenkins
Its: President

STATE OF LOUISIANA, DIVISION OF ADMINISTRATION

By: _____
Name: Kristy Nichols
Its: Commissioner

STATE OF LOUISIANA, DEPARTMENT OF HEALTH AND HOSPITALS

By: _____
Name: Bruce D. Greenstein
Its: Secretary

ADMINISTRATORS OF THE TULANE EDUCATIONAL FUND

By: _____
Name: Scott S. Cowen
Its: President

AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING

Introduction

This Amended and Restated Memorandum of Understanding ("MOU") is made effective the 20thday of December, 2012 (the "Effective Date"), by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), the Louisiana Department of Health and Hospitals ("DHH") the State of Louisiana, by and through the Division of Administration (the "Division"), Ochsner Health System, a Louisiana nonprofit corporation ("Ochsner"), Hospital Service District No. 1 of the Parish of Terrebonne, a political subdivision of the State of Louisiana, as the owner and operator of Terrebonne General Medical Center ("TGMC" and together with Ochsner "Ochsner/TGMC"). LSU, DHH, the Division and Ochsner/TGMC are referred to together as the "Parties," and each, a "Party."

This MOU is designed to set forth the understandings of the Parties with respect to its subject matter, and in particular their collective intentions with respect to a Cooperative Endeavor Agreement (the "CEA") for a private/public collaboration whereby Ochsner/TGMC would assume the responsibility, on terms and conditions agreed by the Parties, for the management and operation of the hospital facility and associated outpatient clinics known as L.J. Chabert Medical Center in Houma, Louisiana ("Chabert"), currently owned and operated by LSU, all of which would include associated asset and property transfers.

Recitals

WHEREAS, LSU, through its public educational institutions and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all Louisiana citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and DHH are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, Chabert, currently owned and operated by LSU, is experiencing severe financial challenges;

WHEREAS, Ochsner/TGMC has extensive experience in nonprofit hospital operations and finances and is committed to supporting LSU's clinical, research and teaching missions in the communities served by Chabert;

WHEREAS, to maintain the viability of Chabert, including graduate medical education, the Parties desire to rapidly explore a transaction in which (i) the Chabert facility will be leased, or occupancy thereof will be otherwise granted, to Ochsner/TGMC or an affiliate formed by them, and (ii) Ochsner/TGMC or their affiliate will assume responsibility for Chabert management and operations, all as more thoroughly described and defined in the CEA (collectively, the "Transaction");

WHEREAS, Ochsner/TGMC, through its affiliates and partners, is willing and desires to provide the certain financial resources and support, operational expertise, and other resources and to take steps to allow Chabert to continue to: (i) serve as a safety-net hospital in accordance with applicable law (La. R.S. 17:1519 et seq.), and play a central role in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide Chabert patients enhanced access to tertiary services, (iii) preserve the quality of medical education in Louisiana through medical training partnerships with LSU, and (iv) limit the reductions in workforce currently contemplated for Chabert;

WHEREAS, the Parties recognize that the assumption of the management and operation of Chabert and the physical transition to and management and operation of Chabert by Ochsner/TGMC or their affiliate will include the commitment and the assumption of significant financial and operational investments by Ochsner/TGMC, including without limitation, working capital, transition costs, and funding or financing for certain improvements for Chabert, and Ochsner/TGMC desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties desire to engage in good faith discussions and negotiations with regard to the Transaction and the development of the CEA contemplated hereby;

WHEREAS, the Parties recognize the CEA shall be subject to presentation and review by, and any required approval of, the Joint Legislative Committee on the Budget (the "JLCB") in accordance with law;

WHEREAS, the Parties intend the Transaction and subsequent operation of Chabert by Ochsner/TGMC or its affiliate will reduce the need for State General Funds expenditures below those previously contemplated; and

WHEREAS, the Parties intend to incorporate provisions that will protect and enhance the Graduate Medical Education programs at Chabert into the CEA.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Understandings and Commitments of the Parties

A. Suspension of Reductions of Programs and Services

While the Parties seek to negotiate the CEA, LSU and DHH will work together to suspend the anticipated reductions in programs and services at Chabert now scheduled to go into effect in State Fiscal Year 2013.

B. Cooperative Endeavor Agreement

Following the execution of this MOU, the Parties will seek to negotiate the CEA. The CEA shall contain the full and complete agreement of the Parties with respect to the terms and conditions for completing the Transaction, setting forth their respective rights and obligations, which will result in the final and binding CEA in form and substance satisfactory to the Parties (subject to presentation and review by, and any required approval of, the JLCB). The Parties are prepared to proceed diligently to negotiate such an agreement, which is anticipated to contain commercially reasonable representations and warranties, covenants, indemnifications, closing conditions and other provisions customary in similar transactions. Among other things, the CEA shall address the following:

(1) The identification of the steps and transaction documents necessary to consummate the Transaction, which may include: (i) creation of a new Ochsner/TGMC affiliate ("Newco") to implement the Transaction; (ii) preparation and submission of a Change of Ownership ("CHOW") filing; (iii) the financial commitments of Ochsner/TGMC and its affiliates, (iv) Affiliation Agreements to reflect the ongoing commitments between LSU and its academic partners, (v) Physician Services Agreements to provide for physician staffing of Chabert and its outpatient clinics, and (vi) fulfillment of LSU's obligation to provide healthcare to the medically indigent population.

(2) The creation of appropriate structures (e.g., Academic Councils and Advisory Committees) for LSU to provide ongoing input into Chabert's medical education and resident training, as well as provide avenues with respect to the ongoing implementation of the teaching and research missions of LSU and Chabert, and collaboration in the implementation and use of LSU's health information technology and data warehouse services;

(3) The transfer, by lease or otherwise, of Chabert to Ochsner/TGMC or Newco shall be contingent on:

(a) Reaching an agreement with DHH with respect to the adequacy of funding;

(b) Completion of appropriate due diligence with respect to the transfer of Chabert; and

(c) Receipt of all necessary and appropriate governmental and other third party approvals.

(4) Intellectual property rights reasonable and appropriate to the operation of Chabert, including the licensing of the names of certain Parties;

(5) A timetable regarding the transfer of the Chabert operations to Ochsner/TGMC or Newco, including the termination and discretionary re-hiring of employees;

(6) Reasonable and necessary agreements and commitments with respect to the relationship between LSU and its academic partners, and their affiliates.

(7) The circumstances under which the CEA may be terminated and the commitments and obligations of the Parties wound down in an orderly fashion.

C. Financing.

The CEA shall address the federal and state approvals necessary to help ensure that the public/private partnership is financially sustainable and can meet its goals and objectives. LSU, DHH and Ochsner/TGMC will work together to optimize the availability of state and federal funds for this collaboration.

(1) The Parties will seek to maximize funding for services rendered by Ochsner/TGMC and/or Newco to the extent allowed by federal law, and in amounts that shall be appropriated by the State Legislature involving the use of Medicaid disproportionate share ("DSH") reimbursement, Medicaid reimbursement, and supplemental payments available through upper payment limit funding.

(2) As a condition of the CEA, Ochsner/TGMC will work with DHH to ensure that the public/private partnership is financially sustainable, that Ochsner/TGMC and/or Newco shall be reimbursed as set forth herein, and that failure to receive such sustainable reimbursement shall be grounds for termination of the CEA as provided therein.

(3) DHH and Ochsner/TGMC will work cooperatively to secure appropriate funding to reimburse for the costs of professional services, pharmacy, durable medical equipment and other costs for care to indigent and prisoner care patients at Chabert.

(4) The Parties will explore shared cost savings models designed to reward efficiency and economy in Chabert operations and delivery systems.

(5) Ochsner/TGMC will provide, subject to mutually agreed upon caps, the necessary working capital for the operation of Chabert and funding or financing for certain improvements to Chabert.

D. Consummation of Transaction

(1) The Parties acknowledge that the provisions outlined in this MOU are in need of further specification, and except as they may be made binding by the specific terms and conditions set forth herein, the terms of the Transaction must be embodied in a CEA, which will require timely approvals of their respective governing boards, and such additional approvals by regulatory authorities with jurisdiction over the Transaction. The Parties, agree, however, to work expeditiously and in good faith, and devote the necessary resources to the negotiation and consummation of the Transaction as may be reasonable and necessary.

(2) It is the intention of the Parties to enter into the CEA on or before March 15, 2013, and to close the Transaction on or before June 23, 2013.

E. Confidentiality

Subject to applicable law, the Parties agree to maintain confidentiality during negotiation of the CEA.

F. Termination

The term of this MOU shall be from the Effective Date until the earlier of: (i) the effective date of the CEA between the Parties with respect to the Transaction, or (ii) March 31, 2013. In addition, any Party may terminate its obligations under this MOU, with or without cause, in its sole discretion, by giving at least five (5) days prior written notice of such termination to each of the Parties.

G. Publicity

The Parties shall make a public announcement regarding the subject matter hereof upon execution of this MOU. This MOU will become available to the public when it is circulated for consideration by the members of the Boards of LSU and Ochsner/TGMC.

H. Intent of the Parties

This MOU is an expression of the intent of the Parties only and is not intended to be a binding agreement. This MOU is intended to, and shall, replace in its entirety the previous MOU by and among the Parties dated December 20, 2012, with respect to the subject matter hereof, and such previous MOU shall be of no force or effect. No offer, acceptance, commitment, undertaking, estoppel or obligation of any nature relating to the proposed Transaction outlined above shall be implied in fact, law or equity, unless and until a CEA has been executed and delivered by all Parties hereto. Unless and until a CEA among the Parties has been executed and delivered, no Party or its respective affiliates will be under any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this or any other written or oral expression or any course of conduct with respect to any such Transaction by any of the directors, officers, employees, agents or any other representatives of the Parties or any of their respective advisors.

I. Expenses

Each Party shall be responsible for its own legal, consulting and other expenses incurred in connection with discussions to date, due diligence, negotiation of this MOU and of the Transaction and the development of the CEA, as well as the consummation of the Transaction, unless the Parties otherwise agree in writing to share specific expenses between them.

J. Notices

Any notices required hereunder must be in writing and shall be deemed effective when delivered in person or the next business day after deposited for delivery by a recognized overnight courier, addressed to the party entitled to notice at the address set forth below:

If to Ochsner:
Ochsner Health System
1514 Jefferson Highway
New Orleans, LA 70121-2483
Attn: General Counsel

With a copy to:
Baker Donelson
Chase North Tower
450 Laurel Street
20th Floor
Baton Rouge, LA 70801
Attn: Dickie Patterson

If to TGMC:
Terrebonne General Medical Center
8166 Main Street
Houma, LA 70360
Attn: Phyllis Peoples

With a copy to:
Watkins, Walker & Eroche
501 Roussell Street
Houma, LA 70361
Attn: Daniel J. Walker

If to LSU:
Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Attn: William L. Jenkins, President

With a copy to:
Taylor, Porter, Brooks & Phillips L.L.P.
8th Floor, Chase Tower South
451 Florida Street
Baton Rouge, LA 70801
Attn: Patrick D. Seiter, Esq.

If to DHH:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Secretary**
With a copy to:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Stephen Russo, Esq.**
If to Division:	**State of Louisiana, Division of Administration** **Claiborne Building, 7th Floor** **1201 N. Third Street** **Baton Rouge, LA 70802** **Attn: Commissioner**
With a copy to:	**State of Louisiana, Division of Administration** **P. O. Box 94004** **Baton Rouge, LA 70804-9004** **Attn: Elizabeth Baker Murrill, Esq.**

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Terrebonne General Medical Center

By: _____
Phyllis Peoples
President and Chief Executive Officer

Ochsner Health System

By: _____
Warner Thomas
President and Chief Executive Officer

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

By: _____
William L. Jenkins
President

State of Louisiana,
Department of Health and Hospitals

By: _____
Bruce D. Greenstein
Secretary

State of Louisiana,
Division of Administration

By: _____
Kristy Nichols
Commissioner

AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING

Introduction

This Amended and Restated Memorandum of Understanding ("MOU") is made effective the 20th day of December, 2012 (the "Effective Date"), by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), the Louisiana Department of Health and Hospitals ("DHH") the State of Louisiana, by and through the Division of Administration (the "Division") and Lafayette General Health System, Inc., a Louisiana nonprofit corporation ("LGHS"). LSU, DHH, the Division and LGHS are referred to together as the "Parties," and each, a "Party."

This MOU is designed to set forth the understandings of the Parties with respect to its subject matter, and in particular their collective intentions with respect to a Cooperative Endeavor Agreement (the "CEA") for a private/public collaboration whereby LGHS, or a wholly-owned subsidiary formed by it, would assume the responsibility, on terms and conditions agreed by the Parties, for the management and operation of the hospital facility and associated outpatient clinics known as University Medical Center in Lafayette, Louisiana ("UMC"), currently owned and operated by LSU, all of which would include associated asset and property transfers.

Recitals

WHEREAS, LSU, through its public educational institutions and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all Louisiana citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and DHH are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, UMC, currently owned and operated by LSU, is experiencing severe financial challenges;

WHEREAS, LGHS, a non-profit corporation, owns and operates the largest full-service community hospital in the Acadiana region and is well positioned to partner with LSU and DHH to attain the goals contemplated herein;

WHEREAS, LGHS has extensive experience in nonprofit hospital operations and finances and is committed to supporting LSU's clinical, research and teaching missions in the communities served by UMC;

WHEREAS, to maintain the viability of UMC, including graduate medical education, the Parties desire to rapidly explore a transaction in which (i) the UMC facility will be leased, or occupancy thereof will be otherwise granted, to LGHS or an affiliate formed by it, and (ii) LGHS or its affiliate will assume responsibility for UMC management and operations, all as more thoroughly described and defined in the CEA (collectively, the "Transaction");

WHEREAS, LGHS, through its affiliates and partners, is willing and desires to provide the certain financial resources and support, operational expertise, and other resources and to take steps to allow UMC to continue to: (i) serve as a safety-net hospital in accordance with applicable law (La. R.S. 17:1519 et seq.), and play a central role in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide UMC patients enhanced access to tertiary services, (iii) preserve the quality of medical education in Louisiana through medical training partnerships with LSU, and (iv) limit the reductions in workforce currently contemplated for UMC;

WHEREAS, the Parties recognize that the assumption of the management and operation of UMC, and the physical transition to and management and operation of UMC by LGHS, will include the commitment and the assumption of significant financial and operational investments by LGHS or its affiliate, including without limitation, working capital, transition costs, and funding or financing for certain improvements for UMC, and LGHS desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties desire to engage in good faith discussions and negotiations with regard to the Transaction and the development of the CEA contemplated hereby;

WHEREAS, the Parties recognize the CEA shall be subject to presentation and review by, and any required approval of, the Joint Legislative Committee on the Budget (the "JLCB") in accordance with law;

WHEREAS, the Parties intend the Transaction and subsequent operation of UMC by LGHS or its affiliate will reduce the need for State General Funds expenditures below those previously contemplated; and

WHEREAS, the Parties intend to incorporate provisions that will protect and enhance the Graduate Medical Education programs at UMC into the CEA.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Understandings and Commitments of the Parties

A. Suspension of Reductions of Programs and Services

While the Parties seek to negotiate the CEA, LSU and DHH will work together to suspend the anticipated reductions in programs and services at UMC now scheduled to go into effect in State Fiscal Year 2013.

B. Cooperative Endeavor Agreement

Following the execution of this MOU, the Parties will seek to negotiate the CEA. The CEA shall contain the full and complete agreement of the Parties with respect to the terms and conditions for completing the Transaction, setting forth their respective rights and obligations, which will result in the final and binding CEA in form and substance satisfactory to the Parties (subject to presentation and review by, and any required approval of, the JLCB). The Parties are prepared to proceed diligently to negotiate such an agreement, which is anticipated to contain commercially reasonable representations and warranties, covenants, indemnifications, closing conditions and other provisions customary in similar transactions. Among other things, the CEA shall address the following:

(1) The identification of the steps and transaction documents necessary to consummate the Transaction, which may include: (i) creation of a new LGHS subsidiary or affiliate ("Newco") to implement the Transaction; (ii) preparation and submission of a Change of Ownership ("CHOW") filing; (iii) the financial commitments of LGHS and its affiliates, (iv) Affiliation Agreements to reflect the ongoing commitments between LSU and its academic partners, (v) Physician Services Agreements between to provide for physician staffing of UMC and its outpatient clinics, and (vi) fulfillment of LSU's obligation to provide healthcare to the medically indigent population.

(2) The creation of appropriate structures (e.g., Academic Councils and Advisory Committees) for LSU to provide ongoing input into UMC's medical education and resident training, as well as provide avenues with respect to the ongoing implementation of the teaching and research missions of LSU and UMC, and collaboration in the implementation and use of LSU's health information technology and data warehouse services;

(3) The transfer, by lease or otherwise, of UMC to LGHS or Newco shall be contingent on:

(a) Reaching an agreement with DHH with respect to the adequacy of funding;

(b) Completion of appropriate due diligence with respect to the transfer of UMC; and

(c) Receipt of all necessary and appropriate governmental and other third party approvals.

(4) Intellectual property rights reasonable and appropriate to the operation of UMC, including the licensing of the names of certain Parties;

(5) A timetable regarding the transfer of the UMC operations to LGHS or Newco, including the termination and discretionary re-hiring of employees;

(6) Reasonable and necessary agreements and commitments with respect to the relationship between LSU and its academic partners, and their affiliates.

(7) The circumstances under which the CEA may be terminated and the commitments and obligations of the Parties wound down in an orderly fashion.

C. Financing.

The CEA shall address the federal and state approvals necessary to help ensure that the public/private partnership is financially sustainable and can meet its goals and objectives. LSU, DHH and LGHS will work together to optimize the availability of state and federal funds for this collaboration.

(1) The Parties will seek to maximize funding for services rendered by LGHS and/or Newco to the extent allowed by federal law, and in amounts that shall be appropriated by the State Legislature involving the use of Medicaid disproportionate share ("DSH") reimbursement, Medicaid reimbursement, and supplemental payments available through upper payment limit funding.

(2) As a condition of the CEA, LGHS will work with DHH to ensure that the public/private partnership is financially sustainable, that LGHS and/or Newco shall be reimbursed as set forth herein, and that failure to receive such sustainable reimbursement shall be grounds for termination of the CEA as provided therein.

(3) DHH and LGHS will work cooperatively to secure appropriate funding to reimburse for the costs of professional services, pharmacy, durable medical equipment and other costs for care to indigent and prisoner care patients at UMC.

(4) The Parties will explore shared cost savings models designed to reward efficiency and economy in UMC operations and delivery systems.

(5) LGHS will provide, subject to mutually agreed upon caps, the necessary working capital for the operation of UMC and funding or financing for certain improvements to UMC.

D. Consummation of Transaction

(1) The Parties acknowledge that the provisions outlined in this MOU are in need of further specification, and except as they may be made binding by the specific terms and conditions set forth herein, the terms of the Transaction must be embodied in a CEA, which will require timely approvals of their respective governing boards, and such additional approvals by regulatory authorities with jurisdiction over the Transaction. The Parties, agree, however, to work expeditiously and in good faith, and devote the necessary resources to the

negotiation and consummation of the Transaction as may be reasonable and necessary.

(2) It is the intention of the Parties to enter into the CEA on or before March 15, 2013, and to close the Transaction on or before June 23, 2013.

E. Confidentiality

Subject to applicable law, the Parties agree to maintain confidentiality during negotiation of the CEA.

F. Termination

The term of this MOU shall be from the Effective Date until the earlier of: (i) the effective date of the CEA between the Parties with respect to the Transaction, or (ii) March 15, 2013. In addition, any Party may terminate its obligations under this MOU, with or without cause, in its sole discretion, by giving at least five (5) days prior written notice of such termination to each of the Parties.

G. Publicity

The Parties shall make a public announcement regarding the subject matter hereof upon execution of this MOU. This MOU will become available to the public when it is circulated for consideration by the members of the Boards of LSU and LGHS.

H. Intent of the Parties

This MOU is an expression of the intent of the Parties only and is not intended to be a binding agreement. This MOU is intended to, and shall, replace in its entirety the previous MOU by and among the Parties dated December 20, 2012, with respect to the subject matter hereof, and such previous MOU shall be of no force or effect. No offer, acceptance, commitment, undertaking, estoppel or obligation of any nature relating to the proposed Transaction outlined above shall be implied in fact, law or equity, unless and until a CEA has been executed and delivered by all Parties hereto. Unless and until a CEA among the Parties has been executed and delivered, no Party or its respective affiliates will be under any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this or any other written or oral expression or any course of conduct with respect to any such Transaction by any of the directors, officers, employees, agents or any other representatives of the Parties or any of their respective advisors.

I. Expenses

Each Party shall be responsible for its own legal, consulting and other expenses incurred in connection with discussions to date, due diligence, negotiation of this MOU and of the Transaction and the development of the CEA, as well as the consummation of the Transaction, unless the Parties otherwise agree in writing to share specific expenses between them.

J. Assignment. This MOU may not be assigned be any Party without the written consent of the other Parties; provided, however, that LGHS may assign its rights hereunder to a wholly owned subsidiary or controlled affiliate.

K. Notices

Any notices required hereunder must be in writing and shall be deemed effective when delivered in person or the next business day after deposited for delivery by a recognized overnight courier, addressed to the party entitled to notice at the address set forth below:

If to LGHS:	**Lafayette General Health System, Inc.** **1214 Coolidge Street** **Lafayette, LA 70503** **Attn: General Counsel**
With a copy to:	**Baker Donelson** **Chase North Tower** **450 Laurel Street, 20th Floor** **Baton Rouge, LA 70801** **Attn: Dickie Patterson**
If to LSU:	**Board of Supervisors of Louisiana State University and Agricultural and Mechanical College** **3810 West Lakeshore Drive** **Baton Rouge, LA 70808** **Attn: William L. Jenkins, President**
With a copy to:	**Taylor, Porter, Brooks & Phillips L.L.P.** **8th Floor, Chase Tower South** **451 Florida Street** **Baton Rouge, LA 70801** **Attn: Patrick D. Seiter, Esq.**
If to DHH:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Secretary**
With a copy to:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Stephen Russo, Esq.**
If to Division:	**State of Louisiana, Division of Administration** **Claiborne Building, 7th Floor** **1201 N. Third Street** **Baton Rouge, LA 70802** **Attn: Commissioner**
With a copy to:	**State of Louisiana, Division of Administration** **P. O. Box 94004** **Baton Rouge, LA 70804-9004** **Attn: Elizabeth Baker Murrill, Esq.**

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

Lafayette General Health System, Inc.

By: _____
Patrick Gandy
Chief Operating Officer

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

By: _____
William L. Jenkins
President

State of Louisiana,
Department of Health and Hospitals

By: _____
Bruce D. Greenstein
Secretary

State of Louisiana,
Division of Administration

By: _____
Kristy Nichols
Commissioner

MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
OUR LADY OF THE LAKE REGIONAL MEDICAL CENTER AND
BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY

This Memorandum of Understanding ("MOU") is made this __ day of February, 2013 (the "Effective Date"), by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), the Louisiana Department of Health and Hospitals ("DHH") the State of Louisiana, by and through the Division of Administration (the "Division") and Our Lady of the Lake Hospital, Inc. ("OLOL"), a Louisiana nonprofit corporation. LSU, DHH, the Division and OLOL are referred to together as the "Parties," and each, a "Party."

Effective February 5, 2010, OLOL, LSU, the Division, and DHH entered into that certain Cooperative Endeavor Agreement ("CEA") to form a public/private collaboration whereby OLOL would become the site of a major academic medical center for certain inpatient clinical teaching programs for Louisiana State University Health Science Center - New Orleans ("LSUHSC").

This MOU sets forth the present understanding and intentions of the parties to the CEA to amend the CEA in certain important regards. The MOU sets out certain fundamental, but not comprehensive, terms and conditions of the amendment of the CEA.

The Parties agree that this MOU shall not be binding upon any party, but shall serve as evidence of the understanding and intentions of the Parties and shall be the basis for a binding amendment of the CEA among the Parties (the "Amendment"). Until the Amendment has been executed by the parties, no contractual agreement exists among the parties with respect to the terms set out herein other than those currently set forth in the CEA. Moreover, the issues outlined in this MOU are not exclusive and are intended only to form the basis of the Amendment.

Each capitalized term not defined herein shall have the meaning ascribed to such term in the CEA.

RECITALS

WHEREAS, LSU, through its public educational institutions and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all Louisiana citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and DHH are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel medical education and the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, EKLMC, currently owned and operated by LSU, is experiencing severe financial challenges;

WHEREAS, OLOL has extensive experience in nonprofit hospital operations and finances and is committed to supporting LSU's clinical, research and teaching missions in the communities served by EKLMC;

WHEREAS, to maintain the viability of LSU Clinics and the services provided by EKLMC and the current range of patient care services and programs, including graduate medical education, the Parties desire to explore a transaction in which (i) the LSU Facilities will be leased, or occupancy thereof will be otherwise granted, to OLOL, and (ii) the GME Program Start Date will be accelerated, all as more thoroughly described and defined in the CEA (collectively, the "Transaction");

WHEREAS, among other things, the Transaction will afford OLOL the opportunity to acquire additional clinical facilities, access to a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration, all of which will serve to expand and diversify the LSU system to better serve its patient population;

WHEREAS, OLOL is willing and desires to provide the financial resources and support, operational expertise, and other necessary resources and to take steps to ensure that the LSU Clinics, in collaboration with OLOL, continue to: (i) preserve the quality of medical education in Louisiana through medical training partnerships with LSU; and (ii) play a central role in providing healthcare services to high-risk Medicaid and other underserved populations; and

WHEREAS, the Parties recognize that the assumption of the management and operation of the LSU Clinics, and the physical transition to and management and operation of the LSU Clinics by OLOL, will include the commitment and the assumption of significant financial and operational investments by OLOL, including without limitation, working capital, transition costs, and funding or financing for certain improvements for the LSU Clinics, and OLOL desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties desire to engage in good faith discussions and negotiations with regard to the Transaction and the development of the Amendment; and

WHEREAS, the Parties intend the Transaction and subsequent operation of the LSU Clinics by OLOL will reduce the need for State General Funds expenditures below those previously contemplated.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Transfer of Operation of LSU Clinics**. Due to recent budget cuts and other financial limitations, OLOL will take over operations of the LSU Clinics. Pursuant thereto, OLOL will enter into lease agreements with LSU for the current LSU Clinic locations with a fair market value rental rate and such other terms and conditions as LSU and OLOL may agree. LSU shall enter into a license agreement with OLOL to provide OLOL the right to use the name "LSU Health" and its derivations in the greater Baton Rouge market, which license shall provide for a fair market value license fee. LSU will not grant a license or otherwise allow the use of the name "LSU Health" and its derivations to any other health care provider in the greater Baton Rouge market without OLOL's prior written consent, which consent shall not be unreasonably withheld, except LSU may grant a similar license to Woman's Hospital Foundation related to the provision of clinical services not provided by OLOL. LSU and OLOL will enter into a professional services agreement on fair market value terms for the provision of professional staffing at certain of the LSU Clinics as determined necessary by OLOL.

2. **Accelerated GME Program Start Date.** The Parties will enter into the Amendment to provide that the GME Program Start Date will be 12:00 a.m. on April 15, 2013. LSU physicians shall not schedule elective outpatient surgical cases at OLOL until not less than four (4) operating rooms and two (2) endoscopy rooms at the surgical facility located at 9032 Perkins Road, Baton Rouge, Louisiana are fully operational. LSU will continue to operate or arrange for the operation of the EKLMC emergency room and emergency department until the GME Program Start Date. OLOL will operate or arrange for the operation of an urgent care clinic within the premises of the current North Baton Rouge Clinic from the GME Program Start Date until the Urgent Care Clinic is completed and operating.

3. **Supplemental Funding.** The Amendment shall ensure that the public/private partnership with respect to the LSU Clinics is financially sustainable and can meet its goals and objectives. LSU, DHH and OLOL will work together to optimize the availability of state and federal funds for this collaboration.

    a. DHH and OLOL will work cooperatively to secure appropriate funding to reimburse for the costs of professional services, pharmacy, durable medical equipment and other costs for care to Medicaid patients and other underserved patients of the LSU Clinics.

    b. DHH and OLOL will establish an agreement pursuant to which the agreement baseline cost of the LSU Clinics, currently estimated at $70,000,000 per year (the "Baseline"), will be reimbursed to OLOL, with an annual inflator. In the event OLOL operates the LSU Clinics at a cost less than the Baseline, OLOL will be paid a share of the savings below the Baseline, subject to certain caps and limitations.

4. **GME Slots.** OLOL and LSU will work together to assure that the benefits of the caps related to the GME slots to be allocated to OLOL at all times during the term of the CEA inure to the benefit of OLOL in accordance with the terms of the CEA. LSU intends to merge EKLMC with and into Medical Center of Louisiana at New Orleans ("MCLNO"), rather than University Medical Center in Lafayette, as originally contemplated by the CEA. LSU will assure to the reasonable satisfaction of OLOL, and by the terms of the Amendment will be contractually obligated to assure, that under any change of ownership or other arrangement involving MCLNO and any third party, including, without limitation, a change of ownership to Louisiana Children's Medical Center ("LCMC") or any LCMC affiliate or subsidiary, will obligate LCMC or other third party to abide by the terms of the CEA and the Amendment with respect to the allocation of the caps to OLOL. LSU will provide OLOL the relevant information to evaluate the provisions of any agreements pursuant to this section before such agreements are executed and cooperate with the reasonable requests of OLOL to put provisions in place to meet the intent of this section. LSU will require that LCMC or the appropriate affiliate will enter into an agreement directly with OLOL providing terms and obligations consistent with the intent of this section.

5. **Pharmacy Services.** LSU and OLOL will work together to establish an appropriate structure to preserve, to the maximum extent possible, the financial and other benefits associated with the current pharmacy services provided through the LSU Clinics.

6. **Transition Services.** LSU and OLOL will enter into a transition services agreement pursuant to which LSU will provide transition services related to LSU Clinic operations. The transition services agreement will contain a fair market value payment to LSU.

7. **Prisoner Care.** OLOL shall not be responsible for or obligated to provide any prisoner outpatient care, prisoner pharmacy services, or any other prisoner related health care.

8. **Commencement of Supplemental Payments.** DHH shall take all actions necessary to cause payment of the Required Funding as contemplated by the CEA to be paid to OLOL for the period beginning January 1, 2013, with such payments to begin no later than March 1, 2013.

9. **Amendment of CEA.** The Parties will enter into the Amendment to modify any applicable provisions of the CEA to reflect the final terms of the agreement among the Parties described in this MOU.

10. **Conditions to Closing**. The obligations of the Parties to proceed under the Transaction will be contingent upon the final satisfaction or waiver by each Party of the following conditions (as applicable):

    a. **Due Diligence by OLOL.** Satisfaction by OLOL of the results of its due diligence review of the LSU Clinics.

    b. **No Conflict**. No court or governmental or regulatory authority shall have enacted or issued any statute, rule, regulation, judgment, injunction or other order which

prohibits the consummation of, or materially adversely affects the anticipated benefits from, the transactions contemplated by the Amendment.

c. **Governing Board Approval**. The Transaction, Amendment and the transactions contemplated thereby shall have been duly authorized and approved by the applicable executive or governing body of each Party.

11. Miscellaneous.

a. **Third Party Beneficiaries.** The Parties do not intend the benefits of this MOU to inure to any third-party beneficiary not a signatory hereto. Notwithstanding anything contained herein, or any conduct or course of conduct by any Party hereto, before or after signing this MOU, this MOU shall not be construed as creating any right, claim or cause of action against any Party by any person or entity not a party to this MOU.

b. **Access**. From the date of this MOU until such time as any Party shall terminate negotiations, LSU shall provide OLOL reasonable access to such books, records, other financial information and/or personnel as may reasonably be necessary to evaluate the LSU Clinics and its prospects, provided that any access to such information shall not disrupt the conduct of LSU's business or require the disclosure of any information, the disclosure of which would violate any law (including antitrust laws) or obligations of confidentiality in accordance with this MOU.

We are excited to continue this unique public/private collaboration and the many benefits that we believe it has brought and will continue to bring to our community on a long term basis. We look forward to a successful and mutually rewarding relationship as the collaboration develops.

Sincerely,

OUR LADY OF THE LAKE HOSPITAL, INC.

By: _____
Name: K. Scott Wester
Its: President and CEO

THE FOREGOING IS APPROVED:

THIS _____ DAY OF _____, 2013

BOARD OF SUPERVISORS LOUISIANA STATE UNIVERSITY

By: _____

Title: _____

STATE OF LOUISIANA, THROUGH ITS DIRECTOR OF ADMINISTRATION

By: _____

Title: _____

LOUISIANA DEPARTMENT OF HEALTH AND HOSPITALS

By: _____

Title: _____

MEMORANDUM OF UNDERSTANDING

Introduction

This Memorandum of Understanding ("MOU") is made effective the 1st day of February, 2013 (the "Effective Date"), by and among the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU"), the Louisiana Department of Health and Hospitals ("DHH") the State of Louisiana, by and through the Division of Administration (the "Division") and Southwest Louisiana Hospital Association, d/b/a Lake Charles Memorial Hospital, a Louisiana nonprofit corporation ("LCMH"). LSU, DHH, the Division and LCMH are referred to together as the "Parties," and each, a "Party."

This MOU is designed to set forth the understandings of the Parties with respect to its subject matter, and in particular their collective intentions with respect to a Cooperative Endeavor Agreement (the "CEA") for a private/public collaboration whereby LCMH, or a wholly-owned subsidiary formed by it, would assume the responsibility, on terms and conditions agreed by the Parties, for the management and operation of the hospital facility and associated outpatient clinics known as W.O. Moss Regional Medical Center in Lake Charles, Louisiana ("WOM"), currently owned and operated by LSU, all of which would include associated asset and property transfers.

Recitals

WHEREAS, LSU, through its public educational institutions and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all Louisiana citizens;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana's academic and training programs so that Louisiana is positioned to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and DHH are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified healthcare professionals exist to address the current and future healthcare needs of Louisiana;

WHEREAS, Louisiana's healthcare reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, WOM, currently owned and operated by LSU, is experiencing severe financial challenges;

WHEREAS, LCMH, a non-profit corporation, owns and operates the largest full-service community hospital in the Lake Charles area and is well positioned to partner with LSU and DHH to attain the goals contemplated herein;

WHEREAS, LCMH has extensive experience in nonprofit hospital operations and finances and is committed to supporting LSU's clinical, research and teaching missions in the communities served by WOM;

WHEREAS, to maintain the viability of WOM, the Parties desire to rapidly explore a transaction in which (i) the WOM facility will be leased, or occupancy thereof will be otherwise granted, to LCMH or an affiliate formed by it, and (ii) LCMH or its affiliate will assume responsibility for WOM management and operations, all as more thoroughly described and defined in the CEA (collectively, the "Transaction");

WHEREAS, LCMH, through its affiliates and partners, is willing and desires to provide the certain financial resources and support, operational expertise, and other resources and to take steps to allow WOM to continue to: (i) serve as a safety-net hospital in accordance with applicable law (La. R.S. 17:1519 et seq.), and play a central role in providing healthcare services to the uninsured and high-risk Medicaid populations, (ii) provide WOM patients enhanced access to tertiary services, (iii) preserve the quality of medical education in Louisiana through medical training partnerships with LSU, and (iv) limit the reductions in workforce currently contemplated for WOM;

WHEREAS, the Parties recognize that the assumption of the management and operation of WOM, and the physical transition to and management and operation of WOM by LCMH, will include the commitment and the assumption of significant financial and operational investments by LCMH or its affiliate, including without limitation, working capital, transition costs, and funding or financing for certain improvements for WOM, and LCMH desires to assure sustainable reimbursement levels commensurate with such investments;

WHEREAS, the Parties desire to engage in good faith discussions and negotiations with regard to the Transaction and the development of the CEA contemplated hereby;

WHEREAS, the Parties recognize the CEA shall be subject to presentation and review by, and any required approval of, the Joint Legislative Committee on the Budget (the "JLCB") in accordance with law;

WHEREAS, the Parties intend the Transaction and subsequent operation of WOM by LCMH or its affiliate will reduce the need for State General Funds expenditures below those previously contemplated; and

WHEREAS, the Parties intend to incorporate provisions that will protect and enhance the Graduate Medical Education programs at WOM into the CEA.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Understandings and Commitments of the Parties

A. Suspension of Reductions of Programs and Services

While the Parties seek to negotiate the CEA, LSU and DHH will work together to suspend the anticipated reductions in programs and services at WOM now scheduled to go into effect in State Fiscal Year 2013.

B. Cooperative Endeavor Agreement

Following the execution of this MOU, the Parties will seek to negotiate the CEA. The CEA shall contain the full and complete agreement of the Parties with respect to the terms and conditions for completing the Transaction, setting forth their respective rights and obligations, which will result in the final and binding CEA in form and substance satisfactory to the Parties (subject to presentation and review by, and any required approval of, the JLCB). The Parties are prepared to proceed diligently to negotiate such an agreement, which is anticipated to contain commercially reasonable representations and warranties, covenants, indemnifications, closing conditions and other provisions customary in similar transactions. Among other things, the CEA shall address the following:

(1) The identification of the steps and transaction documents necessary to consummate the Transaction, which may include: (i) creation of a new LCMH subsidiary or affiliate ("Newco") to implement the Transaction; (ii) preparation and submission of a Change of Ownership ("CHOW") filing; (iii) the financial commitments of LCMH and its affiliates, (iv) Affiliation Agreements to reflect the ongoing commitments between LSU and its academic partners, (v) Physician Services Agreements between to provide for physician staffing of WOM and its outpatient clinics, and (vi) fulfillment of LSU's obligation to provide healthcare to the medically indigent population.

(2) The creation of appropriate structures (e.g., Academic Councils and Advisory Committees) for LSU to provide ongoing input into WOM's medical education and resident training, as well as provide avenues with respect to the ongoing implementation of the teaching and research missions of LSU and WOM, and collaboration in the implementation and use of LSU's health information technology and data warehouse services;

(3) The transfer, by lease or otherwise, of WOM to LCMH or Newco shall be contingent on:

(a) Reaching an agreement with DHH with respect to the adequacy of funding;

(b) Completion of appropriate due diligence with respect to the transfer of WOM; and

(c) Receipt of all necessary and appropriate governmental and other third party approvals.

(4) Intellectual property rights reasonable and appropriate to the operation of WOM, including the licensing of the names of certain Parties;

(5) A timetable regarding the transfer of the WOM operations to LCMH or Newco, including the termination and discretionary re-hiring of employees;

(6) Reasonable and necessary agreements and commitments with respect to the relationship between LSU and its academic partners, and their affiliates.

(7) The circumstances under which the CEA may be terminated and the commitments and obligations of the Parties wound down in an orderly fashion.

C. Financing.

The CEA shall address the federal and state approvals necessary to help ensure that the public/private partnership is financially sustainable and can meet its goals and objectives. LSU, DHH and LCMH will work together to optimize the availability of state and federal funds for this collaboration.

(1) The Parties will seek to maximize funding for services rendered by LCMH and/or Newco to the extent allowed by federal law, and in amounts that shall be appropriated by the State Legislature involving the use of Medicaid disproportionate share ("DSH") reimbursement, Medicaid reimbursement, and supplemental payments available through upper payment limit funding.

(2) As a condition of the CEA, LCMH will work with DHH to ensure that the public/private partnership is financially sustainable, that LCMH and/or Newco shall be reimbursed as set forth herein, and that failure to receive such sustainable reimbursement shall be grounds for termination of the CEA as provided therein.

(3) DHH and LCMH will work cooperatively to secure appropriate funding to reimburse for the costs of professional services, pharmacy, durable medical equipment and other costs for care to indigent and prisoner care patients at WOM.

(4) The Parties will explore shared cost savings models designed to reward efficiency and economy in WOM operations and delivery systems.

(5) LCMH will provide, subject to mutually agreed upon caps, the necessary working capital for the operation of WOM and funding or financing for certain improvements to WOM.

D. Consummation of Transaction

(1) The Parties acknowledge that the provisions outlined in this MOU are in need of further specification, and except as they may be made binding by the specific terms and conditions set forth herein, the terms of the Transaction must be embodied in a CEA, which will require timely approvals of their respective governing boards, and such additional approvals by regulatory authorities with jurisdiction over the Transaction. The Parties, agree, however, to work expeditiously and in good faith, and devote the necessary resources to the

negotiation and consummation of the Transaction as may be reasonable and necessary.

(2) It is the intention of the Parties to enter into the CEA on or before March 15, 2013, and to close the Transaction on or before June 23, 2013.

E. Confidentiality

Subject to applicable law, the Parties agree to maintain confidentiality during negotiation of the CEA.

F. Termination

The term of this MOU shall be from the Effective Date until the earlier of: (i) the effective date of the CEA between the Parties with respect to the Transaction, or (ii) March 15, 2013. In addition, any Party may terminate its obligations under this MOU, with or without cause, in its sole discretion, by giving at least five (5) days prior written notice of such termination to each of the Parties.

G. Publicity

The Parties shall make a public announcement regarding the subject matter hereof. This MOU will become available to the public when it is circulated for consideration by the members of the Boards of LSU and LCMH.

H. Intent of the Parties

This MOU is an expression of the intent of the Parties only and is not intended to be a binding agreement. No offer, acceptance, commitment, undertaking, estoppel or obligation of any nature relating to the proposed Transaction outlined above shall be implied in fact, law or equity, unless and until a CEA has been executed and delivered by all Parties hereto. Unless and until a CEA among the Parties has been executed and delivered, no Party or its respective affiliates will be under any legal obligation of any kind whatsoever with respect to any such Transaction by virtue of this or any other written or oral expression or any course of conduct with respect to any such Transaction by any of the directors, officers, employees, agents or any other representatives of the Parties or any of their respective advisors.

I. Expenses

Each Party shall be responsible for its own legal, consulting and other expenses incurred in connection with discussions to date, due diligence, negotiation of this MOU and of the Transaction and the development of the CEA, as well as the consummation of the Transaction, unless the Parties otherwise agree in writing to share specific expenses between them.

J. Assignment. This MOU may not be assigned be any Party without the written consent of the other Parties; provided, however, that LCMH may assign its rights hereunder to a wholly owned subsidiary or controlled affiliate.

K. **Notices**

Any notices required hereunder must be in writing and shall be deemed effective when delivered in person or the next business day after deposited for delivery by a recognized overnight courier, addressed to the party entitled to notice at the address set forth below:

If to LCMH:	**Lake Charles Memorial Hospital** **1701 Oak Park Blvd.** **Lake Charles, LA 70601** **Attn: Chief Executive Officer**
With a copy to:	**Baker Donelson** **Chase North Tower** **450 Laurel Street, 20th Floor** **Baton Rouge, LA 70801** **Attn: Dickie Patterson**
If to LSU:	**Board of Supervisors of Louisiana State University and Agricultural and Mechanical College** **3810 West Lakeshore Drive** **Baton Rouge, LA 70808** **Attn: William L. Jenkins, President**
With a copy to:	**Taylor, Porter, Brooks & Phillips L.L.P.** **8th Floor, Chase Tower South** **451 Florida Street** **Baton Rouge, LA 70801** **Attn: Patrick D. Seiter, Esq.**
If to DHH:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Secretary**
With a copy to:	**State of Louisiana, Department of Health and Hospitals** **628 N. Fourth Street** **P. O. Box 629** **Baton Rouge, LA 70821-0620** **Attn: Stephen Russo, Esq.**
If to Division:	**State of Louisiana, Division of Administration** **Claiborne Building, 7th Floor** **1201 N. Third Street** **Baton Rouge, LA 70802** **Attn: Commissioner**
With a copy to:	**State of Louisiana, Division of Administration** **P. O. Box 94004** **Baton Rouge, LA 70804-9004** **Attn: Elizabeth Baker Murrill, Esq.**

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

Southwest Louisiana Hospital Association
d/b/a Lake Charles Memorial Hospital

By: _____
Larry Graham
Chief Executive Officer

Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

By: _____
William L. Jenkins
President

State of Louisiana,
Department of Health and Hospitals

By: _____
Bruce D. Greenstein
Secretary

State of Louisiana,
Division of Administration

By: _____
Kristy Nichols
Commissioner

Academic and Student Affairs
Achievement and Distinction Committee
February 1, 2013

1. Request to authorize an Assessment Structure for LSU Online
2. Request approval for a one year extension of the LSU Paul M. Hebert Law Center Scholarship Authority
3. Request approval of a B.F.A. in Digital Arts at LSU Shreveport
4. LSU Shreveport Response to SR 145, SCR 130, and HR 112, Regular Session, 2012 (Report Only)

Office of Academic Affairs Agenda Item #1

REQUEST TO AUTHORIZE AN ASSESSMENT STRUCTURE FOR LSU ONLINE

To: Members of the Board of Supervisors

Date: February 1, 2013

1. Significant Board Matter

This matter is a significant Board matter pursuant to the following provisions of Article VII, section 8 of the 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.

2. Summary of the Matter

One of the most rapidly developing trends in higher education is a transition to increased online delivery of instruction. LSU has been working since 2010 toward establishing a significant online degree program. As part of that effort, last fall LSU entered into a contract with a leading vendor of online educational services, Academic Partnerships, LLC, to assist with market analysis, faculty training, marketing and technical aspects of providing online educational services. LSU received approval in December 2012 from the Board of Regents and has provided the required notice to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to initially offer the following degree programs through LSU Online:

1. Master of Business Administration
2. Master of Science in Construction Management
3. Master of Science in Human Resource Leadership Development
4. Master of Arts in Higher Education Administration

Each new proposed degree program offered through LSU Online will require similar approvals and notices. The courses offered through LSU Online will be delivered in accelerated seven week modules. Over the course of a 12 month period six of the seven week accelerated modules will be offered. The departments are working directly with Academic Partnerships to develop course sequencing carousels which seek to maximize student flexibility while minimizing faculty resource requirements.

In offering online degree programs, LSU is joining universities across the nation in a highly competitive electronic learning environment. Success of the program depends on providing maximum pricing flexibility, as allowed by law, to assess online students an amount of tuition and fees sufficient to fund LSU's costs, expand on-line program offerings, and support the academic colleges providing the courses, all the while remaining competitive with the online offerings of other universities. Unlike with traditional tuition assessments, prices for on-line degree programs across the country can, and do, change rapidly in response to competitive pressures.

LSU anticipates initiating the first four graduate online degree programs on March 4, 2013, and adding additional programs as developed by the faculty, made ready for delivery, and approved by all pertinent external review entities. To ensure the success of LSU Online and retain maximum flexibility for providing a positive student experience, LSU requests that the Board of Supervisors approve an

assessment structure for LSU Online . Under this assessment structure, the Interim President of the LSU System will have authority to establish a per credit hour assessment for all students participating in degree programs offered through LSU Online, in an amount, for each program, that is based on market demand, law, and traditional programmatic practices, provided that such assessment shall not exceed the maximum amount of tuition and mandatory fees authorized to be assessed to students enrolled in comparable existing programs provided on-campus by LSU.

Since the long-term success of LSU Online also will require that appropriate investments be made to ensure both stability and growth, as the campus implements and expands this program, further autonomies or budgetary actions may be needed which will require approval from the Board of Supervisors and/or the Legislature and for which LSU may request approval at an appropriate time.

Review of Business Plan

The contract with Academic Partnerships provides that the company will support LSU Online through various services related to marketing and recruitment of students, ongoing support of those students, competitive market analysis and assistance with program planning, faculty support and course design. Under this contract, Academic Partnerships will receive half of the approved graduate in-state tuition (not including fees) published as LSU's Graduate Tuition Schedule for each student who remains enrolled in a course beyond the "no refund" date, subject to a cap of $2 million.

The remainder of the course-generated revenues received from the program will be allocated internally between the College within which the degree program resides and the LSU administration. Ensuring that the Colleges have an incentive to participate is critical to the long-term success of LSU Online. The portion of the funds for administration will be used for services such as centralized support and administration, educational technology, instructional design expertise, faculty training and financial aid processing. The Colleges will be responsible for faculty support, course development, and degree programs.

3. Fiscal Impact

In developing a business model for LSU Online, LSU worked closely with Academic Partnerships and the Colleges to understand the competitive landscape and potential enrollment estimates, as well as resource needs and constraints. Based on that information, a business model was built for each of the initial degree programs. The building of the infrastructure to support the program requires the administration to provide start-up funds to each of the Colleges. Within the first year of operations, LSU Online programs are expected to have positive cash flow.

4. Description of Competitive Process

A request for proposals (RFP) was vetted and approved by LSU Procurement Services and the State Office of Contractual Review. The RFP was released to the marketplace in the summer of 2012, leading to a highly competitive process and culminating with a contract with Academic Partnerships, LLC. This contract has been approved by LSU Procurement Services and the State Office of Contractual Review.

5. Certification of campus (or equivalent) re: Article VII, Section 8, paragraph E.8

The campus has certified that it has addressed any potential conflicts of interest pertaining to this transaction and that it has been approved by all appropriate faculty and administrative offices.

ATTACHMENT:

- Letter from Executive Vice Chancellor and Provost Bell (Exhibit A)

RECOMMENDATION:
It is recommended that the LSU Board of Supervisors adopt the following recommendation:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of an assessment structure for LSU Online which grants authority to the Interim President of the LSU System to establish a program-dependent, per credit hour tuition and fee assessment for all students participating in degree programs offered through LSU Online, with such assessments to be based upon market demand, law, and traditional programmatic practices, and provided that such assessments shall not exceed the maximum amount of tuition and fees authorized for comparable degree programs provided on-campus by LSU; and

BE IT FURTHER RESOLVED that LSU will report to the Board at an appropriate time on the initial success of the degree programs offered through LSU Online.

LSU

Academic Affairs

To: William Jenkins
Interim Chancellor and President

Date: January 23, 2013

From: Stuart R. Bell
Executive Vice Chancellor and Provost

Re: Recommendation to Authorize an Assessment Structure for LSU Online

It is widely accepted that the most rapidly developing trend in higher education is a transition to increased online delivery of instruction. Throughout 2010, LSU staff researched the technology options and began having wide reaching faculty discussions on this topic since it was well understood the core of any successful academic venture is a buy-in from the faculty. During the summer of 2011, the Provost formally charged a team to explore ways in which LSU could expand the degree programs delivered online. The team explored several alternatives including the creation of an in-house model, joining a consortium or forming a partnership with an industry leading company. The vetting process led to a recommendation that LSU go to the marketplace in search of an industry leading partner to assist in the expansion of degree programs delivered online. In mid-2012 the team was expanded to include a cross disciplinary group of administrators and faculty who worked collaboratively to develop detailed specifications which led to a comprehensive, competitive process resulting in a contractual arrangement with Academic Partnerships.

LSU's Flagship 2020 clearly identifies discovery, learning, diversity and engagement as institutional goals. The expansion of online learning, through the development of LSU Online, positively impacts the goals set forth in Flagship 2020 by increasing learning opportunities to students from a broadened group of socioeconomic levels and geographic locations as well as extending the influence of the LSU's world class faculty.

The first programs targeted for a March 2013 start are identified below with additional programs to follow in the near future:

1. Master of Arts in Higher Education Administration in the College of Human Sciences and Education
2. Master of Science in Human Resource Leadership Development in the College of Human Sciences and Education
3. Master of Science in Construction Management in the College of Engineering
4. Master of Business Administration in the E. J. Ourso College of Business

Considering the best practices identified at selected peer institutions, as well as listening to the needs of the students which the program seeks to serve, it is necessary to develop a new business model which meets four objectives:

1. Students: meet student demand for increased scheduling flexibility, decreasing time to graduation, removing geographic barriers, and is affordable.

2. Revenue: maximizes the return on investment of University resources and provides a new revenue stream to the University.
3. Self-Sustaining: does not divert resources from existing programs.
4. Colleges: allocate resources to incentivize participation by faculty while providing a new revenue stream.

The new online programs and supporting business models were built with extensive input from the participating College deans and faculty. The model also included contributions from various administrative functional areas such as admissions, financial aid, bursar, and registrar operations. The current business model proposes to share the majority of the net revenue with the College in which the degree program resides. This will incentivize the Colleges to reinvest in the programs including adding faculty positions as the programs grow.

Your approval is requested to establish an assessment structure which is defined per credit hour for each program based on market demand, law and traditional programmatic practices, and to submit this matter to the Board of Supervisors for approval at the February 2013 meeting.

Office of Academic Affairs Agenda Item #2

REQUEST APPROVAL FOR A ONE YEAR EXTENSION OF THE LSU PAUL M. HEBERT LAW CENTER SCHOLARSHIP AUTHORITY

To: Members of the Board of Supervisors

Date: February 1, 2013

1. Significant Board Matter

This matter is a significant Board matter pursuant to the following provisions of Article VII, section 8 of the 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.

2. Request for Extension of Scholarship Authority

The Law Center is seeking approval for a one-year extension of scholarship authority that the LSU Board of Supervisors approved at its August 26, 2011 Meeting.

The Resolution approved by the Board of Supervisors at that meeting authorized the Law Center "for the 2011-12 academic year, to award scholarships through the wavier of tuition and non-resident fees in the amount not to exceed $5,000,000." The Law Center seeks an extension of that authority, in the same amount, for the 2012-2013 academic year.

The August 26, 2011 Resolution also directed the Chancellor to report on the results of the scholarship authority granted as measured against the objectives of the program. (The response is attached to this Resolution.)

3. Justification for the Extension

The Law Center uses waivers of tuition and fees to attract highly-qualified students and to improve the credentials of its entering class. The credentials of the students have an impact on the quality of the classroom experience. They are also taken in account in national rankings of law schools.

One way in which law schools assess the academic credentials of an entering class is by LSAT (Law School Admission Test) scores. In 2002, the median LSAT score for the entering class at the Law Center was 153. Last year, it was 157.

In 2002, the Law Center was ranked in the third tier (no numerical ranking) of the U.S. News & World Report survey for American law schools. In 2012, it ranked 79th.

The Law Center has, by using the waiver authority granted to it by the Board of Supervisors, made progress in improving the credentials of its entering classes.

The current climate for legal education is very competitive. Students with strong credentials frequently apply to several law schools and receive several scholarship offers. The number of potential law school applicants who take the LSAT was down 18.5% between December 2011 and 2012. Applications to public law schools are down 24.6% this year compared to last. It appears that the competition for well-qualified students will be greater this year than it was last year.

Last year, the Law Center used $1,491,077.80 in waivers to attract students to the entering class. In the previous year, the Law Center used $1,433,078.68 in waivers. The year before that, the Law Center used $986,828.21 in waivers. The total amount of the waivers over the three years for the entering classes is $3,910,984.69.

The Law Center anticipates that, given the current climate in legal education, it is likely that it will need to use at least as much waiver authority in the current year as it did last year. The total amount of the waivers for all classes could be between $4.5 million and $5 million. The Law Center requests the extension so that it will have the authority to proceed.

RECOMMENDATION:
It is recommended that the LSU Board of Supervisors adopt the following recommendation:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize the LSU Paul M. Hebert Law Center to award, for the 2012-2013 academic year, scholarships through the waiver of tuition and non-resident fees in an amount not to exceed $5,000,000.

PAUL M. HEBERT LAW CENTER
LSU LAW
LOUISIANA STATE UNIVERSITY

Vice Chancellor for Business and Financial Affairs

23 January 2013

Carolyn H. Hargrave
Vice President for Academic Affairs & Technology Transfer
3810 W. Lakeshore Dr.
Rm. 115
Baton Rouge, LA 70808

Re: Law Center Report on Enrollment and Use of Authority to Waive Tuition and Non-resident Fees

Dear Vice President Hargrave:

The Law Center is providing this report, for the Board of Supervisors, on the results of its use of authority granted to it by the Board of Supervisors to waive tuition and non-resident fees.

On August 26, 2011, the Board of Supervisors approved a resolution authorizing the Law Center "for the 2011-12 academic year, to award scholarships through the wavier of tuition and non-resident fees in the amount not to exceed $5,000,000." That same resolution called for the Law Center to provide a report "on the results of the authority granted as measured against the objectives of the program."

Last year, the Law Center used $1,491,077.80 in waivers to attract students to the entering class. In the previous year, the Law Center used $1,433,078.68 in waivers. The year before that, the Law Center used $986,828.21 in waivers. The total amount of the waivers over the three years for the entering classes is $3,910,984.69.

Attached is a chart that provides additional information regarding the last two entering classes. It breaks down the classes by resident and non-resident, and includes data on LSAT (Law School Admission Test) credentials, diversity percentages, and percentages of tuition and non-resident fee waivers. It also includes elements showing that non-resident students paid, on average, tuition and fees that substantially exceeded 100% of the amount of tuition paid by resident students.

The Law Center uses waivers of tuition and fees to attract highly-qualified students and to improve the credentials of its entering class. The awards are not based on need.

400 Law Center • Baton Rouge LA • 70803-1000 • 225/578-8721 • fax 225/578-8202 • email: greg.smith@law.lsu.edu

The Law Center has, by using the waiver authority granted to it by the Board of Supervisors, made progress in improving the credentials of its entering classes.

For example, in 2002, the median LSAT score for the entering class at the Law Center was 153. Last year, it was 157. In 2002, the Law Center was ranked in the third tier (no numerical ranking) of the U.S. News & World Report survey for American law schools. In 2012, it ranked 79th.

The current climate for legal education is very competitive. Students with strong credentials frequently apply to several law schools and receive several scholarship offers. The number of potential law school applicants who take the LSAT was down 18.5% between December 2011 and 2012. Applications to public law schools are down 24.6% this year compared to last. Regionally, applications are down 24.5% compared to this time last year.

The decline in the number of applicants has had an impact on many law schools, including ours. Last year, for example, the number of students in the Law Center's entering class declined somewhat when compared to the number enrolled in the previous year. In addition, the median LSAT score dropped from 158 to 157. Although the Law Center anticipates that prudent use of waiver authority will enable it to enroll a strong entering class in the coming year, it appears that the competition for well-qualified students will be greater this year than it was last year.

Very Truly Yours,

Greg Smith

N. Gregory Smith
Vice Chancellor for Business and Financial Affairs

Fall 2012 Incoming Class	Overall	Residents	Non-Residents
14th Day Enrollment	200	156	44
LSAT 75th	160	160	160
LSAT Median	157	157	153
LSAT 25th	153	155	150
Diversity	26%	16%	57%
Discount Rate - Tuition	17.4%	19.5%	10.1%
Discount Rate - Non-res Fee	11.1%	0.0%	50.6%
Average % of Tuition Paid by Residents After Discounts		80.5%	
Average % of Tuition Paid by Non-Res After Discounts			140.5%

Fall 2011 Incoming Class	Overall	Residents	Non-Residents
14th Day Enrollment	238	160	78
LSAT 75th	160	160	160
LSAT Median	158	158	157
LSAT 25th	155	156	152
Diversity	26%	18%	41%
Discount Rate - Tuition	20.1%	23.7%	12.8%
Discount Rate - Non-res Fee	19.1%	0.0%	58.3%
Average % of Tuition Paid by Residents After Discounts		76.3%	
Average % of Tuition Paid by Non-Res After Discounts			130.2%

Office of Academic Affairs Agenda Item #3

REQUEST APPROVAL OF A B.F.A IN DIGITAL ARTS AT LOUISIANA STATE UNIVERSITY SHREVEPORT

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

Date: **February 1, 2013**

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, section 8 of the Bylaws:

D.1 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.

2. Summary of the Proposal

Background. Louisiana State University Shreveport is requesting approval of the full program proposal to offer a Bachelor of Fine Arts Degree (B.F.A) in Digital Arts. The Letter of Intent for this program was approved by the LSU Board of Supervisors on June 8, 2012 and by the Board of Regents on August 22, 2012. The program proposal incorporates suggestions made by the Regents' staff in their Review of the Letter of Intent. The proposed program focuses on the development of artistic and vocational skills within the field of Digital Arts and will prepare graduates to fill the increasing demand for digital media content in Louisiana. The purpose of the program is to provide specific instruction in the areas of Graphic Design and Animation/Visual Effects.

Need. The State of Louisiana has identified the field of Digital Arts as an area of increasing economic growth. The Economic Quarterly noted in the Spring of 2011 that the state of Louisiana initiated a three-pronged approach to increasing the economic footprint of Digital Media in the state. One of these approaches is the development of Digital Media curricula in higher education institutions. In addition, the, Louisiana Department of Economic Development has designated the sector of Digital Arts as a "New Capability" area in which the state expects demand to surpass other southern states in growth. In addition to these state initiatives, in April of 2012 the LSU Board of Supervisors included the Bachelor of Fine Arts in Digital Arts degree as a component of the LSU Commitment Plan with LSU in Shreveport. Beyond the demonstrated state-wide need, Northwest Louisiana in particular has a specific targeted need for more skilled workers in these fields. Existing studios in this region have a national and international footprint. Moonbot Studios, with its recent Academy Award in Short Animated film, Millennium Studios, World Wide FX, Twin Engine Labs, and Dream Forge each have ongoing projects with a demand for in-state labor. This demand can only be met with a highly trained local workforce. Northwest Louisiana thus has a state-directed mandate, as well as strong community demand, to provide educational resources targeted to meet the growing needs of this region.

The Program and Faculty. The Bachelor of Fine Arts degree will serve as a strong complement to existing programs within the LSUS College of Arts and Sciences, as well as across the university. The current Bachelor of Arts degree in Fine Arts has proven a useful instrument for gauging interest in this new program. Concentrations in both Graphic Design and Animation/Visual Effects are currently being offered. Since these concentrations have grown significantly over the last few years, LSUS has already begun offering many of the classes necessary for the new program. The capacity of the College to deliver these courses is illustrated by the response to demand that has already occurred. The proposed program will capitalize on this shift by more effectively targeting resources to this area of interest. The two concentrations in the B.A. degree will be terminated after the Bachelor of Fine Arts in Digital Arts is approved.

The Department of Fine Arts has identified five existing faculty who will be directly involved in the proposed program, and anticipates hiring additional faculty commensurate with the growth of the program.

Students. The proposed program is designed to be flexible enough to allow timely progression of both current and future students. LSUS currently has approximately 90 Fine Arts majors in these two concentrations, and is projecting an increase to 150 within five years. Full time students entering the program will be able to graduate within four years. At that point LSUS anticipates adding additional personnel and facility resources to maintain current levels of growth.

Library Resources. Library resources are adequate to support the proposed program. The LSUS Noel Library has a strong collection of more than 5,235 books and 981 journals in the field of Fine Arts. In addition to these works, the library also provides access to 9,560 eBooks and 607 electronic journals. LSUS students have full access to these digital resources from both on and off campus.

Facilities. The physical facilities available for the program are housed within two buildings and consist primarily of five computer labs to support both instruction and lab work. In addition to these labs, LSUS has two classrooms with dedicated high-speed networking. Each of these labs have been upgraded over the last two years to provide state of the art software and hardware to support this proposed program. The labs combine for a total of 120 student work stations. Students can also check out various ancillary devices (digital tablets, digital SLR cameras, HD digital video cameras, etc.) to capture content. In addition to these laboratories, LSUS has ten offices for faculty and staff support.

Program Administration. The administration of the B.F.A. will be housed in the Department of Fine Arts, Foreign Languages, and Humanities under the direction of the department chair.

3. **Fiscal Note**
   As noted above, most of the instructional costs will be shifted from existing Bachelor of Arts instruction to the Bachelor of Fine Arts over the first four years. While most of the cost of the new program is anticipated to be absorbed by the realignment of current faculty instructional assignments, LSUS does anticipate an increased need for adjuncts, likely eight adjuncts per academic year for an increased cost of $16,000.00.

4. **Review of Documents**
   The proposal for the B.F.A. has been reviewed and approved by LSUS faculty and administrative officers and by the System Office of Academic Affairs. The full proposal is available for review in the System Office of Academic Affairs.

5. **Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.**
   Appropriate certifications were provided by the Chancellor.

Recommendation:

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the B.F.A. in Digital Arts at LSU Shreveport, subject to approval by the Board of Regents."

Office of Academic Affairs Agenda Item #4

LSU SHREVEPORT RESPONSE TO SR 145, SCR 130, AND HR 112, REGULAR SESSION, 2012 (REPORT ONLY)

To: Members of the Board of Supervisors

Date: February 1, 2013

1. Significant Board Matter
This matter is a significant Board matter pursuant to the following provisions of Article VII, section 8 of the 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.

2. Summary of the Matter
During the 2012 Regular Session of the Legislature, three Resolutions (SR 145, SCR 130, and HR 112) were adopted by the Legislature addressing the importance of the implementation of the Louisiana State University Shreveport Commitment Plan and providing for regular reports to the Legislature on the progress of implementation. The attached document, prepared by Louisiana State University Shreveport, is the first report submitted to the Legislature to comply with the requirements of these Resolutions.

While this is a Report Only, Interim Chancellor Sisson will be happy to respond to any additional questions members of the LSU Board of Supervisors might have.

Response to SR 145, SCR 130, and HR 112, Regular Session, 2012

Louisiana State University Board of Supervisors

January 24, 2013

RESPONSE TO LEGISLATIVE RESOLUTIONS

During the 2012 Regular Session of the Legislature, three Resolutions (SR 145, SCR 130, and HR 112) were adopted by the Legislature addressing the importance of the implementation of the Louisiana State University Shreveport Commitment Plan.

Senate Resolution No. 145 by Senators Peacock, Adley and Tarver provides:

> "To endorse the Louisiana State University Shreveport Commitment Plan, as adopted by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to enhance programs to meet higher education needs in the region; to establish the Louisiana State University Shreveport Commitment Plan Implementation Group to monitor the implementation of the plan; and to require the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to provide a written report semiannually for the next five academic years on the progress of implementing the plan."

And,

> "BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall provide a written report to the Senate and to the Senate Committee on Education semiannually for the next five academic years, within one month following completion of the Fall and Spring semesters at LSUS, on the progress of implementing the Louisiana State University Shreveport Commitment Plan, which report shall include details on new programs offered and put into effect, student enrollment and completion data as well as income from tuition, fees, state, and other sources for each semester."

Senate Concurrent Resolution No. 130 by Senators Peacock, Adley, Crowe, Long, Martiny, Murray, John Smith, Tarver and Thompson provides:

> "To endorse the Louisiana State University Shreveport Commitment Plan, as adopted by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, to enhance programs to meet higher education needs in the region; to establish the Louisiana State University Shreveport Commitment Plan Implementation Group to monitor the implementation of the plan; and to require the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to provide a written report to the Senate and House committees on education semiannually for the next five academic years on the progress of implementing the plan."

And,

> "BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall provide a written report to the legislature and to Senate and House committees on education semiannually for the next five academic years, within one month following completion of the Fall and Spring semesters at LSUS, on the progress of implementing the Louisiana State University Shreveport Commitment Plan, which report shall include details on new programs offered and put into effect, student enrollment and completion data as well as income from tuition, fees, state, and other sources for each semester."

House Resolution 112 by Representative Carmody provides:

> Legislative findings relative to the Louisiana State University Shreveport Commitment Plan as unanimously endorsed by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College on April 27, 2012, to urge and request all public postsecondary institutions in the region to fully cooperate and support plan implementation, and to specify that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall make certain written reports to the legislature, the legislative education committees, and the Board of Regents for the next three academic years on its progress in plan implementation.

And,

> BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College shall report in writing to the legislature as provided by R. S. 24:771 and 772, the House Committee on Education and the Senate Committee on Education, and the Board of Regents two weeks after the end of each Fall and Spring semester for the next three academic years on its progress in implementing the Louisiana State University Shreveport Commitment Plan, which report shall include but not be limited to details on new programs offered and put into effect as well as student enrollment and completion data for such programs.

The attached document, prepared by Louisiana State University Shreveport, is the first report from the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to comply with the requirements of SR 145, SCR 130, and HR 112 as described above.

Executive Summary

The Commitment Plan is a living document which will evolve with the ongoing participation of all partners and the changing needs of the Shreveport-Bossier Community. This status report represents the collaborative effort of many on the campuses of both LSU A&M and LSU Shreveport. In addition to the campus involvement, there has been substantial assistance from the LSU System Office and ongoing communication between these groups and the Board of Regents. In October 2012, all parties met to discuss the plan's progress as required by Legislative Acts SCR 130 and SR 145. Feedback from the Board of Regents affirmed the hard work all parties have contributed to this plan. The willingness of both campuses to enact collaborative programs has been substantial and the level of commitment to the success of the project has been high. The Commitment Plan targeted five broad categories:

1. A system-wide strategy to provide new and updated academic programs to meet the needs of the Shreveport/Bossier City region.
2. A commitment to increase access to both traditional and non-traditional students through increased use of online teaching.
3. A commitment to formalize transfer student agreements with the region's community colleges.
4. A commitment to creating academic program efficiencies through a consortium of regional public and private postsecondary institutions.
5. A commitment to enhance the LSU Shreveport academic experience, increase student enrollment, and improve retention.

The following is a summary of the activities that occurred during the first year of the plan.

Two collaborative degree programs, Petroleum Engineering and Construction Management, are now offered on the campus of LSU Shreveport. Two additional collaborative programs, Sports Administration and Human Resource Education, are slated to begin in the Fall, 2013. Plans to add more collaborative programs are under review and will be implemented when appropriate. LSU Shreveport is expanding its own programs and has plans to offer a Doctor of Education in Leadership followed by a Doctor of Psychology. Both programs have had their letter of intent approved by the LSU System and program proposals are being prepared for Board of Regents approval. In addition to these doctoral programs, a Master of Criminal Justice, a Master of History, a Bachelor of Science in Nursing, and a Bachelor of Fine Arts in Digital Media are in the process of development with Letters of Intent and full Proposals under review by either the LSU Board of Supervisors or the Board of Regents. Lastly, a dual degree in Biology/Clinical Lab Science is being developed between LSU Shreveport and LSU Shreveport Health Science Center.

Enrollment and increased student accessibility continues to be a priority for LSU Shreveport. The University has recently entered into a relationship with Academic Partnerships

(AP) to offer the Master of Education degree through online instruction. The innovative course term structure and market reach of AP holds promise for significant program growth, and LSU Shreveport is strategically planning to place more academic programs online through the assistance of this company.

The smooth transition of transfer students from regional community colleges to LSU Shreveport is an ongoing process. An outreach office was established on the Bossier Parish Community College campus and a similar office is being planned on the campus of Southern University-Shreveport.

Discussions between regional institutions regarding academic program efficiencies have occurred informally and will continue as articulation agreements and course equivalency at state schools move forward. This area of the commitment plan has not been as deeply implemented as others and will be revisited this spring.

In an effort to enhance the academic experience on LSU Shreveport's campus a Noel Levitz satisfaction survey was completed by a significant percentage of the student body. These results allowed the institution to develop a strategic plan to improve areas of weakness. As stated previously, enrollment continues to be a top priority. Several strategies have been implemented to increase retention of continuing students. One such strategy is an early-alert system to help identify students needing assistance within the first four-weeks of the semester. In addition to early-alert, the academic advising process has been improved to include more intrusive advising related to academic issues and not solely course scheduling. With the help of faculty and staff, a comprehensive call-team has been established to contact students who are not re-enrolling from previous semesters. This team has had success in communicating with this population in an effort to increase the number of eligible returning students.

Introduction

The LSU Shreveport Commitment Plan is a wide-ranging plan that calls for coordinated action between units of the LSU System and for improvements in student enrollment and retention at LSU Shreveport. Its implementation requires the inter-institutional cooperation of academic and administrative departments at LSU Shreveport, LSU Health Sciences Center Shreveport, LSU, and LSU System offices. This Status Report outlines progress made in the first year of the Plan.

The components of the Plan fall into five broad categories:

1. A system-wide strategy to provide new and updated academic programs to meet the needs of the Shreveport/Bossier City region.
2. A commitment to increase access to both traditional and non-traditional students through increased use of online teaching.
3. A commitment to formalize transfer student agreements with the region's community colleges.
4. A commitment to creating academic program efficiencies through a consortium of regional public and private postsecondary institutions.
5. A commitment to enhance the LSU Shreveport academic experience, increase student enrollment, and improve retention.

The specific components of the Plan vary with regard to criticality, expense, need for inter-departmental coordination, and projected implementation time. Attention in the first year has been focused on the most critical components with greatest implementation costs. These fall primarily into categories 1, 2, 3, and 5 in the list above. To date, only initial discussions have begun regarding category 4. The following pages detail progress made in each of categories 1, 2, 3, and 5.

Table of Contents

New and updated academic programs	page 3
Increased access to online degree programs	page 6
Agreements with regional community colleges	page 7
Enhanced academic experience, increased enrollment, and improved retention	page 8
Attachment A: General Guidelines for Cross-Enrollment	page 11
Attachment B: PETE and CM Degree Models	page 14
Attachment C: LSUS/LSU Process Meeting Minutes	page 17

New and updated academic programs

Six LSU degree programs were initially selected to be offered collaboratively between LSU and LSU Shreveport, with the intent to provide Shreveport/Bossier citizens rapid access to the programs to the greatest extent possible. These programs are:

a. Bachelor of Science in Petroleum Engineering (started fall 2012)
b. Bachelor of Science in Construction Management (started fall 2012)
c. Bachelor of Science in Sports Administration (fall 2013)
d. Bachelor of Science in Human Resource Education (fall 2013)
e. Bachelor of Arts in International Studies (under review)
f. Master of Public Administration (under review)

The **Bachelor of Science in Petroleum Engineering** and **Bachelor of Science in Construction Management** were implemented in fall 2012, and extensive coordination between faculty and staff of LSU Shreveport and LSU was required in order to meet this deadline. Beginning in spring 2012, visits by LSU faculty and administrators to LSUS and corresponding visits by LSUS faculty and administrators to LSU took place and details of the initial articulation agreements and processes were drafted. Subsequent visits and conference calls continued throughout the summer of 2012, leading to a signed Memorandum of Understanding outlining the general guidelines for cross-enrollment in degree programs between LSU and LSUS (attachment A), and to the development of an online version of the LSU course Introduction to Petroleum Engineering (PETE 1010). The development of this course was conducted by LSU faculty under the guidance of LSUS staff in the Office of Online Learning, and the MOU and course development were completed in time to register students at LSUS in PETE 1010 in fall 2012 as desired. LSU and LSUS faculty and administrators also completed the first draft of the complete program models for the Petroleum Engineering and Construction Management degrees (attachment B), incorporating the desired mixture of on-site LSUS courses, transferable courses from one of the region's community colleges (Bossier Parish Community College), and LSU courses to be delivered either remotely by LSU faculty or on-site by LSU-approved adjunct faculty. The development of the program models for the remaining four LSU degrees is underway, with the **Bachelor of Science in Sports Administration** and **Bachelor of Science in Human Resource Education** targeted for fall 2013 implementation. The remaining two programs are undergoing additional review to determine the feasibility of their implementation.

The delivery of significant portions of degree programs from one campus to another requires, in addition to academic coordination, a high level of cooperation between multiple departments on both campuses, including Admissions, Records, Accounting, Financial Aid, Student Affairs, and Information Technology. Accordingly, eight staff from each campus, representing the departments, initially met face-to-face in Alexandria to become familiar with the corresponding campus processes and to formulate

agreements on joint processes. The draft framework of these processes (minutes in attachment C) will serve as the basis for the offering of all future degree programs from one campus to another.

The Bachelor of Science in Petroleum Engineering program has required the most effort in terms of development and has also generated the greatest level of enthusiasm in the Shreveport/Bossier region. LSU faculty and administrators are to be commended for their high degree of commitment to this offering, and a few further details of its implementation deserve mention. For the fall 2012 semester, 28 students at LSUS registered as PETE majors, and 24 registered in the PETE 1010 class (the remainder enrolled in other freshman-level classes in the degree). Industry professionals in the region are extremely supportive of the move to offer the degree at LSUS, and have made commitments of financial support. For example, private entities such as the Noel Foundation, Inc. designated $50,000.00 for the purchase of an eBook collection from Springer publication, a noted publisher for engineering, science and medicine. This new acquisition includes volumes from 2005 to 2012, incorporating about 30,000 titles. In addition to the eBooks, their donation also allowed the purchase of 1,800 journal titles.

There has been statewide collaboration among the LSU System, LSU A&M and LSU in Shreveport on all programs. Stakeholders from each of these entities met in October, 2012 at LSU Shreveport's campus to update the Board of Regents on the progress of the Commitment Plan. This meeting was well received by representatives of the Regents and these conversations have continued in the following months.

The Commitment Plan also calls for new degrees and certificates to be developed by LSUS and submitted for approval. The following list summarizes the status of the development and approval of new programs.

a. The Letter of Intent for a **Doctor of Education in Leadership** has been approved by the LSU Board of Supervisors and the Board of Regents, and the full proposal has been approved by the Supervisors. The full proposal has now been revised after the Board of Regents' mandated review by an external consultant, and the revision will be resubmitted in January 2013. As this would be the first Doctoral-level degree program offered at LSU Shreveport an application to the Southern Association of Colleges and Schools (SACS) for a level-change will be filed upon full program approval by the Board of Regents.
b. The Letter of Intent for a **Doctor of Psychology** has been approved by the Board of Supervisors and Board of Regents, and the full proposal for this program is currently being developed.

c. The Letter of Intent for a **Master of Criminal Justice** has been revised following Regents' review, and has been resubmitted to the Board of Regents.
d. The Letter of Intent for a **Master of History** has been developed and submitted to the Board of Supervisors.
e. The proposal for a **Bachelor of Fine Arts in Digital Media** has been submitted to the Board of Supervisors.
f. The Letter of Intent for a **Bachelor of Science in Nursing** is under revision.
g. A dual degree in **Biology/Clinical Lab Science**. A Memorandum of Understanding between LSUS and LSU Health Sciences Center Shreveport is under development.
h. A **Certificate in Digital Media** program has been fully developed and begins on January 28, 2013.

Increased access to online degree programs

LSU Shreveport has joined with Academic Partnerships, a well-established firm with a substantial record of marketing public university degree programs, to develop online formats for several existing degrees. The first to be offered will be the LSUS Master of Education in Curriculum and Instruction, with a choice of three areas of emphasis (General, Reading, and ESL). This online degree program will join two other Masters degrees that LSUS has already converted to the online format, but the innovative term structure and the market reach of Academic Partnerships holds the promise for significant enrollment growth in the M.Ed. program. If the results are as expected, LSUS will proceed to convert more degree programs to the same format and market the programs through Academic Partnerships. This program is expected to begin enrolling students in the summer, 2013.

LSUS has also begun work on developing an online concentration in Entrepreneurship within its MBA degree, with a goal of expanding the concentration into a stand-alone Masters degree if enrollment is as projected.

All LSUS faculty teaching online are trained and certified through the Office for Online Learning, ensuring quality of course content and service to online students.

Agreements with regional community colleges

LSU Shreveport and Bossier Parish Community College (BPCC) have established the LSUS Outreach Office on the BPCC campus, which opened in September 2012. LSUS faculty and staff in the office guide BPCC students in preparing to transition to a four-year degree program, and the office has received considerable attention from BPCC students. Media and internet coverage has also been positive, with the article below (arklatexhomepage.com, September 20, 2012) representative of the response so far:

> *Six years after finishing high school, Christine James had two kids, and was ready to get a higher education. Bossier Parish Community College was the only local school she could afford, so she enrolled and is now pursuing an Associate's degree in humanities. However, Christine is determined to earn a four year bachelor's degree, so she plans to transfer to Louisiana State University in Shreveport. LSUS has opened an outreach office on the BPCC campus to make that transition smoother.*
>
> *"I was kind of apprehensive of having to go on the LSUS campus and to start everything over again," worried James, "but now I feel much better."*
>
> *LSUS is a popular place for BPCC students to continue their educations. LSUS Interim Chancellor Paul Sisson values the supply of well prepared students the community college provides, but says students should not stop at an associate's degree.*
>
> *"It's a great place to begin, but once the student has that associate's degree they can make the transition, go to LSUS, and they're ready to earn that four year degree."*
>
> *BPCC Chancellor Jim Henderson is also excited about the partnership. He says keeping students in local universities will have positive effects long after they graduate.*
>
> *"If we keep them in this region they're more likely to work in this region, contribute to the economy, improve the quality of life for all of us."*

Initial steps in establishing a similar office at Southern University at Shreveport (SUSLA) have been taken.

LSUS has numerous 2+2 articulation agreements with both BPCC and SUSLA, and work has begun to synthesize those into a single more comprehensive agreement.

Enhanced academic experience, increased enrollment, and improved retention

All LSUS students, both entering and continuing, are required to be advised by a faculty advisor and entering students are enrolled into their chosen degree program upon acceptance. All degree programs are enhanced with accompanying academic student organizations, internship opportunities, and professional service components, as appropriate. Alumni are engaged as both potential supervisors of interns and as sources of introduction to business leaders in the region.

An Honors Program has been initiated at LSUS, beginning with the fall 2012 semester. Although the program is in its infancy and there was little time to market the program, initial interest has been promising. In addition to specialized coursework, students in the program are responsible for publishing the LSUS Honors Program Newsletter, the second issue of which has just been released.

LSUS has worked diligently to provide students every opportunity to be successful in their class work. With the understanding that first-time freshmen do not have a good grasp of the expected level of college course-work, instructors of 100 and 200 level courses are required to enter 4-week grades for all students. Students receiving a D or an F in a course, and their advisors, are notified via email. The advisor is required to communicate with the student to discuss strategies that will lead to improving the course grade. Instructors of the freshman seminar class have their students complete the online Steps to Success tool prior to the 4-week point in the semester, and this information assists advisors in helping students develop academic success strategies.

In addition to the 4-week grades, the institution has vastly improved its training and accessibility to advising. The advising process has taken a more holistic approach and instead of solely discussing course schedules also incorporates discussions of time-management, best practices for financial aid, campus involvement, and a myriad of other items that a student wishes to discuss. The LSUS Advising Committee, based on information supplied by students in an advising survey, updated the advising website to reflect the areas where students had the highest interest in gathering more information.

Student mentoring programs have been organized through both the School of Business and the Student Development and Counseling Center. Students in upper-level Business courses met with students enrolled in the Freshman Seminar courses to mentor them through their first semester of college life. Useful findings were collected on the persistence of these students who were mentored through this program. It was discovered that the retention rate for these students was significantly higher than the rate in previous years where no mentoring program existed. Students on scholarship are required to meet with a student mentor that has been trained through the Early Alert Referral System (EARS) program. Retention of this subset of students is far higher than the overall retention of freshmen students. However, this may be expected because students on scholarship are generally more academically prepared for college.

In order to encourage student persistence, a Coordinator of Student Outreach has been appointed. The Coordinator has the following specific duties:

- Hire faculty and staff who have the knowledge to assist with student problems to call students during certain times of the year.
- Work with IT Services to develop a list of students that have not registered after the official registration period.
- Disburse the list of students and phone numbers to the faculty/staff willing to call.
- Have the faculty/staff group call all students after the completion of the official registration period, and after the December Graduation but prior to the start of the Spring. For the Spring to Fall semester, the same method will be used to encourage students to sign-up for classes. The Faculty/Staff group will call all students that have not registered after the official Spring registration period, once over the summer, and again prior to the start of the fall semester.
- Collate all the data from each calling session so that students who are transferring or students that are not re-enrolling are not unnecessarily called again. In addition, the Coordinator will send any student issues to the appropriate department and follow-up with the department to ensure the problem has been resolved.
- Collect data on the number of students not re-enrolling and identify the major issues for non-returners.
- Report to the Chancellor's Executive Team as to the main issues hindering student persistence at LSUS.

The availability of tutors in the Math Lab and Student Writing Center has been expanded to enable an increased level of support for students. In addition to traditional on-site services, video-conferencing software will now facilitate tutoring sessions, providing a "face-to-face" experience which is a critical component for both math and writing guidance.

In the article "Student Service Expenditures Matter," Ehrenberg and Webber (2010) used a sample of four-year colleges and universities to gather data on institutional expenditures related to student support and its effect on graduation and retention rates. They found that at economically disadvantaged institutions, increased expenditures on student services had a direct influence on student success rates. With that research in mind, LSUS used the following tools to develop a plan to assess and improve the student experience:

- Noel Levitz Student Satisfaction Survey. The institution had not recently collected data from its students regarding their satisfaction levels related to campus services and therefore could only make educated guesses at areas of weakness. This survey was administered in the fall 2012 semester and the results

were encouraging. Students were asked to indicate the level of importance they assigned to certain aspects of college life and then rate these areas on their personal level of satisfaction. Overall the student population was satisfied with the services offered and had a higher satisfaction than the national norm of similar institutions in the following areas:

- Academic Advising
- Instructional Effectiveness
- Safety and Security
- Registration Effectiveness
- Recruitment and Financial Aid
- Concern for the Individual
- Student Centeredness
- Service Excellence
- Campus Life

Overwhelmingly, students indicated that if they had to "do it all over again" they would enroll at LSUS.

- Diversity Professional Organizations. The institution has a faculty member who is also the Director of the Office of Multicultural Affairs. In an effort to become better at retaining minority students, funds will be used to join two professional diversity organizations. Through these organizations the campus will implement best practices on how to communicate with, and support minority students.

Attachment A: General Guidelines for Cross-Enrollment

General Guidelines for Cross-Enrollment Degree Programs between Louisiana State University and Agricultural and Mechanical College and LSU Shreveport

Purpose: This agreement outlines the general guidelines under which Louisiana State University and Agricultural and Mechanical College (LSU) and LSU Shreveport (LSUS) may offer cross-enrollment degree programs.

This agreement serves as the general guidelines and both parties recognize that subsidiary Memoranda of Understanding for individual degree programs will be developed.

Definitions: In this document, a student at one institution, referred to as the home institution, may enroll in a course at the other institution, referred to as the host institution, paying all tuition and required fees at the home institution and receiving financial aid, if applicable, from the home institution. The student's enrollment at the host institution is recorded on the host's transcript and transferred to the home institution. The host receives no tuition or required fees directly from the student. However, the student credit hours generated from the course are retained by the host institution.

Perspectives: These general guidelines encompass an enrollment perspective and a funding perspective. In the following, it is assumed that a student initially enrolls at LSUS and has the intention of earning a degree from LSU.

Enrollment Perspective:

1. The student applies and is admitted to LSUS and enrolls in LSUS and LSU courses as prescribed in the curriculum model. The student completes the LSUS general education and supporting course work, plus introductory (lower level) LSU courses in the major as prescribed in the curriculum model. During this time period, LSUS is the home institution and LSU is the host institution.
2. At a predetermined point in the curriculum, the student transfers to LSU and is admitted into the desired degree program. At the point of a student's formal enrollment into the degree program, LSU becomes the home institution and LSUS becomes the host institution. The student must meet all LSU admission and program requirements in order to continue in the program. The student is required to earn at least 25% of the degree requirements from LSU; note that credit may be earned through a combination of delivery methods including, but not limited to, on-site and on-line delivery.
3. The student continues to enroll in the appropriate LSU and LSUS courses and graduates from LSU upon successful completion of all LSU degree program requirements.

Funding Perspective:

1. The home institution assesses and collects all appropriate tuition and required fees based on the student's total hours enrolled, paying tuition and required fees as assessed by the home institution. The student receives financial aid, as applicable, from the home institution.
2. LSUS is the home institution initially, and LSU becomes the home institution upon successful transfer as defined by a student's formal admission into the desired degree program.
3. When a student enrolls in a course from the host institution, that institution bills the home institution for the course. Cost is determined by method of delivery, number of students, instructor assigned to the course, and other cost related factors.

4. The student credit hours (SCHs) generated from the course stay with the institution delivering the courses (regardless of host/home status). That is, LSUS will retain the SCHs from enrollment in LSUS courses and LSU will retain those from LSU courses.

Term: The initial term of agreement is six-years, corresponding to the timeline the traditional time period for computing graduation rates of new degree-seeking freshmen students.

Amendments/Modifications: Changes to this agreement require approval by the Chancellor of each institution. An institution may terminate this agreement with prior notice and must agree to a phase out plan that accommodates all students currently enrolled in the program. The phase out plan must be consistent with the conditions of this agreement.

Approval Signatures:

Paul Sisson, Interim Chancellor, LSUS

William Jenkins, Interim Chancellor, LSU 9/7/12

Attachment B: PETE and CM Degree Models

LSU-S Petroleum Engineering Degree Plan Draft: May 15, 2012	Credit hours	LSU-S equivalent course	In Shreveport (Adjunct/Inst)	Distance Ed (facilitator required)	Distance Ed	LSU-BR
FRESHMAN YEAR						
Chemistry 1201*	3	CHEM 121				
Chemistry 1202*	3	CHEM 124				
Chemistry 1212	2	CHEM 121L/124L				
English 1001*	3	ENGL 105				
Geology 1001	3	GEOL 105				
Geology 1003 *Historical Geology*	3	GEOL 106?				
Geology 1601	1	*possible*				
Mathematics 1550* *must take both 221 & 222*	5	MATH 221 +				
Mathematics 1552* *to get credit for 1550 & 1552*	4	MATH 222				
Petroleum Engineering 1010 *or* ROTC	2		(2)		1	(3)
Physics 2101*	3	PHYS ###				
SOPHOMORE YEAR						
Fall						
Civil Engineering 2450	3	ENG 245				
Mathematics 2065	3	MATH 355				
Physics 2102	3	PHYS 262				
Petroleum Engineering 2031	3		1		(2)	(3)
Petroleum Engineering 2060 *or* ROTC	2	?	(2)	1		
Spring						
Civil Engineering 2460 *or* Mechanical Engineering 3133	3			1		
Electrical Engineering 2950	3	PHYS120/220?				
Industrial Engineering 3302	3	MATH 2/3##				
Petroleum Engineering 2032	3		(2)		1	(3)
Petroleum Engineering 2034	1		(2)*			1**
Flexible						
Economics 2030*	3	ECON 285				
General education arts/humanities/social sciences courses*	3	*Available*				
JUNIOR YEAR						
Fall						
Civil Engineering 2200	3			1		
Mechanical Engineering 3333	3			1		
Petroleum Engineering 3025	3	?	(2)		1	(3)
Petroleum Engineering 3036	3		1		(2)	(3)
Petroleum Engineering 3037	1				(2)+	1
Spring						
Civil Engineering 3400	3			1		
Petroleum Engineering 3053	3	?	(2)		1	(3)
Petroleum Engineering 4050	3				1+	(2)
Petroleum Engineering 4060	1					1
Flexible						
Life science elective*	3	*Available*				
English 2000*	3	ENGL 115				
Approved geology elective	3	*Available*				
SENIOR YEAR						
Fall						
Petroleum Engineering 4045	3			1+		(2)
Petroleum Engineering 4051	3				1	(2)
Petroleum Engineering 4059	1					1
Petroleum Engineering 4998	1				1	(2)
Spring						
Petroleum Engineering 4046	3			1+		(2)
Petroleum Engineering 4056	3			(2*)		1
Petroleum Engineering 4058	1					1
Petroleum Engineering 4999	1				1+	(2)
Flexible						
General education arts/humanities/social sciences courses*	12	*Available*				
Petroleum engineering design elective	3					1

* requires specialized equipment, lab, or software resources

Shading indicates most convenient delivery method for LSU-S Student

** possible intersession

\+ one or more visits to Baton Rouge required to complete course

LSU-S Construction Management Degree Plan Draft: May 15, 2012	Credit hours	LSU-S equivalent course	BPCC equivalent course	Distance Ed Synchronous w/ Tech Proctor	Distance Ed Asynchronous	LSU-S (Adjunct)	LSU-BR
FRESHMAN YEAR							
Fall							
ENGL 1001	3	ENGL 105	A				
MATH 1550	5	MATH 221	A				
CM 1010	3		Y (W/ A)				
Art elective	3	Available	A				
Humanities elective	3	Available	A				
Spring							
Life science elective	3	Available	A				
Humanities elective	3	Available	A				
CM 2012	3		Y (W/ A)				
ISDS 1100	3	CSC 111 or ISDS 150	A				
Approved CM elective in geology, chemistry, or environmental science	3	Available	A				
SOPHOMORE YEAR							
Fall							
CMST 1061 or 2060	3	CMST 135	A				
PHYS 2001	3	PHYS 251	A				
CM 2121	3		Y (W/ A)				
ACCT 2000	3	ACCT 205	A				
ECON 2030	3	ECON 285	A				
Spring							
ENGL 2000	3	ENG 115	A				
PHYS 2002	3	PHYS 252	A				
CM 2131	3		A	2		1	
CM 2141	3		Y (W/ A)				
ACCT 2101	3	ACCT 206	A				
JUNIOR YEAR							
Fall							
CM 3303	3			2		1	
CM 3000	3		Y (W/ CE)				
CM 3121	3					1	
Social science elective	3	Available					
CM 3100	3		Y (W/ CE)				
Spring							
MATH 1552 or EXST 2201	4	MATH 222 or ###					
CM 3505	3		Y (W/ CE)				
CM 3131	3					1	
CM 3400	3		Y (W/ CE)				
CM 3141	3					1	
SENIOR YEAR							
Fall							
FIN 3715	3	FIN 301					
CM 3506	3			2		1	
CM 4200	3			2		1	
Approved CM elective	3					1	
Approved CM elective	3					1	
Spring							
MGT 3200	3	MADM 301					
MKT 3401	3	MKT 301					
CM 4201	3			2		1	
CM 4202	3			2		1	
IE 3201	3			2		1	

Available: Yes, currently available at this campus as is

Y (W/ A): Yes, with an articulation agreement; **Y (W/ CE):** Yes, with a credit exam at LSU-BR

A: Also available at this campus

1: Preferred course delivery method

2: Possible course delivery method, but not preferred

: Shading indicates most convenient delivery method for an LSU-S student

Attachment C: LSUS/LSU Process Meeting Minutes

LSU-Shreveport/LSU Collaborative Degree Program Meeting Minutes
Meeting Held at LSU-Alexandria
September 19, 2012

PROGRAM ADMISSION CRITERIA

- In order to be eligible for the program, students must meet the following LSU-S admission criteria:

    1) Criteria for entering freshmen: 2.0 core GPA (as defined by BOR) and a 20 ACT/940SAT and require no developmental coursework
    2) Criteria for continuing LSU-S students who change their major into this program: Student must have a 2.0 GPA and be in good standing with LSU-S.

- In order to be eligible to transfer from LSU-S to LSU, students must have the following admission criteria:

    1) Students must meet the transfer admission criteria at the time of transfer; they must have a 2.5 GPA on 30 college level coursework and have completed a college level English and Math.
    2) Students must also meet the requirements of their intended major.

LSU-S APPLICATION PROCESS FOR INCOMING Undergraduate Freshmen/LSU-S HOME COLLEGE

- Students will fill out the LSU-S application and submit high school transcripts and test scores to LSU-S to verify that they meet admission criteria.
- Once LSU-S has verified that they meet admission criteria for the program, they will send list to LSU admissions of students/credentials and standardized test score.
- Students who are cross-enrolling in LSU (host) courses will need to fill out a cross-enrollment application which will be available to students through My LSU-S. My LSU-S will have link to the cross-enrollment application w/no fee assessment. (To be developed with LSU-S IT).
- Once cross-enrollment application is submitted, and uploaded into mainframe, LSU will admit eligible students and identify them for tracking purposes with the special program code: LSUS. LSUS will also serve as the curriculum code while the student's home institution is LSU-S, at time of transfer to LSU, curriculum code will change to whatever the student's major is, however SPC will remain LSUS.
- Upon admission to the cross enrollment program, LSU will notify admissions @ LSU-S as well as the student. (Need to develop communication).

LSU APPLICATION PROCESS FOR TRANSFERRING STUDENTS/LSU HOME COLLEGE

- My LSU-S will have link to transfer application . No application fees will be charged at the time of transfer to LSU. (Need to get approval from LSU System for waiver of application fee?)
- Transfer students utilizing this link through My LSU-S will click on this link and submit their completed application. LSU-S will confirm through programming that students are indeed in the program.

- If not in the program – LSU-S will communicate with the student.
- If students are in the program, they will be uploaded into LSU mainframe with Special Program Code. (UIS will need to develop this interface).
- Students applying to LSU through this program will have to abide by the residency standards set forth in PM-31.
- Transfer students must submit an LSU-S transcript to LSU. (Method to be determined).
- Admissions will review application, make an admit decision and notify the student of their admission.
- Information will be sent to student regarding orientation. (will need to develop some type of online orientation program for these students to complete – also, how will they get their LSU id's?

LSU-S (HOME) STUDENT CROSS REGISTERING TO TAKE LSU (HOST) COURSES

- Once LSU-S student is admitted for cross-registration their curriculum code will be LSUS.
- The online courses they take at LSU will be sections not available to regular LSU students.
- There will be communication between LSU-S registrar and LSU registrar as to which LSU-S students are taking which LSU courses (will develop communication process) as cross-registered students.
- LSU will put students into courses manually in registrar's office. (UIS may develop a method of doing this in batch for the future.)
- LSU-S will develop something similar to the VSUP screen (shows the courses a student is enrolled in at host institution) so that LSU-S can see total number of hours student is enrolled in at both home and host institution, and report to Clearinghouse, etc.
- LSU-S students will follow the LSU-S calendar for drop dates, refunds, etc.
- Instructor of record (LSU faculty member) will enter final grades on electronic grade sheets.
- LSU grades will be reported verbally to LSU-S as soon as semester ends.
- LSU will send official transcript of cross registered work for LSU-S students to LSU-S (on the application for this program, student will sign release to allow LSU to send transcript directly to LSU-S).

TRANSFER STUDENTS (Former LSU-S students who have now transferred to LSU) WHO ARE ONLY TAKING LSU COURSES

- Once LSU-S student is admitted to LSU as a transfer student and registers for LSU courses (procedure for doing this if student does not intend to be on LSU campus will be developed- students may do it themselves on-line {problem – these courses should not be visible to regular LSU students) or list of LSU courses each student in program is taking will be sent from LSU-S registrar to LSU registrar and LSU registrar will schedule students in courses.
- These students, if enrolled in only distance education courses and not physically on LSU campus, must be exempted from immunization requirement by SHC.
- These transfer students must pay LSU tuition and fees.
- These students are now LSU students and will follow all LSU calendar dates.

- Grades will be submitted by LSU faculty via electron grade submission.
- All coursework taken at LSU by these students will be recorded on an LSU transcript.

TRANSFER STUDENTS – LSU NOW HOME INSTITUTION and LSU-S HOST INSTITUTION

- If these transfer students plan to take LSU-S courses through cross-registration they will complete a form (this form musts be developed and put on-line where only the students in this program can view and complete it).
- The form will be approved by LSU department offering degree, college offering degree and registrar.
- The form will be sent to LSU-S who will then put the students in the course(s) taught by LSU-S.
- LSU registrar will add these LSU-S courses to VSUP screen at LSU (so that LSU and LSU-S courses will be visible to LSU).
- These students will follow LSU calendar for drop dates and refunds.
- LSU-S instructor will submit final grade (through LSU-S method).
- LSU-S grades will be reported verbally by LSU-S registrar to LSU registrar immediately after semester ends.
- LSU-S will send official transcript to LSU Admissions Office to be posted to LSU transcript as transfer work (on the application for this program, student will sign release to allow LSU-S to send official transcripts directly to LSU).

III. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE

Mr. Ronald R. Anderson, Chair
Mr. Scott Ballard, Vice Chair
Mr. Scott A. Angelle
Mrs. Ann D. Duplessis
Dr. John F. George
Mr. Stanley J. Jacobs
Mr. Jack E. Lawton, Jr.
Mr. Lee Mallett
Mr. James W. Moore, Jr.

AGENDA

1. Consideration of the 2012-13 Mid-Year Budget Reduction

2. Request from LSU and A&M College to endow gifts received from the Leon Barton Trust and the Georgeanne Zimmer Barton Trust

Consideration of the 2012-13 Mid-Year Budget Reduction

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to paragraph D of Article VII, Section 8 of the Board Bylaws, the following is provided:

1. Significant Board Matter

This matter is a "significant board matter" pursuant to Bylaws Article VII, section 8:

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.

2. Summary of the Matter

Pursuant to R.S. 39:75 (B), the Joint Legislative Committee on the Budget notified the Governor on December 14, 2012 that it had approved a budget status report indicating a projected deficit of $165,464,689 in the State General Fund for FY 2012-2013, based in part on the revised official forecast of revenue available for appropriation compared to total appropriations as adopted by the Revenue Estimating Conference on December 13, 2012. Article VII Section 10 (G) of the Constitution of Louisiana and R.S. 39:76 require that any end-of-the year deficits must be eliminated no later than the end of the next fiscal year.

Once notified that a projected deficit exists, pursuant to Article VII, Section 10 of the Constitution of Louisiana and R.S. 39:75 (C) (1) (a), the governor has interim budget balancing powers to adjust, within 30 days, the budget for any program that is appropriated from a fund that is in a deficit posture. Such gubernatorial adjustment may not exceed three percent in the aggregate of the total appropriations for each budget unit for the fiscal year. In addition, the remainder of any projected deficit must be approved by the Joint Legislative Committee on the Budget.

As set forth in Executive Order BJ 2012-24, Higher Education was directed to reduce expenditure of funds appropriated from the State general fund by $22 million. This mid-year reduction for Higher Education represents 17% of the deficit under Governor's unilateral authority ($127,835,080) and 13% of the total deficit ($165,464,689).

The Board of Regents notified the LSU System on December 14th that its proportionate share of the Higher Education reduction was $9,911,399 and that budget reduction plans should be provided to the Division of Administration no later than December 28th. Due to the compressed time frame, a provisional distribution which followed the Board of Regents distributions based on 2.579% of general funds in each LSU unit was provided to each Chancellor/Director is included in Attachment I.

The mid-year reduction allocations and the reduction plans as submitted by each LSU unit's Chancellor or equivalent (exclusive of HCSD) and provide to the Division of Administration on December 28th are included in Attachment II. However, due to the fact that the annual operating budgets are approved for a fiscal year and it is a challenge for the institutions to reduce its budgets at mid-year, the Interim President should be given the opportunity to monitor the budgets until the end of the fiscal year and the authority to adjust as he deems in the best interest of LSU with notification to the Board.

3. Review of Documents Related to Referenced Matter

The LSU System entities have submitted the 2012-13 mid-year reduction plans in the format requested by the Division of Administration and the Board of Regents.

ATTACHMENTS:

Attachment I – FY 2012-2013 Mid-Year Budget Reduction Allocation for LSU System Academic Entities.

Attachment II – FY 2012-2013 Mid-Year Budget Reduction Plans as submitted by each LSU Unit's Chancellor/Director (exclusive of HCSD).

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the proposed FY 2012-13 mid-year reduction allocations and the related reduction plans (included by reference as Attachments I and II) as submitted by the Chancellor or equivalent of each entity; and

BE IT FURTHER RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby grant the authority to the Interim President to monitor the feasibility of such plans and to adjust as he deems in the best interest of LSU with notification to the Board.

FY 2012-13 Operating Budget

Mid-Year Reduction - December 14, 2012

System	Institution Name	FY 2012-13 Appropriated after OGB Cut	Mid-Year Reduction of $22 Million	% Reduction
LSU SYS	EA Conway	8,794,375	(226,848)	-2.579%
	Huey P. Long	9,635,049	(248,533)	-2.579%
	LSU Ag Center	66,233,086	(1,708,463)	-2.579%
	LSU Alexandria	6,512,969	(168,000)	-2.579%
	LSU Baton Rouge	132,464,883	(3,416,892)	-2.579%
	LSU BOS	3,587,595	(92,541)	-2.579%
	LSU Eunice	4,925,617	(127,055)	-2.579%
	LSU HSC - NO	76,475,289	(1,972,657)	-2.579%
	LSU HSC - S	47,784,922	(1,232,598)	-2.579%
	LSU Shreveport	9,597,094	(247,554)	-2.579%
	Paul M. Hebert Law	5,546,234	(143,063)	-2.579%
	Pennington	12,684,571	(327,195)	-2.579%
LSU SYS Total		**384,241,684**	**(9,911,399)**	**-2.579%**

Attachment II **February 1, 2013 Meeting**

Campus: LSU A&M

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	($2,700,000)										($2,700,000)
Other Compensation											$0
Related Benefits	($716,892)										($716,892)
Travel											$0
Operating Services											$0
Supplies											$0
Professional Services											$0
Other Charges:											$0
Interagency Transfers											$0
Acquisitions											$0
Major Repairs											$0
Unalloted											$0
Total	($3,416,892)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($3,416,892)

1. Due to a larger than expected incoming freshmen class and an increase in overall enrollment, LSU will generate additional tuition and fees sufficient to cover this reduction in state general appropriations in FY 2012-2013. This additional increase in tuition and fee revenue is considered a temporary increase just as this mid-year cut is considered as a temporary reduction in state appropriations.

Had there been no reduction in state appropriations, LSU would have used the increase in tuition revenue to provide services to the additional students by temporarily increasing class room support, reducing section sizes, and/or providing counseling and tutoring hours.

Attachment II **February 1, 2013 Meeting**

Campus: Paul M. Hebert Law Center

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	(35,417)	(14,888)	(17,370)								(67,675)
Other Compensation											0
Related Benefits	(11,709)	(4,922)	(5,743)								(22,374)
Travel	(3,000)		(6,000)								(9,000)
Operating Services				(24,014)							(24,014)
Supplies											0
Professional Services			(20,000)								(20,000)
Other Charges:											0
Interagency Transfers											0
Acquisitions											0
Major Repairs											0
Unalloted											0
Total	(50,126)	(19,810)	(49,113)	(24,014)	0	0	0	0	0	0	(143,063)

1. Instruction - Reduce travel, salaries and related benefits. Savings in salaries and related benefits realized through delay in filling positions until later in the fiscal year. The aggregate savings represent less than 1% of the total Instruction budget.

2. Student Services - Reduce salaries and related benefits, realized through a delay in filling positions until later in the fiscal year. The aggregate savings represent less than 2% of the total Student Services budget.

3. Institutional Support - Reduce salaries, related benefits, travel and professional services. Savings in salaries and related benefits realized through employee turnover and replacement at reduced compensation. The aggregate savings represent less than 2% of the total Institutional Support budget.

4. OP & M - Reduce operating services through newly metered utilities and energy saving initiatives. This represents less than 2% of the total OP&M budget.

Campus: Pennington Biomedical Research Center

	1	2	3	Total
Salaries	($80,464)	($22,059)	($93,944)	($196,467)
Other Compensation	$0	$0	$0	$0
Related Benefits	($28,967)	($7,941)	($33,820)	($70,728)
Travel	$0	$0	$0	$0
Operating Services	($25,000)	$0	$0	($25,000)
Supplies	($35,000)	$0	$0	($35,000)
Professional Services				$0
Other Charges:				$0
Interagency Transfers				$0
Acquisitions				$0
Major Repairs				$0
Unalloted				$0
Total	($169,431)	($30,000)	($127,764)	($327,195)

1.Reduction of direct Research Faculty salary and operational and supplies support. (Unfilled vacancy of 1 FTE)

2.Reduction of Research Support in satellite recruitment. (Unfilled vacancy of 1 FTE)

3.Reduction of Administrative Personnel (Unfilled vacancies of 2 FTE, Layoffs of 2 FTE)

Attachment II **February 1, 2013 Meeting**

Campus: LSU Agricultural Center

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	($869,398)										($869,398)
Other Compensation	$0										$0
Related Benefits	($339,065)										($339,065)
Travel	$0										$0
Operating Services	$0										$0
Supplies	($500,000)										($500,000)
Professional Services	$0										$0
Other Charges:	$0										$0
Interagency Transfers	$0										$0
Acquisitions	$0										$0
Major Repairs	$0										$0
Unalloted	$0										$0
Total	($1,708,463)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,708,463)

1. FY 2012-13 mid-year reduction. Salaries and benefits are being moved from state general funds to non-recurring funds for the remainder of the fiscal year. Additionally, $500,000 in supplies (held as a contengency) are being reduced.

Attachment II **February 1, 2013 Meeting**

Campus: Louisiana State University Shreveport

	1	2	3	4	5	6	7	8	9	10	Total
Salaries											$0
Other Compensation		(20,000)									($20,000)
Related Benefits											$0
Travel											$0
Operating Services			(27,554)								($27,554)
Supplies											$0
Professional Services											$0
Other Charges:	(200,000)										($200,000)
Interagency Transfers											$0
Acquisitions											$0
Major Repairs											$0
Unalloted											$0
Total	($200,000)	($20,000)	($27,554)	$0	$0	$0	$0	$0	$0	$0	($247,554)

1. Scholarships $200,000. Total budget for scholarships was awarded to students but some students decided to attend another university. .These funds will have to be replaced in our budget for FY 13-14 to accomodate the new freshman class. If funds are not restored for FY 13-14 by the Legislature, an reduction in other categories will need to be made in next year's budget to accomodate restoring these funds in scholarships.

2. Other Compensation $20,000 Total budget for Student workers and Graduate Assistants is $547,014, thus this cut will be an overall 3.65% budget reduction to all campus departments that have student workers and/or Graduate Assistants. Departments will have to adjust student work schedules to handle the reduction in their budget..

3. Operating Services $27,554. Total budget for Operating Services is $2,291,743, thus this cut will be an overall 1.2% reduction to all campus departments. Departments will have to adjust their spending to handle the reduction in their budgets.

Attachment II **February 1, 2013 Meeting**

Campus: Louisiana State University at Alexandria

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	($168,000)										($168,000)
Other Compensation											$0
Related Benefits											$0
Travel											$0
Operating Services											$0
Supplies											$0
Professional Services											$0
Other Charges:											$0
Interagency Transfers											$0
Acquisitions											$0
Major Repairs											$0
Unalloted											$0
Total	($168,000)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($168,000)

1. Function: Instruction
Reduction in budgeted instructional salary expenditures due to unrealized enrollment increase.

Attachment II **February 1, 2013 Meeting**

Campus: LSU Eunice

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	(110,000)										($110,000)
Other Compensation											$0
Related Benefits	(17,055)										($17,055)
Travel											$0
Operating Services											$0
Supplies											$0
Professional Services											$0
Other Charges:											$0
Interagency Transfers											$0
Acquisitions											$0
Major Repairs											$0
Unalloted											$0
Total	($127,055)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($127,055)

1. Adjunct positions (6.1 FTE) in several departments are being cut. Continuing Education adjuncts are cut $64,130 in salaries and benefits and Fire Science adjuncts are cut $12,585 in salaries and benefits. The LSU Eunice classes at the Learning Center in Rapides Parish are eliminated at a cost of $50,340 in adjunct salaries and benefits. Since most of the funds for these cuts in adjuncts has already been allocated for classes to be taught this spring, 2013, the salaries and benefits will have to be paid from other revenue sources.

Attachment II **February 1, 2013 Meeting**

Campus: LSU Health Sciences Center-New Orleans

	1	2	3	4	5	6	7	8	9	10	Total
Salaries	(1,429,462)										($1,429,462)
Other Compensation											$0
Related Benefits	(543,195)										($543,195)
Travel											$0
Operating Services											$0
Supplies											$0
Professional Services											$0
Other Charges:											$0
Interagency Transfers											$0
Acquisitions											$0
Major Repairs											$0
Unalloted											$0
Total	($1,972,657)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,972,657)

1. Based on the average salary of faculty and staff requires freezing the equivalent of 21 positions.

Campus: LSUHSC-Shreveport

	1	2	3	4	5	6	7	8	9	10	Total
Salaries											0
Other Compensation											0
Related Benefits											0
Travel											0
Operating Services											0
Supplies	(99,272)	(5,300)	(1,128,026)								(1,232,598)
Professional Services											0
Other Charges:											0
Interagency Transfers											0
Acquisitions											0
Major Repairs											0
Unalloted											0
Total	(99,272)	(5,300)	(1,128,026)	0	0	0	0	0	0	0	(1,232,598)

1. School of Allied Health - The reduction in supply expenditures will be achieved through the continued efficiencies in group purchasing and by further limiting supply purchases to only the most critical items.

2. School of Graduate Studies - The reduction in supply expenditures will be achieved through the continued efficiencies in group purchasing and by further limiting supply purchases to only the most critical items.

3. School of Medicine - The reduction in supply expenditures will be achieved through the continued efficiencies in group purchasing and by further limiting supply purchases to only the most critical items.

Campus: LSUHSCS - E. A. Conway Medical Center

	1	2	3	4	5	6	7	8	9	10	Total
Salaries											0
Other Compensation											0
Related Benefits											0
Travel											0
Operating Services											0
Supplies	(226,848)										(226,848)
Professional Services											0
Other Charges:											0
Interagency Transfers											0
Acquisitions											0
Major Repairs											0
Unalloted											0
Total	(226,848)	0	0	0	0	0	0	0	0	0	(226,848)

1. Reduction in Medical and Dental Supplies (545700) will be achieved through the continued efficiencies in group purchasing and by further limiting supply purchases to only the most critical items.

Attachment II **February 1, 2013 Meeting**

Campus: Huey P. Long Medical Center

	1	2	3	4	5	6	7	8	9	10	Total
Salaries											0
Other Compensation											0
Related Benefits											0
Travel											0
Operating Services											0
Supplies											0
Professional Services	(248,533)										(248,533)
Other Charges:											0
Interagency Transfers											0
Acquisitions											0
Major Repairs											0
Unalloted											0
Total	(248,533)	0	0	0	0	0	0	0	0	0	(248,533)

1. Reduction in physician services under the Ophthalmology contract.

Campus: LSU Board of Supervisors and System Office

	1	2	3	4	5	6	Total
Salaries							$0
Other Compensation		($14,751)					($14,751)
Related Benefits							$0
Travel							$0
Operating Services							$0
Supplies							$0
Professional Services	($77,790)						($77,790)
Other Charges:							$0
Interagency Transfers							$0
Acquisitions							$0
Major Repairs							$0
Unalloted							$0
Total	($77,790)	($14,751)	$0	$0	$0	$0	($92,541)

1. ACRES

Temporary budget reduction planned by ACRES Advisory Committe. No grants will be impacted as reduction was built into original budget.

2. Student Compensation

System Office has taken action to reduce personnel including student workers. This represents the estimate amount the System Office has been able to save by these proactive measures.

Request from LSU and A&M College to Endow Gifts Received from the Leon Barton Trust and the Georgeanne Zimmer Barton Trust

To: Members of the Board of Supervisors

Date: February 3, 2013

Pursuant to paragraph D. of Article VII, Section 8 of the Board Bylaws, the following is provided:

1. Significant Board Matter

This matter is a "significant board matter" pursuant to the following provisions of Article VII, section 8 of the 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.

2. Summary of the Matter

The College of Human Sciences and Education (formerly known as the College of Education) of Louisiana State University and A&M College (the "University") is the 12.5% beneficiary of the trust established by Georgeanne Zimmer Barton on August 25, 2000 and amended on February 6, 2001. In addition, the University is a 12.5% remainder beneficiary of the Leon Barton Trust. Baldwin & Sutphen, LLP, as trustee, has transferred approximately $248,000 to the University in conjunction with the termination of these trusts. Although the bequests under the trust agreements were general in nature, it has been requested that the University name the funds the "Georgeanne Zimmer Barton Scholarship Fund" to be used by the College of Human Sciences and Education.

The University has requested that this gift be endowed, such that only the earnings on the investment of the corpus will be available for expenditure. These earnings will be used to support undergraduate scholarship needs of the College of Human Sciences and Education. This request constitutes a quasi-endowment. A quasi-endowment is the term used when the Board designates the funds as being endowed rather than the donor.

3. Fiscal Impact

The endowment of the gift will increase the University's fund balances with the intent that these funds will never be expended. This endowment will provide additional support to the College of Human Sciences and Education in the form of warnings received on investment of the gift, and such earnings will be used to provide undergraduate scholarships in the College.

4. Review of Documents Related to Reference Matter

The establishment of this quasi-endowment does not require that any additional documents be entered into by the University other than documents related to ordinary banking and/or financial investments. A copy of the Leon Barton Trust and the Georgeanne Zimmer Barton Trust is on file and available for inspection.

Attachments:

Attachment I, Request letter from LSU and A&M College Vice Chancellor for Finance & Administrative Services
Attachment II, Receipt and Release Agreement for the Georgeanne Zimmer Barton Trust
Attachment III, Receipt and Release Agreement for the Leon Barton Trust

RECOMMENDATION

It is recommended that the Board adopt the resolution set forth below.

WHEREAS, the College of Human Sciences and Education (formerly the College of Education) of Louisiana State University and A&M College is a beneficiary of the Georgeanne Zimmer Barton Trust, and the University is the beneficiary of the Leon Barton Trust; and

WHEREAS, Baldwin & Sutphen, LLP, as trustee, has transferred approximately $248,000 to the University in conjunction with the termination of both trusts; and

WHEREAS, the University has requested that these gifts be endowed, such that only the earnings on the investments of the gift corpus will be available for expenditures; and

WHEREAS, the University has requested that such earnings will be used to provide undergraduate scholarships in the College of Human Sciences and Education;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and A&M College that the gifts received by the University of approximately $248,000 resulting from the termination of the Leon Barton Trust and the Georgeanne Zimmer Trust be endowed as the "Georgeanne Zimmer Barton Scholarship Fund"; and

BE IT FURTHER RESOLVED that only the earnings on the investment of the gift corpus be available for expenditure; and

BE IT FURTHER RESOLVED that such earnings will be used to provide undergraduate scholarships in the College of Human Sciences and Education.

LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

TO: William L. Jenkins
Interim President

DATE: December 14, 2012

FROM: Eric N. Monday
Vice Chancellor for
Finance & Administrative Services and CFO

RE: Recommendation to Approve the Establishment of the Quasi-Endowment of Gift Received from the Leon Barton Trust and Georgeanne Zimmer Barton Trust

Attached please find a resolution requesting the establishment of the Quasi-Endowment noted above.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the February 2013 meeting of the Board of Supervisors.

Please let me know if you have additional questions. Thank you.

Institutional Approval – Eric N. Monday for William L. Jenkins_____

Attachments

330 Thomas Boyd Hall • Baton Rouge, LA • 70803 • 225-578-3386 • Fax 225-578-5403 • www.fas.lsu.edu

BALDWIN & SUTPHEN, LLP

ATTORNEYS AT LAW
126 North Salina Street, Suite 320
Syracuse, New York 13202-1050

Robert F. Baldwin, Jr. *
Jamie Lynn Sutphen **
Charles M. Sprock, Jr.
William F. Drexler

* Admitted in FL
** Admitted in PA & NJ

Direct email: rbaldwin@baslaw.com

December 16, 2011

Louisiana State University
204 T Boyd
Baton Rouge, LA 70803-2901

ATTN: Donna K. Torres, CPA
Associate Vice Chancellor for
Accounting and Financial Services

Dear Ms. Torres:

The Georgeanne Z. Barton Living Trust is now ready to terminate. Accordingly, I am enclosing a Receipt and Release Agreement, together with the final accounting for your review. If you approve the accounting and the agreement, please execute one copy and return it to me in the stamped, self-addressed envelope which I am enclosing,

If you have any questions, please let me know.

Very truly yours,

Robert F. Baldwin, Jr.

RFB:pg
Enc.

cc: Michael Vaden

12/21/11

LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

December 21, 2011

Mr. Robert F. Baldwin, Jr.
Baldwin & Sutphen, LLP
126 North Salina Street, Suite 320
Syracuse, NY 13202-1050

Re: Georgeanne Z. Barton Living Trust

Dear Mr. Baldwin:

Attached is the signed and notarized Receipt and Release Agreement for the Georgeanne Z. Barton Living Trust.

Please let me know if we can provide any additional information.

Sincerely,

Donna K. Torres, CPA
Associate Vice Chancellor for
Accounting and Financial Services

Enc.

SURROGATE'S COURT
STATE OF NEW YORK COUNTY OF ONONDAGA

In the Matter of the Accounting of MICHAEL T. VADEN as Surviving Trustee of the Georgeanne Z. Barton Revocable Trust under Agreement dated August 25, 2000

RECEIPT AND RELEASE AGREEMENT

WHEREAS, Georgeanne Z. Barton executed a Trust Agreement dated August 25, 2000, (the "Trust") between herself as Grantor and herself and Michael T. Vaden as Trustees; and

WHEREAS, the Trust was executed by the Grantor in the State of New York and pursuant to Paragraph 9.1, the Grantor directed that the Agreement shall be construed and regulated by and in accordance of the laws of the State of New York, and

WHEREAS, by Amendment dated February 6, 2001, Georgeanne Z. Barton amended said Trust by adding administrative provisions relating to sale of real property and disposition of Elfun Fund shares; and

WHEREAS, Georgeanne Z. Barton died a resident of Charlotte, North Carolina, on March 1, 2007; and

WHEREAS, Michael T. Vaden thereafter acted as sole Trustee and has continued to act as Trustee and administered the Trust pursuant to its terms and conditions; and

WHEREAS, the Trust provides that after the death of the Grantor, the balance of income and principal of the trust is to be distributed in two equal shares, one share being distributed in equal shares to Gabriel Kremer, Christine Zimmer Rodriguez, Dana Barton Vaden, June Barton Rose and Jennie Barton Bolen and the remaining share is to be distributed in equal shares to Louisiana State University, University of Michigan, North Greenville College and Clemson University; and

WHEREAS, Paragraph 3.1 of the Trust provides that the share set apart for Gabriel Kremer shall be paid over and distributed to the trustees acting at the grantor's death of the Leon M. Barton Revocable Living Trust under Agreement dated August 1, 2000 for the benefit Gabriel Kremer to be added to such trust and treated in all respects as a part of such trust; and

WHEREAS, the following persons who are sole Trust beneficiaries and, as such, are the only persons interested in the Trust who would require to be cited on the judicial settlement of the Trustee's account:

Name and Address	Interest
Dana Barton Vaden 6505 Chestnut Grove Lane Charlotte, North Carolina 28210	1/10 of Residuary
June Barton Rose (Also known as June Barton McConnell) 2919 Wheelock Avenue Charlotte, North Carolina 28211	1/10 of Residuary
Jenny Barton Bolen 5635 Ballinard Lane Charlotte North Carolina 28277	1/10 of Residuary
Dana Barton Vaden, Trustee for the benefit of Gabriel Kremer 6505 Chestnut Grove Lane Charlotte, North Carolina 28210	1/10 of Residuary
Christine Zimmer Rodriguez 42867 Oak Post Ct. Ashburn, VA 20148	1/10 of Residuary
Louisiana State University 204 T Boyd Baton Rouge, LA 70803-2901	1/8 of Residuary

The University of Michigan Development Legal Office 9000 Wolverine Tower 3003 South State Street Ann Arbor, MI 48109-1299	1/8 of Residuary
North Greenville College PO Box 1892 Tigerville, SC 29688	1/8 of Residuary
Clemson University Office of Development 110 Daniel Drive Clemson, SC 29631-1520	1/8 of Residuary

WHEREAS, the undersigned are agreeable that the final account of Michael T. Vaden, as Trustee, be settled without a formal court accounting; and

WHEREAS, the undersigned are agreeable that the Trust be terminated as aforesaid; and

WHEREAS, the Trustee has made and prepared a final account as Trustee, copies of which have been delivered to each of the undersigned who hereby acknowledge receipt of the same;

NOW, THEREFORE, each of the undersigned does hereby certify and declare to have examined the final account and acknowledges that the same is true, correct, and accurate in each and every respect and approves and accepts the same as an account stated, final and conclusive as to all matters embraced therein, and does hereby ratify, approve, and confirm all the acts and transactions of the Trustee in the investment, management and administration of the trust estate, and the assets thereof, as shown in the accounting.

In consideration of the agreement of the Trustee to waive judicial settlement of the

aforesaid final account, each of the undersigned does hereby remise, release, and forever discharge Michael T. Vaden, individually and as Trustee, as aforesaid, of and from all and every liability, responsibility, and further accountability whatsoever concerning the acts and transactions of the said Trustee in the investment, management, and administration of the Trust, and the assets thereof, as shown in said final account.

The undersigned hereby authorize the Trustee to pay to himself the sum of $12,507.55 as and for the terminating commissions to which he is entitled as Trustee; and

The undersigned hereby authorize the Trustee to pay to Baldwin & Sutphen, LLP, out of the balance of the estate remaining in his hands, the sum of $1,500.00 as and for attorneys' fees and disbursements to which they are entitled; and the undersigned hereby authorize the surviving Trustee to pay out of the assets of the trust estate remaining in his hands, to each of the persons named below, the cash and/or securities of a value in an amount set forth beside such person's name, as set forth in the proposed distribution schedule as follows:

Name	Amount
Dana Barton Vaden	$93,010.48
June Barton Rose	$93,010.49
Jenny Barton Boien	$93,010.49
Dana Barton Vaden, Trustee for the benefit of Gabriel Kremer	$93,010.49
Christine Zimmer Rodriguez	$93,010.49
Louisiana State University	$116,263.11
The University of Michigan	$116,263.11
North Greenville College	$116,263.11

Clemson University $116,263.11

The undersigned hereby acknowledge receipt from Michael T. Vaden, as Trustee as aforesaid, of cash and property in the amount hereinabove set forth, said amount, together with the respective amounts set forth above beside the names of the other persons interested in the trust estate, being the distribution of the balance of principal and income of the Trust as shown in the final account after deduction of attorneys' fees as set forth herein; and the undersigned hereby accept the above-mentioned cash and other properties so distributed as full payment of all amounts entitled upon the settlement of the aforesaid final account; and the undersigned do hereby certify to never have at any time assigned, transferred, or otherwise encumbered the undersigned's right, title and interest in and to the Trust created by Georgeanne Z. Barton, dated August 25, 2000; and

Each of the undersigned does hereby agree to indemnify and hold harmless Michael T. Vaden, individually and as Trustee as aforesaid; to the extent of the amounts received by the undersigned, from any and all taxes and other lawful claims by whomever asserted against the trust estate or Michael T. Vaden, individually or as Trustee as aforesaid, for which he may be liable at law or in equity.

This instrument may be executed in duplicate counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and the counterparts together shall constitute one agreement.

IN WITNESS WHEREOF, the undersigned have executed this instrument, this 15th day of December, 2011.

Michael T. Vaden, Trustee

June Barton Rose

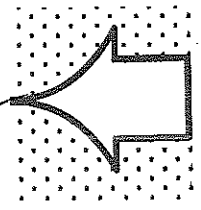
Jenny Barton Bolen

Dana Barton Vaden

Dana Barton Vaden, Trustee for
the Benefit of Gabriel Kremer

Christine Zimmer Rodriguez

Louisiana State University

By 

The University of Michigan

By_____

North Greenville College

By_____

Clemson University

By_____

State of North Carolina)
County of) ss.:

On the ____ day of , 2011 before me, the undersigned, a Notary Public in and for said State, personally appeared Michael T. Vaden, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

State of North Carolina)
County of) ss.:

On the _____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared June Barton Rose, also known as June Barton McConnell, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

State of North Carolina)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Jenny Barton Bolen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

State of North Carolina)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Dana Barton Vaden, Individually and as Trustee for the benefit of Gabriel Kremer, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public

Commonwealth of Virginia)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Christine Zimmer Rodriguez, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public

State of Louisiana)
~~County~~ Parish of East Baton Rouge ss.:

On the 21st day of December, 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared Eric N Monday, CFO of Louisiana State University, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

Notary Public #010602

State of Michigan)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, _____ of The University of Michigan, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

State of North Carolina)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, _____ of North Greenville College, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

State of South Carolina)
County of) ss.:

On the ____ day of , 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, _____ of Clemson University, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SUMMARY

PRINCIPAL ACCOUNT

	CHARGES:		
Schedule A.	Principal received	**$1,017,319.15**	
Schedule A-1.	Realized increases in principal	**267,811.26**	
Schedule AA.	Subsequent Principal Received	**54,882.35**	
	Total Principal Charges	**$1,340,012.76**	**$1,340,012.76**
	CREDITS:		
Schedule B.	Realized decreases in principal	**$89,257.99**	
Schedule C.	Funeral and administration expenses	**103,127.80**	
Schedule E.	Distributions of principal	**250,000.00**	
	Total Principal Credits	**$442,385.79**	**442,385.79**
	Principal balance on hand shown by Schedule G		**$897,626.97**

INCOME ACCOUNT

	CHARGES:		
Schedule A-2.	Income Collected	**$55,377.82**	
	Total Income Charges	**$55,377.82**	**$55,377.82**
	CREDITS:		
Schedule C-2.	Administration expenses	**$4,585.48**	
Schedule E-1.	Distribution of income	**4,306.88**	
	Total Income Credits	**$8,892.36**	**8,892.36**
	Income remaining on hand as shown in Schedule G-1		**$ 46,485.46**

COMBINED ACCOUNTS

Principal on hand:	Cash	**$ 825,858.91**	
	Other property	**71,768.06**	
	Total principal on hand		**$897,626.97**
Income on hand:	Cash	**$ 46,485.46**	
	Other property	**0.00**	
	Total income on hand		**$ 46,485.46**
	Total on hand as of August 31, 2007		**$944,112.43**

The foregoing principal balance of **$897,626.97** consists of **$825,858.91** in cash and **$71,768.06** in other property on hand as of **November 30, 2011.** It is subject to deduction of estimated principal commissions amounting to **$12,507.55** shown in Schedule I, and to the proper charge to principal of expenses of this accounting.

The foregoing income balance of **$46,485.46** consists of **$46,485.46** in cash and **$0** in other property on hand as of **November 30, 2011**. It is subject to deduction of the proper charge to income of expenses of

 © 2006 Matthew Bender & Co., a member of the LexisNexis Group.

this accounting.

The attached schedules are part of this account.

Michael J Vadala

Signature of Fiduciary

 © 2006 Matthew Bender & Co., a member of the LexisNexis Group.

BALDWIN & SUTPHEN, LLP

ATTORNEYS AT LAW

100 Clinton Square, Suite 320
126 North Salina Street
Syracuse, New York 13202-1050

Robert F. Baldwin, Jr.*
Jamie Lynn Sutphen **
Charles M. Sprock, Jr.
William F. Drexler
Michael E. Shannon

*Admitted in FL
**Admitted in PA & NJ

February 11, 2008

Louisiana State University
204 T Boyd
Baton Rouge, LA 70803-2901

ATTN: Donna K. Torres, CPA
Associate Vice Chancellor for
Accounting and Financial Services

Dear Ms. Torres:

This firm represents the trustees of the Leon Barton Trust and the Georgeanne Zimmer Barton Trust, which are now terminating due to Georgeanne Barton's death in 2007. You have already received a copy of the citation with respect to the accounting in the Leon Barton Trust under Article 4 of his Living Trust Agreement and sometime within the next few months when we terminate the Estate of Georgeanne Barton and her trust, you will be receiving further information concerning that fund.

Although the bequests under the trust agreements were general in nature and do not constitute restricted funds, I have been asked to request that the funds be set aside in a fund to be named the Georgeanne Zimmer Barton Scolarship Fund to be used by the School of Education. In this way there would be some recognition for the donors and a fund would be available for possible gifts in the future from other family members. At the present time, the amount being distributed from the Leon Barton Living Trust, Article 4, would be approximately $100,000.00 and I believe the amount being distributed from the Georgeanne Barton Estate and Trust would be a similar amount.

The family realizes that this is a voluntary action on behalf of the University of Michigan but also feels that this would be a fitting memorial for Georgeanne, who was a former student.

Sincerely,

Robert F. Baldwin, Jr.

RFB:pg

LSU
LOUISIANA STATE UNIVERSITY

Finance & Administrative Services
Office of Accounting Services

TF
3/1

February 6, 2008

Ms. Sharon Shaw
Baldwin & Sutphen, LLP
100 Clinton Square, Suite 320
126 North Salina Street
Syracuse, NY 13202-1050

Re: Leon Barton Trust

Dear Ms. Shaw:

I am returning the admission of service of the documents sent to LSU for the Leon Barton Living Trust.

Please direct all future correspondence to my attention. If I can be of further assistance, please call on me. My direct phone number is 225-578-1623 or e-mail dtorres@lsu.edu.

Sincerely,

Donna K. Torres, CPA
Associate Vice Chancellor for
Accounting and Financial Services

Enclosure

STATE OF NEW YORK
SURROGATE'S COURT COUNTY OF ONONDAGA

In the matter of the Accounting of DANA BARTON VADEN as the Trustee of the Trust Under Article 4 of the

LEON BARTON LIVING TRUST
under Agreement dated August 1, 2000

ADMISSION OF SERVICE OF CITATION

The undersigned, Louisiana State University, hereby admits to due and timely service by mail on them of the Citation in the within matter.

LOUISIANA STATE UNIVERSITY

BY: Jerry J. Baudin
Jerry J. Baudin
Vice Chancellor for Finance & Administrative Services and Comptroller
(Title)

STATE OF LOUISIANA)
~~COUNTY OF~~ Parish of) ss.:
East Baton Rouge

On this 6th day of February, 2008, before me personally came _____, to me known to me to be the same person described in and who executed the within instrument, and he/she duly acknowledged that he/she executed the same.

Notary Public #010602

SUMMARY

PRINCIPAL ACCOUNT

	CHARGES:		
Schedule A.	Principal received	$625,330.06	
Schedule A-1.	Realized increases in principal	240,309.62	
Schedule AA.	Subsequent Principal Received	44,230.93	
	Total Principal Charges		**$909,870.61**
	CREDITS:		
Schedule B.	Realized decreases in principal	$19,954.12	
Schedule C.	Funeral and administration expenses	86,709.55	
Schedule E.	Distributions of principal	0	
	Total Principal Credits		**106,663.67**
	Principal balance on hand shown by Schedule G		**$803,206.94**

INCOME ACCOUNT

	CHARGES:		
Schedule A-2.	Income Collected	$114,192.75	
	Total Income Charges		**$114,192.75**
	CREDITS:		
Schedule C-2.	Administration expenses		
Schedule E-1.	Distribution of income	$109,916.84	
	Total Income Credits		**$109,916.84**
	Income remaining on hand as shown in Schedule G-1		**$ 4,275.91**

COMBINED ACCOUNTS

Principal on hand:	Cash	$ 96.94	
	Other property	$803,110.00	
	Total principal on hand		**$803,206.94**
Income on hand:	Cash	$ 4,275.91	
	Other property		
	Total income on hand		**$ 4,275.91**
	Total on hand as of August 31, 2007		**$807,482.85**

The foregoing principal balance of **$803,206.94** consists of **$96.94** in cash and **$803,110.00** in other property on hand as of **August 31, 2007**. It is subject to deduction of estimated principal commissions amounting to **$8,899.16** shown in Schedule I, and to the proper charge to principal of expenses of this accounting.

The foregoing income balance of **$4,275.91** consists of **$4,275.91** in cash and **$0** in other property on

 © 2006 Matthew Bender & Co., a member of the LexisNexis Group.

hand as of **August 31, 2007**. It is subject to deduction of estimated income commissions amounting to **$0.00** shown in Schedule I, and to the proper charge to income of expenses of this accounting.

The attached schedules are part of this account.

Dana Barton Vaden

Signature of Fiduciary

 © 2006 Matthew Bender & Co., a member of the LexisNexis Group.

IV. PROPERTY AND FACILITIES COMMITTEE
Mr. Raymond J. Lasseigne, Chairman

1. Recommendation to approve acceptance of the Donation of Land at the LSU Golf Practice Facility from Tiger Athletic Foundation to LSU

2. Recommendation to approve the Agricultural Center request for a Lease Agreement for Construction of a Multi-Purpose Pavilion at the Grant Walker 4-H Educational Center

3. Recommendation (i) authorizing the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") to proceed with the issuance of its Auxiliary Revenue Bonds in an amount not exceeding $120,000,000 in one or more series (the "Bonds") on behalf of Louisiana State University and Agricultural And Mechanical College ("LSU" or the "University"); and (ii) authorizing LSU, on behalf of the Board of Supervisors, to make application to the Louisiana State Bond Commission for approval of the issuance of the Bonds

4. Recommendation to approve the transfer of NOAH property by the LSU Board of Supervisors to the Division of Administration pursuant to Act No. 867 of 2012.

5. Presentation of a Master Plan for the Nicholson Gateway (Presentation only)

6. Recommendation to approve a Ground lease for construction of the LSU Foundation Building

RECOMMENDATION TO APPROVE
ACCEPTANCE OF THE DONATION OF LAND
AT THE LSU GOLF PRACTICE FACILITY
FROM TIGER ATHLETIC FOUNDATION TO LSU

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.2(g) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(g) Acceptance of donations to an entity of the LSU System made by a non-governmental person or entity of: (i) any immovable property or (ii) movable property in an amount greater than $125,000.

1. Summary of Matter

The Tiger Athletic Foundation (TAF) is owner of a two certain tracts of land (the "Land") located in that certain subdivision known as University Club Plantation, in the Parish of East Baton Rouge as described on Exhibit "A" and depicted on Exhibit "B" to the Act of Donation attached hereto. The Land abuts property previously donated to LSU upon which the Mary and Woody Bilyeu Golf Practice Facility is located.

Acceptance of the donation will increase the size of the Golf Practice Facility, give LSU full title to land upon which parking areas for the Golf Practice Facility are located, and permit construction of an improved entrance to the Golf Practice Facility.

2. Review of Business Plan

TAF wishes to donate and transfer the land and improvements to LSU, including without limitation all guarantees, warranties and other rights whether legal or contractual, express or implied, and with full warranty of title to the land and improvements and full subrogation to all rights and actions of warranty TAF may have, to have and to hold the Property to LSU, its successors and assigns, forever.

Should LSU either (a) eliminate its golf program or (b) suspend its golf program for a period of two consecutive years or (c) cease to utilize the property and improvements as the primary practice facility of the LSU Men's and Women's Golf Teams, title to the Land and Improvements shall revert to TAF.

3. Fiscal Impact

The land and improvements are to be donated and delivered free and clear of all mortgages, liens or other encumbrances, but subject to existing servitudes, restriction and rights of way of record.

The book value of the Land and improvements acquired by LSU is Two Hundred Forty-Two Thousand and No/100ths Dollars ($242,000.00).

4. Description of Competitive Process

None

5. Review of Legal Documents

The proposed Act of Donation and Acceptance has been reviewed by legal counsel for the Tiger Athletic Foundation and is in order. Prior to execution of the proposed Act of Donation and Acceptance, TAF will provide LSU with a Phase I environmental survey and a title opinion acceptable to legal counsel for LSU.

6. Parties of Interest

Tiger Athletic Foundation

7. Related Transactions

The Mary and Woody Bilyeu Golf Practice Facility, located at the University Club, which is the primary practice facility of the LSU Men's and Women's Golf Teams, was previously donated by TAF to LSU pursuant to that certain Act of Donation and Acceptance recorded in the official records of East Baton Rouge Parish on December 20, 2012, as Original 844, Bundle 12463

8. Conflicts of Interest

None

ATTACHMENTS

- Letter from Vice Chancellor Monday
- Proposed Act of Donation and Acceptance

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt 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 William L Jenkins, Interim President of the Louisiana State University System, or his designee, to approve and execute the Act of Donation and Acceptance between the Tiger Athletic Foundation and LSU, and to include in the Act of Donation and Acceptance any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."

LSU
LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

To: William L. Jenkins
Interim President

Date: December 21, 2012

From: Eric N. Monday
Vice Chancellor for
Finance & Administrative Services and CFO

Subject: Board Submission of a Recommendation to Approve Acceptance of the Donation of Land from Tiger Athletic Foundation to LSU

The enclosed submission regarding a Recommendation to Approve Acceptance of the donation of Land from Tiger Athletic Foundation to LSU is being provided for review and submittal to be placed on the agenda for the February 1, 2013 meeting of the Board of Supervisors.

The University has previously accepted a donation of land from TAF for the Mary and Woody Bilyeu Golf Practice Facility, located at the University Club. The currently proposed donation will increase the size of that land, give LSU full title to the land on which the facility's parking areas are located, and permit construction of an improved entranceway to the facility.

Thank you for your assistance.

Institutional Approval- Eric N. Monday for William L. Jenkins:

ENCLOSURES

ACT OF DONATION AND ACCEPTANCE

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

Before the undersigned Notaries Public, personally came and appeared:

TIGER ATHLETIC FOUNDATION, a Louisiana nonprofit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, appearing through Ronald G. Richard, its duly authorized President and Chief Executive Officer (hereinafter "Donor"); and,

THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation, herein represented by William L. Jenkins, Interim President of the Louisiana State University System (hereinafter "Donee"),

WHEREAS, Donor is the owner of two certain tracts or parcels of land (the "Land") located in the Parish of East Baton Rouge, State of Louisiana, being more particularly described in the Property Description which is attached hereto and made a part hereof as Exhibit "A," and as further depicted in the drawing entitled "Exhibit Showing Portions of Tract F-4-B-2-A of the Lakes at University Club Plantation," which is attached hereto and made a part hereof as Exhibit "B"; and,

WHEREAS, Donor wishes to donate the Land, together with any improvements located thereon and any rights ways or privileges thereunto appertaining to Donee subject to the terms and conditions set forth on Exhibit "C";

NOW, THEREFORE, Donor does hereby donate and transfer unto Donee the Land, together with any improvements located thereon and any rights, ways or privileges thereunto appertaining, with full warranty of title to the Land and full subrogation to all rights and actions of warranty Donor may have, to have and to hold the Land unto Donee, its successors and assigns, forever. Donee with gratitude accepts this donation and acknowledges delivery of the Land.

The Land is donated and delivered unto Donee free and clear of all mortgages, liens or other encumbrances, but subject to existing servitudes, restrictions and rights of way of record. Donor declares that the book value of the Land is approximately Two Hundred Forty-Two Thousand and No/100ths Dollars ($242,000.00).

In consideration for the Donation, Donee agrees to maintain the Land, including any improvements thereon, and to design and construct any new improvements located on the Land, in accordance with the design, appearance and quality standards made applicable to the "Golf

Property" pursuant to the terms of the certain Act of Donation dated August 15, 1997, from Woodstock Plantation East, LLC, to Tiger Athletic Foundation recorded as Original 663, Bundle 10816, in the official records of East Baton Rouge Parish, Louisiana, as well as any applicable building and use restrictions.

THUS DONE AND PASSED in the presence of the undersigned witnesses, who have hereunto signed their names with Tiger Athletic Foundation, Notary Public, on this ____ day of _____, 2013.

WITNESSES:

TIGER ATHLETIC FOUNDATION

_____
Printed Name: _____

By: _____
Ronald G. Richard
President and Chief Executive Officer

_____
Printed Name: _____

_____
NOTARY PUBLIC
Printed Name: _____
LA Bar Roll No.: _____

THUS DONE AND PASSED in the presence of the undersigned witnesses, who have hereunto signed their names with William Jenkins, as Interim President of the Louisiana State University System, and me, Notary Public, on this ____ day of _____, 2013.

WITNESSES:

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

_____
Printed Name: _____

By: _____
William L. Jenkins, Interim President
Louisiana State University System

_____
Printed Name: _____

_____
NOTARY PUBLIC
Printed Name: _____
LA Bar Roll No.: _____

EXHIBIT "A"

Legal Description

TRACT ONE: AN AREA OF LAND DESIGNATED AS "PORTION OF TRACT F-4-B-2-A", OF THE LAKES AT UNIVERSITY CLUB PLANTATION, PHASE 3B, LOCATED IN SECTION 46, TOWNSHIP 8 SOUTH, RANGE 1 EAST, GREENSBURG LAND DISTRICT, EAST BATON ROUGE PARISH, LOUISIANA; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTING LINES OF THE NORTHERNMOST PROPERTY LINE OF TRACT "A", OF THE LAKES AT UNIVERSITY CLUB, PHASE 3B, AND EASTERNMOST RIGHT-OF-WAY LINE OF RUE D'ORLEANS AVENUE; THENCE PROCEED SOUTH 73º 11' 16" EAST ALONG NORTH PROPERTY LINE OF TRACT "A" A DISTANCE OF 120.00 FEET TO A POINT, POINT ALSO BEING POINT OF BEGINNING (P.O.B. 1); THENCE PROCEED SOUTH 73º 11' 16" EAST A DISTANCE OF 143.60 FEET TO A POINT; THENCE PROCEED NORTH 83º 26' 37" EAST A DISTANCE OF 84.80 FEET TO A POINT; THENCE PROCEED SOUTH 05º 24' 02" WEST A DISTANCE OF 95.54 FEET TO A POINT; THENCE PROCEED NORTH 84º 32' 18" WEST A DISTANCE OF 31.09 FEET TO POINT; THENCE PROCEED NORTH 89º 18' 56" WEST A DISTANCE OF 122.05 FEET TO A POINT; THENCE PROCEED SOUTH 87º 39' 57" WEST A DISTANCE OF 98.04 FEET TO A POINT; THENCE PROCEED NORTH 16º 48' 44" EAST A DISTANCE OF 132.19 FEET TO A POINT; BACK TO THE POINT OF BEGINNING (P.O.B. 1); CONSISTING OF 23,478.58 SQUARE FEET OR 0.538 ACRES MORE OF LESS.

MORE PARTICULARLY SHOWN AS, PORTIONS OF TRACT F-4-B-2-A, ON EXHIBIT ENTITLED, "EXHIBIT SHOWING PORTIONS OF TRACT F-4-B-2-A OF THE LAKES AT UNIVERSITY CLUB PLANTATION", BY CSRS INC., DATED APRIL 15, 2011.

TRACT TWO: THAT CERTAIN TRACT OR PARCEL OF LAND DESIGNATED AS LOT 627 OF THE LAKES OF UNIVERSITY CLUB PLANTATION, PHASE 3B, LOCATED IN SECTION 46, TOWNSHIP 8 SOUTH, RANGE 1 EAST, GREENSBURG LAND DISTRICT, EAST BATON ROUGE PARISH, LOUISIANA, SAID LOT HAVING SUCH DIMENSIONS AND BEING SUBJECT TO SUCH SERVITUDES, RESTRICTIONS AND RIGHTS-OF-WAY AS NOTED ON OR REFERED TO IN THE OFFICIAL MAP OF SAID SUBDIVISION RECORDED AS ORIGINAL 759, BUNDLE 11960 IN THE OFFICIAL RECORDS OF THE CLERK OF COURT AND RECORDER OF MORTGAGES FOR THE PARISH OF EAST BATON ROUGE, STATE OF LOUISIANA.

EXHIBIT "B"

Attached drawing by CSRS, Inc., dated April 15, 2011, entitled "Exhibit Showing Portions of Tract F-4-B-2-A of the Lakes at University Club Plantation."

EXHIBIT "C"

Conditions

The Land is being donated for purposes including but not limited to providing Donee with full title to land upon which certain parking areas supporting the Mary and Woody Bilyeu Golf Practice Facility (the "Golf Practice Facility") and facilitating Donee's construction of an improved entrance to the Golf Practice Facility. Pursuant to that certain Act of Donation and Acceptance recorded in the official records of East Baton Rouge Parish on December 20, 2012, as Original 844, Bundle 12463, the Golf Practice Facility, including the land upon which it is situated, was previously conveyed to Donee by Donor subject to certain conditions including but not limited to the condition that the Golf Practice Facility, including the land upon which it is situated, be used as the primary practice facility of the men's and women's golf teams of Louisiana State University and Agricultural and Mechanical College ("LSU") and, in the event that LSU either (a) eliminates its golf program or (b) suspends its golf program for a period of two consecutive years or (c) ceases to utilize the Golf Practice Facility as the primary practice facility of the LSU men's and women's golf teams, title to the Golf Practice Facility and the land upon which it is situated shall revert to Donor.

In consideration for the current donation, Donee agrees that in the event that the Golf Practice Facility and the land upon which it is situated should revert to Donor in accordance with the terms of the above referenced Act of Donation and Acceptance, title to the Land, which is the subject of the current donation, together with any improvements thereon shall likewise revert to Donor.

RECOMMENDATION TO APPROVE THE AGRICULTURAL CENTER REQUEST FOR A LEASE AGREEMENT WITH THE 4-H FOUNDATION FOR CONSTRUCTION OF A MULTI-PURPOSE PAVILION AT THE GRANT WALKER 4-H EDUCATIONAL CENTER

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by LSU…

1. Summary of the Matter

The proposed lease agreement is for the construction of a Multi-Purpose Pavilion by the 4-H Foundation at the Grant Walker 4-H Educational Center funded by cash and in-kind donations. This facility would function as a central gathering place large enough to accommodate all camp attendees at once. It would be used for educational programs, recreational programs, assemblies, as well as everyday camp activities during inclement weather. This facility was identified as a key element in the both the 2005 Master Plan and the 2010 update to the Master Plan.

The LSU AgCenter is further requesting the Board of Supervisors to authorize and empower the President at this time to sign the Lease Agreement

.

2. Review of Business Plan

Not applicable.

3. **Fiscal Impact**

Slight increase in utility and maintenance costs.

4. Description of Competitive Process

An advertised and competitive bid process in accordance with State Procurement Laws utilizing professionally designed Construction Documents will be implemented.

5. Review of Legal Documents

- Lease Agreement Instrument
- Lease description and Site Plan

6. Parties of Interest

- LSU Board of Supervisors
- LSU AgCenter
- 4-H Foundation

7. **Related Transactions**

Subsequent donation of improvement by Foundation.

8. Conflicts of Interest

None

ATTACHMENTS

- Letter from Chancellor Richardson
- Lease Agreement with 4-H Foundation
- Drawing with Legal Description

RECOMMENDATION

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, Interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the Board of Supervisors to execute a Lease Agreement between the Board of Supervisors and 4-H Foundation for construction of a Multi-Purpose Pavilion at the Grand Walker 4-H Educational Center in Pollock, Louisiana.

BE IT FURTHER RESOLVED that William L. Jenkins, Interim President of the LSU System, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, to include in the Lease Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."

LSU AgCenter
Research & Extension

OFFICE OF THE PRESIDENT

JAN 0 2 2013

LSU SYSTEM

RECEIVED

JAN 2 2013

PROPERTY & FACILITIES

Office of the Chancellor

101 J. Norman Efferson Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25203
Baton Rouge, LA 70894-5203
(225) 578-4161
Fax: (225) 578-4143

Accounting Services
(225) 578-4648
(225) 578-0735

Corporate Relations and
Public Service Activities
(225) 578-4238

Facilities Planning
(225) 578-8731
Fax: (225) 578-6032

Human Resource Management
(225) 578-2258
Fax: (225) 578-8284

Diversity
(225) 578-4640
Fax: (225) 578-8284

Sponsored Programs
104 J. Norman Efferson Hall
Baton Rouge, LA 70803
Post Office Box 25071
Baton Rouge, LA 70894-5071
(225) 578-6030
Fax: (225) 578-6032

Ag Leadership
102 M Efferson Hall - LSU
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-3659
Fax: (225) 578-4225

Communications
128 Knapp Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-2263
Fax: (225) 578-4524

Information Technology
118 Knapp Hall - LSU
Baton Rouge, LA 70803
(225) 578-4020
Fax: (225) 578-3629

International Programs
International Programs Bldg.
South Stadium Road
Baton Rouge, LA 70803
Post Office Box 16090
Baton Rouge, LA 70893
(225)578-6963
Fax: (225) 578-6775

December 20, 2012

Dr. William E. Jenkins, Interim President
LSU System
3810 West Lakeshore Drive
Baton Rouge, LA 70808

RE: **Significant Board Matter**
Property Lease Agreement for Construction
Grant Walker 4-H Educational Center
Grant Parish
Pollock, Louisiana

The proposed lease agreement with the 4-H Foundation is for the construction of a Multi-Purpose Pavilion at the Grant Walker 4-H Educational Center. This facility would function as a central gathering place large enough to accommodate all camp attendees at once. It would be used for educational programs, recreational programs, assemblies, as well as everyday camp activities during inclement weather. This facility was identified as a key element in the both the 2005 Master Plan and the 2010 update to the Master Plan.

As this project is in support of the AgCenter and its mission by completing a phase in the overall Master Plan and improving the facilities dedicated to youth education and outreach, we enclose herewith our request for approval and ask that it be placed on the agenda of the Board of Supervisors February 1st meeting.

I certify that, to the best of my knowledge, I have provided all necessary documentation and that the information contained therein is complete, accurate, and in compliance with Article VII, Section 8 of the Bylaws of the Board of Supervisors. I agree to cooperate in any issues related to this matter. Please let me know if any additional information is needed.

Sincerely,

William B. Richardson, Chancellor and
Chalkley Family Endowed Chair

WBR:dgf

Attachments

xc: Dr. Paul Coreil
Mr. Danny Mahaffey
Mr. Dale Frederick

For the latest
research-based information
on just about anything,
visit our Web site:
www.lsuagcenter.com

The LSU Agricultural Center is a statewide campus of the LSU System and provides equal opportunities in programs and employment.

GROUND LEASE AND CONSTRUCTION
AGREEMENT WITH LOUISIANA 4-H FOUNDATION

THIS GROUND LEASE AND CONSTRUCTION AGREEMENT WITH LOUISIANA 4-H FOUNDATION (the "Lease") 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 William L. Jenkins, Interim President of the Louisiana State University System, duly authorized and empowered by said Board,
>
> and
>
> **LOUISIANA 4-H 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 Jeffrey Bush, the Executive Director of the Foundation, duly authorized and empowered by said Foundation,

to be effective as of the date on which the Lease 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 securing funding for the enhancement of the 4-H Youth Development Program, and

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

WHEREAS, Board is the owner of the land described on Exhibit "A" (the "Land"), and

WHEREAS, the Foundation desires to lease the Land and to design and construct certain buildings and improvements on the aforementioned property at no expense to Board, all in accordance with plans and specifications to be approved by Board or the President of the

Louisiana State University System or his duly authorized designee (the "LSU System Representative") and pursuant to all applicable design and other standards of Board, said design and construction to be further subject to oversight by the Louisiana Office of Facility Planning and Control, and

WHEREAS, Board desires to grant to the Foundation a ground lease and certain rights of use and access in order to facilitate construction of such improvements by the Foundation, and

WHEREAS, the buildings and improvements to be constructed by the Foundation pursuant to the terms of this Lease will be donated by the Foundation to Board at no cost to Board upon the expiration of and in accordance with the terms of this Lease.

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

ARTICLE I
LEASE OF THE PROPERTY

For and in consideration of One Dollar ($1.00), the covenants, agreements, and conditions herein set forth herein which Foundation hereby agrees shall be kept and performed, and other good and valuable consideration, Board does hereby lease the Land to Foundation and hereby grants to Foundation such rights of use and access as are necessary for Foundation to perform the Work (as defined herein).

ARTICLE II
TERM AND TERMINATION

Unless sooner terminated as herein provided or otherwise agreed to in writing by Foundation and Board, this Lease, including all rights of use and access for construction purposes, shall terminate upon the earlier of: (a) termination of this Lease in accordance with the provisions hereof; or (b) donation of the Work (as defined herein) to Board as provided for herein.

ARTICLE III
USE OF THE LAND

3.1 Permitted Uses. Foundation may use the Land only for construction of the Work (as defined herein).

3.2 Prohibited Uses. Foundation shall not use the Land for the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. Foundation shall not make any use of the Land in violation of any applicable statutes, ordinances, regulations or laws and shall not permit any contamination or pollution on or about the Land or increase the fire or insurance hazard by any use thereof. Before beginning any work on the Land, Foundation shall obtain any permits required by the State of Louisiana, the Parish of Grant, 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. Foundation shall not install or otherwise place storage tanks in or on the Land without the LSU System Representative's prior written consent, which, in addition to any other conditions required by Board, shall be subject to the condition that any such tank(s) 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, overfill, or other release.

3.3 Mineral Exploration and Production. Notwithstanding any other provision of this Lease, Board expressly reserves all mineral rights regarding the Land, 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 Land. Notwithstanding said reservation of rights, Board agrees that it shall not perform any mineral operations on the Land in a manner that would unreasonably interfere with Foundation's permitted use of the Land.

3.4 Waiver and Disclaimer of Warranties. Foundation accepts the Land in its "as is" and existing condition, at 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 Land or the fitness of same for Foundation's purposes or for any other purpose whatsoever, except as may otherwise be specifically provided for herein. All warranties are expressly disclaimed by Board and waived and renounced by Foundation.

ARTICLE IV
AGREEMENT TO CONSTRUCT BUILDINGS AND IMPROVEMENTS ON THE PROPERTY

Foundation does hereby agree to direct the preparation of the design and all supporting documentation for the construction of a multi-purpose building and all necessary related buildings and improvements on the Land, and to construct said multi-purpose building and all necessary related buildings and improvements on the Land pursuant to said design, all at no cost to Board and all in accordance with plans, specifications, and exterior architectural and site plans approved by the LSU System Representative and/or Board and pursuant to all applicable design and other standards of Board (the "Work"). Foundation further agrees to donate any and all of its

interest in the Work to Board in accordance with Article VII hereof, and to execute all reasonably necessary paperwork to effectuate said donation, all at no cost to Board. It is estimated that the total cost of the renovations and improvements, including the design thereof, will be approximately $1,000,000.00, none of which cost and expense shall be paid by Board; however, should the final cost differ from said amount, it shall not affect any other terms of these Lease, except that said amount may not be increased above $1,750,000 without the written consent of the LSU System Representative.

ARTICLE V
CONSTRUCTION

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

5.1 Plans and Specifications; Change Orders. The Work to be performed by Foundation pursuant to this Lease is generally described on Exhibit "B" hereto, and no material deviation therefrom shall be implemented without the prior written consent of the LSU System Representative. At least sixty (60) days prior to commencement of the Work, plans and specifications shall be delivered to the LSU System Representative for review. The LSU System Representative shall approve or disapprove, upon a commercially reasonable basis and upon compliance with all applicable standards of Board, such plans and specifications in writing within thirty (30) days of receipt thereof. Furthermore, the exterior architectural and site plans shall be presented to Board for approval prior to commencement of any portion of the Work on the Land. If any part of the plans, specifications, or exterior architectural and site plans are disapproved, then Board shall with all reasonable diligence provide sufficient written reasons and justification that 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 approved plans, specifications, and/or exterior architectural and site plans which materially deviate therefrom shall be implemented without the prior written consent of the LSU System Representative. Any request for Change Orders to the Construction Contract (as defined herein) or changes to the plans, specifications, and/or exterior architectural and site plans shall be made to the LSU System Representative, who shall approve or disapprove, upon a commercially reasonable basis and upon compliance with all applicable design standards of Board, such request in writing within ten (10) business days of having received such request from Foundation. Any such request to the LSU Representative shall include copies of said proposed changes approved by the Contractor, the Architect, and the Foundation, and shall further include sufficient information for the LSU System Representative to make a determination whether to approve or disapprove such request. If any Change Orders or changes to the plans, specifications, or exterior architectural and site plans are disapproved, then Board shall with all reasonable diligence provide sufficient written reasons and justification that Foundation can adequately work to address any deficiencies in the submission.

Prior to commencement of construction, the plans and specifications for the Work shall be submitted to the Office of Facility Planning and Control ("OFPC"), which shall review the plans and specifications for the Work for the purpose of determining compliance with applicable

building codes, space standards where appropriate, and standards assuring quality of construction. OFPC approval shall be obtained prior to commencement of construction.

5.2 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 Board, or (f) any other similar cause or similar event beyond the reasonable control of Foundation), Foundation agrees to commence construction of the Work on the Land no later than July 1, 2013, and shall make best efforts to complete the Work no later than July 1, 2014. Said Work shall not commence until Board has approved the exterior architectural and site plans and the LSU System 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 herein may be extended by a written change order issued by Foundation and approved in writing by the LSU System Representative. Notwithstanding anything to the contrary provide for herein, in the event that either party is delayed from meeting any deadline provided for in this Lease as a result of any event of Force Majeure, then the time period provided to that party shall be extended by the number of days that the party is delayed by an event of Force Majeure.

5.3 Construction Contract. The Work shall be performed on behalf of Foundation pursuant to one or more written contracts between 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 Grant Parish prior to commencement of the Work. Foundation shall include in every Construction Contract a liquidated damages clause acceptable to the LSU System Representative. Foundation shall not enter into any Construction Contract without the prior written approval of the LSU System Representative. The LSU System Representative shall approve or disapprove such Construction Contract within ten (10) business days of receipt of a copy of the Construction Contract from Foundation. If the LSU System Representative shall disapprove the submission, the LSU System Representative shall provide sufficient written reasons and justification that Foundation can adequately work to address any deficiencies in the submission. Board and 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 Foundation.

b. Foundation is a separate legal entity from Board, and Foundation has no authority to obligate Board to any extent whatsoever.

c. Neither Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Lease; 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 Board, to Foundation, or to any other entity.

d. Foundation has no ownership interest in the Land upon which the Work will be performed. Any renovations and improvements placed on the Land of Board, including the Work, shall be owned by Foundation during the Term of this Lease and shall become owned by Board upon termination or expiration of this Lease as provided for herein. The Work shall not give rise to any rights against the Land or Board.

5.4 Bonds. 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 Foundation and Board shall be obligees under the bond.

5.5 Rights Concerning the Land During Construction. To the extent necessary, Foundation and its contractors shall have the right to occupy and use the Land, with reasonable ingress to and egress from the Land during the term of this Lease. With the prior written consent of the LSU System Representative, Foundation shall fence or block off in a safe and secure manner acceptable to the LSU System Representative that area of the Land necessary to perform the Work. Foundation assumes all responsibility for the condition of the Land used by it during the term of this Lease. Foundation and its contractors shall maintain the Land and all buildings and improvements and thereon in a reasonably prudent manner at all times. Foundation will take prudent care of the Land and return same to Board upon expiration or termination of this Lease in as good a condition as when received, as modified by construction of the Work, ordinary wear and tear excepted.

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

5.7 Board/LSU Rules and Regulations; Code Compliance; Board Access During Construction. Foundation agrees that it will comply with all Board regulations and policies with regard to all contractors and personnel entering the Land for purposes of the Work, 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 Land, 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. Foundation shall make these same requirements of its contractor(s) for the Work. 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 Land shall be subject to inspection by the LSU System Representative, who shall have access at all times to the Work and the Land 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 System Representative(s) shall at all times have access to the Land and the exercise of all rights provided for in this Lease and by law.

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

5.9 Signage. Before erecting or placing any sign upon the Land, Foundation shall submit the design specifications of such sign to the LSU System Representative for approval, which approval shall not be withheld if such signage is consistent with Board's current signage policy or if such signage was included in the plans and specifications which have been approved by the LSU System Representative.

5.10 Acceptance of The Work. Prior to acceptance of the Work, Foundation shall deliver the following to the LSU System 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 Grant Parish clerk's office, or evidence that any and all liens against the Land and the Work have been adequately bonded.

Foundation will not accept the Work without the written approval of the LSU System Representative. Foundation and Board agree to work cooperatively to identify and facilitate completion of all warranty and punch list items within the first year following acceptance of the Work. Board reserves the right to refuse the acceptance of the Work unless Foundation certifies in writing to the LSU System Representative that monies equal to the value of the punch list deficiencies have been withheld by 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. Upon donation of the Work by Foundation to Board, Foundation hereby agrees that, to the extent allowed by law, Foundation will assign or transfer to Board its right to enforce actions against the Contractor and/or the Architect arising out of the Work; provided, however, Foundation shall continue to be obligated to complete the punch list items. Final payment shall not be made to the contractor until the LSU System Representative agrees in writing that the punch list items have been completed.

5.11 Funds for The Work. If the President of the LSU System so requests, prior to the

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

5.12 Clerk of the Works. If in the LSU System Representative's sole discretion it becomes necessary, 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.

5.13 No Liens or Sale; Release of Recorded Liens. Foundation shall not suffer or permit any liens to be enforced against the Land, the Work, or Board by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to Foundation or to anyone through or under Foundation related to the Work or the Land. If any such liens shall be recorded, Foundation shall cause the same to be released of record, or in the alternative, if Foundation in good faith desires to contest the same, Foundation shall be privileged to do so, but in such case, Foundation hereby agrees to indemnify 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 said judgment. Furthermore, at the LSU System Representative's request, Foundation shall promptly deposit with the Recorder of Mortgages for Grant Parish a bond guaranteeing payment of any such liens.

5.14 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 Land without the prior written approval of the LSU System Representative. Foundation shall be responsible for all legal / attorney fees incurred by Board in connection with Board's review of any proposed financing arrangement. Foundation shall not sell or transfer title to the Work or any improvements related to the Land without the prior written approval of the President of the LSU System.

5.15 Protection of Trees and Utility Lines. Foundation and its contractor(s) will not remove or trim any trees located on or adjacent to the Land without the prior written consent of the LSU System Representative, which consent shall not be unreasonably withheld. During construction, 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 Foundation with the prior approval of the LSU System Representative in order that the Work not be placed over any existing utility lines.

ARTICLE VI
INSURANCE

6.1 Required Insurance. Unless otherwise approved in writing by the LSU System Representative, at all times during the construction of the Work and prior to the donation of the

Work to Board, Foundation shall maintain or require its contractor to maintain the following insurance:

a. Builder's Risk Insurance. 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 Land, and all buildings and improvements located on the Land, 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 System 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 System Representative prior to commencement of the Work. The policy shall include coverage for and shall run in favor of Board, Foundation, and Foundation's contractor(s) and any subcontractors as their interests may appear.

b. General Liability and Property Damage Insurance. 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, Foundation's, Board's, and the architect's legal liability (but not the architect's professional liability) arising out of the construction of the Work by 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 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. 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 Lease, 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 Lease, Foundation shall provide to 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 System Representative.

d. Pollution Liability. Pollution Liability Insurance, including gradual release as well as sudden and accidental releases, shall be obtained by 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.

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

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

6.4 Application of Multiple Policies. 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.

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

6.6 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.

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

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

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

6.10 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 System 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 the LSU System, 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.

6.11 Occurrence Based Policies. All insurance required hereunder shall be occurrence

coverage. Except as may be specifically permitted herein, claims-made policies are not allowed.

6.12 Verification of Coverage. Foundation shall furnish the LSU System 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 System Representative before Work commences and upon any contract renewal thereafter. In addition to the certificates, Foundation shall submit the declarations page and the cancellation provision endorsement for each insurance policy. The LSU System 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 System Representative prior to the cancellation thereof. Upon failure of Foundation to furnish, deliver and maintain such insurance as provided herein, and expiration of any applicable cure period, this Lease, at the election of Board, may be suspended, discontinued or terminated; alternatively, Board may, but shall not shall be obligated to, obtain said insurance on behalf of Foundation at Foundation's commercially reasonable cost and expense. Failure of Foundation to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve Foundation from any liability or indemnification hereunder.

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

6.14 Additional Insurance. The LSU Representative may review Foundation's required insurance as stated herein at the time of renewal of the policies or at the time of a material change, and the LSU Representative reserves the right to require reasonable additional limits or coverages to the extent available at commercially reasonable rates. Foundation agrees to comply with any such reasonable request by the LSU Representative or to allow reasonable changes or reductions in coverages.

ARTICLE VII
DONATION OF WORK AND IMPROVEMENTS AND TITLE THERETO

7.1 Foundation agrees to donate the Work to Board after (a) final acceptance of the Work by Foundation and written approval by the LSU System Representative of said final acceptance, and (b) the delivery to the LSU System Representative of either (i) a clear lien certificate as to the Work which certificate has been obtained from the proper parish clerk's office or (ii) evidence that any liens against the Work have been adequately bonded. Unless otherwise agreed to in writing by Board and Foundation, the Work shall not be donated to Board until the events in both (a) and (b) of this paragraph have occurred. If the Architect for the Work recommends final acceptance of the Work by Foundation, the LSU System Representative shall not unreasonably refuse to approve final acceptance by Foundation. Unless otherwise agreed to in writing by the LSU System Representative and Foundation, use and/or occupancy of the Work shall be prohibited until the Work has been donated by Foundation to Board.

7.2 Upon fulfillment of the conditions set forth in paragraph 7.1(a) and (b) above, the Work shall be donated to and title and ownership to said Work shall be transferred to and shall become owned by Board, and the parties agree to execute any and all documents necessary to effectuate the donation and the acceptance thereof on behalf of Board. Said donation shall occur concurrently with final fulfillment of the conditions set forth in paragraph 7.1(a) and (b) above, and, upon said donation, Foundation shall have no further responsibilities, obligations or liabilities with regard to the Land or the Work except as otherwise specifically set forth herein. Foundation shall bear the risk of loss with respect to the Work until acceptance of the donation by the LSU System Representative; provided, however, Foundation's risk shall be limited to available insurance proceeds. Furthermore, prior to such donation, Foundation shall obtain guarantees and warranties from the contractor or contractors and suppliers of equipment, which guarantees and warranties shall be assigned to and shall run in favor of Board upon the donation of the Work, provided, however, Foundation itself shall make no warranty as to the condition of the Work. To the extent that such terms are available on commercially reasonable terms, guarantees and warranties for the construction and completion of the Work shall run from the later of (1) the fulfillment of the conditions set forth in paragraph 6.1 or (2) the full execution of the donation of the Work from Foundation to Board or (3) occupancy for the purposes set forth herein (the "Warranty Commencement Date"), which warranties shall include but not be limited to the following items and periods if available:

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

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

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

7.3 Notwithstanding anything contained in this Lease, at all times Board shall have the absolute right to terminate this Lease on thirty (30) days' written notice to Foundation. Upon such termination either Board shall take title to the Work, or Board, at its option, may require Foundation to transfer all of its right, title and interest in this Lease, in any funds dedicated to complete the construction of the Work, and in the Work already constructed, to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390, which is acceptable to Board, and which accepts the obligations of Foundation hereunder.

ARTICLE VIII
INDEMNIFICATION

Foundation agrees to defend, indemnify, and hold 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 Foundation's use and occupancy of the Land and the performance of all of its rights, duties, and obligations set forth in this Lease, 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 Board

Indemnitees. Said obligation shall include but shall not necessarily be limited to defending Board Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against Board Indemnitees, and reimbursing 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 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 Foundation has procured and kept in force the insurance required by this Lease.

To the extent allowed by law, Board agrees to defend, indemnify, and hold 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 Board's actions at the Land and the performance of all of its rights, duties, and obligations set forth in this Lease, except to the extent such claims and any resulting damages were caused by the sole fault and/or negligence of Foundation Indemnitees. Said obligation shall include but shall not necessarily be limited to defending Foundation Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against Foundation Indemnitees, and reimbursing 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 IX
NOTICES

All notices, demands, and correspondence made necessary by or provided pursuant to this Lease 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:

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

With copies to: Dale Frederick
Insert address.

Foundation: Jeffrey Bush.
Insert address.

ARTICLE X
DEFAULT

10.1 Board may declare 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 Foundation to complete the Work as set forth herein within one (1) year from the Effective Date of this Lease, including any extended time period which has been mutually agreed in writing by the LSU System Representative and Foundation, and as may be extended due to Force Majeure delays, and which failure has continued for a period of thirty (30) days (or such additional reasonable time provided that 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 System Representative specifying such failure and requesting that it be remedied, or

b. A material deviation, unauthorized in writing by the LSU System Representative, from the plans and specifications for the Work approved by the LSU System Representative or from the exterior architectural and site plans approved by Board, which has continued 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 Foundation is diligently working to cure the default) after receipt of written notice from the LSU System Representative specifying such failure and requesting that it be remedied, or

c. Failure of Foundation to observe or perform any other covenant, condition, or agreement upon its part to be observed or performed under this Lease, specifically including but in no way limited to Foundation's obligations under Articles V and VI of this Lease, 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 Foundation is diligently working to cure the default) after receipt of written notice from the LSU System Representative specifying such failure and requesting that it be remedied, or

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

e. A court of proper jurisdiction entering an order for relief in any involuntary case commenced against Foundation, as debtor, under the Federal Bankruptcy Code, as now or hereafter constituted, or the entry of a decree or order by a court having jurisdiction in the premises appointing a custodian, receiver, liquidator, assignee, trustee, or other similar official of or for Foundation or any substantial part of the properties of Foundation or ordering the winding up or liquidation of the affairs of

Foundation, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days, or

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

g. 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 System Representative.

10.2 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, Board shall have the right to recover reasonable damages and, without any further demand or notice, to declare this Lease terminated. In the event of such termination of this Lease, Foundation expressly waives any notice to vacate. Notwithstanding anything to the contrary set forth herein, in the event of termination of this Lease by Board upon a Foundation Event of Default prior to approval by Board of final acceptance of the Work, 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 Foundation to transfer its rights and obligations under this Lease, as well as any funds 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 Board. Furthermore, in the event of the termination of this Lease during the Work due to the default of the contractor, Board may call on the surety under the performance bond to complete the Work, and Board, at its sole option, shall either become the owner of all renovations and improvements made on or to the Land, or shall require Foundation to transfer its rights and obligations under this Lease and any funds 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 Board.

ARTICLE XI
BOARD DEFAULT

Foundation may declare Board in default upon the failure of Board to observe or perform any covenant, condition or agreement upon its part to be observed or performed under this Lease for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied. If the default be continuing and Board has not taken any action

reasonably anticipated to cure such default, then in addition to any other remedies herein or by law or equity provided, Foundation shall have the right to select any one or more of the following remedies, without further demand or notice: to declare this Lease terminated, to require Board to correct the specific failure, to be reimbursed the unamortized costs of all Work and other improvements made by Foundation to the Land, and to recover reasonable damages suffered by Foundation.

ARTICLE XII
MISCELLANEOUS

12.1 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.

12.2 Attorney Fees. If either party is required to commence legal proceedings relating to this Lease, 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.

12.3 Louisiana Law to Apply. This Lease 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 Lease shall be the Nineteenth Judicial District Court for the Parish of East Baton Rouge.

12.4 Non-Waiver. No waiver by Board or Foundation of a breach of any of the covenants, conditions, or restrictions of this Lease shall constitute a waiver of any subsequent breach of any of the covenants, conditions, or restrictions of this Lease. The failure of Board or Foundation to insist in any one or more cases upon the strict performance of any of the covenants of the Lease, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of any other covenant or option. No waiver, change, modification, or discharge by Board or Foundation of any provision of this Lease shall be deemed to have been made or shall be effective unless expressed in writing and signed by the parties hereto.

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

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

12.7 Name, Logo, or Marks. Neither party shall make use of the other party's name,

logo, or marks without its prior written consent.

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

12.9 Assignment, Sub-Letting, and Mortgage. Foundation shall not assign or sub-let this Lease or any part hereof without the prior written consent of the LSU System Representative, and any attempt of assignment or sub-lease without the prior written consent of the LSU System Representative shall be null and void. Furthermore, Foundation may not mortgage or encumber its rights in or arising out of this Lease or any rights it has or might have in the Land or the Work without the prior written consent of the LSU System Representative, and any attempt to mortgage or encumber without the prior written consent of the LSU System Representative shall be null and void. Foundation shall be responsible for all legal / attorney fees incurred by Board in connection with Board's and/or LSU System Representative's review of any proposed assignment, sublease, or mortgage.

12.10 Books, Records and Audit. The books, accounts and records of Foundation which pertain directly to the Work shall be maintained at the principal office of Foundation. Board may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of Foundation and its contractor(s) to the extent necessary to verify compliance with this Lease or insofar as said books, bank accounts, records and accounts directly relate to Foundation's performance of its obligations under this Lease until the date that 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 Board, by independent auditors retained by 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 Foundation.

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

12.12 Notice of Lease.. Foundation agrees not to record this Lease. 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 Foundation.

12.13 LSU System Representative. In addition to any other individuals specifically authorized in writing by the President of the LSU System to act as the LSU System Representative, the LSU System Director of Facility Planning is hereby authorized to act as LSU System Representative.

12.14 Entire Agreement. This Lease, including any exhibits attached hereto, contains the final and entire agreement between the parties hereto with respect to the Land and the Work,

and contains all of the terms and conditions agreed upon with respect to the Land and the Work, and no other agreements, oral or otherwise, regarding the subject matter of this Lease shall be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representation not herein written.

12.15 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 Foundation from the prompt payment of any rental or other charges required of Foundation hereunder.

Signature page for Ground Lease And Construction Agreement
With Louisiana 4-H Foundation

IN WITNESS HEREOF, the parties hereto have executed this Lease effective as of the Effective Date.

WITNESSES:

_____
Name:_____
Date:_____

_____
Name:_____
Date:_____

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

By:_____
William L. Jenkins, Interim President
Louisiana State University System

Date: _____

WITNESSES:

_____
Name:_____
Date:_____

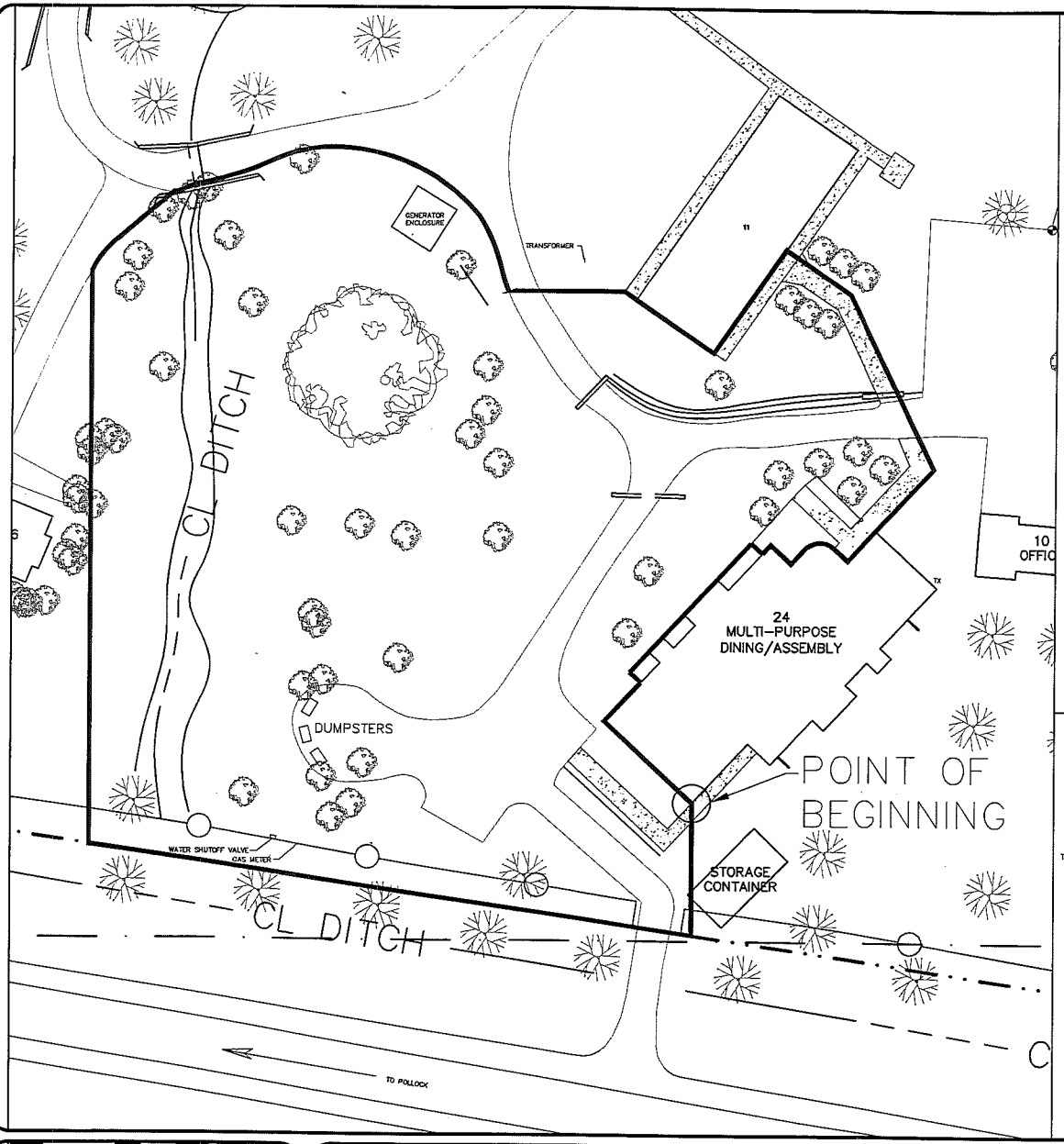
_____

Name:_____
Date:_____

LOUISIANA 4-H FOUNDATION

By:_____
Jeffrey Bush, President

Date: _____

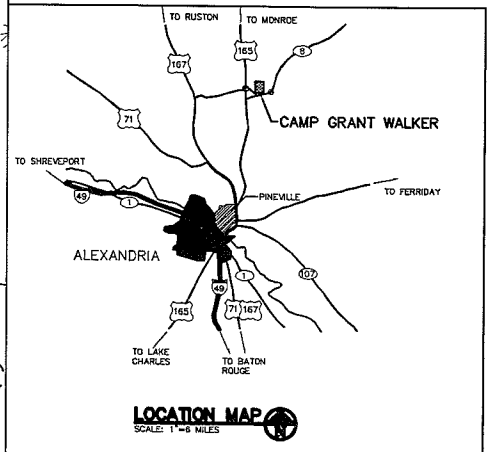


LEASE AGREEMENT WITH 4-H FOUNDATION AT THE GRANT WALKER 4-H EDUCATIONAL CENTER FOR MULTIPURPOSE PAVILION CONSTRUCTION:

LEASE DESCRIPTION:
POINT OF BEGINNING SOUTHERNMOST CORNER OF THE MULTI-PURPOSE BUILDING SID# 10341

FROM THE POINT OF BEGINNING, BEAR SOUTH FOR 56.52' TO A POINT ON THE NORTH RIGHT-OF-WAY OF LOUISIANA HIGHWAY 8, THENCE BEAR N81°41'46"W ALONG THE RIGHT-OF-WAY FOR 258.10' TO A POINT, THENCE BEAR NORTH 244.93' TO A POINT ALONG THE SOUTHERN EDGE OF THE ROAD, THENCE ALONG A CURVE TO THE RIGHT FOLLOWING THE SOUTHERN EDGE OF THE ROAD 224.69', THENCE LEAVING THE SOUTHERN EDGE OF THE ROAD BEAR EAST 49.16' TO THE WESTERNMOST CORNER OF THE SIDEWALK OF THE EDUCATION CENTER SID# 10340, THENCE BEAR ALONG THE SOUTHWESTERN EDGE OF THE SIDEWALK FOR 6.05' TO THE WESTERNMOST CORNER OF THE EDUCATION CENTER, CONTINUE ALONG THE SOUTHWESTERN WALL OF THE EDUCATION CENTER FOR 40.00' TO THE SOUTHERNMOST CORNER OF THE EDUCATION CENTER, THENCE BEAR ALONG THE SOUTHEASTERN WALL OF THE EDUCATION CENTER FOR 53.83' TO A POINT IN ALIGNMENT WITH THE NORTHERN EDGE OF THE CROSSWALK, THENCE BEAR ALONG THE NORTHERN EDGE OF THE CROSSWALK FOR 33.46', ALONG THE EASTERN EDGE OF THE CROSSWALK FOR 82.54', ALONG THE SOUTHERN EDGE OF THE CROSSWALK FOR 35.96' TO THE NORTHERNMOST CORNER OF THE MULTI-PURPOSE BUILDING, THENCE CONTINUE ALONG THE EXTERIOR WALL OF THE MULTI-PURPOSE BUILDING FOR 17.67' TO A CORNER, FOR 8.67' TO A POINT, ALONG A CURVE TO THE LEFT FOR 12.23' TO A POINT, FOR 9.21' TO A CORNER, FOR 1.83' TO A CORNER, FOR 5.13' TO A CORNER, FOR 6.50' TO A CORNER, FOR 75.33' TO A CORNER, FOR 6.50' TO A CORNER, FOR 22.67' TO A CORNER, FOR 51.00' BACK TO THE POINT OF BEGINNING.

THE AFOREMENTIONED CLOSED TRAVERSE CONTAINS 1.855 ACRES LOCATED IN THE SE 1/4 OF THE SW 1/4 OF SECTION 4, T6N-R1E, GRANT PARISH, LOUISIANA.



LSU AgCenter Research & Extension

EXHIBIT "A" - MP PAVILION LEASE AGREEMENT

GRANT WALKER RESEARCH STATION
3000 HWY 8
POLLOCK, LA 71467

ENGINEER:	SCALE: AS SHOWN
DRAWN BY: SEB	SHEET 1 OF 1 SHEETS
DATE: 12/20/2012	FILE NAME: MP PAV SITE
REVISED:	CHECKED BY: DGF

RECOMMENDATION (i) AUTHORIZING THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (THE "BOARD") TO PROCEED WITH THE ISSUANCE OF ITS AUXILIARY REVENUE BONDS IN AN AMOUNT NOT EXCEEDING $120,000,000 IN ONE OR MORE SERIES (THE "BONDS") ON BEHALF OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE ("LSU" or the "UNIVERSITY"); AND (ii) AUTHORIZING LSU, ON BEHALF OF THE BOARD OF SUPERVISORS, TO MAKE APPLICATION TO THE LOUISIANA STATE BOND COMMISSION FOR APPROVAL OF THE ISSUANCE OF THE BONDS

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.1 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant Board matter".

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 Matter

Sections 2181 through 2193 and 3351(A)(4) of Title 17 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 17:2181 through 2193 and 17:3351(A)(4)), Chapters 13 and 13A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and Article VII, Section 6(C) of the Constitution of the State of Louisiana of 1974 (the "Constitution" and, together with the cited statutory authority, the "Act"), and other constitutional and statutory authority, authorize the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") to borrow money and to issue bonds and pledge revenues to guarantee payment thereof in accordance with law and with the approval of the State Bond Commission.

The Board has approved in its 2012-2013 Capital Outlay Request to the Legislature the hereinafter defined Project as submitted by Louisiana State University and Agricultural and Mechanical College (the "University" or "LSU"). The Project consists of (a) the planning, design, acquisition, construction and equipping of expansions and additions to the University Recreation Center, and (b) a portion of the planning, design, acquisition, construction and equipping of a New Residence Hall and (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall (collectively, the "Project"). The Project was authorized in Act No. 23 of the 2012 Regular Session of the Louisiana Legislature (Attachment I). The University expects to come back to the Board at its March 15, 2013, meeting for a second, final approval of the Project and of the issuance of the hereinafter defined Bonds to finance the Project, and it is expected that all necessary governmental approvals, other than that of the State Bond Commission, will have been obtained by that time. The University expects to obtain State Bond Commission approval of the issuance of the Bonds on March 21, 2013.

The University desires to avail itself of the provisions of the Act and is requesting the Board to grant preliminary approval and authorization to representatives of the University, bond counsel and counsel to the Board to proceed with the necessary steps toward the issuance of its Auxiliary Revenue Bonds in one or more series in an aggregate principal amount not to exceed $120,000,000 (the "Bonds") to (i) finance or reimburse the costs of the Project, (ii) fund a capitalized interest fund, if necessary, (iii) fund a reserve fund or pay the premium

for a reserve fund insurance policy or surety bond, if necessary, and (iv) pay the costs of issuance of the Bonds, including, but not limited to, the preparation of the hereinafter described Bond Resolution and the preparation and distribution of preliminary and final official statements, if any, related thereto. LSU also desires that the Board authorize the publication of a notice of intention to issue the Bonds, as provided in the Constitution.

This resolution provides for certain general matters relating to the Bonds and the issuance thereof, it being the intent of LSU that the further details of the Bonds (including, without limitation, the maturity, the rate or rates of interest, and any security therefor) in connection with the Project shall be fixed by a Bond Resolution to be adopted by the Board prior to the issuance of the Bonds (the "Bond Resolution").

Pursuant to a competitive process, the University has selected Raymond James & Associates, Inc. to serve as senior managing underwriter for the Bonds and Citigroup and RBC Capital Markets LLC to serve as co-managing underwriters for the Bonds.

The University anticipates that the Bonds will be issued in April 2013.

2. Review of Business Plan

The business plans for the related projects of Residential Life and the University Recreation Center were previously reviewed when the capital outlay requests were submitted. No material changes exist to these business plans, and each department is projected to generate sufficient revenues to fully cover all projected debt, operations, maintenance, and other charges related to these projects.

Additionally, the Pro-Forma Debt Service Coverage Ratio of LSU Auxiliaries was reviewed and this ratio is at an acceptable level (Attachment II).

3. Fiscal Impact

This bond issue will not have any direct fiscal impact on the campus. The Bonds shall be payable solely from and secured by a pledge of the Auxiliary Revenues consisting of revenues derived by the University from certain Auxiliary Enterprises, including, without limitation, athletics, residential life, parking, the student union, student health services, and other miscellaneous auxiliaries and certain other revenues that have been dedicated to the payment of bonds.

4. Description of Competitive Process

A competitive process was used for the selection of the underwriters for the Bonds.

5. Review of Legal Documents

This bond issue request is consistent with Board policy as previously adopted on June 17, 1994, its General Bond Resolution authorizing the issuance from time to time of Auxiliary Revenue Bonds of the Board payable from gross revenues of certain auxiliary enterprises of Louisiana State University and Agricultural and Mechanical College (Attachment III), including, without limitation, University Stores, Student Media, LSU Union, Golf Course, Graphic Services, Laboratory School Cafeteria, Parking, Traffic and Transportation, Athletics, Student Health Service, LSU Press, Contracted Auxiliary Services, Residential Life and certain other revenues that have been dedicated to the payment of bonds.

6. Parties of Interest

None of the parties relevant to the approval of the Project and the issuance of the Bonds have any related interest in the Project, nor will they receive any financial gain from this approval.

7. Related Transactions

LSU has previously issued and currently has outstanding the following bonds secured by Auxiliary Revenues: (i) Auxiliary Revenue Refunding Bonds, Series 2004 issued in the original aggregate principal amount of $16,035,000, (ii) Auxiliary Revenue Bonds, Series 2004B issued in the original aggregate principal amount of $51,885,000, (iii) Auxiliary Revenue and Refunding Bonds, Series 2005A issued in the original aggregate principal amount of $18,905,000, (iv) Auxiliary Revenue Bonds, Series 2006 issued in the original aggregate principal amount of $97,095,000, (v) Auxiliary Revenue Bonds, Series 2007 issued in the original aggregate principal amount of $71,130,000, (vi) Auxiliary Revenue Bonds, Series 2008 issued in the original aggregate principal amount of $52,815,000, (vii) Auxiliary Revenue Bonds, Series 2010A issued in the original aggregate principal amount of $87,625,000, (viii) Auxiliary Revenue Bonds, Series 2010B issued in the original aggregate principal amount of $31,250,000, and (ix) Auxiliary Revenue Refunding Bonds, Series 2012 issued in the original aggregate principal amount of $41,615,000.

8. Conflicts of Interest

None

ATTACHMENTS:

- Letter from Vice Chancellor Monday (Letter)
- Attachment I – Excerpt from Act No. 23 of the 2012 Regular Session of the Louisiana Legislature
- Attachment II – Pro Forma Debt Service Coverage Ratio of the LSU Auxiliaries
- Attachment III – Copy of General Bond Resolution ***(Available on LSU System website)***

RECOMMENDATION

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") that:

SECTION 1. The Board does hereby authorize Louisiana State University and Agricultural and Mechanical College ("LSU") to proceed with the issuance of its Auxiliary Revenue Bonds in one or more series in an aggregate principal amount not to exceed $120,000,000 (the "Bonds"), bearing interest at a fixed rate not to exceed five percent (5%) per annum with a maturity date not exceeding forty (40) years from the date of issuance of the Bonds, for the purposes of financing or reimbursing the costs of (a) the planning, design, acquisition, construction and equipping of expansions and additions to the University Recreation Center, and (b) a portion of the planning, design, acquisition, construction and equipping of a New Residence Hall and (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall (collectively, the "Project"), (ii) funding a capitalized interest fund, if necessary, (iii) funding a reserve fund or paying the premium for a reserve fund insurance policy or surety bond, if necessary, and (iv) paying the costs of issuance of the Bonds, subject to the advice of counsel and bond counsel to the Board and subject to the approval of the Louisiana State Bond Commission (the "Commission").

SECTION 2. The Bonds shall be secured by the Auxiliary Revenues (including, without limitation, revenues derived from the Auxiliary Enterprises of University Stores, Student Media, LSU Union, Golf Course, Graphic Services, Laboratory School Cafeteria, Parking, Traffic and Transportation, Athletics, Student Health Service, LSU Press, Contracted Auxiliary Services, Residential Life and certain other revenues that have been dedicated to the payment of bonds) on a parity with the Board's outstanding Series 2004 Bonds, Series 2004B Bonds, Series 2005A Bonds, Series 2006 Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2010A Bonds, Series 2010B and Series 2012 Bonds, each as defined in the Bond Resolution.

SECTION 3. The Board hereby authorizes its representatives, including the President of the LSU System and the Interim Vice Chancellor for Finance and Administrative Services and Chief Financial Officer of LSU and their designees, bond counsel and counsel to the Board to proceed with the preparation of the Bond Resolution with respect to the Bonds and all documents necessary for the issuance of the Bonds, including, but not limited to the preparation and distribution of preliminary and final official statements, if any, related thereto and to obtain all consents and approvals necessary for the issuance of the Bonds.

SECTION 4. The Board hereby authorizes and approves all matters necessary in connection herewith, subject to advice of bond counsel and counsel to the Board, including, but not limited to the publication of a notice of intention to issue the Bonds as provided in the Constitution, the form of which is attached hereto as **Exhibit A**.

SECTION 5. The Board hereby formally approves the making of its application to the Commission requesting that the Commission grant its approval to the issuance of the Bonds, all in accordance with applicable law and the Rules of the Commission. The representatives of the University are hereby directed to furnish to and file with the Commission all documents, materials and information as may be necessary and appropriate in connection with the approval by the Commission of the issuance of the Bonds. A certified copy of this resolution shall be submitted to the Commission by the representatives of the Board or its bond counsel, with a letter requesting the prompt consideration and approval of this application and such letter may set forth and request approval by the Commission of the price at which such bonds may be sold and issued.

SECTION 6. The form of the Notice of Intention to Issue Bonds attached hereto as **Exhibit A** is hereby approved in substantially such form, with such additions, omissions and changes as may be approved by bond counsel to the Board.

SECTION 7. The Board hereby declares its official intent to reimburse itself from the proceeds of the Bonds for certain capital expenditures incurred or to be incurred in connection with the Project subsequent to the date which is sixty days prior to the date hereof but before the issuance of the Bonds and within eighteen months of the date of such capital expenditures or the placing in service of the Project, whichever is later (but in any event no more than three years after the date of the original expenditure of such monies). This resolution is intended as a declaration of official intent under Treasury Regulations §1.150.2.

SECTION 8. It is hereby recognized, found and determined that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds, and, accordingly, Adams and Reese LLP, Baton Rouge, Louisiana ("Bond Counsel"), is hereby employed as bond counsel for the Board, pursuant to that certain contract for bond counsel services dated October 12, 2011, between Bond Counsel and the Board (the "Bond Counsel Contract"), to do and perform any and all legal work incidental and necessary with respect to the incurring of debt and issuance and sale of the Bonds. Bond Counsel shall prepare and submit to the Board for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of the Bonds, and shall furnish its opinion covering the legality of the issuance thereof.

The fees to be paid to Bond Counsel with respect to Bonds actually issued, sold, delivered and paid for shall be based upon the then current fee schedule promulgated by the Attorney General of the State of Louisiana (at the time any such bonds are sold) with regard to fees for bond counsel for legal and coordinate professional work performed in connection with the issuance of revenue bonds by state entities. Such fees shall be payable out of the funds derived from the sale of the Bonds or other funds legally appropriated therefor pursuant to the Bond Counsel Contract.

SECTION 9. The Bonds shall not be issued until this Board has approved the execution of all legal documents necessary in connection therewith, including, but not limited to, the Bond Resolution.

SECTION 10. The Chairman, Vice Chairman and Secretary of the Board, the President of the LSU System and the Interim Vice Chancellor for Finance and Administrative Services and Chief Financial Officer of the University or any one of them and their designees are hereby authorized to execute all documents, and do all things necessary, on the advice of Bond Counsel and counsel to the Board to effectuate and implement this Resolution.

SECTION 11. By virtue of the Board's application for, and acceptance and utilization of, the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, (i) it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and (ii) it further resolves that it understands, agrees and binds itself, its successors and assigns to full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products, Hedges, etc." adopted by the Commission on July 20, 2006 as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

Be It Further Resolved that this Board does hereby authorize Louisiana State University to increase its current student recreational sports fee by a total of $135 per semester and $60 per summer session for full time students to be phased in over 3 years by one-third of the total increase each year beginning with the summer session of 2013, such that the summer fee in 2013 will be $45, the semester fee in 2013-14 will be $110, the summer fee in 2014 will be $65, the semester fee in 2014-15 will be $155, the summer fee in 2015 and thereafter will be $85, and the semester fee in 2015-16 and thereafter will be $200."

EXHIBIT A

NOTICE OF INTENTION TO ISSUE BONDS

Notice is hereby given that, pursuant to a resolution adopted at its meeting of February 1, 2013 (the "Authorizing Resolution"), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") intends to issue its Auxiliary Revenue Bonds, in one or more series (the "Bonds"), in an aggregate principal amount not to exceed $120,000,000. The proceeds of the Bonds will be made available to the Board for the benefit of Louisiana State University and Agricultural and Mechanical College ("LSU") to finance or reimburse the costs of (a) the planning, design, acquisition, construction and equipping of expansions and additions to the University Recreation Center, and (b) a portion of the planning, design, acquisition, construction and equipping of a New Residence Hall and (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall (collectively, the "Project"), (ii) fund a capitalized interest fund, if necessary, (iii) fund a reserve fund or pay the premium for a reserve fund insurance policy or surety bond, if necessary, and (iv) pay the costs of issuance of the Bonds. The Bonds will be in fully registered form, will be issued in one or more series in an aggregate principal amount not to exceed $120,000,000, will mature not later than 40 years from their dated date and will bear interest payable at a fixed rate not to exceed five percent (5%) per annum. The Bonds will not be a general obligation or pledge of the full faith and credit of the State of Louisiana, but will be solely a revenue obligation of the Board payable from Auxiliary Revenues (as defined in a Bond Resolution to be adopted by the Board, hereinafter referred to as the "Bond Resolution"), consisting of Auxiliary Revenues derived by LSU from certain Auxiliary Enterprises, including, without limitation, University Stores, Student Media, LSU Union, Golf Course, Graphic Services, Laboratory School Cafeteria, Parking, Traffic and Transportation, Athletics, Student Health Service, LSU Press, Contracted Auxiliary Services, Residential Life and certain other revenues that have been dedicated to the payment of bonds issued under the Bond Resolution. The Bonds will be secured by the Auxiliary Revenues on a parity with the Board's outstanding (i) Auxiliary Revenue Refunding Bonds, Series 2004 issued in the original aggregate principal amount of $16,035,000, (ii) Auxiliary Revenue Bonds, Series 2004B issued in the original aggregate principal amount of $51,885,000, (iii) Auxiliary Revenue and Refunding Bonds, Series 2005A issued in the original aggregate principal amount of $18,905,000, (iv) Auxiliary Revenue Bonds, Series 2006 issued in the original aggregate principal amount of $97,095,000, (v) Auxiliary Revenue Bonds, Series 2007 issued in the original aggregate principal amount of $71,130,000, (vi) Auxiliary Revenue Bonds, Series 2008 issued in the original aggregate principal amount of $52,815,000, (vii) Auxiliary Revenue Bonds, Series 2010A issued in the original aggregate principal amount of $87,625,000, (viii) Auxiliary Revenue Bonds, Series 2010B issued in the original aggregate principal amount of $31,250,000, and (ix) Auxiliary Revenue Refunding Bonds, Series 2012 issued in the original aggregate principal amount of $41,615,000. Within thirty (30) days after publication of this Notice of Intention, any person in interest may contest the legality of the Authorizing Resolution or the Bond Resolution, any provision of the Bonds to be issued pursuant to the Bond Resolution, the provisions securing the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the Authorizing Resolution or the Bond Resolution, the security of the Bonds or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter, no court shall have authority to inquire into such matters. Draft copies of the Bond Resolution are available for inspection at the offices of L. Robert Kuhn, Interim Vice Chancellor for Finance and Administrative Services and Chief Financial Officer, 330 Thomas Boyd Hall, Baton Rouge, Louisiana 70803.

LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

TO: William L. Jenkins
Interim President

DATE: December 14, 2012

FROM: Eric N. Monday
Vice Chancellor for
Finance & Administrative Services and CFO

RE: Recommendation (i) authorizing the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to proceed with the issuance of its Auxiliary Revenue Bonds in an amount not exceeding $120,000,000 in one or more series on behalf of Louisiana State University and Agricultural and Mechanical College ; and (ii) authorizing LSU on behalf of the Board of Supervisors to make application to the Louisiana State Bond Commission for approval of the issuance of the bonds

Attached please find a resolution requesting to proceed with the issuance of Auxiliary Revenue Bonds in an amount not exceeding $120,000,000 in one or more series.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the February 2013 meeting of the Board of Supervisors.

Please let me know if you have additional questions. Thank you.

Institutional Approval – Eric N. Monday for William L. Jenkins

Attachments

330 Thomas Boyd Hall • Baton Rouge, LA • 70803 • 225-578-3386 • Fax 225-578-5403 • www.fas.lsu.edu

(128)	Mechanical Plant, Planning and Construction (East Baton Rouge) Payable from General Obligation Bonds Priority 1		$ 2,320,000
(129)	French House Roof Replacement and Exterior Waterproofing, Planning and Construction (East Baton Rouge) Payable from General Obligation Bonds Priority 1		$ 1,300,000
(130)	Choppin Hall Annex Chemistry Lab Building, Planning and Construction (East Baton Rouge) Payable from General Obligation Bonds Priority 1		$ 3,750,000
(131)	LSU Fire and Emergency Training Institute, New Dormitory (East Baton Rouge) Payable from General Obligation Bonds Priority 1		$ 100,000
(132)	Music and Dramatic Arts Facilities Renovation and Addition, Planning and Construction (East Baton Rouge) Payable from General Obligation Bonds Priority 1		$ 5,000
(709)	New Residence Hall, Planning and Construction (East Baton Rouge) Payable from Revenue Bonds		$ 65,000,000

Provided, however, that this appropriation is in lieu of Revenue Bonds appropriated in Act 22 of 2011.

(1751)	Evangeline Residence Hall Renovation, Planning and Construction (East Baton Rouge)		
	Payable from Fees and Self Generated Revenues	$	150,000
	Payable from Revenue Bonds	$	16,600,000
	Total	$	16,750,000
(1752)	Replacement of Chillers for Miller and Herget Halls, Planning and Construction (East Baton Rouge) Payable from Fees and Self Generated Revenues		$ 1,650,000
(1753)	University Recreation Facility Expansion and Additions, Acquisition, Planning and Construction (East Baton Rouge)		
	Payable from Fees and Self Generated Revenues	$	6,400,000
	Payable from Revenue Bonds	$	78,350,000
	Total	$	84,750,000

Provided, however, that this appropriation is in lieu of Fees and Self Generated Revenues and Revenue Bonds appropriated in Act 22 of 2011 to LSU Baton Rouge for New Recreation Complex.

Attachment II

LOUISIANA STATE UNIVERSITY

Pro Forma Debt Service Coverage Rate

The following presentation shows on a pro forma basis the availability of Auxiliary Revenues to satisfy Debt Service Requirements on the series the Series 2004 Bonds, the Series 2004B Bonds, the Series 2005A Bonds, the Series 2006 Bonds and the Series 2007 Bonds, the Series 2008 Bonds, the 2010A & B Bonds, the Series 2012 refunding Bonds and the proposed Series 2013 Bonds:

Fiscal Year Auxiliary Revenues	**FY 2011-2012**
Gross Auxiliary Revenues [1]	**$187,247,645**
Aggregate Estimated Maximum Annual Debt Service on the Parity Lien Obligations and Proposed Series 2013 Bonds	**32,984,010**
Pro-Forma Coverage on Total Parity Lien Obligations (x) and Proposed Series 2013 Bonds	**5.68**

Source: University

[1] Includes the Laboratory School revenues until the Series 2005A Bonds and the Series 2008 Bonds are no longer outstanding and includes Recreational Sports Fee Revenues until the Series 2004B Bonds, 2008 Bonds, 2012 Bonds and 2013 Bonds are no longer outstanding.

Attachment III

GENERAL BOND RESOLUTION

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

Adopted on June 17, 1994

BOARD OF SUPERVISORS
OF
LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE
AUXILIARY REVENUE BONDS

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS

Section 1.01. Definitions 3
Section 1.02. Rules of Interpretation 9

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds. 11
Section 2.02. Authorization of Bonds in Series; Authorization of the Bonds 11
Section 2.03. Provisions for Issuance of Bonds. 11
Section 2.04. Subordinated Debt. 13

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Principal and Interest Payment Dates. 15
Section 3.02. Legends. 15
Section 3.03. Place and Medium of Payment. 15
Section 3.04. Form of Bonds. 15
Section 3.05. Exchange of Bonds; Persons Treated as Owners. 15
Section 3.06. Payment of Interest; Interest Rights Preserved. 16
Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost. 18
Section 3.08. Cancellation and Destruction of Bonds. 18
Section 3.09. Execution. 18
Section 3.10. Authentication. 19

ARTICLE IV

APPLICATION OF PROCEEDS

Section 4.01. Application of Bond Proceeds and Accrued Interest. 20

ARTICLE V

REDEMPTION OF BONDS

Section 5.01. Privilege of Redemption and Redemption Price. 21
Section 5.02. Notice of Redemption. 21
Section 5.03. Payment of Redeemed Bonds. 22
Section 5.04. Selection of Bonds to be Redeemed. 22

ARTICLE VI

PLEDGE OF AUXILIARY REVENUES

Section 6.01. Pledge and Payments. 23
Section 6.02. The Pledge Effected by the Resolution. 23
Section 6.03. Credits 23
Section 6.04. Absolute Obligation To Pay Bonds From Auxiliary Revenues 24

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.01. Creation of Funds and Accounts 25
Section 7.02. Project Fund 25
Section 7.03. Bond Fund. 26
Section 7.04. Reserve Fund 27
Section 7.05. Rebate Fund 28
Section 7.06. Subordinated Debt Fund. 28
Section 7.07. Disposition of Funds After Payment of Bonds 29
Section 7.08. Moneys Held in Trust 29

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.01. Damage and Destruction; Application of Insurance Proceeds 30

ARTICLE IX

INVESTMENTS

Section 9.01. General 31
Section 9.02. Valuation 31

ARTICLE X

GENERAL REPRESENTATIONS AND COVENANTS

Section 10.01. Authority and Authorization 32
Section 10.02. Bond Resolution to Constitute Contract 32
Section 10.03. Payment of Bonds 33
Section 10.04. Maintenance and Modification of Auxiliary Facilities 33
Section 10.05. Removal or Closure of Auxiliary Facilities 33
Section 10.06. Taxes and Other Governmental Charges and Utility Charges 34
Section 10.07. Insurance Required 34
Section 10.08. Application of Net Proceeds of Insurance 36
Section 10.09. Additional Provisions Respecting Insurance. 36
Section 10.10. Inspection of the Auxiliary Facilities 36
Section 10.11. Board To Maintain its Existence; Conditions Under Which Exceptions Permitted 36
Section 10.12. No Superior Pledge 37
Section 10.13. Additional Bonds 37
Section 10.14. Keeping of Books; Audit 38
Section 10.15. Disposition of Auxiliary Facilities. 38
Section 10.16. No Competing Facilities. 39
Section 10.17. Rate Maintenance Covenant; Rules and Adequacy of Charges for Use of the Auxiliary Facilities. 39
Section 10.18. Delivery of Information 39
Section 10.19. Tax Matters. 40

ARTICLE XI

FIDUCIARIES

Section 11.01. Appointment of Trustee; Paying Agent. 41
Section 11.02. Fees, Charges and Expenses of Trustee 44
Section 11.03. Notice to Bondholders if Default Occurs 44
Section 11.04. Intervention by Trustee 44
Section 11.05. Successor Trustee 44
Section 11.06. Resignation by Trustee 44
Section 11.07. Removal of Trustee 45
Section 11.08. Appointment of Successor Trustee; Temporary Trustee 45
Section 11.09. Concerning Any Successor Trustee 45
Section 11.10. Paying Agent Protection. 45

ARTICLE XII

AMENDMENTS AND SUPPLEMENTS

Section 12.01. Supplemental Resolutions Issuing a Series of the Bonds 46
Section 12.02. Amendments Without Consent of Owners 46
Section 12.03. Amendments with Consent of Owners 48
Section 12.04. Exclusion of Bonds 48
Section 12.05. Notation on Bonds. 48
Section 12.06. Opinion Required. 49
Section 12.07. Notice of Amendment. 49

ARTICLE XIII

DISCHARGE OF RESOLUTION

Section 13.01. General 50
Section 13.02. Bonds Deemed Paid. 50

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.01. Events of Default 53
Section 14.02. Remedies; Rights of Bondholders 55
Section 14.03. Right of Bondholders To Direct Proceedings 56
Section 14.04. Application of Moneys 56
Section 14.05. Remedies Vested in Trustee 57
Section 14.06. Rights and Remedies of Bondholders 57
Section 14.07. Waivers of Events of Default 58
Section 14.08. Opportunity To Cure Defaults 58

ARTICLE XV

MISCELLANEOUS

Section 15.01. Loss by a Credit Facility provider of Right To Consent 59
Section 15.02. Parties Interested Herein 59
Section 15.03. Successors and Assigns 59
Section 15.04. Severability 59
Section 15.05. Headings Not Controlling 60
Section 15.06. Notices 60
Section 15.07. Governing Law 60

Section 15.08. Holidays 60
Section 15.09. Authorization of the Board 61

EXHIBIT A—FORM OF THE BONDS A-1
EXHIBIT B—COMPLETION CERTIFICATE B-1
EXHIBIT C—REQUISITION C-1
EXHIBIT D—PRIOR LIEN OBLIGATIONS D-1

The following resolution was offered by _____ and seconded by _____:

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

GENERAL BOND RESOLUTION

A resolution authorizing and providing for the incurring of debt and issuance from time to time of revenue bonds, of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College payable from gross revenues of certain auxiliary enterprises; prescribing the form, fixing the details and conditions of such revenue bonds and providing for the payment of the principal and interest thereon and other matters in connection therewith.

WHEREAS, Sections 2181 through 2193 and 3351(A)(4) of Title 17 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 17:2181 through 2193 and 17:3351(A)(4)) and Article VII, Section 6(C) of the Constitution of the State of Louisiana of 1974 (collectively, the "Act"), and other constitutional and statutory authority, authorize the Board of Supervisors of Louisiana State University and Agriculture and Mechanical College (the "Board") to borrow money and to issue bonds and pledge revenues to guarantee payment thereof in accordance with law and with approval of the State Bond Commission; and

WHEREAS, students and the public at large require access to certain auxiliary facilities operated by certain auxiliary enterprises of the campus of Louisiana State University and Agricultural and Mechanical College located in Baton Rouge, Louisiana (the "University"), and pay certain fees, rates and charges for such use; and

WHEREAS, the Board desires to avail itself of the provisions of the Act and to issue revenue bonds in one or more series in such principal amount as shall be necessary to provide adequate facilities for such auxiliary enterprises of the University or any other purposes as may be allowed by the Act; and

WHEREAS, by this General Bond Resolution, the Board desires to provide for certain general matters relating to said revenue bonds and the first series thereof, it being the intent f the Board that the further details of each series of such revenue bonds shall be fixed by one or more resolutions supplemental hereto;

WHEREAS, the revenue bonds shall be payable solely from and secured by a pledge of such auxiliary revenues produced by certain auxiliary enterprises of the University, as authorized by the Act; and

NOW, THEREFORE, BE IT RESOLVED by the Board that:

ARTICLE I

DEFINITIONS

Section 1.01. *Definitions.* As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"*Accountant*" means the Legislative Auditor of the State.

"*Accounts*" means the accounts created pursuant to Article VII hereof.

"*Act*" means Sections 2181 through 2193 and 3351(A)(4) of Title 17 (R.S. 17:2181 through 2193 and 17:3351(A)(4)) of the Louisiana Revised Statutes of 1950, as amended, and Article VII, Section 6(C) of the Louisiana Constitution of 1974, as amended.

"*Additional Bonds*" shall mean Bonds issued pursuant to Section 10.13 hereof.

"*Authorized Board Representative*" means the Chairman or Vice-Chairman and Secretary or any Assistant Secretary of the Board and any other Person designated in writing to the Trustee by the Chairman or Vice-Chairman of the Board or designated by a resolution of the Board.

"*Auxiliary Enterprises*" means the departments of the University named in the definition of Auxiliary Facilities.

"*Auxiliary Facilities*" means the buildings, land, equipment and other properties under the control, operation or supervision of the following Auxiliary Enterprises of the University as the same may be modified from time to time: (1) University Stores, (2) Student Communication Media, (3) LSU Union, (4) Golf Course, (5) Graphic Services, (6) Laboratory School Cafeteria, (7) Parking and Safety Services, (8) Continuing Education Center, (9) Student Health Service, (10) University Press, (11) Athletic Department, (12) Residence Food Services, and (13) Residential Life, provided that (i) in the event Auxiliary Revenue producing activities of any such Auxiliary Enterprise are transferred to another University Enterprise, the portion of the property of such University Enterprise used for such activity shall be deemed to be an Auxiliary Facility hereunder and (ii) Auxiliary Facilities as defined hereby may be modified as set forth in Section 12.02(I) hereof.

"*Auxiliary Revenues*" means (i) the gross amount of all funds, monies or revenues held by the University and any earnings thereon derived or to be derived by Auxiliary Enterprises from self generated revenues from all fees, rates, rentals, charges or other receipts or income received from students or the public at large in connection with any undertaking, utilization or operation of Auxiliary Enterprises or Auxiliary Facilities, including operation or management thereof by private entities on behalf of the Auxiliary Enterprises, prior to the payment of Current Expenses and (ii) all Funds and Accounts held pursuant to Article VII of this General Bond Resolution or any Supplemental Resolution pertaining to a particular Series of Bonds except any

fund created to hold monies pending rebate to the United States or for payment of costs of issuance of Bonds. Auxiliary Revenues shall not include funds appropriated to the Board by the Legislature of the State from time to time.

"*Board*" means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

"*Board Documents*" means the certificates, agreements, resolutions or other documents authorized to be executed on behalf of the Board by the Authorized Board Representative pursuant to Section 15.09 hereof.

"*Bond*" or "*Bonds*" means any bond authorized and issued pursuant to Article II of this General Bond Resolution.

"*Bond Counsel*" means counsel acceptable to the Trustee and any Credit Facility provider and experienced in matters relating to tax exemption of interest on obligations issued by states and their political subdivisions.

"*Bond Fund*" means the Fund given that name by Section 7.01 of this General Bond Resolution.

"*Bond Obligation*" shall mean, as of the date of computation, the principal amount of the Bonds of all Series then Outstanding or, in the case of Bonds on which interest is due only at maturity or prior redemption, the compounded amount (as of the Interest Payment Date next preceding the date of computation).

"*Bond Owner*" or "*Owner*" or "*Bondholder*" or any similar term, when used with reference to a Bond or Bonds means the registered owner of such Bond.

"*Bond Register*" means the register of the Bonds kept by the Trustee pursuant to Section 3.05.

"*Bond Resolution*" means this General Bond Resolution, as amended and supplemented by any Supplemental Resolutions.

"*Bond Year*" shall have the meaning assigned thereto in any Supplemental Resolution.

"*Business Day*" means a day which is not (a) a Saturday or Sunday or (b) a legal holiday or a day on which banking institutions are authorized by law to close in either the State of New York or the State.

"*Code*" means the Internal Revenue Code of 1986 as the same may be amended from time to time.

"*Completion Certificate*" means the certificate relative to completion of a Project funded by a Series of the Bonds to be delivered by an Authorized Board Representative to the Trustee.

"*Counsel*" means an attorney duly admitted to practice law before the highest court of any state.

"*Credit Enhanced Bonds*" means Bonds the principal of and interest on which are secured by the proceeds of an irrevocable letter of credit, surety bond, insurance policy or other Credit Facility or arrangement with a Person other than the Board.

"*Credit Facility*" means any municipal bond insurance policies, bank guarantees, standby purchase agreements, surety bonds, letters of credit, or other devices securing the payment of the principal of or interest on or the purchase obligation with respect to any Bonds, the purpose of which is to enhance the credit quality of the Bonds.

"*Current Expenses*" means all necessary and reasonable expenses of maintaining and operating the Auxiliary Facilities, including all necessary heating and cooling costs and other operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance and all other expenses incidental to the operation of the Auxiliary Facilities, including the cost of merchandise for resale, services, utilities and personnel and all allocated general administrative expenses of the Board and any fee or charge imposed by the Board on the Auxiliary Enterprises in connection with the issuance of Bonds, but shall exclude depreciation and Costs of Issuance.

"*Debt Service Coverage Ratio*" means for the period in question the ratio determined by the Associate Vice Chancellor for Business Affairs of the University by dividing funds received by the University as Auxiliary Revenues under clause (i) of the definition of Auxiliary Revenues for such period by maximum annual debt service on Prior Lien Obligations and maximum annual Debt Service Requirements on the Bonds outstanding and maximum annual debt service on Additional Bonds proposed to be issued.

"*Debt Service Requirements*" means for any particular Fiscal Year and for all Series of the Bonds, an amount equal to the sum of (a) all interest payable during such Fiscal Year on all Outstanding Bonds, plus (b) the Principal Installment of Outstanding Bonds falling due during such Fiscal Year, calculated on the assumption that Outstanding Bonds on the day of calculation cease to be outstanding by reason of payment either upon maturity or by application of any scheduled sinking fund installments as provided for in a Supplemental Resolution. In the case f Variable Rate Debt, with respect to a particular Fiscal Year, the interest rate thereon shall be calculated on the assumption that such Bonds will bear interest during such period at the maximum rate that may be borne by such Variable Rate Debt; provided that, if on such date of calculation the interest rate on such Variable Rate Debt shall then be fixed for a specified period, the interest rate used for such specified period for the purposes of the foregoing calculation shall be such actual interest rate. Such interest and Principal Installments for the Bonds shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation

will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

"*Event of Default*" means any event designated as such in Section 14.01.

"*Fiscal Year*" means the twelve month period beginning on July 1 and ending June 30 of each year.

"*Funds*" means the Funds created pursuant to Article VII.

"*General Bond Resolution*" shall mean this General Bond Resolution.

"*Government Obligations*" means direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, which are noncallable and nonprepayable by the issuer thereof.

"*Interest Account*" means the Account by that name created pursuant to Article VII.

"*Interest Payment Date*" means the dates set forth for the payment of interest on Bonds in a Supplemental Resolution.

"*Maximum Annual Debt Service Requirements*" means, as of the date of calculation, the highest aggregate annual Debt Service Requirements and debt service payable on Prior Lien Obligations and the Bonds during the then current or any succeeding Fiscal Year over the remaining term of the Bonds.

"*Net Proceeds*," when used with respect to proceeds from any condemnation award or policies of insurance required hereby, means the amount remaining after deducting from such proceeds (i) all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds or award; and (ii) all other fees, expenses and indemnities and payments due to the Trustee.

"*No-Arbitrage Certificate*" means the certificate by that name and a Tax Regulatory Agreement, if any, to be executed by an Authorized Board Representative relating to the various Series of the Bonds.

"*Opinion of Bond Counsel*" means an Opinion of Counsel of a Bond Counsel.

"*Opinion of Counsel*" means an opinion in writing of Counsel acceptable to the Trustee and any applicable Credit Facility provider.

"*Outstanding Bonds*" or "*Bonds Outstanding*" or "*Outstanding*" means all Bonds which have been duly authenticated and delivered by the Trustee under this General Bond Resolution and Supplemental Resolutions, except:

(a) Bonds cancelled after purchase or because of redemption prior to maturity;

(b) Bonds deemed paid under Article XIII hereof; and

(c) Bonds in lieu of or in substitution for which other Bonds have been authenticated under the Bond Resolution.

"*Paying Agent*" shall mean the Paying Agent designated in the Supplemental Resolution for any Series of the Bonds.

"*Permitted Investments*" means investments of the Board as may be specified in a Supplemental Resolution or as otherwise may be allowed by law.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*PPM-10*" means Policy and Procedures Memorandum 10 of the Office of Risk Management in the Office of the Governor of the State.

"*Principal Account*" means the Account by that name created pursuant to Article VII.

"*Principal Installment*" means, for any Fiscal Year, as of any date of calculation, and with respect to any Series of Bonds, the principal amount of Outstanding Bonds of such Series which mature or are subject to mandatory redemption and for which no sinking fund installment has been or is required to be made in such Bond Year.

"*Principal Payment*" means a payment of principal of a Bond at maturity or upon mandatory sinking fund redemption.

"*Principal Payment Date*," means such dates for payment of principal on a Series of Bonds as shall be so specified in a Supplemental Resolution.

"*Prior Lien Obligations*" means the principal amount outstanding prior to the adoption of this General Bond Resolution of bonds, notes or other obligations of the Board to the extent that Auxiliary Revenues are obligated to pay debt service thereon as set forth in Exhibit D.

"*Project*" means a project defined in a Supplemental Resolution.

"*Project Costs*" means such costs for the funding of a project as defined in a Supplemental Resolution.

"*Projection*" means projected or forecasted financial statements by the Associate Vice Chancellor for Business Affairs of the University relative to a future period, including balance

sheets as of the end of such period and statements of income and cash flows for such period, accompanied by a statement of the relevant assumptions and rationale upon which the financial statements are based.

"*Record Date*" means, with respect to an Interest Payment Date, the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date whether or not such day is a Business Day.

"*Redemption Price*" means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof, plus accrued interest to the redemption date, pursuant to the Bond Resolution.

"*Regular Record Date*" shall mean, with respect to an Interest Payment Date, the fifteenth calendar day of the month (unless otherwise specified in a Supplemental Resolution) next preceding such Interest Payment Date, whether or not such day is a Business Day.

"*Requisition*" means the requisition required for the expenditure of funds from the Project Fund as required by Section 7.02 and as set forth in Exhibit C hereto.

"*Reserve Fund*" means the Fund given that name by Section 7.01.

"*Reserve Requirement*" means, with respect to the Bonds, an amount equal to the lesser of (i) 100% of the maximum annual principal and interest due on the Bonds, (ii) 10% of the aggregate proceeds of the Bonds or (iii) 125% of the aggregate average annual debt service on the Bonds. For purposes of calculating the Reserve Requirement, variable rate indebtedness shall be assumed to bear interest (1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Bond Buyer 25 Revenue Bond Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus fifty (50) basis points. For purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period. For all other purposes, including for purposes of the rate covenant and the additional bonds test, variable rate indebtedness shall be assumed to bear interest at the maximum permissible rate.

"*Series*" means all of the Bonds issued in a simultaneous transaction pursuant to a Supplemental Resolution.

"*Series 1994 Bonds*" means the first Series of the Bonds to be issued pursuant to the Bond Resolution, as more fully described in Section 2.02 hereof and in a Supplemental Resolution.

"*Sinking Fund Amounts*" has the meaning given such term in any Supplemental Resolution.

"*Sinking Fund Installment*" means

"*Special Record Date*" for the payment of Defaulted Interest (as defined in Section 3.06) means the date fixed pursuant to Section 3.06 hereof.)

"*State*" means the State of Louisiana.

"*Subordinated Debt*" means Bonds, including any payment relating to the Credit Facility, issued by the Board pursuant to and complying with the provisions of Section 2.04.

"*Subordinated Debt Fund*" means the Subordinated Debt Fund established in Section 7.06 hereof.

"*Supplemental Resolution*" shall mean a resolution supplemental hereto adopted pursuant to Article XII hereof.

"*Trustee*" means Hancock Bank of Louisiana, Baton Rouge, Louisiana.

"*University*" or "*LSU*" means Louisiana State University and Agricultural and Mechanical College which is the main Baton Rouge, Louisiana campus under the supervision and management of the Board.

"*University Enterprise*" means an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to, although not necessarily equal to, the cost of the goods or services, the distinguishing characteristic of which is that it is managed as essentially a self-supporting activity.

"*Variable Rate Debt*" means Bonds not bearing interest throughout their respective terms at a specified rate or rates determined at the time of issuance.

Section 1.02. ***Rules of Interpretation.*** The following rules shall apply to the construction of this General Bond Resolution unless the context requires otherwise: (a) the singular includes the plural and the plural, 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, photocopying, 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 the words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivisions of sections), exhibits, appendices, annexes or

schedules are to those of this General Bond Resolution 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, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this General Bond Resolution; (h) references to Persons include their respective successors and assigns permitted or not prohibited by the terms of this General Bond Resolution; (i) an accounting term not 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, 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 referred to in the Bond proceedings; (p) the terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this General Bond Resolution as a whole and not to any particular article, section or subdivision hereof; and the term "heretofore" means before the date of adoption of this General Bond Resolution, the term "now" means at the date of adoption of this General Bond Resolution, and the term "hereafter" means after the date of adoption of this General Bond Resolution; and (q) references to payments of principal include any premium payable on the same date, except that proceeds of the any Credit Facility shall never be used to pay premium.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. *Authorization of Bonds.* There is hereby established and created under this General Bond Resolution an issue of Bonds of the Board to be known and designated as "Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds," to be issued in one or more Series for the purpose of providing funds for capital improvements to and on behalf of Auxiliary Facilities or for any other purpose as may be permitted by the Act. The Bond Resolution creates a continuing pledge of the Auxiliary Revenues to secure the full and prompt payment of the principal or Redemption Price of and interest on all of the Bonds, subject to Prior Lien Obligations. The Bonds shall be solely an obligation of the Board, payable as to principal, premium, if any, and interest solely from and secured by an irrevocable pledge and dedication of the Auxiliary Revenues. The aggregate principal amount of the Bonds which may be executed, registered and delivered under the Bond Resolution is not limited except and as registered and delivered under the Bond Resolution and as provided herein or as may be limited by the Act. The Bonds, as to principal, interest and premium, if any, shall be payable solely from and be secured solely by the Auxiliary Revenues, which Auxiliary Revenues shall be and hereby are pledged to the punctual payment of such principal, interest and premium, if any, and the security therefor in accordance with the provisions of the Bond Resolution, subject to Prior Lien Obligations.

Section 2.02. *Authorization of Bonds in Series; Authorization of the Bonds.* (a) The Bonds are hereby authorized to be issued from time to time in one or more Series for the purposes described in Section 2.01, and such Bonds shall be issued pursuant to the applicable terms, details, conditions and limitations established by the Act, and other constitutional and statutory authority supplemental thereto, this General Bond Resolution, and one or more Supplemental Resolutions.

(b) There is hereby authorized to be issued hereunder the first Series of the Bonds, to be designated "Board of Supervisors of Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds, Series 1994," which shall be limited in aggregate principal amount to Thirty Million Dollars ($30,000,000), which shall mature, bear interest, be the subject of a Credit Facility, be issued for the purposes and be subject to the terms as shall be set forth in a Supplemental Resolution, including the matters set forth in Section 2.03 hereof.

Section 2.03. *Provisions for Issuance of Bonds.* The issuance of each Series of Bonds shall be authorized by one or more Supplemental Resolutions adopted by the Board.

Each Supplemental Resolution authorizing the issuance of a Series of Bonds shall specify:

(i) the authorized principal amount and Series designation of such Bonds;

(ii) the purpose or purposes for which such Series is being issued;

(iii) the dated date and the Principal Payment Dates of the Bonds of such Series;

(iv) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, whether interest will be paid periodically or at th maturity of all or a part of the Bonds of such Series, and the Interest Payment Dates thereior;

(v) such provisions as may be necessary or appropriate to provide for the issuance and administration of the Bonds including, without limitation, amendments to definitions of Debt Service, Principal Installment, Reserve Requirement and definitions for Capital Appreciation Bonds, Capital Appreciation and Interest Bonds, Tender Option Bonds, and provisions relating to derivative products;

(vi) the denominations of. and the manner of dating, numbering and lettering of the Bonds of such Series:

(vii) the Paying Agent and the place or places of payment of the Bonds of such Series, or the manner of appointing and designating the same;

(viii) the redemption prices, if any, and, subject to the provisions of this General Bond Resolution, the redemption terms and notice requirements for the Bonds of such Series;

(ix) the amount and due date of any mandatory redemption payment, if any, for Bonds of like maturity of such Series;

(x) if so determined by the Board. provisions of the sale of the Bonds of such Series:

(xi) the form of the Bonds of such Series;

(xii) provisions, if any, for the issuance of the Bonds of such Series in "book-entry only" form;

(xiii) provisions for the funding of the Reserve Fund, if any, or a separate reserve fund with respect to such Series of Bonds, if any;

(xiv) such provisions as may be necessary or desirable in connection with any Credit Facility to be provided for or with respect to such Series of Bonds: and

(xv) any other provisions deemed advisable by the Board as shall not conflict with the provisions hereof.

Section 2.04. *Subordinated Debt.* (a) The Board may, at any time, or from time to time, issue or incur Subordinated Debt, pursuant to the Act, for any of its lawful purposes, payable out of, and which may be secured by a pledge of, such amounts in the Subordinated Debt Fund as may from time to time be available for the purpose of payment thereof; provided, however, that such pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge created by the Bond Resolution as security for Bonds.

(b) The Board may also, at any time or from time to time, issue or incur Subordinated Debt to refund any Subordinated Debt issued as provided in this Section or to refund Outstanding Bonds of one or more Series or one or more maturities within a Series. Such Subordinated Debt issued for refunding purposes may be payable out of, and may be secured by a pledge of, such amounts in the Subordinated Debt Fund as may from time to time be available therefor, provided that any such payment or pledge shall be, and shall be expressed to be, subordinate and junior in all respects to the pledge created under the Bond Resolution as security for Bonds.

(c) The resolution, indenture or other instrument securing or evidencing each issue of Subordinated Debt shall contain provisions (which shall be binding on all holders of such Subordinated Debt) not more favorable to the holders of such Subordinated Debt than the following:

(i) In the event that any issue of Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of an event of default, the Owners of all Bonds Outstanding at the time such Subordinated Debt so becomes due and payable because of such occurrence of such an event of default shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinated Debt are entitled to receive any accelerated payment from the Auxiliary Revenues of principal (and premium, if any) or interest upon the Subordinated Debt.

(ii) If any Event of Default with respect to the Bonds shall have occurred and be continuing, the Owners of all Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before th owners of the Subordinated Debt are entitled to receive any accelerated payment from the Auxiliary Revenues of principal (and premium, if any) or interest upon the Subordinated Debt.

(iii) The Subordinated Debt may provide that the provisions of (i), (ii), and (iii) above are solely for the purpose of defining the relative rights f th Owners of the Bonds on the one hand, and the owners of Subordinated Debt on the other hand, and that nothing therein shall impair, as between the Board and the owners of the Subordinated Debt, the obligation of the Board, which is unconditional and absolute, to pay the Owners of the Bonds the principal thereof

and premium, if any, and interest thereon in accordance with its terms, nor shall anything therein prevent the owners of the Subordinated Debt from exercising all remedies otherwise permitted by applicable law or thereunder upon default thereunder, subject to the rights under (i), (ii) and (iii) above of the Owners of Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of the Subordinated Debt; and the Subordinated Debt may provide that, insofar as a trustee or paying agent for such Subordinated Debt is concerned, the foregoing provisions shall not prevent the application by such paying agent of any moneys deposited with such trustee or paying agent for the purpose of the payment of or on account of the principal (and premium, if any) and interest on such Subordinated Debt if such trustee or paying agent did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions.

Any issue of Subordinated Debt may have such rank or priority with respect to any other issue of Subordinated Debt as may be provided in the resolution, indenture or other instrument securing such issue of Subordinated Debt and may contain such other provisions as are not in conflict with the provisions of the Bond Resolution.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. *Principal and Interest Payment Dates.* The principal and interest of th Bonds shall be payable on the Principal Payment Dates and the Interest Payment Dates, respectively, of such Bonds, commencing not more than twelve months after the dated date of such Bonds, unless otherwise specified in a Supplemental Resolution.

Section 3.02. *Legends.* The Bonds of each Series shall be in substantially the form attached hereto as Exhibit A (with such changes as may be provided for in a Supplemental Resolution) and may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this General Bond Resolution as may be necessary or desirable to comply with custom or otherwise as may be determined by the Board prior to delivery thereof, particularly any legend necessary or desirable concerning a Credit Facility applicable to such Bonds.

Section 3.03. *Place and Medium of Payment.* The principal and premium, if any, and the amount to the extent due, if any, of each Bond shall be payable upon maturity or redemption at the principal corporate trust office of the Paying Agent for such Bond in any coin or currency f the United States of America which at the time of payment is legal tender for the payment of public and private debts, upon presentation and surrender thereof. Interest shall be payable by check of the Paying Agent mailed by the Paying Agent to the Owner (determined as of the Regular Record Date) at the address as shown on the books of the Paying Agent. The Board may make provision in any Supplemental Resolution for the payment of the principal, premium, if any, and interest of any Bonds by bank wire transfer or such other method as the Board may deem appropriate.

Section 3.04. *Form of Bonds.* The Bonds of each Series shall be initially issued in fully registered form, however, any Supplemental Resolution may provide for coupon bearer bonds if then permitted by applicable law. The specific form of the Bonds of each Series shall be provided in the applicable Supplemental Resolution. Until definitive Bonds are ready for delivery, the Board may execute and the Paying Agent shall then authenticate and deliver temporary Bonds. Temporary Bonds shall be substantially in the form of definitive Bonds but may have variations that the Board considers appropriate for temporary Bonds. Without unreasonable delay, the Board shall prepare, execute and deliver to the Paying Agent definitive Bonds. The temporary Bonds may then be exchanged for definitive Bonds pursuant to Section 3.05.

Section 3.05. *Exchange of Bonds; Persons Treated as Owners.* The Board shall cause books for the registration and for the registration of transfer of the Bonds as provided in this General Bond Resolution to be kept by the Paying Agent for such Series at the principal corporate trust office of such Paying Agent, such Paying Agent shall also be the Bond Registrar

for such Series. and such Series may be transferred and assigned only upon the registration books maintained by such Paying Agent.

Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denomination of the same Series and maturity and like aggregate principal amount. At the option of an Owner, Bonds may be exchanged for other Bonds of authorized denominations of the same Series and maturity and like aggregate principal upon surrender at such office. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange thereof the Bond or Bonds which the Owner making the exchange shall be entitled to receive after receipt of the Bonds to be transferred in proper form.

All Bonds presented for registration of transfer or exchange shall (if so required by the Board or the Paying Agent) be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to Paying Agent, duly executed by the Owner or by such Owner's duly authorized attorney.

No charge shall be made to the Owner for any exchange or transfer of Bonds, but the Paying Agent may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Board and the Paying Agent shall not be required to issue, register the transfer of or exchange (a) any Bonds during a period beginning at the opening of business on the Regular Record Date and ending at the close of business on the Interest Payment Date or (b) any Bond called for redemption prior to maturity during a period beginning on the opening of business fifteen (15) days before the date of the mailing of notice of redemption of such Bonds and ending on the date of such redemption.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Board, evidencing the same debt and entitled to the same benefits under th Bond Resolution as the Bonds surrendered upon authentication thereof by the Paying Agent.

Prior to due presentment for registration of transfer of any Bond, the Board, the Paying Agent, and any agent of the Board or the Paying Agent may treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes (subject to Section 3.06), whether or not such Bonds shall be overdue, and shall not be bound by any notice to the contrary.

The Board may provide, in a Supplemental Resolution, alternative rules for the exchange and registration of Bonds in order to facilitate the issuance of Bonds in "book-entry only" form.

Section 3.06. *Payment of Interest; Interest Rights Preserved.* Interest on any Bond which is payable. and is punctually paid or duly provided for, on any Interest Payment Date

shall be paid to the Owner in whose name that Bond (or one or more predecessor Bonds) is registered on the Regular Record Date for such Interest Payment Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Owner on the relevant Regular Record Date by virtue of having been such Owner; and such Defaulted Interest shall be paid by the Board to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Board shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Board shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Paying Agent of the notice of the proposed payment. The Paying Agent shall promptly notify the Board of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to each Owner at his address as it appears in the Bond Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid by the Paying Agent to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered on such Special Record Date from moneys so deposited with the Paying Agent on or before the date of payment of Defaulted Interest.

Principal, premium and interest shall be considered paid on the date due if the Paying Agent holds on that date money sufficient to pay all principal, premium and interest then due and such money is available for such payment. Any such money not paid to the Owners to whom it was due on such due date shall be segregated and held by the Paying Agent uninvested and in trust solely for the benefit of such Owners, provided that any such money remaining unclaimed for 6 years after such principal, premium or interest has become due shall be paid to the Board upon the direction of the Board, and such Owners shall thereafter look only to the Board for payment thereof. The Board's obligation to make such payment shall only be from Funds and Accounts and shall not be secured by any pledge of Auxiliary Revenues. However, the Paying Agent, before making any such payment to the Board, may, at the expense of the Board, cause to be published once in a newspaper or financial journal of general circulation in the City of New York, New York, and mailed by first-class mail to the relevant Owner's registered addresses, notice that such money remains unclaimed and that, after a specified date which is at least 30 days from the date of such publication and mailing, such money then will be paid to the Board, and such Owners must then as unsecured creditors look only to the Board's revenues listed in Funds and Accounts for payment.

Subject to the foregoing provisions of this Section, each Bond delivered under the Bond Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 3.07. ***Bonds Mutilated, Destroyed, Stolen or Lost.*** In case any Bonds shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Paying Agent may register a replacement Bond of the same maturity and of like tenor and principal amount as that mutilated, lost, stolen or destroyed but bearing a number not contemporaneously outstanding. The face of such replacement Bond shall bear the following additional clause:

> "This Bond is issued to replace a lost, cancelled or destroyed Bond under the authority of R.S. 39:971 through 39:3974."

In the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Paying Agent, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Board and the Paying Agent evidence of such loss, theft or destruction satisfactory to the Board and the Paying Agent, together with an indemnity bond satisfactory to the Board and the Paying Agent. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Paying Agent, in its discretion, may, instead of issuing a new Bond on behalf of the Board, pay such Bond upon delivery to the Board and the Paying Agent of evidence of such loss, theft or destruction satisfactory to the Board and the Paying Agent. The Board and the Paying Agent may charge the Owner of such Bond their reasonable fees and expenses in this connection. The obligation of the Board with regard to any Bond issued pursuant to this Section shall be identical with its obligation upon the Bonds which it replaces, and the rights of the Owner shall be the same as those conferred by the Bonds which it replaces.

Section 3.08. ***Cancellation and Destruction of Bonds.*** All Bonds paid or redeemed either at or before maturity shall be delivered to the Paying Agent when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Board, shall thereupon be promptly cancelled by the Paying Agent. All cancelled Bonds shall be destroyed and an affidavit of destruction shall be furnished to the Board at least annually.

Section 3.09. ***Execution.*** The Bonds shall be executed in the name of and on behalf of the Board by the manual or facsimile signature of the Chairman or the Vice-Chairman of the Board and countersigned or attested by the manual or facsimile signature of the Secretary of the Board, and the corporate seal of the Board (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. If any officer whose manual or facsimile signature appears on any Bond ceases to be such officer before the delivery of such Bonds, such signature nevertheless shall be valid and sufficient for all purposes as if he had remained in office until such delivery except as provided in La. R.S. 39:3972 regarding lost, destroyed and improperly cancelled Bonds. Any Bond of a Series may be signed and sealed on behalf of the Board by such persons as at the actual time of the execution of such Bonds shall be duly authorized or hold the proper office in the Board, although at the date of the Bonds of such Series such person may not have been so authorized to have held such office. Said officers

shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds, and the Board may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bonds, notwithstanding that at the date of such Bonds such person may not have held such office or that at the time when such Bonds shall be delivered such person may have ceased to hold such office.

Section 3.10. *Authentication.* No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under the Bond Resolution unless and until a certificate of authentication on such Bond substantially in the form set forth in Exhibit A hereto or in the applicable Supplemental Resolution shall have been duly executed by the Paying Agent for such Series, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bonds has been executed, registered and delivered under the Bond Resolution.

ARTICLE IV

APPLICATION OF PROCEEDS

Section 4.01. *Application of Bond Proceeds and Accrued Interest.* The proceeds of sale of the Bonds of each Series and the amount, if any, received as accrued interest shall be applied in the manner and for the purposes provided herein and in the Supplemental Resolution for each Series of the Bonds.

ARTICLE V

REDEMPTION OF BONDS

Section 5.01. *Privilege of Redemption and Redemption Price.* Bonds subject to redemption prior to maturity pursuant to a Supplemental Resolution shall be redeemable, upon notice as provided in this Article, at such times, at such Redemption Prices and upon such terms (in addition to and consistent with the terms contained in this Article) as may be specified in a Supplemental Resolution.

Section 5.02. *Notice of Redemption.* Notice of any such redemption shall be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days and not more than 60 days prior to the date fixed for redemption, or such other date as may be specified by Supplemental Resolution, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds. All notices of redemption shall state (i) the redemption date; (ii) the redemption price; (iii) in the case of partial redemption, the respective principal amounts of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable on each such Bonds and interest thereon will cease to accrue thereon from and after said date; (v) the CUSIP numbers; (vi) the place where such Bonds are to be surrendered for payment; and (vii) any other items which may be necessary or desirable to comply with custom. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner of such Bonds receives the notice. In the event coupon bonds are issued under the terms of the Bond Resolution, notice shall be given by the Trustee prior to the redemption date through publication of an appropriate notice one (1) time in the official journal of the State and in a financial newspaper or journal published in New York, New York, sent by registered mail to the Paying Agent of the Series of Bonds being redeemed, and mailed in the manner provided above, to the Owner of any coupon Bond registered as to principal.

On or before any redemption date the Trustee shall segregate and hold in trust adequate funds in the Bond Fund for the payment of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date, and the Trustee shall transfer such funds to the Paying Agent for the Bonds to be redeemed on or before such redemption date. Upon the giving of notice and the deposit of funds with the Trustee for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Paying Agent shall have received the items required by Section 3.07 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Upon surrender of any Bond for redemption in part only, the Paying Agent shall register and deliver to the Owner thereof a new Bond or Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 5.03. ***Payment of Redeemed Bonds.*** Notice having been given in the manner provided in Section 5.02, the bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest to the redemption date, shall be held by the Trustee or the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 5.04. ***Selection of Bonds to be Redeemed.*** The Trustee may select for redemption portions of the principal of Bonds that have denominations larger than $5,000. Bonds and portions of them it selects shall be in amounts of $5,000 or integral multiples of $5,000. Provisions of this General Bond Resolution that apply to Bonds called for redemption also apply to portions of Bonds called for redemption. Upon surrender of a Bond that is redeemed in part, the Board shall execute and the Trustee shall authenticate and deliver to the Owner a new Bond in principal amount equal to the unredeemed portion of the Bond surrendered. In no event shall Bonds be redeemed or cancelled other than in denominations of $5,000 and integral multiples thereof.

ARTICLE VI

PLEDGE OF AUXILIARY REVENUES

Section 6.01. *Pledge and Payments.* (a) All of the Board's right, title and interest to the Auxiliary Revenues are hereby pledged by the Board for the payment of Debt Service Requirements on the Bonds issued hereunder from time to time (except as provided in Sections 7.07, 11.02 and Article XIII). The pledge of Auxiliary Revenues as provided hereby shall be subject and subordinate to the pledge of Auxiliary Revenues securing Prior Lien Obligations.

(b) Details regarding the dates and amounts of payments due by the Board to the Trustee from Auxiliary Revenues and the deposit thereof in the appropriate Fund or Account shall be as set forth in a Supplemental Resolution. Monies in funds or accounts held by the Board which are derived from Auxiliary Revenue shall remain subject to the pledge set forth in Paragraph (a) above. However, such portions of the Auxiliary Revenues in excess of that needed for the payment of Prior Lien Obligations and for transfer to the Bond Fund or Reserve Fund shall be available to the Board to pay Current Expenses, any Subordinated Debt and for any other lawful purpose of the Board, provided that the pledge of Auxiliary Revenues shall be deemed to be a cumulative pledge in the event collections for any six month period are insufficient to make a required deposit.

Section 6.02. *The Pledge Effected by the Resolution.* (a) The Bonds are special and limited obligations of the board payable solely from the Auxiliary Revenues.

The principal, premium, if any, and interest on the Bonds are payable solely from the Auxiliary Revenues and are not general obligations of the University, the LSU System, the Board, the State or any political subdivision thereof and the faith and credit of the State or the Board is not pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

(b) All Auxiliary Revenues shall immediately be subject to this pledge without any physical delivery thereof or further act, and this pledge shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such persons have notice thereof.

(c) Nothing contained in this Section 6.02 shall be construed as limiting any authority elsewhere in the Bond Resolution to issue Subordinated Debt.

Section 6.03. *Credits.* The Board shall receive a credit against its obligation to make the payments required by Section 6.01(b) for (i) any transfer from any Project Fund or Rebate Fund to the Interest Account, Principal Account or Reserve Fund, respectively, and (ii) any payments of such amounts made by the Board from funds other than Auxiliary Revenues.

Section 6.04. ***Absolute Obligation To Pay Bonds From Auxiliary Revenues.*** Notwithstanding anything in this Article VI and subject only to Prior Lien Obligations, the Board agrees unconditionally to pay, when due, but only from Auxiliary Revenues, all payments f principal of and interest on the Bonds and all other amounts payable hereunder, regardless of whether the deposits under this Article VI have provided sufficient moneys, regardless of any dispute with the Trustee, the provider of any credit facility or any Bondholder, regardless of any right of counterclaim or setoff against the Trustee, any Credit Facility provider or any Bondholder and regardless of any other circumstance foreseen or unforeseen.

ARTICLE VII

FUNDS AND ACCOUNTS

Section 7.01. *Creation of Funds and Accounts.* There are hereby created the following special trust funds to be held by the Trustee:

(a) Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds Project Fund (the "Project Fund") into which shall be deposited the proceeds of Series of the Bonds or other funds necessary to pay Project Costs as defined in the respective Supplemental Resolutions;

(b) Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds Bond Fund (the "Bond Fund") and a Principal Account and Interest Account therein;

(c) Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds Reserve Fund (the "Reserve Fund");

(d) Louisiana State University and Agricultural and Mechanical College Auxiliary Revenue Bonds Subordinated Debt Fund (the "Subordinated Debt Fund").

All moneys and investments deposited with the Trustee in the Funds and Accounts shall be held in trust and applied only in accordance with the Bond Resolution and shall be trust funds for the purpose of the Bond Resolution. The Board may, in any Supplemental Resolution, to the extent not inconsistent with the provisions of this General Bond Resolution, create and establish such additional Funds or Accounts or such sub-Funds or sub-Accounts as it shall determine to be necessary or desirable and may, in such Supplemental Resolution, provide for the pledge, assignment or grant (if any) of such Funds and Accounts not inconsistent with the provisions of Article VI hereof.

Section 7.02. ***Project Fund.*** (a) The Trustee shall disburse moneys in the Project Fund to or upon the order of the Board from time to time upon receipt by it of a written Requisition in the form of Exhibit C hereto executed by an Authorized Board Representative in order to pay Project Costs.

Amounts in the Project Fund shall also be used with the consent or at the direction of any Credit Facility to pay principal of and interest on the Bonds to the extent no other moneys are available for such purpose in the Funds and Accounts. Amounts in the Project Fund shall be used to make deposits in the Rebate Fund as provided in the No-Arbitrage Certificate.

(b) Upon completion of a Project funded by a Series of the Bonds, an Authorized Board Representative shall deliver a Completion Certificate in the form of Exhibit B to

the Trustee. Any amounts remaining in the Project Fund following the Trustee's receipt of a Completion Certificate shall be transferred to the Interest Account and used to pay interest on the Bonds. The Trustee shall, however, retain in the Project Fund any amounts certified by an Authorized Board Representative to be necessary for payment of Project Costs not then due and payable. Amounts so retained shall be disbursed as provided in subparagraph (a) above or be transferred to the Interest Account of the Bond Fund upon written notice from an Authorized Board Representative that the specified amounts retained in the Project Fund will not be used to pay costs of the Project.

(c) Interest earnings on amounts in the Project Fund shall be transferred to the Board from time to time at its direction.

Section 7.03. ***Bond Fund.*** (a) *Interest Account.* Amounts shall be deposited in the Interest Account as necessary to pay accrued interest on the closing and delivery of the Bonds as provided in Article IV and Section 6.01(b). The Trustee shall also deposit in the Interest Account amounts from other sources transferred to it by or on behalf of the Board which the Board directs to be deposited in the Interest Account.

(b) *Principal Account.* Amounts shall be deposited in the Principal Account as provided in Article IV and Sections 6.01(b). The Trustee shall also deposit in the Principal Account amounts from other sources transferred to it by or on behalf of the Board which the Board directs to be deposited in the Principal Account.

(c) The Trustee shall pay out of the Bond Fund to the respective Paying Agents (i) from the Interest Account on or before each Interest Payment Date for any of the Bonds, the amount required for the interest payable on such date; (ii) from the Principal Account on or before each Principal Payment Date, the amount required for the principal or sinking fund payment payable on such due date; and (iii) on or before any redemption date for the Bonds, the amount required for the payment of interest on the Bonds then to be redeemed. In the case of Variable Rate Bonds, the Board shall furnish or cause to be furnished the Trustee with a certificate setting forth the amount to be paid on such Bonds on each interest payment date, such certificate shall be furnished on or prior to the Regular Record Date with respect to any Interest Payment Date. Such amounts shall be applied by the Paying Agents on and after the due dates thereof.

(d) The amount, if any, deposited in the Bond Fund from the proceeds of each Series of Bonds shall be set aside in the Interest Account and applied to the payment f interest on the Bonds of such Series (or Refunding Bonds issued to refund such Bonds) as the same become due and payable.

(e) In the event of the refunding of any Bonds, the Trustee shall, if the Board so directs, withdraw from the Bond Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal

or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 13.02. In the event of such refunding, the Board may also direct the Trustee to withdraw from the Bond Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service Requirements on the Bonds being refunded and deposit such amounts in any Fund or Account under the Bond Resolution; provided, however, that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 13.02 and provided, further, that at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Bond Resolution.

(f) Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established with moneys in the Bond Fund, there shall be credited toward each such Sinking Fund Installment thereafter to become due such amounts as may be directed by the Board. The portion of any such Sinking fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(g) *Earnings*. Interest earnings on amounts in the Bond Fund shall be transferred to the Board from time to time at its direction.

Section 7.04. ***Reserve Fund.*** (a) Amounts shall be deposited into the Reserve Fund as provided in Article IV and Section 6.01(b).

(b) Funds on deposit in the Reserve Fund shall be used to make up any deficiencies in the Interest Account and Principal Account (in the order listed) of the Bond Fund. The Trustee shall give immediate telephonic notice, promptly confirmed in writing, to any Credit Facility provider if any such transfer is made. Investments in the Reserve Fund shall be valued as provided in Article IX hereof. If any such valuation reveals that the value of such investments is less than the Reserve Requirement, the Trustee shall immediately notify the Board and any Credit Facility provider of the amount of the deficit.

(c) If an amount is withdrawn from the Reserve Fund in order to make up a deficiency in the Principal Account or Interest Account, the Board will pay amounts to the Trustee from Auxiliary Revenues for deposit to the Reserve Fund which will bring the balance on deposit in the Reserve Fund to no less than the Reserve Requirement no later than the next succeeding January 1 or July 1 as the case may be.

(d) In the event that on any valuation date the amount in the Reserve Fund is less than the Reserve Requirement due to a decline in the market value of the investments in the Reserve Fund, the Board will pay amounts to the Trustee for deposit to the Reserve Fund which will bring the balance on deposit int he Reserve Fund to no less than the Reserve Requirement no later than the next succeeding January 1 or July 1, as the case may be.

(e) Whenever the amount in the Reserve Fund, together with the amount in the Bond Fund is sufficient to pay in full all Outstanding Bonds in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in the Reserve Fund shall be transferred to the Bond Fund and shall be available to pay all Outstanding Bonds. Prior to said transfer, all investments held in the Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or Redemption Price) on the Bonds.

(f) Earnings on amounts in the Reserve Fund and any excess therein shall be transferred from time to time to the Board at its direction, unless there is a deficiency in the Reserve Fund, in which case earnings remain in the Reserve Fund.

Section 7.05. ***Rebate Fund.*** The Board shall establish with the Trustee a Rebate Fund for each Series of Bonds to allow compliance with Section 148 of the Code. The Rebate Funds shall be held for the sole benefit of the United States of America and is not subject to the lien of the Bond Resolution. Deposits shall be made into and withdrawals shall be made from the Rebate Fund as provided in the No-Arbitrage Certificates relative to each Series.

Section 7.06. ***Subordinated Debt Fund.*** (a) The Trustee as directed by the Board shall apply amounts in the Subordinated Debt Fund to the payment of the principal or sinking fund installment of and interest on each issue of Subordinated Debt and reserves thereior, free and clear of the pledge effected by the Bond Resolution, in accordance with the provisions of, and subject to the priorities and limitations and restrictions provided in, the resolution or other debt instrument authorizing each issue of such Subordinated Debt.

(b) Notwithstanding any of the provisions of this Section, if five (5) days prior to any interest payment date with respect to any Series of Bonds the amount on deposit in the Bond Fund shall be less than the amount required to be on deposit in such Fund with respect to such Series and with respect to such interest payment date, upon direction by the Board the Trustee shall forthwith transfer from the Subordinated Debt Fund for deposit in the Bond Fund the amount necessary (or all moneys in said Subordinated Debt Fund if necessary) to make up such deficiency.

(c) If at any time the amount on deposit in the Reserve Fund shall be less than the Reserve Requirement, and the amounts on deposit in the Subordinated Debt Fund are not needed for transfer to the Bond Fund pursuant to subsection (b) above, the Trustee

shall forthwith transfer from the Subordinated Debt Fund for deposit in the Reserve Fund the amount necessary (or all moneys in said Subordinated Debt Fund, if necessary) to make up such deficiency.

Section 7.07. *Disposition of Funds After Payment of Bonds.* After the principal of and interest on all Outstanding Bonds has been paid and all amounts then owing to the Truste and Credit Facility provider have been paid and the final rebate payment to the United States required by the No-Arbitrage Certificates have been made, any amounts remaining in the Funds and Accounts (other than pursuant to Section 11.02 or Article XIII) shall be paid to the Board upon the written request of an Authorized Board Representative.

Section 7.08. *Moneys Held in Trust.* All moneys held by the Trustee pursuant to the Bond Resolution shall be held by the Trustee in trust for the benefit of the Bondholders and subject to the pledge hereof, except that (i) moneys held for the payment of principal or interest on specific Bonds pursuant to Section 3.01 or Article XIII shall be held in trust solely for the benefit of the Owners of such Bonds. (ii) payments under any Credit Facility shall be held as provided in a Supplemental Resolution. and (iii) amounts in the respective Rebate Funds shall be held for the benefit of the United States.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 8.01. *Damage and Destruction; Application of Insurance Proceeds.* All policies evidencing insurance required by Section 10.07 hereof shall provide for payment of the losses to the Board; provided that, proceeds of insurance received and/or the amount of any loss that is self-insured with respect of destruction of or damage to any Auxiliary Facility by fire, earthquake or other casualty or event shall be paid in accordance with Policy and Procedure Memorandum 10 and applied as provided in this Section.

If any Auxiliary Facility is damaged by fire or other casualty to an extent that in the opinion of the Board, there is no resulting material impairment of its ability to meet Debt Service Requirements the Board may elect not to rebuild the particular Auxiliary Facility. If, however, in the opinion of the Board there will result a material impairment of its ability to pay Debt Service Requirements, the Board shall elect to either (i) promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition as existed prior to the event causing such damage or destruction with such changes, alterations and modifications (including the substitution and addition of other property exclusive of land) and as will not impair the operating utility or the revenue producing capability of the particular Auxiliary Facility or the character of the Auxiliary Facility as a public facility, applying for such purpose so much as may be necessary the proceeds of any insurance resulting from claims for such losses; provided the proceeds of any insurance made available to it for such purposes or the requisite additional moneys therefor from other sources are available to the Board; (ii) move the operations of the Auxiliary Enterprize so affected to another Auxiliary Facility or (iii) use its best efforts, to the extent allowed by law and after receiving all necessary approvals, to redeem Bonds prior to maturity.

ARTICLE IX

INVESTMENTS

Section 9.01. *General.* Any moneys held by the Trustee as part of any Fund or Account created by the General Bond Resolution or any Supplemental Resolution shall be invested and reinvested by the Trustee at the telephonic (promptly confirmed in writing) direction of an Authorized Officer of the Board in Permitted Investments. All such Permitted Investments shall mature or be redeemable or be subject to withdrawal or to repurchase by another entity on a date or dates on or prior to the time when the moneys so invested will be required for expenditure. Amounts in the Rebate Fund shall be invested in Permitted Investments with a maturity of no more than 30 days or in an investment agreement approved by the applicable Credit Facility provider, if allowed by law. Investments purchased with funds on deposit in the Reserve Fund shall have an average aggregate weighted term to maturity not greater than five years. The Trustee shall be relieved of all liability with respect to making investments or reinvestments in accordance with any such directions of an Authorized Officer and any investment losses shall be borne by the Fund or Account in which the lost moneys had been deposited. Th Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds or Accounts may be commingled for the purpose of investment or deposit. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amount contemplated to be paid therefrom.

Section 9.02. *Valuation.* In computing the amount in any Fund or Account held under the provisions of the Bond Resolution (except for purposes of complying with the Code), obligations purchased as an investment of moneys therein shall be valued at the cost or market price thereof, whichever is lower, exclusive of accrued interest. Where market prices for obligations held hereunder are not readily available, the market price for such obligations may be determined in such manner as the Trustee deems reasonable. Anything else herein to the contrary notwithstanding, amounts invested under any investment agreement shall be valued at par. Investments (except investment agreements) shall be valued by the Trustee (i) at any time upon written request of any Credit Facility provider and (ii) annually on the last Business Day of each Bond Year. Deficiencies in the amount on deposit in any Fund or Account held under the Bond Resolution, except the Reserve Fund, resulting from a decline in market value shall be restored no later than the succeeding valuation date.

ARTICLE X

GENERAL REPRESENTATIONS AND COVENANTS

Section 10.01. *Authority and Authorization.* The Board makes the following representations to the Trustee and the Owners of Bonds from time to time as the basis for the undertakings on its part herein contained.

(a) The Board is a public constitutional corporation of the State created and existing under the Constitution and laws of the State.

(b) The Board will make a good faith effort to preserve and keep or continue in full force and effect its existence or the existence of any successor as an entity that may issue obligations that are exempt from federal and state income taxation.

(c) The Board is authorized under the Constitution and laws of the State to adopt the Bond Resolution, issue the Bonds, pledge the Auxiliary Revenues, perform the transactions contemplated hereby, and to perform all of its obligations hereunder.

(d) The Board by proper action has duly adopted this General Bond Resolution.

(e) The adoption and delivery of this General Bond Resolution and the consummation of the transactions herein contemplated will not conflict with or constitute a breach of or default under the Board's bylaws or any bond, debenture, note or other evidence of indebtedness, or any contract, agreement or lease to which the Board is a party.

(f) As of the date of adoption of this General Bond Resolution, except as may be set forth in the Official Statement relative to the Series 1994 Bonds, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Board, nor to the best of the knowledge of the Board is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this General Bond Resolution or which, in any way, would adversely affect the validity or enforceability of this General Bond Resolution, or any agreement or instrument to which the Board is a party, used or contemplated for use in the consummation of the transactions contemplated hereby.

Section 10.02. *Bond Resolution to Constitute Contract.* In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, the provisions of the Bond Resolution shall be a part of the contract of the Board with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the Board, the Trustee, and the Owners from time to time of the Bonds, and such provisions are covenants and agreements with such Owners which the Bonds hereby determines to be necessary

and desirable for the security and payment thereof. Except for Subordinated Debt, all of the Bonds issued hereunder shall be equally and ratably secured hereunder without priority by reason of Series, number, date of adoption of the Supplemental Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery or otherwise, and the pledge hereof and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds, each of which shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Bond Resolution.

Section 10.03. *Payment of Bonds.* The Board shall duly and punctually pay or cause to be paid (but solely from the sources herein provided) the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bond Resolution according to the true intent and meaning thereof.

Section 10.04. *Maintenance and Modification of Auxiliary Facilities.* The Board shall maintain or cause to be maintained the Auxiliary Facilities, and will at its own expense keep the Auxiliary Facilities in good repair and in good operating condition and make from time to time all necessary repairs thereto and renewals and replacements thereof. The Board may also, at its own expense, make from time to time any additions, modifications or improvements to the Auxiliary Facilities it may deem desirable for its business purposes that do not materially impair the effective use of the Auxiliary Facilities; provided that all such additions, modifications and improvements shall become a part of the Auxiliary Facilities. The Board shall cause the Auxiliary Facilities at all times to be free from all encumbrances that would materially affect the receipt of the Auxiliary Revenues, provided that the Board may in good faith contest any liens filed or established against the Auxiliary Facilities, and, in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest only if the Board obtains an injunction prohibiting, or otherwise prevents, the enforcement of such liens, assessments or other charges and any appeal therefrom, unless by nonpayment of any such items the Auxiliary Revenues would be materially endangered or the Auxiliary Facilities or any part thereof will be subject to loss or forfeiture to such an extent that Auxiliary Revenues are materially adversely affected, in which event the Board shall promptly pay and cause to be satisfied and discharged all such unpaid items or secure such payment by posting a bond or causing a bond to be posted, in form unsatisfactory to the Trustee, with the Trustee.

Section 10.05. *Removal or Closure of Auxiliary Facilities.* The Board shall not be under any obligation to renew, repair or replace any item of inadequate, obsolete, worn out, unsuitable, undesirable, unprofitable or unnecessary equipment or other property not required for the sound operation and maintenance of the physical condition of the Auxiliary Facilities. In any instance where the Board, in its sound discretion, determines that any items of Auxiliary Facilities have become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Board may remove such items of Auxiliary Facilities and sell, trade in, exchange, donate, throw away or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Trustee or Bondholders or Credit Facility providers and may close such

Auxiliary Facilities as it deems necessary, provided that the collection of Auxiliary Revenues does not fall below the level required to be maintained pursuant to the provisions of Section 10.17.

Section 10.06. *Taxes and Other Governmental Charges and Utility Charges.* (a) The Board shall pay, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Auxiliary Facilities or the Auxiliary Revenues, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Auxiliary Facilities and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Auxiliary Facilities; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Board shall be obligated to pay only such installments as are required to be paid during the term of this General Bond Resolution.

(b) The Board may in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest unless by nonpayment of any such items the Auxiliary Revenues will be materially endangered or the Auxiliary Facilities or any material part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Trustee, with the Trustee. In the event that the Board shall fail to pay any of the foregoing items required by this Section to be paid by the Board or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Trustee shall become an obligation of the Board to the one making the advancement, which amounts, from the date thereof, together (to the extent permitted by law) with interest thereon until paid at a rate of 12% per annum.

Section 10.07. *Insurance Required.* (a) the Board shall secure and maintain or cause to be secured and maintained at its sole cost and expense:

(i) A policy or policies of insurance covering the Auxiliary Facilities against loss or damage by fire, lightening, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than one hundred percent (100%) of the full replacement cost of the Auxiliary Facilities, without deduction for depreciation, but in no event shall the amount of the insurance be at any time less than the full replacement cost of the Auxiliary Facilities, adjusted to comply with any applicable co-insurance provisions of any such insurance policy. If certain Auxiliary Facilities are damaged and the Board

elects not to rebuild or replace. property coverage shall revert to actual cash value of the particular Auxiliary Facility.

(ii) A policy of comprehensive public liability insurance with respect to the Auxiliary Facilities and the operations related thereto, whether conducted on or off the Auxiliary Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than $5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage and water damage legal liability each with respect to property of third parties.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed on the Auxiliary Facilities, in an amount not less than $15,000,000 with deductible provisions not exceeding $100,000 per accident. Such boiler and machinery insurance shall specifically include, but shall not b limited to, business interruption insurance.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such workers' compensation insurance to cover all persons employed by the State or any agency thereof in connection with the particular Auxiliary Facility and to cover full liability for compensation under any such act aforesaid, in an amount not less than $500,000.

(b) Participation by the Board in the State's Office of Risk Management plan for self insurance shall be deemed to be compliance with the requirements of Section 10.07. Except in the case of self-insurance, all insurance required in this Section and all renewals of such insurance shall be issued by companies authorized to transact business in the State, and rated at least A- Class VIII by Best's Insurance Reports (property liability). All insurance policies provided by the Board shall expressly provide that the policies shall not be canceled or altered without 30 days' prior written notice to the board Insurer; and shall, to the extent obtainable, provide that no act or omission of the Board which would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained. The Board may satisfy its obligation under this Section by appropriate endorsements of its blanket or excess insurance policies.

If the Board has made a good faith effort to obtain the above required coverages for the specified limits but is unable to secure such coverage levels because of unfavorable insurance market conditions, lower limits may be substituted with the approval of any Credit Facility provider.

(c) The provisions of this Section as to insurance required to be procured and maintained shall not limit or prohibit, or be construed as limiting or prohibiting, the Board from obtaining any other insurance with the permission of the State's Office of Risk Management or as otherwise required by law with respect to the Auxiliary Facilities or the use and occupancy thereof that it may wish to carry, but in the event the Board shall procure or maintain any such insurance not required by this Section, the cost thereof shall be at the expense of the Board.

Section 10.08. *Application of Net Proceeds of Insurance.* The Net Proceeds of any insurance carried pursuant to the provisions of Section 10.07 hereof shall be applied as follows to the extent such application is not inconsistent with PPM-10: (i) the Net Proceeds of insurance, other than liability or workers' compensation insurance, shall be applied as provided in Article VIII hereof and (ii) the Net Proceeds of the liability or worker's compensation insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 10.09. *Additional Provisions Respecting Insurance.* (a) All Net Proceeds of insurance policies evidencing any insurance carried pursuant to the provisions of Section 10.07 hereof (other than liability insurance or workers' compensation insurance) resulting from any claim for loss or damage to the Auxiliary Facilities shall be paid to the Board as required by Article VIII.

(b) All such policies, or a certificate or certificates of the insurers that such insurance is in force and effect, shall be deposited with the Trustee; and prior to expiration of any such policy, the Board shall furnish the Trustee with evidence satisfactory to the latter that the policy has been renewed or replaced or is no longer required by the Bond Resolution.

(c) In lieu of separate policies, the Board may maintain blanket policies having the same coverage required herein in which event it shall deposit with the Trustee a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Auxiliary Facilities.

Section 10.10. *Inspection of the Auxiliary Facilities.* The Board agrees that any Credit Facility provider and the Trustee, or any of their duly authorized agents, shall have the right at all reasonable times to examine and inspect the Auxiliary Facilities. The Board further agrees that any Credit Facility provider and the Trustee, and their duly authorized agents, shall have reasonable rights of access to the Auxiliary Facilities.

Section 10.11. *Board To Maintain its Existence; Conditions Under Which Exceptions Permitted.* The Board agrees that it will make a good faith effort to maintain its existence or the existence of any successor as an entity that may issue obligations that are exempt from federal and state income taxation, will not dissolve or otherwise dispose of all or substantially all of its assets and unless required by law will not consolidate with or merge into another entity,

provided that the Board may, without violating the agreement contained in this Section, consolidate with or merge into another, or permit the consolidation or merger into another, or permit the consolidation or merger into it, or sell or otherwise transfer to another all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee entity, as the case may be, (i) is an agency, board, department, instrumentality or political subdivision of the State and (ii) irrevocably and unconditionally assumes by means of an instrument in writing or by operation of law all of the obligations of the Board herein.

Section 10.12. *No Superior Pledge.* Except for existing Prior Lien Obligations, the Board shall grant no security interest or lien of any type in the Auxiliary Revenues which is superior to the security interest created by Section 6.01(a) and shall issue no debt or obligation which is to be paid from Auxiliary Revenues prior to payment of principal of and interest on the Bonds and the other payments required hereunder. Except as provided in Section 10.13 hereof, the Board shall grant no security interest or lien or encumbrance of any type on the Auxiliary Revenues which is on a parity with the pledge made by Section 6.01(a).

Section 10.13. *Additional Bonds.* The Board shall issue no bonds, notes or other obligations secured by Auxiliary Revenues except as Subordinated Debt pursuant to Section 2.04 hereof or as Additional Bonds pursuant to this Section. The Board may issue Additional Bonds secured by Auxiliary Revenues which shall be on a parity with the Bonds only as and to the extent authorized and described in a Supplemental Resolution provided that, at the time of issuance thereof, no Event of Default or event which with notice or lapse of time, or both, would constitute an Event of Default shall have occurred and be continuing, unless such event will be cured upon issuance of such Bonds 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 Bonds.

(a) Additional Bonds may be issued without the need for prior approval of Bondholders or any Credit Facility provider provided that the Debt Service Coverage Ratio for each of the last two completed Fiscal Years for which the financial statements of the Board have been reported upon by an Accountant, taking into account all Prior Lien Obligations, the Series 1994 Bonds, other Bonds previously issued and the Additional Bonds then proposed to be issued, is not less than 1.75 and an Authorized Board Representative's certificate so certifying and setting forth in sufficient detail the computation thereof is filed with the Trustee and any Credit Facility provider along with the financial statements and report of Accountants thereon if they are not already on file with the Trustee and the Credit Facility providers.

(b) Should the Debt Service Coverage Ratio be less than that required by paragraph (a) above, and Additional Bonds are proposed to be issued to fund improvements, renovations or new construction, such Additional Bonds may be issued if (i) a Projection demonstrates compliance with the Debt Service Coverage Ratio required by paragraph (a) upon completion of the improvements, renovations or new

construction and (ii) the Board shall have received the prior written approval of all Credit Facility providers. Such Projection shall be filed with any Credit Facility provider and the Trustee by an Authorized Board Representative.

(c) Refunding Bonds may be issued.

(d) Subordinated Debt secured by Auxiliary Revenues may be issued as provided in Section 2.04.

Section 10.14. *Keeping of Books; Audit.* The Board shall keep proper books of record and account, in which full and correct entries shall be made of all of its financial transactions, assets and operations in accordance with generally accepted accounting principles consistently applied.

The Board shall deliver to any Credit Facility provider as soon as available after the end of each fiscal year a statement of its financial position as of the end of such fiscal year and the related statements of revenues and expenses, fund balances and changes in fund balances for such fiscal year, and the figures for the previous fiscal year, all prepared in accordance with generally accepted accounting principles and reported on by the Legislative Auditor of the State of Louisiana whose report shall state that such financial statements present fairly the Board's financial position as of the end of such fiscal year and the results of operations and changes in financial position for such fiscal year or shall have such qualifications, exceptions or comments regarding matters not material to the security for the Bonds. Simultaneously with the delivery of each set of financial statements referred to in the preceding paragraph, it shall deliver to any Credit Facility provider a certificate of an Authorized Board Representative stating whether there exists on the date of such certificate any Event of Default or event which, with notice or lapse of time or both, would constitute an Event of Default and, if any Event of Default or such event then exists, setting forth the details thereof and the action that the Board is taking or proposes to take with respect thereto.

Section 10.15. *Disposition of Auxiliary Facilities.* So long as any Bonds are outstanding and unpaid or any other amount is owing under the Bond Resolution, the Board will not dispose of any of the Auxiliary Facilities, but will continue to own and operate such facilities and continue to charge such rates, rentals and charges for the use and enjoyment of the same as will provide funds sufficient to pay and discharge the Bonds and the interest thereon as they respectively mature and to pay all other amounts required to be paid hereunder. However, notwithstanding the above, if the Debt Service Coverage Ratio is no less than 1.75 for each of the last two completed Fiscal Years for which the financial statements of the Board have been reported upon by an Accountant, the Board may transfer or dispose of property which is part of an Auxiliary Facility:

(a) as permitted in Section 10.05;

(b) in the ordinary course of business;

(c) if such property is repiaced promptly by other property of comparable utility;

(d) to any Person in connection with an operating lease of property to such Person, provided such lease revenues received by the board shall be deemed to b Auxiliary Revenues;

(e) to any Person if the transfer is pledged on a parity basis as security for Outstanding Bonds and the Additional Bonds issued under Section 10.13;

(f) to any Person if the transfer relates solely to non-revenue-producing assets, or assets for which the costs of operation and maintenance exceed the revenues produced, as certified in an Authorized Board Representative's certificate delivered to the Trustee and any Credit Facility provider at the time of such disposition, and such transfer constitutes a sale or exchange of such assets in an arm's-length transaction; or

(g) to any Person if there shall be filed with the Trustee and any Credit Facility provider an Authorized Board Representative's certificate, accompanied by and based upon financial statements for the most recent Fiscal Year for which such statements were reported on by an Accountant, demonstrating that the Debt Service Coverage Ratio for such period would not have been reduced, or would not have been reduced below 1.75, if the amount of the proposed transfer was effected as of the beginning of such period.

Section 10.16. *No Competing Facilities.* After the issuance of the first series of the Bonds, the Board shall not acquire or construct any revenue-producing facilities of the type operated by the Auxiliary Enterprises unless such facilities are acquired or constructed by the Auxiliary Enterprises or are otherwise by a supplemental resolution made to be Auxiliary Facilities.

Section 10.17. *Rate Maintenance Covenant: Rules and Adequacy of Charges for Use of the Auxiliary Facilities.* The Board covenants that it will establish and maintain, so long as any of the Bonds remain Outstanding, 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 equal no less than the amount required for payment of the Debt Service Requirements on the Bonds Outstanding, debt service on Prior Lien Obligations, Current Expenses of the Auxiliary Facilities, the Reserve Requirement on the Bonds and to make all other payments and charges as are required under the Bond Resolution.

Section 10.18. *Delivery of Information.* So long as any of the Bonds are Outstanding, the Board will prepare annual statements or audits of collections and disbursements in sufficient detail to show compliance with the requirements hereof, and will deliver a copy of such statements or audits promptly after completion to: (a) any Credit Facility provider; (b) any Owner upon written request with the Board to receive an annual statement; and (c) Moody's if

the bonds are then rated by Moody's, and Standard & Poor's if the Bonds are then rated by Standard & Poor's.

Section 10.19. *Tax Matters.* The Board covenants and agrees that, to the extent permitted by the laws of the State, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Board further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken or permit at any time or times any of the proceeds of the Bonds or any other funds of the Board to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Certificates to be "private activity bonds".

An Authorized Board Representative is hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section, including No-Arbitrage certificates for each Series of Bonds.

ARTICLE XI

FIDUCIARIES

Section 11.01. *Appointment of Trustee; Paying Agent.* (a) The Board hereby appoints Hancock Bank of Louisiana, Baton Rouge, Louisiana as Trustee under the Bond Resolution. The Trustee shall signify its acceptance of such position by a written acceptance delivered to the Board on or prior to the date of issuance of the Series 1994 Bonds. By such acceptance the Trustee will accept the trusts imposed upon it by this General Bond Resolution and any Supplemental Resolution and agree to perform said trusts, but only upon and subject to the following express terms and conditions:

(i) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Bond Resolution. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by the Bond Resolution, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs, subject, however, to the express provisions of the Bond Resolution.

(ii) The Trustee may perform any of its duties hereunder by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed. The Trustee may act upon the opinion or advice of any attorneys approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(iii) The Trustee shall not be responsible for any recital herein except as the same may relate to itself or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for the validity of the Bond Resolution or any amendments hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(iv) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered under the Bond Resolution. The Trustee may become the owner of the Bonds secured hereby with the same rights which it would have if not the Trustee.

(v) Unless an officer of the corporate trust department of the Trustee shall have actual knowledge thereof, the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Board to cause to be made any of the payments of principal of or interest on the Bonds or to make any other payment to the Trustee required hereunder unless the Trustee shall be specifically notified in writing of such default by the Board or any Credit Facility provider or a court of law or any Owner of Bonds. All notices or other instruments required by the Bond Resolution to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(vi) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable request of the Board. Any action taken by the Trustee pursuant to the Bond Resolution on the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(vii) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled in good faith to rely upon a certificate signed by an Authorized Board Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has knowledge or is deemed to have notice pursuant to Section 11.01(a)(v) shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Board Representative or the Secretary of the Board to the effect that a resolution in the form therein set forth has been adopted by the Board as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(viii) The permissive right of the Trustee to do things enumerated in the Bond Resolution shall not be construed as a duty and it shall not be answerable for other than its negligence or willful default.

(ix) At any and all reasonable times, the Trustee or any Credit Facility provider and the duly authorized agents, attorneys, experts, engineers, accountants and representatives of the Trustee or any Credit Facility provider

shall have the right to inspect any and all of the books, papers and records of the Board relating to the Auxiliary Revenues and the Bonds. The Board and any Credit Facility provider and the duly authorized agents, attorneys, experts, engineers, accountants and representatives of either of them shall have the right to inspect all of the books, papers and records of the Trustee pertaining to the Bonds and the Bond Resolution and to take such memoranda from and in regard thereto as may be desired.

(x) The Trustee shall not be required to give any bond or surety in respect of the Bond Resolution.

(xi) Notwithstanding anything elsewhere in the Bond Resolution contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of the Bond Resolution, to require any showings, certificates, opinions, appraisals or other information, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purposes of establishing the right of the Board to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(xii) Before taking the action referred to in Sections 14.01 or 14.06 hereof, the Trustee may require that it be furnished with (i) an indemnity bond or other commitment reasonably satisfactory to the Trustee to pay or indemnify it for, and/or cash in the Trustee's reasonable judgment sufficient to pay, all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default by reason of any action so taken or (ii) such other reasonable protection as may be satisfactory to the Trustee.

(xiii) All moneys received by the Trustee shall be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(b) The Board shall appoint a Paying Agent for each Series of the Bonds pursuant to the Supplemental Resolution authorizing each Series. The Paying Agent for any Series may be the Trustee. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Resolution by executing and delivering to the Board a written acceptance thereof. Provisions regarding the duties and responsibilities of the Paying Agent shall be set forth in the respective Supplemental Resolution.

(c) The Chairman or Vide Chairman and the Secretary of the Board are hereby empowered to execute on behalf of the Board appropriate contracts with the Trustee and the Paying Agents as may be appointed from time to time by the Board.

Section 11.02. *Fees, Charges and Expenses of Trustee.* The Trustee shall be entitled to payment and reimbursement from the Board from the Auxiliary Revenues for reasonable fees for its services rendered hereunder and all advances, fees of attorneys and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon an Event of Default, but only upon an Event of Default and notwithstanding anything to the contrary in the Bond Resolution, the Trustee shall be paid prior to payment on account of principal of or interest on any Bond upon the Auxiliary Revenues for the foregoing fees, charges and expenses incurred or reasonably expected to be incurred by it, provided that the Trustee shall have no right to any proceeds of any Credit Facility, which proceeds shall be used only to make payments owed by any Credit Facility provider in respect of defaulted principal of and interest on the Bonds.

Section 11.03. *Notice to Bondholders if Default Occurs.* If the Trustee has knowledge of an Event of Default, or is deemed to have notice of an Event of Default pursuant to Section 11.01(a)(v), then the Trustee shall promptly give written notice thereof by first-class mail to the Owners of all Bonds then Outstanding. Similar notice shall be given of the curing or waiver of any Event of Default.

Section 11.04. *Intervention by Trustee.* In any judicial proceeding to which the Board is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by any Credit Facility provider or the Owners of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 11.05. *Successor Trustee.* Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall automatically be and become successor trustee hereunder and vested with all of the title to the Auxiliary Revenues and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.06. *Resignation by Trustee.* The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving 30 days' written notice by registered or certified mail to the Board and any Credit Facility provider and the Owner of each Bond, and such resignation shall take effect upon the appointment of a successor Trustee pursuant to Section 11.08 and the acceptance of such appointment by such successor.

Section 11.07. *Removal of Trustee.* The Trustee may be removed at any time by the Board or by the Owners of a majority in aggregate principal amount of the Outstanding Bonds with the consent of the Board by delivery of an instrument or concurrent instruments in writing delivered to the Trustee.

Section 11.08. *Appointment of Successor Trustee; Temporary Trustee.* (a) In case th Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Board shall promptly appoint a successor, by an instrument or concurrent instruments in writing signed by an Authorized Representative of the Board or by their attorneys in fact, duly authorized.

(b) Notice of the appointment of a successor Trustee shall be given by the predecessor Trustee in the same manner as provided by Section 11.06 hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section 11.08 shall be a trust company or bank in good standing duly authorized to exercise trust powers, be subject to examination by a federal or state authority, have a reported capital and surplus of not less than $50,000,000 and have a corporate trust office in the State, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(c) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Owners of at least 10% of the Bond Obligation may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 11.09. *Concerning Any Successor Trustee.* Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Board an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Board, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, moneys, documents and other property held by it as Trustee hereunder to its successor hereunder.

Section 11.10. *Paying Agent Protection.* The paying agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 9.01 hereof with respect to the Trustee insofar as such provisions may be applicable, and shall likewise be liable for any negligent or willful acts.

ARTICLE XII

AMENDMENTS AND SUPPLEMENTS

Section 12.01. *Supplemental Resolutions Issuing a Series of the Bonds.* A Supplemental Resolution or Resolutions may be adopted for the purpose of issuing the Series 1994 Bonds or any other Series of Bonds, specifying the matters set forth in Section 2.03 hereof, without the consent of the Owners of any Outstanding Bonds or any Credit Facility provider assuming compliance with the terms of Section 10.13(a) hereof. A certified copy of each such Supplemental Resolution must be filed with the Trustee. Prior to adoption of any Supplemental Resolution for the purpose of issuing Bonds hereunder, there shall be filed with the Trustee an Opinion of Counsel to the effect that (i) the Board has the right and power to adopt the Supplemental Resolution, and the Supplemental Resolution has been duly and lawfully adopted by the Board, is in full force and effect and is valid and binding upon the Board in accordance with its terms, and no other authorization for the Supplemental Resolution is required; (ii) the Bond Resolution creates the valid pledge which it purports to create of the Auxiliary Revenues with respect to the security for the Bonds of such Series; and (iii) the Bonds of such Series will be valid and binding obligations of the Board as provided in the Bond Resolution and entitled to the benefits of the Bond Resolution as amended to the date of such Opinion of Counsel, and the Bonds of such Series will have been duly and validly authorized and issued in accordance with the law and in accordance with the Bond Resolution; provided, that such Opinion of Counsel may take exceptions, including but not limited to seizure of State property, restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity relating to the enforcement of creditors' rights generally or contractual obligations and judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America.

Section 12.02. *Amendments Without Consent of Owners.* For any one or more of the following purposes and at any time from time to time, a Supplemental Resolution may be adopted amending the Bond Resolution other than as described in Section 12.01 hereof without the consent of any of the Owners, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer, together with the legal opinion required by Section 12.01, shall be fully effective in accordance with its terms;

(a) to provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution on the registration and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) to add to the covenants and agreements of the Board in the Bond Resolution other covenants and agreements to be observed by the Board which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(c) to add to the limitations and restrictions in the Bond Resolution other limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(d) to surrender any right, power or privilege reserved to or conferred upon the Board by the terms of the Bond Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Board contained in the Bond Resolution;

(e) to determine matters and things relating to the issuance of a Series of Bonds other than those matters referred to in Section 12.01 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(f) to confirm, as further assurance, any pledge under, and the subjection to any pledge created or to be created by, the Bond Resolution, of the Auxiliary Revenues or of any other moneys and funds pledged hereunder;

(g) to otherwise modify any of the provisions of the Bond Resolution in any respect whatever, provided that (i) such modification shall be effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange thereof or in place thereof;

(h) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Bond Resolution; provided that the written consent of the Trustee shall be required before any amendment is made pursuant to this subparagraph;

(i) to insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable; provided that the written consent of the Trustee shall be required before any amendment is made pursuant to this subparagraph;

(j) to effect any changes necessary to enable the Board to obtain or maintain a rating for any Series of Bonds by Moody's Investors Service, Inc. or Standard & Poor's Ratings Group, a division of McGraw Hill, so long as the changes effected thereby shall not adversely affect the rights of any of the Owners or the provider of any Credit Facility;

(k) so long as no Bonds are Outstanding, to modify, amend or supplement the Bond Resolution in any respect;

(l) to modify the definition of Auxiliary Revenues, provided no such modification shall result in a material adverse change in collections thereof; or

(m) to make any other change which, in the opinion of the Trustee, is not prejudicial to the interests of any Owner.

Section 12.03. *Amendments with Consent of Owners.* Any modification or amendment of the Bond Resolution or of the rights and obligations of the Board and of the Owners of the Bonds hereunder, other than as described in Sections 12.01 and 12.02 hereof, requires the consent of the Owners of at least a majority of the Bond Obligation. Such amendments shall be made by a Supplemental Resolution with the written consent (i) of the Owners of a majority of the Bond Obligation at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of a majority of the aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given: except that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bond Obligation under this Section. No such modification or amendment shall permit a change in the terms of redemption (including mandatory redemption) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption dates or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of each such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, without the consent of the Owners of all of the Bonds then Outstanding. For the purposes of this Section, a Series shall be deemed to be affected by a modifications or amendment of the Bond Resolution if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing provisions Bonds of any particular series or maturity would be affected by a modification or amendment of the Bond Resolution, and any such determination shall be binding and conclusive on the Board and all Owners. The Trustee may receive an Opinion of Counsel as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Bond Resolution, and the legal opinion described in Section 12.01.

Section 12.04. *Exclusion of Bonds.* Bonds owned or held by or for the account of the Board shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in the Bond Resolution, and the Board shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in the Bond Resolution. The Board shall furnish the Trustee a certificate of an Authorized Officer of the Board, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 12.05. *Notation on Bonds.* Bonds registered and delivered after the effective date of any action taken as provided in this Article XII may, and if the Trustee so determines

shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Bonds so modified as in the opinion of the trustee and the Board to conform to such action shall be prepared and delivered, and upon demand of the Owner, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

Section 12.06. *Opinion Required.* Each Supplemental Resolution adopted pursuant to Section 12.01 or 12.02 shall be filed with the Trustee, together with an Opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Bond Resolution, is authorized or permitted by the Bond Resolution, is valid and binding upon the Board and is enforceable in accordance with its terms, subject to certain exceptions, including but not limited to, seizure of State property, applicable bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws, judicial decisions and principles of equity relating to the enforcement of creditors' rights generally or contractual obligations, judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America.

Section 12.07. *Notice of Amendment.* Promptly following the adoption by the Board pursuant to Section 12.01 or 12.02 of a resolution amending the Bond Resolution, the Board shall prepare and deliver to the Trustee, and the Trustee shall then mail to each Bondholder, a notice to the Bondholders describing such resolution and stating that upon request the Trustee will mail a copy of such resolution to any Bondholder or person which represents that it is a beneficial owner of Bonds. The Trustee shall also file a copy of such notice and the resolution with the Municipal Securities Information Library ("MSIL") operated by the Municipal Securities Rulemaking Board, if the MSIL will accept them.

ARTICLE XIII

DISCHARGE OF RESOLUTION

Section 13.01. *General.* If the Board shall pay or cause to be paid, other than by any Credit Facility, to the Owner of any Bond secured hereby, the principal of and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in the amount of the minimum authorized denomination or any integral multiple thereof, such Bond or portion thereof shall cease to be entitled to any pledge, benefit or security under the Bond Resolution, except as provided in Section 3.06 and as provided in the following paragraph. If the Board shall pay or cause to be paid (other than by any Credit Facility) to the Owners of all the Bonds secured hereby the principal of and interest due and payable, and thereafter to become due and payable thereon, and shall pay or cause to be paid (other than by any Credit Facility) all other sums payable hereunder by the Board, then, and in that case, the right, title and interest of the Trustee herein shall thereupon cease, terminate and become void, except as provided in Section 3.06 and this Article. In such event, the Trustee shall assign, transfer and turn over to the Board all property held by the Trustee hereunder (except as provided in Section 3.06 and the following paragraph), provided that all payments required by any No-Arbitrage Certificate have been made.

Notwithstanding the release and discharge of the pledge of the Bond Resolution as provided above or that any Bond is deemed paid pursuant to the following paragraph, those provisions of the Bond Resolution relating to the maturity of the Bonds, interest payments and dates thereof, redemption, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, arbitrage rebate, drawing upon any Credit Facility and the rights and duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee, any Credit Facility provider and the Bondholders until such time as the Owners of all Bonds have been paid in full.

Section 13.02. *Bonds Deemed Paid.* Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of the Bond Resolution when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein), either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for by irrevocably depositing with the Trustee or an escrow agent in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation, reimbursements and expenses of the Trustee and any paying agent, registrar, authenticating agent, co-registrar or transfer agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or

entitled to the benefits of the Bond Resolution, except for the purposes of any such payment from such moneys and Government Obligations and except as provided in the preceding paragraph.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid (1) until the Board shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Bond Resolution);

(ii) to call for redemption pursuant to the Bond Resolution any Bonds to be redeemed prior to maturity pursuant to clause (i) of this paragraph; and

(iii) if all the Bonds are not to be redeemed within 30 days, to mail as soon as practicable, in the manner prescribed by Article V hereof, a notice to the Owners of such Bonds that the deposit required by (a)(ii) above has been made with the Trustee or an escrow agent and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of or redemption price, if applicable, on said Bonds as specified in clause (i) of this paragraph (and, if any optional call provisions relating to such Bonds would permit their call prior to the date stated in clause (i), the notice shall describe such provisions or, if the Board has waived its right to exercise them, shall so state);

and (2) if any Bonds are to be redeemed within the next 30 days, until proper notice f redemption of those Bonds has been given pursuant to Article V hereof.

Any moneys so deposited with the Trustee as provided in the two foregoing paragraphs may at the direction of the Board also be invested and reinvested by the Trustee in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Government Obligations in the hands of the Trustee which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be paid to the Board as and when realized if not needed to pay any fees or expenses provided for hereunder.

No deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an Opinion of Bond Counsel to the effect that such deposit and use would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Notwithstanding any provision of any other Article of the Bond Resolution which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used soleiy for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and interest thereon when due and such Bonds and interest shall not have in fact been actually paid in full when due, no amendment to the provisions of this Article shall b made without the consent of the Owner of each Bond affected thereby.

Notwithstanding any other provision of the Bond Resolution, in the event that the principal, redemption price, if applicable, or interest due on any Bond shall be paid by any Credit Facility provider the pledge of the Auxiliary Revenues, and all covenants, agreements and other obligations of the Board to the Bondholders, shall continue to exist, and the Credit Facility provider, shall be subrogated to the rights of such Bondholders.

Bonds may not be defeased pursuant to La.R.S. 39:1441, *et seq.* unless the Board complies with this Article XIII.

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.01. *Events of Default.* If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) default in the due and punctual payment of any interest on any Bond;

(b) default in the due and punctual payment of the principal of any Bond, whether at maturity or upon call for redemption;

(c) default in the performance or observance of any covenant, agreement or condition on the part of the Board contained in this Resolution, any Supplemental Resolution or in the Bonds (other than those set forth in (a) and (b) above or (f), (h), (j), (k) or (l) below) and failure to remedy the same within 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Board by any Credit Facility provider or the Trustee, unless any Credit Facility provider and Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Bondholders, any Credit Facility provider and Trustee, but cannot be cured within the applicable 30-day period, any Credit Facility provider and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Board within the applicable period and diligently pursued until the failure is corrected; and provided further that if by reason of Force Majeure the Board is unable in whole or in part to carry out the agreements on its part herein contained, the Board shall not be deemed in default under this Section 14.01(c) during the continuance of such inability (but Force Majeure shall not excuse any other Event of Default). The term "Force Majeure," as used herein, shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority (other than the Board); insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the Board;

(d) any warranty, representation or other statement by or on behalf of the Board contained in the Bond Resolution or in any instrument furnished in compliance with or in reference to the Bond Resolution is false or misleading in any material respect;

(e) a petition is filed against the Board under any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within

60 days after such filing, but any Credit Facility provider and the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 60 days to protect their interests and the interests of the Owners of the Bonds;

(f) the Board files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, moratorium, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law;

(g) the Board admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including, without limitation, a receiver, liquidator or trustee) of the Board for any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but th Credit Facility providers and the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect their interests and the interests of the Owners of the Bonds;

(h) the Board shall fail to observe and perform any of the covenants referred to in Sections 6.01, 10.11, 10.12 and 10.13;

(i) default under any agreement to which the Board is a party evidencing, securing or otherwise respecting any debt payable out of any of the Auxiliary Revenues;

(j) any material provision of the Resolution shall at any time for any reason cease to be valid and binding on the Board, or shall be declared to be null and void, or the validity or enforceability of any thereof shall be contested by the Board or any governmental agency or authority (other than the Board), or the Board shall deny any further liability or obligation under the Resolution;

(k) if, while any Bonds are Outstanding, the State has altered the rights and duties of the Board or its successor under the constitution and laws of the State, as in force on the date of the Resolution, so as to materially impair the ability of the Board or its successor to fulfill the terms of any agreements made with Owners of the Bonds, or taken any other legislative or executive action, so as to materially impair the rights and remedies of the Bondholders; or

(l) the findings or covenants in any No-Arbitrage Certificate are false or not adhered to and such causes interest on the Bonds to become taxable.

For purposes of a determination as to whether a default has occurred under (a) or (b) above, no effect shall be given to payments made by any Credit Facility provider.

Section 14.02. *Remedies; Rights of Bondholders.* Upon the occurrence of an Event of Default:

(a) the Trustee shall, only with the written consent or at the direction of all Credit Facility providers, by notice in writing given to the Board, declare the principal amount of all Bonds then outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. In the event the maturity of the Bonds is accelerated, any Credit Facility provider may elect in its sole discretion to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent such principal and interest has not been paid by the Board) and the Trustee shall be required to accept such amounts. Upon the payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Credit Facility provider's obligations under the Credit Facility shall be fully discharged. If the Credit Facility provider is in payment default under the Credit Facility, the owners of not less than fifty percent (50%) of the Bond Obligations may direct such acceleration.

(b) with the consent or at the direction of the Credit Facility provider, the Trustee, to the extent allowed by law, shall be entitled by mandamus or other suit, action or proceeding in any court of competent jurisdiction to require the Board and its officers, agents and employees to do all things necessary to carry out the requirements and provisions of the Bond Resolution and to perform their duties and obligations hereunder. Any such suit, action or proceeding may also request the enjoining of any acts or things which would constitute a violation of the terms of the Bond Resolution, and may request an order requiring the Board to act as though it were the trustee of an express trust.

The Trustee may also pursue any other available remedy at law or in equity or by statute or enforce the payment of the principal of and interest on the Bonds then Outstanding or to enforce any other provision of the Bond Resolution or the Bonds.

(c) If requested so to do by the Credit Facility provider or, with the Credit Facility provider's consent, the Owners of twenty-five percent (25%) or more of the Bond Obligation and indemnified as provided in Section 11.01(xii) hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 11.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders and the Credit Facility provider.

No right or remedy by the terms of the Bond Resolution conferred upon or reserved to the Trustee (or to the Bondholders or Credit Facility provider) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders or Credit Facility provider hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission in exercising any right or remedy accruing upon any default or Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders or Credit Facility provider, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 14.03. ***Right of Bondholders To Direct Proceedings.*** Anything in the Bond Resolution to the contrary notwithstanding, the Credit Facility provider or, with the consent of the Credit Facility provider, the Owners of a majority of the Bond Obligation shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place and all other aspects of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Resolution, or for any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Resolution.

Section 14.04. ***Application of Moneys.*** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIV shall, after payment of the costs and expenses of the proceedings, including attorneys' fees received in connection therewith, resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any other fees or expenses owed to the Trustee hereunder, be applied as follows:

FIRST—To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds (including interest on past due principal and interest), in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege;

SECOND—To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at stated maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which moneys are held pursuant to the other provisions of the Bond Resolution), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD—To be held for the payment to the Persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which thereafter become due and to make any other use of such moneys required by Article VII and, if the

amount available shall not be sufficient to pay in full principal and interest due on any particular date, payment shall be made according to subparagraphs FIRST and SECOND, provided that unless all Events of Default have been cured or waived, no funds shall be paid to the Board pursuant to Section 7.07 without the Credit Facility provider's consent.

Whenever moneys are to be applied pursuant to the provisions of this Section 14.04, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood f additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts to be paid on such date shall cease to accrue. The Trustee shall give such notice (subject to the following two sentences) as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment (except payments of interest to any Credit Facility provider) to the Owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid. The Trustee shall pay the defaulted interest, plus any interest payable on the defaulted interest, to the persons who are the Owners of Bonds at the close of its business on a special record date. The Trustee shall fix the special record date and at least 15 days before the special record date shall mail to the Owners of Bonds a notice that states the special record date, payment date and amount of interest to be paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section 14.04 and all expenses and charges of the Trustee, including attorneys' fees, have been paid and any amounts owing to any Credit Facility provider hereunder have been paid, any balance remaining in the Funds (except amounts held pursuant to Section 11.02 or Article XIII) shall be paid as provided in Section 7.07 hereof.

Section 14.05. ***Remedies Vested in Trustee.*** All rights of action (including the right to file proof of claims) under the Bond Resolution or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of all the Outstanding Bonds and any Credit Facility provider.

Section 14.06. ***Rights and Remedies of Bondholders.*** No Owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Bond Resolution, unless (a) a default has occurred, (b) such default shall have become an Event of Default and the Owners of not less than 25% of the Bond Obligation shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such Owners of Bonds have offered to the Trustee indemnity as provided in Section 11.01(xii) hereof, (d) the Trustee shall for 60 days after receipt of such request and

indemnification fail or refuse to exercise the rights and remedies hereinbefore granted, or to institute such action, suit or proceeding in its own name and (e) any Credit Facility provider shall have consented to such suit; and such request and offer of indemnity and consent are hereby declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Bond Resolution. No one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the pledge of the Bond Resolution by its, his or their action or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds then Outstanding and any Credit Facility provider. However, nothing contained in the Bond Resolution shall affect or impair the right of any Bondholder or the owner of any rights with respect to payment of interest on a Bond to enforce the payment of the principal of and interest on any Bond at and after the maturity or redemption date thereof, or the obligation of the Board to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners at the time and place, from the source and in the manner in the Bond Resolution and in the Bonds expressed.

Section 14.07. *Waivers of Events of Default.* The Trustee may at its discretion, but only with consent of any Credit Facility provider relative to the particular Series of the Bonds in question, waive any Event of Default hereunder and its consequences and shall do so upon the written request of such Credit Facility provider or, with the consent of such Credit Facility provider and the Owners of (a) more than two-thirds of the Bond Obligation if a default in the payment of principal or interest, or both, exists, or (b) more than one-half of the Bond Obligation in the case of any other default; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or on any mandatory sinking fund redemption date specified therein or (b) any default in the payment when due of the interest on any Outstanding Bond, unless prior to such waiver all arrears of interest or all arrears of payments of principal when due, as the case may be, with interest on overdue principal and interest at the rate borne by such Bond, and all expenses of the Trustee in connection with such default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Board, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 14.08. *Opportunity To Cure Defaults.* With regard to any alleged default concerning which notice is given to the Board under the provisions of Section 14.01(c), and to the extent authorized by law, the Board hereby grants the Trustee and any Credit Facility full authority for the account of the Board to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Board with full power to do any and all things and acts to the same extent that the Board could do and perform any such things and acts and with power of substitution.

ARTICLE XV

MISCELLANEOUS

Section 15.01. *Loss by a Credit Facility provider of Right To Consent.* All provisions hereof regarding consents, approvals, directions, appointments or requests by a Credit Facility provider (but not subrogation rights) shall be deemed to not require or permit such consents, approvals, directions, appointments or requests by a Credit Facility provider and shall be read as if the Credit Facility provider were not mentioned therein during any time in which (a) the Credit Facility provider is in default in its obligation to make payments under the Credit Facility; (b) a final, nonappealable order of a court having competent jurisdiction in the premises shall be entered declaring any material provision of the Credit Facility at any time, for any reason, invalid and not binding on any Credit Facility provider or declaring any material provision f the Credit Facility null and void; or (c) the Credit Facility provider is insolvent and not capable of fulfilling its obligations under the Credit Facility.

Section 15.02. *Parties Interested Herein.* With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from the Bond Resolution or the Bonds is intended or shall be construed to give to any Person other than the Trustee, the Owners of the Bonds and a Credit Facility provider, any legal or equitable right, remedy or claim under or in respect to the Bond Resolution or any covenants, conditions and provisions herein contained; the Bond Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Trustee and the Owners of the Bonds and any Credit Facility provider as herein provided. Anything in the Bond Resolution to the contrary notwithstanding, any Credit Facility provider is a third-party beneficiary of those provisions herein which relate to the making of payments to or following the directions of or giving of notice to or consent by or the performance of other acts to benefit it, and all such provisions shall be enforceable by any Credit Facility provider.

Section 15.03. *Successors and Assigns.* Whenever in the Bond Resolution the Board is named or referred to, it shall be deemed to include its respective successors and assigns and all the covenants and agreements in the Bond Resolution contained by or on behalf of the Board shall bind and inure to the benefit of its respective successors and assigns whether so expressed or not.

Section 15.04. *Severability.* In case any one or more of the provisions of the Bond Resolution or the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Resolution or of the Bonds, but the Bond Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of the Bond Resolution which validates or makes legal any provision of the Bond Resolution or the Bonds, which would not otherwise be valid or legal, shall be deemed to apply to the Bond Resolution and the Bonds.

Section 15.05. *Headings Not Controlling.* The headings of the several Articles and Sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 15.06. *Notices.* Any request, demand, authorization, direction, notice, consent or other document provided or permitted by the Bond Resolution shall be sufficient for any purpose under the Bond Resolution (except as otherwise provided in the Bond Resolution), when mailed by registered or certified mail, return receipt requested, postage prepaid, sent by telegram, or telex or telecopy or other similar facsimile communication, confirmation received, or when given by telephone, confirmed in writing, sent by any of the above methods on the same day, addressed to the parties as follows at the following addresses (or such other address as may be provided by any party by notice) and shall be deemed to be effective upon receipt:

If to the Board:

(1) Vice President of Administration and Finance for
the Louisiana State University System
111 System Building
Baton Rouge, LA 70803
Facsimile: (504) 388-5524

(2) Vice Chancellor of Business Affairs for
Louisiana State University and
Agricultural and Mechanical College
330 Thomas Boyd Hall
Baton Rouge, LA 70803-2701
Facsimile: (504) 388-5403

If to the Trustee: Hancock Bank of Louisiana
8555 United Plaza Boulevard, Suite 301
Baton Rouge, Louisiana 70809

Attention: Corporate Trust Department

Section 15.07. *Governing Law.* The Bond Resolution shall be construed and governed in accordance with the laws of the State.

Section 15.08. *Holidays.* If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Bond Resolution, shall not be a Business Day, such payment may, unless otherwise provided in the Bond Resolution, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in the Bond Resolution, and no interest shall accrue for the period after such nominal date.

Section 15.09. *Authorization of the Board.* Authorized Board Representatives are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out the provisions of this General Bond Resolution.

Whereupon the resolution was adopted this 17th day of June 1994 as follows:

YEAS:

NAYS:

ABSENT:

(Other items not pertinent hereto are omitted)

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

By _____
(Vice) Chairman

ATTEST:

_____
Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary to the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board"), do hereby certify that the foregoing sixty-two (62) pages constitute a true and correct copy of the resolution adopted by the Board on June 17, 1994, providing for the incurring f debt and issuance from time to time of revenue bonds, of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College payable from gross revenues of certain auxiliary enterprises; prescribing the form, fixing the details and conditions of such revenue bonds and providing for the payment of the principal and interest thereon and other matters in connection therewith, which resolution was duly adopted by the Board at a meeting duly called, noticed and held and at which meeting a quorum was present and voting.

I further certify that said Resolution has not been amended or rescinded and is in full force and effect.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Board on this, the 27th day of June, 1994.

Secretary

[SEAL]

EXHIBIT A

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF LOUISIANA

BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL COLLEGE
AUXILIARY REVENUE BOND
SERIES _____

N . R—___ $_____

INTEREST RATE	MATURITY DATE	DATED AS OF	CUSIP
%			

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board"), being a constitutional corporation under the laws of the State of Louisiana (the "State"), for value received, hereby promises to pay to the Bond Owner specified above or registered assigns solely from the special funds provided therefor, the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption), and to pay from such special funds interest thereon on _____ and _____ of each year ("Interest Payment Date") commencing _____ at the Interest Rate per annum specified above, until the Principal Amount specified above is paid or duly provided for. This Series _____ Bond will bear interest from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date of this Series ____ Bond. The principal of and premium, if any, on this Series ____ Bond is payable upon presentation and surrender hereof at the principal corporate trust office of _____ Bank, _____, Louisiana as paying agent

(the "Paying Agent"). Interest on this Series ____ Bond will be paid on each interest payment date (or, if such Interest Payment Date is not a Business Day, on the next succeeding Business Day), by check or draft mailed to the person in whose name this Series ____ Bond is registered (the "Bond Owner") in the registration records of the Board maintained by the Paying Agent and at the address appearing thereon at the close of business on the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date (the "Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the Bond Owner hereof at the close of business on the Record Date and shall be payable to the person who is the Bond Owner hereof at the close of business on a Special Record Date, as described in the General Bond Resolution adopted June 17, 1994 and the First Supplemental Bond Resolution of the Board adopted _____ authorizing the issuance of this Series ____ Bond (collectively, the "Bond Resolution"), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Bond Owners of the series of which this is one (the "Series _____ Bonds") not less than ten (10) days prior thereto.

The Series _____ Bonds are issuable as fully registered bonds in denominations of $_____ and any integral multiple thereof and are exchangeable for fully registered Series _____ Bonds of the same maturity in equal aggregate principal amounts and in authorized denominations at the aforesaid office of the Paying Agent, but only in the manner, subject to the limitations, and on payment of the charges provided in the Bond Resolution.

All terms defined in the Bond Resolution and not otherwise defined in this Series _____ Bond shall have the meaning given to those terms in the Bond Resolution.

Optional Redemption. Beginning on , , the Board may redeem the Series _____ Bonds in whole on any date or in part as selected by the Trustee by lot (in denominations of $_____ or any integral multiple thereof) from time to time on any Interest Payment Date, at the following redemption prices (expressed in percentages of principal amount), plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Price
	%

The Board shall give the Trustee at least 70 days' notice of any such redemption to be made. The notice shall specify the redemption date and the principal amounts and maturities of Series _____ Bonds to be redeemed.

Extraordinary Optional Redemption. The Board may at any time redeem all or any part (in the denomination of $5,000 or any integral multiple thereof) of the Series _____ Bonds at a redemption price equal to their principal amount plus accrued interest to the redemption date if over fifty percent (50%) of the Auxiliary Facilities, defined herein, are damaged, destroyed or taken by eminent domain or sold under the threat of condemnation and the Board elects to use the net proceeds of casualty insurance or condemnation or sale under threat of condemnation to redeem Series _____ Bonds rather than repair, replace, rebuild or restore the Auxiliary Facilities. Any such redemption must take place within 120 days following the receipt of casualty insurance or condemnation proceeds relating to such damage, destruction or taking.

The Board shall give the Trustee at least 70 days' notice of any such redemption to be made. The notice shall specify the redemption date and the principal amounts and maturities of Series _____ Bonds to be redeemed.

Mandatory Sinking Fund Redemption. The Board shall redeem the following principal amounts ("Sinking Fund Amounts") of the Series _____ Bonds maturing July 1, _____ (the "Term Bonds") on the following dates at a redemption price equal to their principal amount but without premium:

Redemption Date (July 1)	Principal Amount

However, if Series _____ Bonds have been redeemed pursuant to Extraordinary Optional Redemption or Optional Redemption or if the Board has delivered Series _____ Bonds to the Trustee for cancellation, the Board may direct that any Sinking Fund Amount be reduced by an amount equal to all or a portion of the principal amount of any Series _____ Bonds so redeemed or delivered for cancellation (and not previously used to reduce any Sinking Fund Amount). The Board shall deliver any such direction at least 75 days before the redemption date.

If amounts are being held in the Principal Account to be used to redeem such Term Bonds, in lieu of such redemption the Board may, no later than 75 days before the redemption date, direct the Trustee to use part or all of such moneys to purchase such Term Bonds, in a principal amount not to exceed the next Sinking Fund Amount, which are presented to it by Bond Owners for purchase and which the Board directs the Trustee to purchase. The purchase price of such Series _____ Bonds shall not exceed the redemption price of the Series _____ Bonds which would be redeemed but for the operation of this paragraph (accrued interest to be paid from the same fund or account from which accrued interest would be paid upon the redemption of such Series _____ Bonds). Any such purchase shall be completed prior to the time notice would otherwise be required to be given to redeem Series _____ Bonds. All Series

_____ Bonds so purchased shall be cancelled and applied as a credit (in an amount equal to the principal amount of such Series _____ Bonds) against the next Sinking Fund Amount.

Notice of Redemption of Series _____ Bonds. At least 30 days but not more than 60 days before a redemption date pursuant to Extraordinary Optional Redemption or Optional Redemption, the Trustee shall mail a notice of redemption to the Bond Owner of each Series _____ Bond which is to be redeemed. The notice shall be sent by registered or certified mail if the Bond Owner holds $1,000,000 or more in principal amount of Series _____ Bonds. The failure of the Trustee to mail notice of redemption to any Bond Owner or any defect in any notice of redemption shall not affect the validity of the redemption of any other Series _____ Bond.

If less than all the Series _____ Bonds are to be redeemed, the notice of redemption shall specify the numbers and amounts of the Series _____ Bonds or portion thereof to be redeemed.

Two Business Days prior to mailing notice to other Bond Owners, a copy of each notice of redemption shall be sent by the Trustee by certified or registered mail to each Depository which, or the nominee of which, holds any Series _____ Bonds, provided that the Trustee may, in its discretion, provide for overnight, telecopied or other form of notice to a Depository acceptable to or requested by such Depository. The Trustee shall send, on the same date notices are mailed to other Bond Owners, a copy of each notice of redemption by registered or certified mail to two national information services which disseminate redemption notices.

If a Series _____ Bond is not presented for payment on or within 30 days after its redemption date, the Trustee shall, as soon as reasonably possible, mail a second notice of redemption to the last Bond Owner of record of such Series _____ Bond, including the same information as in the first notice. The giving of such notice, or the failure to give such notice or any defect in such notice, shall not affect the validity of the redemption of any Series _____ Bonds.

Exchange and Transfer of Series _____ Bonds. The Board and the Paying Agent shall not be required to issue, register the transfer of or exchange (a) any Series _____ Bonds during a period beginning at the opening of business on the Regular Record Date and ending at the close of business on the Interest Payment Date or (b) any Series _____ Bond called for redemption prior to maturity during a period beginning on the opening of business fifteen (15) days before the date of the mailing of notice of redemption of such Series _____ Bonds and ending on the date of such redemption.

Upon surrender for registration of transfer of any Series _____ Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Series _____ Bonds of authorized denomination and maturity and like aggregate

principal amount. At the option of a Bond Owner, Series _____ Bonds may be exchanged for other Series _____ Bonds of authorized denominations of the same Series and maturity and like aggregate principal upon surrender at such office. Whenever any Series _____ Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange thereof the Series _____ Bond or Series _____ Bonds which the Bond Owner making the exchange shall be entitled to receive after receipt of the Series _____ Bonds to be transferred in proper form. All Series _____ Bonds presented for registration of transfer or exchange shall (if so required by the Board or the Paying Agent, be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to Paying Agent, duly executed by the Bond Owner or by such Bond Owner's duly authorized attorney. No charge shall be made to the Bond Owner for any exchange or transfer of Series _____ Bonds, but the Paying Agent may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

All Series _____ Bonds delivered upon any registration of transfer or exchange of Series _____ Bonds shall be valid obligations of the Board, evidencing the same debt and entitled to th same benefits under the Bond Resolution as the Series _____ Bonds surrendered. Prior to due presentment for registration of transfer of any Series _____ Bond, the Board, the Paying Agent, and any agent of the Board or the Paying Agent may treat the person in whose name any Series _____ Bond is registered as the absolute owner thereof for all purposes except to the extent otherwise provided hereinabove and in the Bond Resolution with respect to Record Dates and Special Record Dates for the payment of interest, whether or not such Series _____ Bonds shall be overdue, and shall not be bound by any notice to the contrary.

The Series _____ Bonds are issued by the Board pursuant to Sections 2181 through 2193 and 3351(A)(4) of Title 17 of the Louisiana Revised Statutes of 1950, as amended, (La. R.S. 17:2181-2193 and 17:3351(A)(4)) and Article VII, Section 6(C) of the Constitution of the State of Louisiana of 1974 (collectively, the "Act") and other constitutional and statutory authority, which authorize the Board to borrow money, issue bonds, and pledge revenues for the payment thereof. The Series _____ Bonds are issued pursuant to the Bond Resolution for the purpose of paying the costs of _____ _____ for the campus of Louisiana State University and Agricultural and Mechanical College (the "Project"), and funding a reserve fund and paying the costs of issuance of the Series _____ Bonds.

THIS SERIES _____ BOND SHALL BE A SPECIAL AND LIMITED OBLIGATION OF THE BOARD PAYABLE SOLELY FROM AUXILIARY REVENUES. THIS SERIES _____ BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE UNIVERSITY, THE LSU SYSTEM, THE BOARD, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. NEITHER THE STATE NOR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF, OTHER THAN

THE BOARD, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THIS SERIES _____ BOND OR THE INTEREST THEREON AND THIS SERIES _____ BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR ANY AGENCY OR POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE BOARD.

The Series _____ Bonds are equally and ratably secured by a pledge under the Bond Resolution of the Auxiliary Revenues, and the Series _____ Bonds shall enjoy a pledge thereof, subject and subordinate to Prior Lien Obligations, as defined in the Bond Resolution. Obligations in addition to the Series _____ Bonds, subject to expressed conditions, may be issued and made payable from the Auxiliary Revenues having a pledge thereof (i) subordinate and junior to the pledge relative to the Series _____ Bonds, or (ii) subject to additional expressed conditions, on a parity with the Series _____ Bonds, as provided in the Bond Resolution, subject to Prior Lien Obligations.

Auxiliary Revenues are defined to mean (i) the gross amount of all funds, monies or revenues held by the University and any earnings thereon derived or to be derived by Auxiliary Enterprises from self generated revenues from all fees, rates, rentals, charges or other receipts or income received from students or the public at large in connection with any undertaking, utilization or operation of Auxiliary Enterprises or Auxiliary Facilities, including operation or management thereof by private entities on behalf of the Auxiliary Enterprises, prior to the payment of Current Expenses; and (ii) all Funds and Accounts held pursuant to the General Bond Resolution or any Supplemental Resolution pertaining to a particular Series of Bonds except any fund created to hold monies pending rebate to the United States or for payment of costs of issuance of Bonds. Auxiliary Revenues shall not include funds, if any, appropriated by the Legislature of the State from time to time.

Reference to the Bond Resolution and any and all modifications and amendments thereof is made for the provisions, among others, with respect to the custody and application of the proceeds of the Series _____ Bonds, for a description of the nature and extent of the security for the Series _____ Bonds, the revenues pledged, the nature and extent and manner of enforcement of the pledge, the rights and remedies of the Owners of the Series _____ Bonds with respect thereto, the terms and conditions upon which the Series _____ Bonds are issued and a statement of rights, duties, immunities and obligations of the Board and the rights of the Owners. The acceptance of the terms and conditions of the Bond Resolution is an explicit and material part of the consideration of the Board's issuance of this Series _____ Bond, and each owner, by acceptance of this Series _____ Bond, agrees and assents to all such terms and conditions as if fully set forth herein.

To the extent and in the respects permitted by the Bond Resolution, the provisions of the Bond Resolution and of any resolution amendatory thereof or supplemental thereto may be modified or amended by action on behalf of the Board taken in the manner and subject to the

conditions and exceptions prescribed in the Bond Resolution. The pledge of the Auxiliary Revenues and other duties of the Board under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Series _____ Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

The Board covenants and agrees with the Owner of this Series _____ Bond and with each and every person who may become the Owner hereof that it will keep and perform all of the covenants of the Bond Resolution.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on this Series _____ Bond or for any claim based thereon or otherwise in respect to the Bond Resolution against any individual member of the Board, past, present or future, either directly or through the Board, or through any successor body corporate, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of this Series _____ Bond and as a part of the consideration of its issuance specially waived and released. The obligation of the Board, as a body corporate, to the Owner hereof is limited to applying funds, as set forth above and as more fully delineated in the Bond Resolution, and to otherwise complying with the contractual provisions therein.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the issuance of this Series _____ Bond and the Series of which it is a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State and the proceedings herein mentioned, and that the Series _____ Bonds do not exceed any constitutional or statutory limitation.

This Series _____ Bond shall not be valid or obligatory for any purpose until the Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College has caused this Series _____ Bond to be signed and executed in the name and on behalf of the Board with the manual or facsimile signature of its Chairman or Vice-Chairman, and to be attested, signed, subscribed and executed with the facsimile signature of its Secretary; and has caused the facsimile of the seal of the Board to be affixed hereon all as of the date specified above.

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

By _____
(Vice) Chairman

[SEAL]

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Series _____ Bonds described in the within-mentioned Bond Resolution, and this Series _____ Bond has been duly registered on the registration records kept by the undersigned as Paying Agent for such Series _____ Bonds.

DATE OF AUTHENTICATION AND REGISTRATION:

HANCOCK BANK OF LOUISIANA
Baton Rouge, Louisiana
as Paying Agent

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

_____

SOCIAL SECURITY OR FEDERAL EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

_____

_____

_____
(Name and Address of Assignee)

_____

the within bond and does hereby irrevocably constitute and appoint _____
_____, attorney,
to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner:

_____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

TRANSFER FEE MAY BE REQUIRED

[STATEMENT OF INSURANCE]

[To be supplied]

CERTIFICATE AS TO LEGAL OPINION

The undersigned hereby certifies that the following approving legal opinion of Kutak Rock, Baton Rouge, Louisiana, in substantially the following form was delivered to the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College, and that the opinion was dated and issued as of the date of original delivery of and payment to the Board for the Series _____ Bonds.

IN WITNESS WHEREOF, I have caused to be hereunto set my facsimile signature.

_____

Secretary (Treasurer) of the Board of Supervisors

(Insert text of legal opinion)

[End of Form of Bond]

[Balance of Page Intentionally Left Blank]

EXHIBIT B
TO GENERAL BOND RESOLUTION

COMPLETION CERTIFICATE

BOARD OF SUPERVISORS
OF
LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE
AUXILIARY REVENUE BONDS
SERIES _____

I, the undersigned Authorized Board Representative under the General Bond Resolution dated June 17, 1994 of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") relative to $_____ Auxiliary Revenue Bonds, Series _____ of the Board dated _____, 1994 (the "Bonds") hereby certify with respect to the Bonds in accordance with Section 7.02 of the General Bond Resolution that the Board has expended the entire available proceeds of the Bonds (except for amounts not due and payable on the date hereof) for Project Costs (defined by the General Bond Resolution). This Certificate refers only to that portion of the Series _____ Project actually paid or to be paid for with the proceeds of the Bonds. This Certificate is given without prejudice to any rights against third parties which exist at the date hereof or which may subsequently come into being.

WITNESS My hand and the seal of Board of Supervisors of Louisiana State University and Agricultural and Mechanical College this day of , 19 .

LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND
MECHANICAL COLLEGE

By_____
[Title]

RECEIVED ON _____, _____

HANCOCK BANK OF LOUISIANA
Trustee

By:_____

EXHIBIT C
TO THE GENERAL BOND RESOLUTION

PROJECT FUND REQUISITION FORM

BOARD OF SUPERVISORS
OF
LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE
AUXILIARY REVENUE BONDS
SERIES _____

Hancock Bank of Louisiana
Corporate Trust Department
Baton Rouge, Louisiana
as Trustee/Paying Agent

Date: _____ Requisition Number: _____

The undersigned Authorized Board Representative, acting for and on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board"), pursuant to a General Bond Resolution adopted by the Board on June 17, 1994 relating to the above captioned issue of Bonds, hereby requests payment be made from amounts on deposit in the Project Fund held by the Trustee/Paying Agent pursuant to Section 7.02 of the General Bond Resolution to the person, firm or corporation in the amount and for the purpose set forth below:

Name and address of payee:

_____

_____

_____

Amount of Payment: $_____

Purpose of Payment (if a reimbursement to the Board, identify payee(s), purposes represented by such reimbursement and costs heretofore paid).

_____

_____

_____

The undersigned Authorized Board Representative further certifies with respect to this Requisition as follows:

1. The payment set forth herein is to be or was made or incurred in connection with the project relative to the above captioned Series of Bonds defined in a Supplemental Resolution, in accordance with the plans and specifications therefor currently in effect;

2. The amount paid or to be paid, as set forth herein, is reasonable, is presently due and payable, and is a proper charge against the Project Fund and has not been paid;

3. If the amount is payable to a general contractor under a construction and/or installation contract, a certificate signed by an engineer approving the payment thereof is attached hereto; and

4. If the Board is seeking reimbursement for payment of items qualifying as Project Costs hereunder, evidence of prior payment of the same is attached hereto.

By:_____
Authorized Board Representative

Approved for payment and paid: _____, 19____

Authorized Officer
of Trustee/Paying Agent: _____

EXHIBIT D
TO THE GENERAL BOND RESOLUTION

PRIOR LIEN OBLIGATIONS

"Prior Lien Obligations" are previously issued obligations of the Board payable from certain Auxiliary Revenues prior to the use of Auxiliary Revenues for payment of Debt Service Requirements on the Bonds, including principal of and interest thereon as well as any other payments to which Auxiliary Revenues are dedicated, including but not limited to, charges f any credit or liquidity facility provider, trustee or paying agent or any other entity, prior to the payment of Debt Service Requirements on the Bonds (collectively "charges and fees"). Capitalized terms used in this Exhibit D which are not defined herein shall have the meaning ascribed thereto in the General Bond Resolution to which this Exhibit D pertains.

Following the issuance of the Series 1994 Bonds, the Board will have outstanding Prior Lien Obligations totaling $27,552,064 in principal amount secured by certain Auxiliary Revenues. Principal of Prior Lien Obligations outstanding as of May 31, 1994* is as follows:

Description	Outstanding as of May 31, 1994*
Louisiana Public Facilities Authority Loan Agreement dated as of October 1, 1988 for Auxiliary Enterprises only	$15,793,287
Student Housing Bonds:	$ 7,800,000
Reimbursement Contracts to State Treasurer for portion of State of Louisiana General Obligation Bonds:	$ 3,958,777
TOTAL	$27,552,064

Source: University

As of July 1, 1994 the total principal of Prior Lien Obligations will be reduced to $26,746,134 as the result of scheduled payments of principal.

The following table sets forth principal and interest debt service requirements for the Prior Lien Obligations for the Fiscal Years ended June 30, 1995 through 2010:

Fiscal Year Ending 6/30	Principal	Interest	Total
1995	$1,544,221	$1,290,110	$2,834,331
1996	1,758,597	1,221,563	2,980,160
1997	1,795,486	1,141,476	2,936,962
1998	1,885,438	1,060,173	2,945,611
1999	1,866,661	974,975	2,841,636
2000	1,977,747	891,796	2,869,543
2001	2,039,951	803,852	2,843,803
2002	1,665,473	712,957	2,378,430
2003	1,750,602	640,101	2,390,703
2004	1,807,921	563,769	2,371,690
2005	1,659,923	486,659	2,146,582
2006	1,314,138	414,547	1,728,685
2007	1,221,908	340,649	1,562,557
2008	1,293,517	267,484	1,561,001
2009	1,367,180	189,873	1,557,053
2010	1,797,371	107,842	1,905,213
TOTAL	$26,746,134	$11,107,826	$37,853,960

Source: University

Includes variable rate LPFA loan with assumed rate of 6%.

Recommendation to approve a General Bond Resolution and a First Supplemental Resolution to finance the purchase of certain equipment from CES/Way International, Inc. that is currently leased to the University, the buy-out of CES/Way, the acquisition of additional equipment and the costs and expenditures associated therewith
(AMENDED)

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby adopt the documents relating to the issuance of the bonds being the General Bond Resolution and First Supplemental Resolution and does hereby authorize the execution and delivery by the Chairman or Vice Chairman and the Secretary of the Board of the General Bond Resolution and First Supplemental Resolution and such other documents or certificates necessary in connection with the issuance or the marketing of the Bonds and all other transactions incident thereto, with such changes and modifications which are deemed in the best interest of the Board by the Chairman or Vice Chairman and Secretary, and does hereby ratify all prior actions taken on its behalf by University officials in furtherance of this transaction, the Board does hereby modify its previous resolutions to authorize a master r solution approach to the issuance and to authorize the application of annual savings derived from th purchase of the said equipment to future increases in utility costs and deferred and preventive maintenance on the Baton Rouge Campus and to authorize such other matters as are set forth in the documents.

CERTIFICATE

I, Carleen N. Smith, the duly qualified Administrative Secretary of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, hereby certify that the foregoing is a tru and exact copy of a resolution adopted by the Board of Supervisors at its meeting on June 17, 1994, at which meeting more than a quorum was present and voted.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the official seal of said Board of Supervisors this 4th day of September, 1996.

Carleen N. Smith

Administrative Secretary
Board of Supervisors of Louisiana State University and
Agricultural and Mechanical College

SEAL

RECOMMENDATION TO APPROVE TRANSFER OF NOAH PROPERTY BY THE LSU BOARD OF SUPERVISORS TO THE DIVISION OF ADMINISTRATION PURSUANT TO ACT 867 OF THE 2012 REGULAR SESSION OF THE LOUISIANA LEGISLATURE

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by LSU…

1. Summary of Matter

The LSU Board of Supervisors owns a tract of land located at 210 State Street, New Orleans, Louisiana which was home to the New Orleans Adolescent Hospital (NOAH). The property was transferred by quit claim to the State of Louisiana by the federal government in 1981. In 2003, the Commissioner of Administration of Louisiana transferred and reallocated the property from the Louisiana Department of Health and Hospitals to the LSU Health Sciences Center in New Orleans. The property is described as follows:

> 17.22 acres with a physical address of 210 State Street, New Orleans, LA 70118 and measuring 1,072' along Leake Avenue by 680' along State Street by 1024' along Tchoupitoulas Street by 773' along Henry Clay Avenue, situated in Section 13, Township 13 S-Range 11E in Orleans Parish, LA, together with all improvements thereon (the "NOAH Property).

Pursuant to Acts 2012, No. 867 of the Regular Session of the Louisiana Legislature ("Act 867"), the Legislature authorized and directed the Board of Supervisors of LSU to transfer any interest LSU may have in all or any portion of the NOAH Property to the Division of Administration. Subsequent to the transfer by LSU to the Division of Administration, the Division of Administration intends to lease the NOAH Property to Children's Hospital in New Orleans pursuant to the authority granted to the Commissioner in Act 867. That lease must occur on or before February 1, 2013.

2. Review of Business Plan

Not applicable

3. **Fiscal Impact**

Not applicable

4. Description of Competitive Process

Not applicable

5. Review of Legal Documents

The proposed Letter Agreement transferring the property from LSU to the Division of Administration is attached hereto.

6. Parties of Interest

Not applicable

7. Related Transactions

Not applicable

8. Conflicts of Interest

None

ATTACHMENTS:

- Letter Agreement between the LSU Board of Supervisors and the Commissioner of Administration.

RECOMMENDATION

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize the President of the LSU System to execute any and all documents necessary to transfer the following described property to the Division of Administration pursuant to Act 867 of the 2012 Regular Session of the Louisiana Legislature:

> 17.22 acres with a physical address of 210 State Street, New Orleans, LA 70118 and measuring 1,072' along Leake Avenue by 680' along State Street by 1024' along Tchoupitoulas Street by 773' along Henry Clay Avenue, situated in Section 13, Township 13 S-Range 11E in Orleans Parish, LA, together with all improvements thereon."

LETTER AGREEMENT

February 1, 2013

Re: Transfer of Property
New Orleans Adolescent Hospital
210 State Street
New Orleans, Louisiana
SLABS Site Code 1-36-055

This Letter Agreement is entered into by and between:

BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE, a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through Dr. William L. Jenkins, Interim President of the Louisiana State University System, whose mailing address is 3810 W. Lakeshore Drive, Baton Rouge, Louisiana 70808 (hereinafter referred to as "LSU"),

and

THE STATE OF LOUISIANA, herein represented and appearing through the Kristy Nichols, Commissioner of Administration, DIVISION OF ADMINISTRATION, Office of the Governor, State of Louisiana, duly authorized by Louisiana law, whose mailing address is Post Office Box 94095, Baton Rouge, Louisiana 70804-9095 (hereinafter referred to as "Division of Administration"),

who agree as follows:

1. Pursuant to Acts No. 867 of the 2012 Regular Session of the Louisiana Legislature ("Act 867"), LSU does hereby assign, transfer, quit claim, convey and deliver to the Division of Administration the property known as the New Orleans Adolescent Hospital located at 210 State Street, New Orleans, Louisiana, and more particularly described as follows:

   17.22 acres with a physical address of 210 State Street, New Orleans, LA 70118 and measuring 1,072' along Leake Avenue by 680' along State Street by 1024' along Tchoupitoulas Street by 773' along Henry Clay Avenue, situated in Section 13, Township 13 S-Range 11E in Orleans Parish, LA, together with all improvements thereon (the "Property).

Being the same property acquired by the State of Louisiana from United States of America pursuant to a Quitclaim Deed made on December 16, 1981 and recorded in the records

of Orleans Parish, Louisiana on February 7, 1986 as No. 640551, and transferred by the Division of Administration to the LSU Health Sciences Center by letter dated March 12, 2003.

2. This transfer is made "AS IS, WHERE IS," and is accepted without any warranty whatsoever, including without limitation, warranty of title, express, statutory or implied and warranty of fitness or condition, all of which are expressly waived and renounced by Division of Administration. Division of Administration shall have the right to full substitution and subrogation in and to any and all rights and actions of warranty that LSU may have against any and all preceding owners or vendors of the Property.

3. This transfer is made, in part, to comply with Act 867, which authorizes the Division of Administration by February 1, 2013, to execute a lease of the property to Children's Hospital. In accordance with the intent of Act 867, this transfer is conditioned upon execution of said lease to Children's Hospital.

4. Upon delivery of this letter to the State Land Office, the State Land and Building System (SLABS) inventory will be adjusted to reflect this transfer to place the facility under the control of the Louisiana Division of Administration. The SLABS inventory identifies this facility as Site Code 1-36-055 "New Orleans Adolescent Hospital" situated upon a 17.22 acre parcel of land bounded by State Street, Leake Avenue, Henry Clay Avenue and Tchoupitoulas Street.

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

By: _____
William L. Jenkins, Interim President
LSU System

DIVISION OF ADMINISTRATION STATE OF LOUISIANA

By: _____
Kristy Nichols, Commissioner
Division of Administration, Duly Authorized

PRESENTATION OF A MASTER PLAN
FOR THE NICHOLSON GATEWAY
(PRESENTATION ONLY)

To: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.1 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant Board matter".

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

Background

The demolition of the Old Alex Box Stadium and the need to replace the old married student apartments on Nicholson provide an opportunity to significantly change an underutilized and unattractive portion of the campus. The revitalization of the Nicholson corridor can provide a much improved gateway to the campus and provide new services and venues to students, faculty, staff, and the community. With increasing enrollment, there is new demand for on-campus housing by upper class students in both traditional apartment style housing and the Greek system. In order to effectively address these needs, LSU embarked in the development of the master plan for the Nicholson corridor to determine the best use for this important campus location.

Process

Discussions for development of this Gateway date back to 2008. The current planning effort began in June 2011 with a formal selection process to obtain a highly qualified consultant organization to help LSU develop a master plan for this development. The Request for Qualifications process resulted in a contract with AECOM, an internationally recognized expert in this type of planning, which was executed in March, 2012. To provide direction and support to AECOM, a Steering Group and a Working Group, each comprised of representatives of many different facets of the LSU community, were appointed. During the planning process, AECOM made 5 site visits to the campus and held some 50 sessions with internal and external stakeholders. There have been 4 formal sessions with the Working Group involving some 11 hours of contact time, and 10 sessions of the Steering Group involving 17.5 hours of contact time to share ideas and concepts with AECOM. At every stage, the plan has been adapted based on feedback received from members of the Working Group, Steering Group, and the larger LSU and Baton Rouge communities. Appendices B, C, and D to this submission provide substantial details of the process followed by AECOM, the financial analyses and sources of data for their recommendations, and detailed minutes of their collaborative planning sessions held with various project stakeholders.

While the primary focus of this process was to identify the best use for the Nicholson Gateway area, other areas of campus were considered in the planning process as alternative sites for expanded residential housing. In particular, the location between the Childcare Center, Nicholson Dr., Gourrier Ave., and Nicholson Extension was considered but rejected. Not only is it the site of permanent TAF football parking that would have to be replaced, but also it is the only large area of campus available for future expansion of academic buildings.

The Plan

The end result of the process is the proposed Master Plan for the Nicholson Gateway. The plan provides improvements to housing, parking and traffic, and other areas and should be reserved for that purpose.

Housing

- 1,239 new student housing beds.
- New “market-rate” housing for LSU employees, such as new coaches, visiting professors, and others to live on campus in a modern, mixed-use neighborhood.

The plan calls for construction of 3 traditional apartment style structures on the west side of Nicholson, generally on the site of the current Nicholson apartments (the old married student apartments). Collectively, these 3 halls will house approximately 900 students. The new buildings will house graduate and upper class students, juniors and seniors. Traditional LSU architecture will be applied for those facilities visible from Nicholson and Skip Bertman, with some relaxation of that style towards the rear of the development facing the railroad tracks, in order to reduce costs.

Additionally, in the “mixed-use” section of the development at the corner of Skip Bertman and Nicholson, additional housing will be located over retail space for students (upper class and graduate), while the remainder will be designed as apartment/town-home style for “university-affiliated” housing. This housing will be made available to permanent and temporary LSU employees, such as coaches, visiting faculty, etc. Again, traditional LSU architecture will be used for sides facing Nicholson or Skip Bertman, with slightly relaxed design styles being allowed for sides facing the railroad tracks.

The mixed-use section of the development will also include an office building that will be constructed by the LSU Foundation, discussed more fully in the next section. That building will also house at least 2 university offices, Community & University Relations and the LSU Press, units that are currently located in old Greek houses on Sorority Row. With those units relocated, these houses will be available for use by new sororities opening on campus. Because retention rates for fraternity and sorority students are substantially higher than for non-Greek students, the increase in sorority membership made possible by this relocation is expected to increase the overall LSU retention rate by between 1.5% and 2%, providing a very substantial financial benefit to the University.

In addition to the AECOM analysis of the financial viability of this aspect of the project, LSU and the LSU Foundation have had informal communications with a number of national companies that specialize in development of university housing. The market has substantial interest in this project, and considers these housing units almost a guaranteed revenue stream.

Office Space, Retail, and Plaza

1. An office building at the corner of Skip Bertman and Nicholson to house LSU Foundation offices and several LSU tenants, Community & University Relations (CUR) and LSU Press.

2. Over 130,000 sq. ft. of retail space to provide new services and venues for students, residents, faculty, staff, and neighboring community.

3. Addition of a major plaza, similar in concept to Champions Plaza by the Superdome, to enhance the game-day experience, particularly for fans who come on campus but do not attend the football game.

This plaza would also be available for music performances and other uses throughout the academic year.

4. Potential addition of a second office building for LSU functions that are better handled at the periphery of the campus rather than the core, such as Continuing Education or certain Human Resources functions.

The Foundation building is being presented separately to the Board. The overall financial analysis provided for the Master Plan does not include the Foundation building, as the Foundation itself will be responsible for construction and financing of the building.

The retail space is a major component of the plan. AECOM has conducted extensive market research to determine that the market can support approximately 130,000 sq. ft. of retail space at this location. AECOM projects that this retail will be a mix of restaurants, souvenir and apparel, and student-oriented stores. Modern urban planning relies extensively on placing residential housing over retail to maximize the use of the available space and provide sought-after amenities to both those residents and the surrounding community. This type of development is being used around the country with success. It is also being used with success in the Baton Rouge area. This particular development will be unique in the Baton Rouge area, as a result of its inclusion of student housing. It is smaller in scope than some of the more ambitious mixed-use developments in Baton Rouge.

There is a risk that the market for retail will be lower than that projected by AECOM. LSU will not be undertaking this risk. As discussed more below, LSU will contract with a Master Developer to develop and construct this project. The contract will be structured so that the Master Developer will undertake a significant part of the risk of vacancy in those retail and other units.

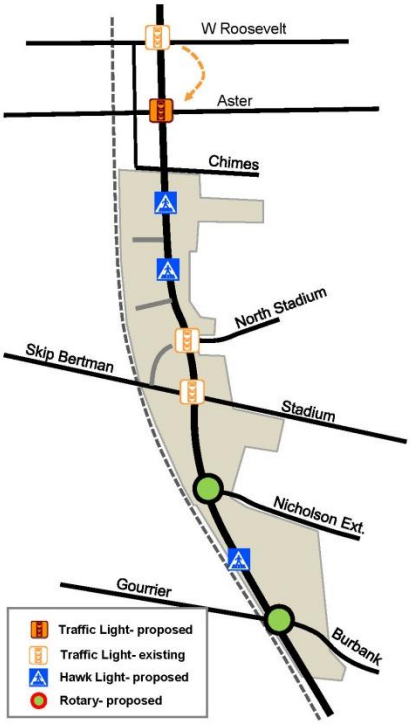
The Central Plaza will provide a significant gathering place most of the year for the students living in this area, as well as tourists coming to see Mike the Tiger and other LSU attractions and local residents coming to the shopping center. There is potential to place a large screen for promotions, advertising, and perhaps even to display football games on game day for fans who come to tailgate but do not have tickets to attend the game.

For the long term, the Master Plan allows for a second office building to house additional LSU offices. This would be an appropriate location to house a number of LSU offices, or auxiliary and related services such as banking, that serve individuals who do not have any other need to travel to the core of campus. This would

make access to those services easier and reduce traffic on campus, one of the University's long-term goals.

Parking & Traffic

1. 2,100 new parking spots (of which 533 would be new spots available for game-day parking and 250 are replacement for current permanent game-day parking).
2. Widening of the Nicholson Drive median and removal of most on-street parking to slow traffic flow.
3. Addition of 12-foot wide, multi-purpose pathways for bicycles, pedestrians, and joggers.
4. Addition of "hawk-lights," pedestrian-use only traffic lights to allow for safe crossing of Nicholson by residents.
5. Addition of traffic circles at Nicholson & Burbank and Nicholson at Nicholson extension to slow traffic coming from south of campus and improve the flow of those intersections.
6. Addition of a greenway, running between the Field House and the Natatorium from Nicholson to the main campus, to tie the Nicholson housing into the main campus, making foot traffic between the two areas safe and convenient.



Parking spots are required for the residents of the new housing, the tenants in the Foundation office building, shoppers for the retail stores, and game-day parking. The plan calls for 2 parking garages, a smaller one primarily for the Foundation office building and the university-affiliated housing, and a larger one for the retail stores, residents, tenants of the future office building, and game-day parking.

Game-day parking is a particularly important consideration. It is imperative that the development adds to the overall inventory of game-day parking, and that at no point during the construction will game-day spots be reduced below current permanent inventory levels. While the Master Plan does not include detailed staging plans, it does address total parking inventory, and provides for the addition of 533 total spots available for game-day parking, over and above the 250 permanent game-day parking spaces currently in the Gateway area. As the development process continues, detailed staging and traffic flow analysis will take place to ensure that the development improves the overall game-day parking experience.

Note that the University's parking master plan calls for two other parking garages on that side of campus. The Nicholson Gateway Master Plan is consistent with those plans and will not interfere with or displace those developments.

Development

The remainder of the project will not be built directly by LSU, but through a Master Developer process. LSU, either directly or through the LSU Foundation (in either case, through a competitive process), will select and contract with a Master Developer to actually handle the development of the project. That Master Developer will engage in further planning and analysis of the financial viability of the project, whether some parts of the project should be expanded, scaled back, or modified, and whether to build the project all at once or in stages. LSU will soon form a working group to analyze and determine the best method for selecting and contracting with a Master Developer.

In short, the Master Plan is just that, a Master Plan. It is not a precise blueprint for development, but a framework by which future development decisions will be made. The particular details, including the financial potentials, cannot be determined until the next stage, the competitive process for selection of a Master Developer.

Board approval of this Master Plan does not constitute Board approval of any construction, financing, capital outlay requests, or schematic designs. Rather, approval is simply a statement that this is the Board's overall vision for this space. Approval of the Foundation building, its design, the design of the housing units and other buildings, the contract with the developer, and other matters will be presented to the Board at the appropriate time in the future.

The Foundation building will be handled separately from the remainder of the overall plan. The proposal for a ground lease to the Foundation for this building is being submitted to the Board separately at this meeting.

2. Fiscal Impact

The fiscal impact of this project is dependent on myriad factors that cannot be determined until future stages of the development process. Development will be structured so that the financial risks and rewards will be shared between LSU and the Master Developer. All of the scenarios considered by AECOM show the project to be very attractive to any potential developer, with the degree of attractiveness largely dependent on the interest rate available.

LSU will structure the development contract to maximize the potential revenue received by the University while minimizing the risk undertaken. Based on these financial projections, and depending on interest rates available to the developer and the extent to which the state provides capital support for the parking garage or other infrastructure, the project could generate about $10 million over the first 10 years in cumulative Net Operating Income (NOI), which is the cashflow payable to the University after debt service, payments to development partners, and replacement reserves (see page 115 of the attached Plan), assuming an interest rate of 5%. This could result in some $400 million NOI to LSU over 30 years. These projections do not include financial gains to the University from the improved retention rates that will result from the housing developments.

These financial projections are not intended to be used to make final development decisions and will certainly change as actual development decisions are made. Any developer, and their financing company, will perform their own analysis, and LSU will thoroughly review those before recommending any development contract to this Board. The AECOM projections are simply to show that the project is viable, will be attractive to potential developers, and has the potential for substantial financial benefit to LSU.

3. Review of Legal Documents

The proposed Master Plan is available on the LSU System Website

ATTACHMENTS:

- Copy of letter from Vice Chancellor Monday
- Attachment A – Master Plan for Development of Nicholson Gateway*
- Attachment B – Master Plan Vol. 2: Mixed Use and Financial Analysis*
- Attachment C – Master Plan Vol. 3: Student Housing Market and Financial Analysis*
- Attachment D – Master Plan Vol. 4: Meeting Minutes*

Due to volume, Attachments A, B, C, and D available on LSU System website

LSU
LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

To: William L. Jenkins
Interim President

Date: December 20, 2012

From: Eric N. Monday
Vice Chancellor for
Finance & Administrative Services and CFO

Subject: Board Approval of Master Plan for the Nicholson Gateway

The enclosed submission regarding the Master Plan for the Nicholson Gateway is being provided for review and submittal to be placed on the agenda for the February 1, 2013 meeting of the Board of Supervisors.

Because of time constraints, the Plan has not yet been approved by the Facility Design & Development Committee, but its approval will be obtained in early January, prior to the Board meeting. The Committee has seen earlier drafts of the Plan, and no objections are anticipated. Electronic copies will be provided for System Office use.

Thank you for your assistance.

Institutional Approval- Eric N. Monday for William L. Jenkins: _____

ENCLOSURES

VOLUME 1: MASTER PLAN

NICHOLSON GATEWAY

Louisiana State University

December 2012

AECOM

In association with:

Grace & Hebert Architects

Brailsford & Dunlavey

Walker Parking

VOLUME 1: MASTER DEVELOPMENT PLAN

01. Executive Summary 1

02. Planning Process & Influences 7
- a. Planning Process 7
- b. Goals and Design Strategies 9
- c. Planning Context 10
- d. Site Analysis 11
- e. Infrastructure 14

03. Market Demand 19
- a. Mixed Use Market 19
- b. Student Housing 23

04. Parking: Issues and Best Practices 29
- a. Introduction 29
- b. LSU Issues 29
- c. Recommendations 31

05. Nicholson Corridor Framework Plan 35
- a. Introduction 35
- b. Land Use and Organization 36
- c. Design Concept and Character 39
- d. Open Space Systems 40
- e. Circulation Systems 46

06. Nicholson Gateway Development Program 55
- a. Blocks and Zones 55
- b. Building Use Organization 56

07. Campus Districts 61
- a. Introduction 61
- b. Mixed Use Center 63
- c. West Side Residential District 68
- d. East Side District 70

08. Design & Development Guidelines 77
- a. Urban Design Guidelines 77
- b. Architectural Guidelines 80
- c. Surface Parking Guidelines 87
- d. Open Space and Landscape Guidelines 89
- e. Signage and Wayfinding Guidelines 100
- f. Sustainability Guidelines 102

09. Implementation 109
- a. Phasing 109
- b. Site Costing 109
- c. Funding 110
- d. Deal Structure Recommendations 116
- e. Next Steps 119

10. Acknowledgements 123

APPENDIX

Development Program

Site Cost Estimate

Financial Analysis Disclaimer

VOLUME 2: MIXED USE - MARKET AND FINANCIAL ANALYSIS

VOLUME 3: STUDENT HOUSING - MARKET AND FINANCIAL ANALYSIS

VOLUME 4: MEETING MINUTES

01 EXECUTIVE SUMMARY

The Core Mixed Use Plaza

01. EXECUTIVE SUMMARY

Louisiana State University is embarking on a project to transform the Nicholson Drive Corridor; the largest underdeveloped tract of University property remaining that is adjacent to the campus core. This project will turn what has traditionally been the back of the campus into an exciting new gateway district. It will become a place that feels like a part of campus, rather than a service oriented bypass. Vacant and underutilized sites will house new campus facilities and an improved landscape will create a sense of arrival. The change will be dramatic. Upon entering the campus, rather than merely passing by, a visitor will be struck with a powerful impression, a sense of entry, a feeling of 'wow, I have arrived.'

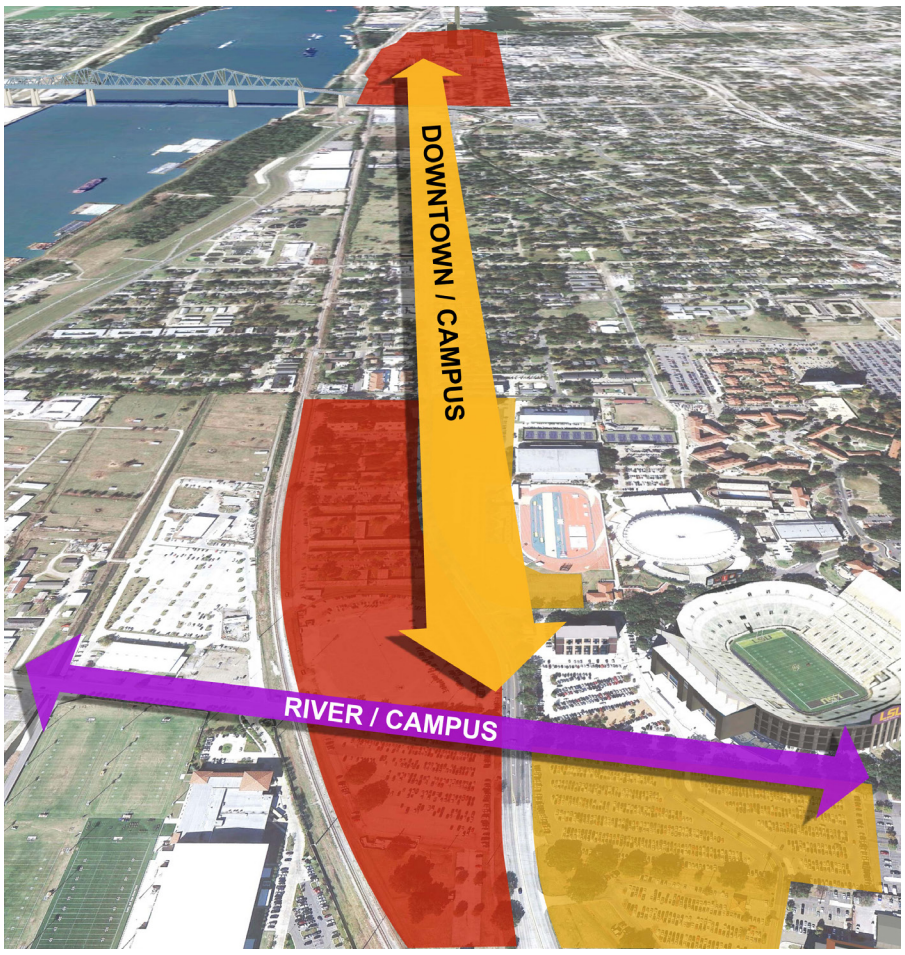
The first phase of this redevelopment project begins with the Nicholson Gateway project, located in the northern segment of the Corridor between West Chimes Street and Skip Bertman Drive. This 28-acre site includes a mixed use retail-housing center and a student residential district. The mixed use center creates a town center environment that is designed to attract students, sports fans and the surrounding

community. Located across the street from Tiger Stadium, it draws from the excitement and identity of LSU's rich football tradition, and is ideally situated to draw in fans on their way to the stadium. Its location also takes advantage of the drive-by traffic on Nicholson Drive, and is within an easy 10-15 minute walk to most of the core campus. The center will offer an exciting active urban environment with shopping, restaurants and entertainment that complements the traditional campus activities—a place to go for a bite to eat after the game, between classes, or on the way to visit Mike the Tiger.

North of the mixed use center, a new residential district will replace the old Nicholson Apartments. This new district will provide updated student housing for upperclassmen and graduate students that is competitive with off-site offerings. Designed in a traditional campus arrangement of buildings framing quadrangles and parks, it will extend the qualities of the core campus across Nicholson Drive. Both sides of the street will be unified, and Nicholson Drive will feel more like a drive passing through campus than a by-pass road that divides the campus.

Nicholson Gateway serves the mission of the University and its programs in a number of ways. It supports university housing programs by upgrading the existing housing stock. It supports the athletics program by providing additional game day parking and enhancing the game day experience. It creates a new campus town center that diversifies and expands the campus amenities, and it upgrades an underperforming tract of land and to provide for future campus growth. All of these improvements will greatly improve the vitality and visual quality of the Corridor, as well as to support student recruitment and retention.

The Nicholson Gateway also plays a strategic role in connecting the campus with the community. Building on the FuturEBR Plan, it creates a hub of activity that anchors the entire Nicholson Corridor from the LSU campus to downtown Baton Rouge. It also connects the campus to the river, creating the perfect halfway point between commuter and game day lots, and the athletic venues and core campus facilities.



Relationship of LSU to Downtown

Nicholson Gateway Study Area

02 PLANNING PROCESS & INFLUENCES

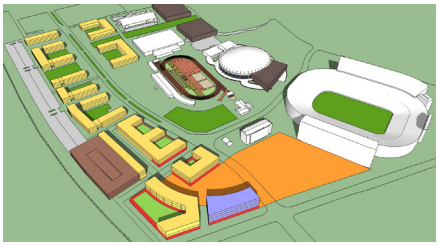
Working Group Meeting

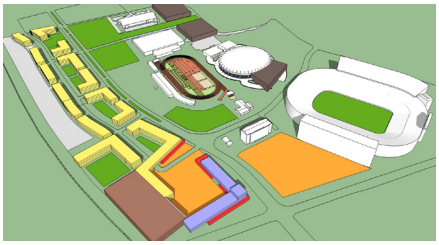
02. PLANNING PROCESS & INFLUENCES

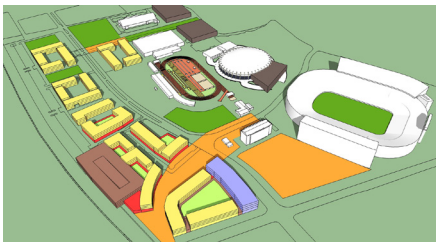
Planning Process

In March 2012, Louisiana State University invited AECOM and its Design Team, including Brailsford and Dunlavey (B&D), Walker Parking, and Grace and Hebert Architects, to develop a Master Development Plan for the Nicholson Gateway. The purpose of the study was to create specific recommendations for two key redevelopment sites within the Nicholson Gateway: the former Alex Box Stadium site and the adjacent Nicholson Apartments. The study also considered more general recommendations for the balance of the Nicholson Corridor, stretching along the entire length of the campus property from West Chimes Street to Burbank Drive. The eight month planning process began in March 2012, concluded in December 2012, and consisted of four phases: the Market Assessment and Programming phase, the Analysis and Discovery phase, the Concept Exploration phase, and the Final Documentation phase.

To oversee the work, the University assembled a Steering Committee and Working Group including representatives from LSU Senior Leadership, the LSU Foundation, Residential Life, Student Groups, LSU Alumni Association,





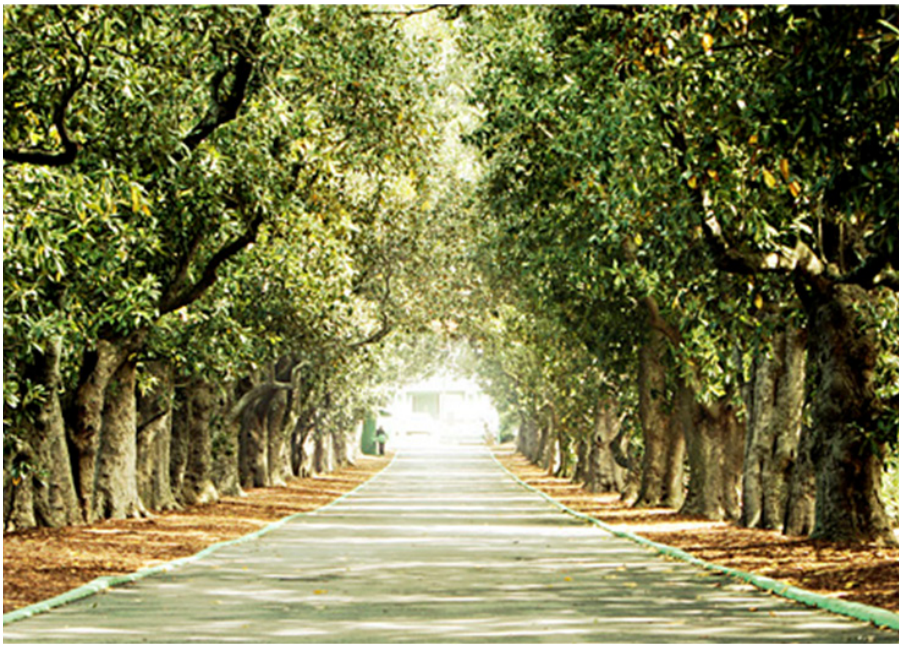


Three Alternatives Explored During the Concept Phase

the Facility Design and Development Committee, Budget Planning and Accounting Services, Student Groups, Facility Services, Planning, Design and Construction, and the Tiger Athletics Foundation. During the process, the Design Team met with a broad cross section of stakeholders in a variety of formats, from small group meetings and work sessions to town hall style meetings that were open to the entire campus and surrounding community. Stakeholders included city agencies, FuturEBR, local elected officials, local residents, LSU alumni, student groups, faculty and staff. (For a full list of Nicholson Working Group participants, please refer to Acknowledgements Chapter 10).

The Market Assessment and Programming phase consisted of a three-month study, which included an analysis of of the local real estate market, identification of peer institution benchmarks and comparable development projects, and the development of the project's program of uses. Equipped with the program findings, the Design Team developed three alternative options. These alternatives were explored on site in a series of work sessions using a physical model to test different building and open space arrangements and explore various locations for the program elements. The best elements of these plans were then synthesized into the final plan, which was further refined and developed, including a cost estimate, phasing plan and financial analysis.

Three Physical Models with Interchangeable Pieces were Prepared as an Interactive Tool for the Working Groups



Create a Sense of Arrival

Extend the Existing Campus Character

Create a New Center

Goals and Design Strategies

During the initial stages of the study, the Steering Committee defined a set of goals that would guide the decision making process and define the criteria for success. Originally, the impetus for the project was to solve the housing problem, both directly through the replacement of the aging and obsolete Nicholson Apartments, and indirectly by capturing a portion of the project profits to subsidize graduate housing. However, the scope of the project expanded as the University realized the tremendous redevelopment potential for the Corridor, and how improving its quality and use would serve a much broader set of campus needs.

Goals

- Solve the housing problem
  - » Improve housing offerings, attract/retain residents, accommodate growing population
- Improve the quality and use of the Corridor
  - » Create a new center for the campus and the surrounding community
  - » Contribute to campus recruitment for University students, faculty and staff
  - » Enhance the game day experience: retail/entertainment, improved environment for tailgating, convenient parking, etc.

Design Strategies

To accomplish these goals, a number of design strategies were developed and vetted with the Working Group and stakeholders including:

- Create a new and magnificent identity for the west side of the campus
- Create a vibrant and active mixed use center

Enhance the Game Day Experience

Enhance the Everyday Experience

Extend the City

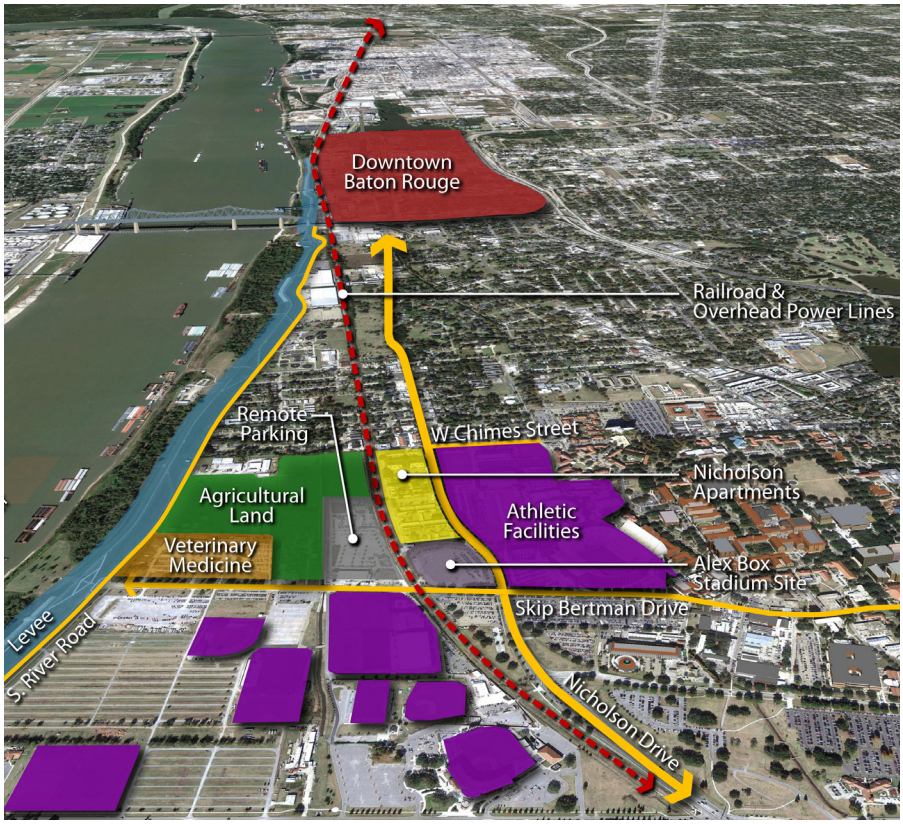
- Improve connections across Nicholson Drive
- Design the architecture and landscape of the Corridor so that it fits within and complements the overall character of the campus
- Extend the quality of the campus core westward across Nicholson Drive
- Prioritize movement of pedestrians and bikes both regionally and locally
- Promote sustainable design strategies for buildings and sites
- Design for both the game day and the everyday experience
- Bring a human scale to the Corridor

Planning Context

The Nicholson Gateway has both regional and campus contextual significance. On a regional level, Nicholson Drive provides a direct north-south connection into Baton Rouge. The vehicular connection is strong, however there is sparse development along the Corridor. At a local scale, Nicholson Drive is an important transportation link between LSU and its campus context. Due to its significance at multiple levels, development and transportation improvements along Nicholson Drive (such as the proposed street car) create not only local benefits for the University but also regional benefits that may spur further development on the Corridor and improve the connection to downtown.

At the campus level, the Nicholson Corridor at the LSU Campus is located at what is perceived as the western edge of the campus. The Campus property, however, extends to River Road along the Mississippi River levee, with Agricultural, Veterinary Science and Athletic uses dotting the landscape between the levee and the main part of the campus. To the west of Nicholson Drive, a rail line and overhead power lines create visual barriers and limit vehicular and pedestrian traffic. On the west side of Nicholson Drive lie the Nicholson Apartments, which have reached the end of their useful life and are slated for removal and replacement. This student housing site, as well as the former Alex Box Stadium site, are two of the primary focus areas of this study.

In addition, this study focuses on long term improvements to the Corridor and recommendations for future land uses.



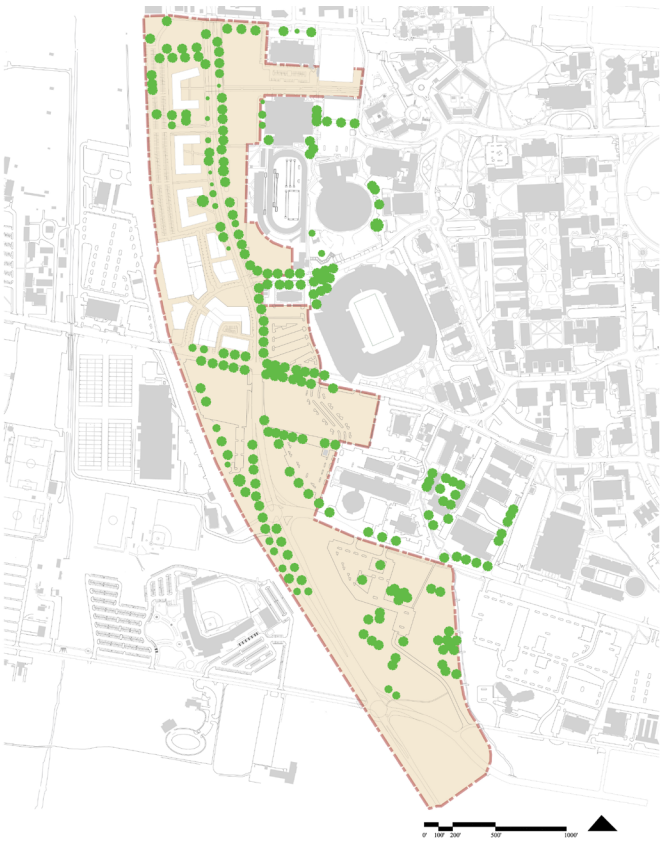
Campus Context

Site Analysis

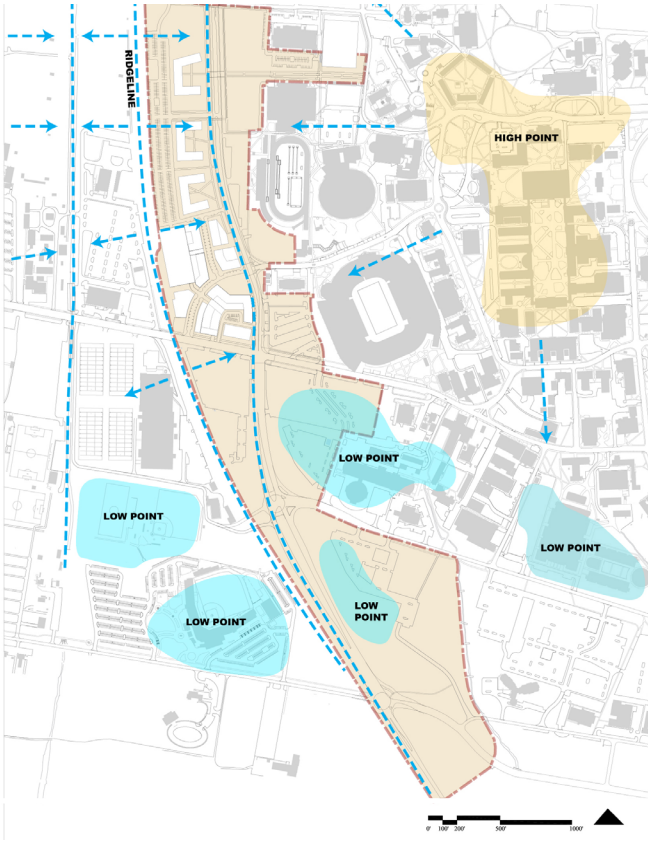
Prior to the creation of the redevelopment proposal, a comprehensive site analysis was conducted to fully capture the current opportunities and limitations of the study area. Analysis included a mapping of drainage issues, utilities, and climatic factors such as sun and wind. The existing live oaks within the site boundaries were also mapped and studied regarding their strong visual effect.

Site Topography and Drainage

Analyzing the site topography along the Nicholson Corridor revealed some drainage issues. The old part of campus is the high point, and drainage flows westward towards the Nicholson Corridor. To the west of Nicholson Drive, the railroad creates a significant ridge line and drainage flows to the west and east, creating problematic low points along and adjacent to the Corridor. A new pump station has been installed on the north side of campus as a reliever. With the significant right-of-way along the Corridor, there is opportunity for sustainable storm water strategies for drainage from the adjacent parcels. These include vegetated conveyance, bioswales and other sustainable drainage strategies.



Existing Oaks



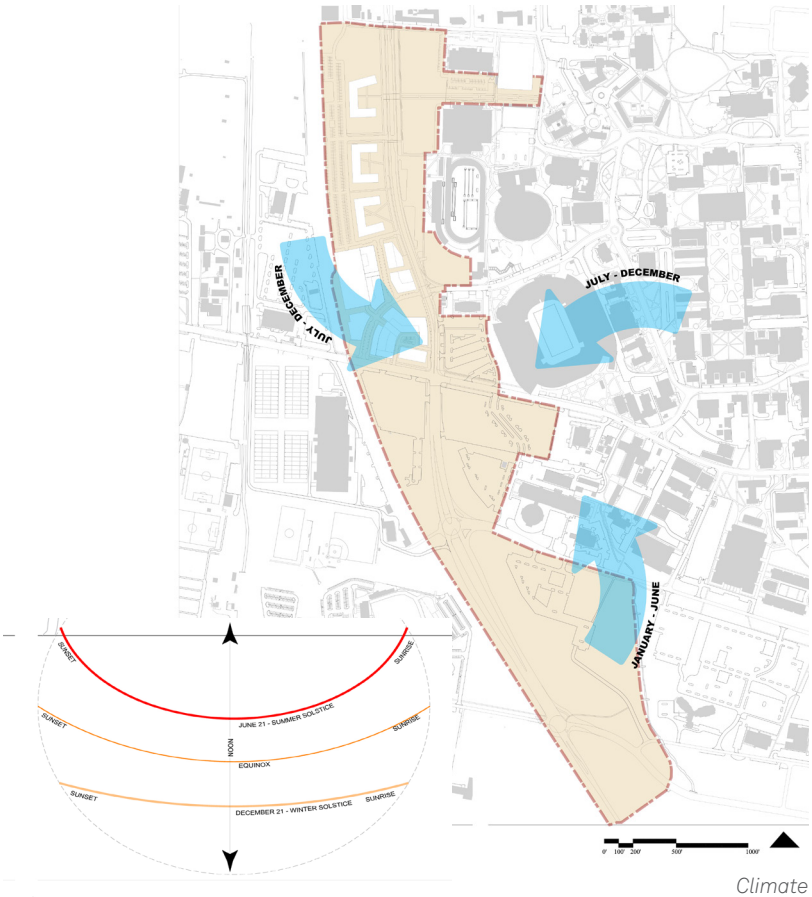
Existing Drainage

Climatic Conditions

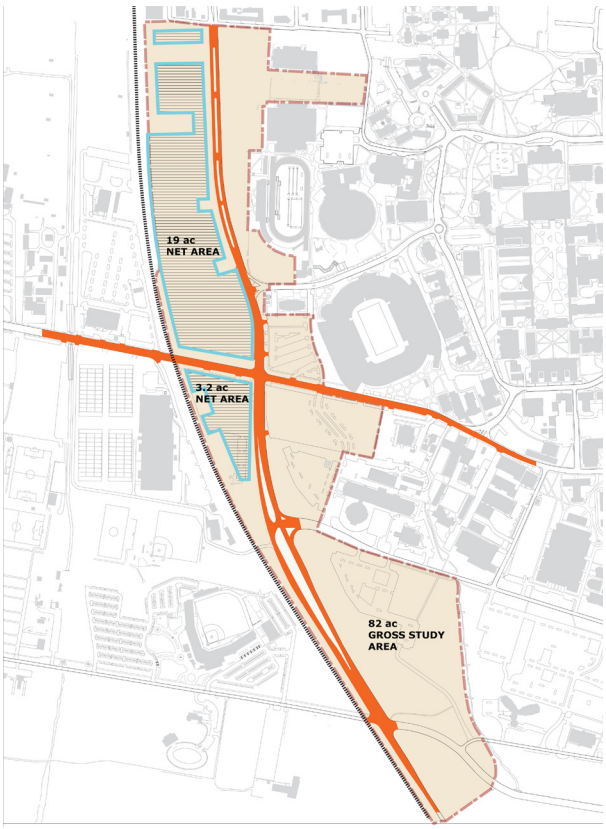
Because of extreme weather conditions at the LSU Campus, climatic comfort is something to be considered in the development of the project. Orienting buildings to create shade in public places, and locating narrow corridors to capture breezes will go a long way to enhance the comfort of the outdoor spaces on campus.

Net Usable Land Area

The 82-acre study area encompasses the entire stretch of the Nicholson Corridor that falls within the campus boundary. It stretches a little over 1 mile along the length of Nicholson Drive from the North Gate at West Chimes Street to about 350 yards beyond the Burbank Drive intersection, west to the railroad tracks, and 50 to 200 yards east of the Nicholson Drive centerline not including existing facilities. The first phases of the project lie in the quadrant west of Nicholson Drive and north of Skip Bertman Drive. Overall this area covers approximately 24.4 acres, but the actual net or usable land area for development of 19 acres is smaller to allow for preservation of the existing live oaks. The net area for the parcel west of Nicholson Drive and south of Skip Bertman is 3.2 acres. This site was initially considered part of the Nicholson Gateway Development Project, but later removed once it was determined is was not required to accommodate the program. So it has been identified as an opportunity site and reserved for future use.



Climate



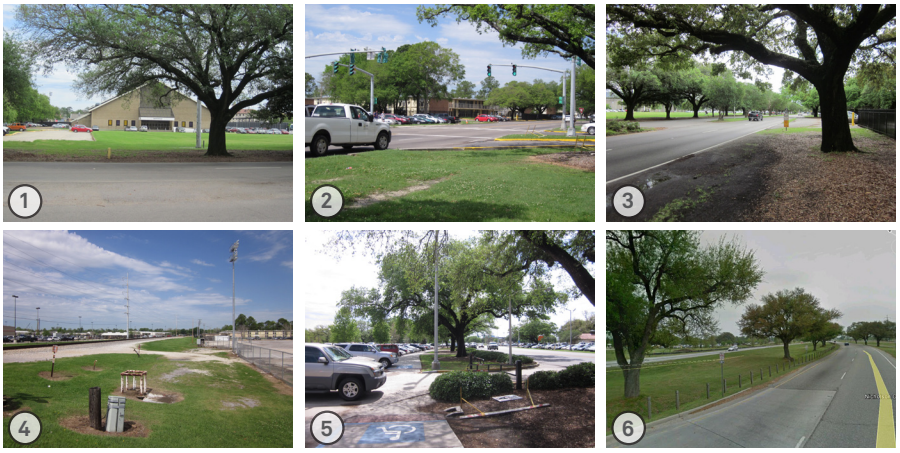
Net Usable Land Area

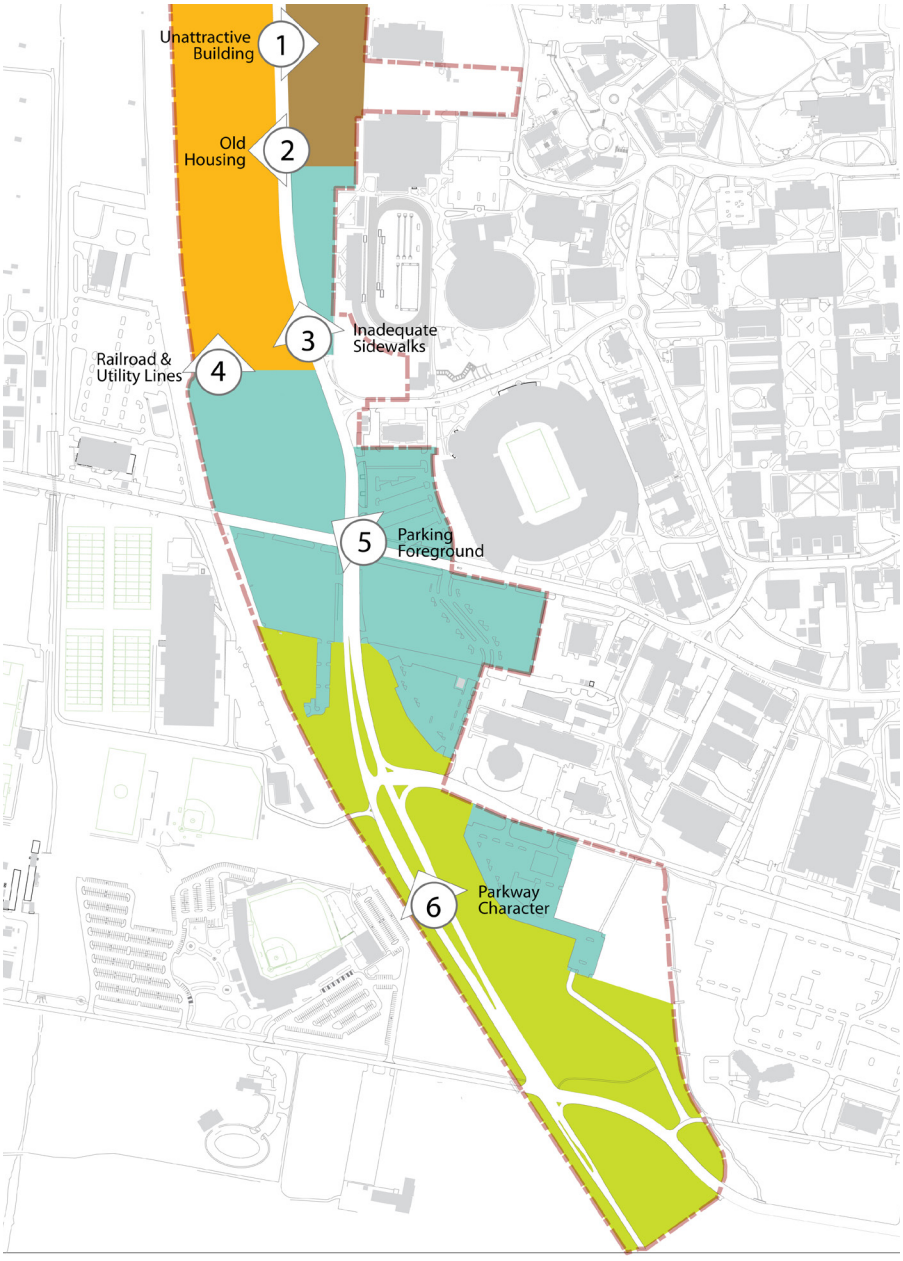
Aesthetics and Views

An aesthetic analysis of the Nicholson Corridor includes recognition and respect for the older desirable parts of the campus. Preserving the existing trees is also an important visual factor for the Corridor, and the first step in meeting the design strategy of connecting the new development to the rest of the campus.

The typical collegiate image on a university campus is, in its most simplistic form, large trees framing stately architecture with a foreground of green space. At LSU, the oak trees are significant elements that define the overall character of the campus. The oaks are numerous and significantly large. They create a strong sense of place and contribute to an enhanced, human-scale environment with their shade and dappled light. The vertical trunks and horizontal canopies of the trees frame views as one drives through the Nicholson Corridor.

Along the Corridor, foreground views include expansive parking lots, views to sides of buildings, fencing and areas of unimproved landscape. As the Corridor develops in the future and parking structures are realized, it is critically important for the visual quality of the Corridor that parking is pulled away from the edge of the parkway or screened from view. Architecture should also have a significant façade facing the Corridor and the landscape should be developed to create a pleasant foreground of stately trees and lawn. New structures should be oriented to address the street and set back into the landscape.





Views

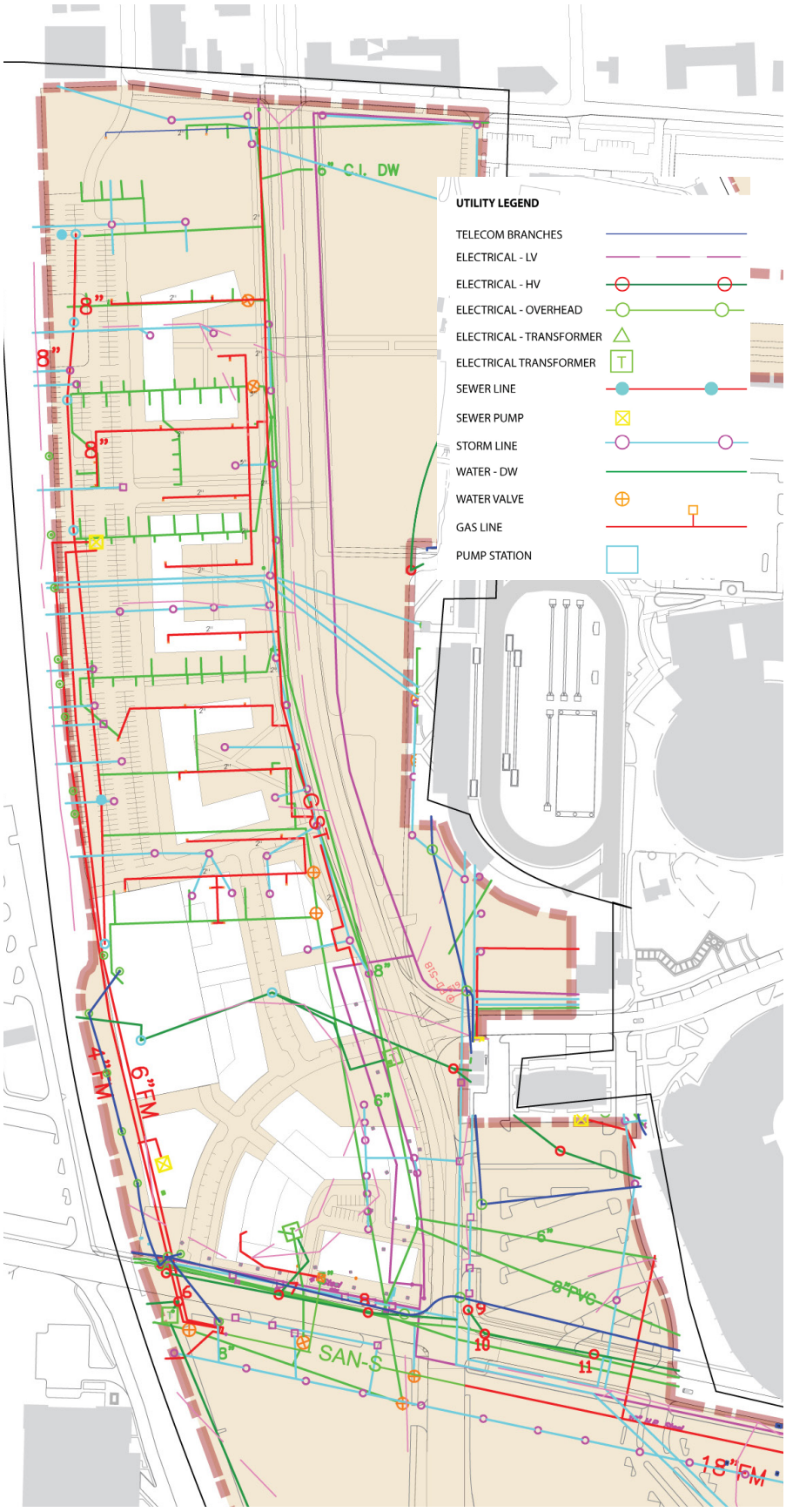
Infrastructure

Along Nicholson Drive between Skip Bertman Drive and Chimes Street, adjacent sites are well served by current utilities, with adequate supply available for future development.

Current supplies include an eight-inch water main and a six-inch gas main, which feed the existing Nicholson Apartments. Portions of these existing service lines may be available for use in new facilities. The Apartments are also served by a six-inch sewer force main and telecom lines which run from Skip Bertman Drive along the railroad track right-of-way.

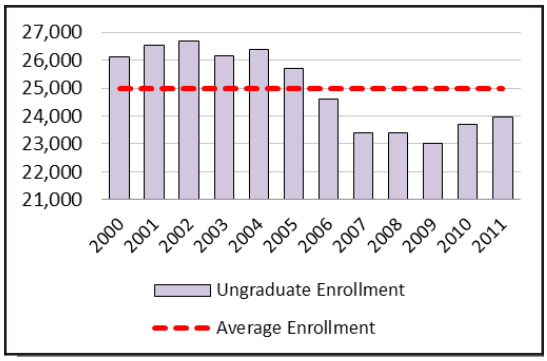
Drainage from the Nicholson Gateway site is routed to a box culvert that crosses Nicholson Drive into the Bernie Moore parking lot. It then routes south as it eventually outfalls into Bayou Fountain. Several drain lines are scattered throughout the parcel to provide drainage to the parking lots for the Nicholson Apartments.

A major utility corridor which once served the former Alex Box Stadium travels parallel to Skip Bertman Drive and feeds buildings west of the railroad track. A second utility corridor, which also includes a planned pump station, runs from the south end of the football indoor practice facility, across the railroad track and Nicholson Drive and along the south edge of the South Stadium commuter lots. The new Alex Box Stadium and adjacent facilities are served by water, gas, sewer, and electrical lines, which extend from Burbank Drive, cross Nicholson Drive and the railroad track, and continue along Gourrier Lane.

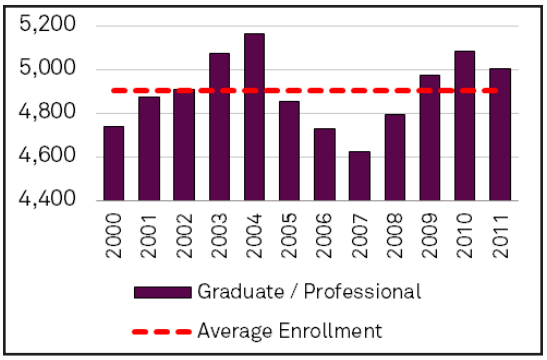


Infrastructure

03 MARKET DEMAND



Undergraduate Student Enrollment



Graduate Student Enrollment

03. MARKET DEMAND

Mixed Use Market

The market analysis framework outlines a number of core metrics that will influence market response to the mixed use element of the Nicholson Gateway project. At the broadest level, our analysis reinforces the unique set of demographic conditions at play across the greater Baton Rouge area, linked in part with the residual impact of Hurricane Katrina. From 2000 to 2010, the Baton Rouge Metropolitan Area added about 96,500 new residents, a rate of growth which was faster than the US as a whole. The practical impact of the hurricane was an essential spike in population growth in 2005 and 2006. By 2007, population trends returned to longer-term averages. Presuming a future that continues a return to long term averages, resulting annual population growth trends points to demand for between 2,600 to 4,200 new housing units per year over the next 10 years. The study also identified other critical market drivers:

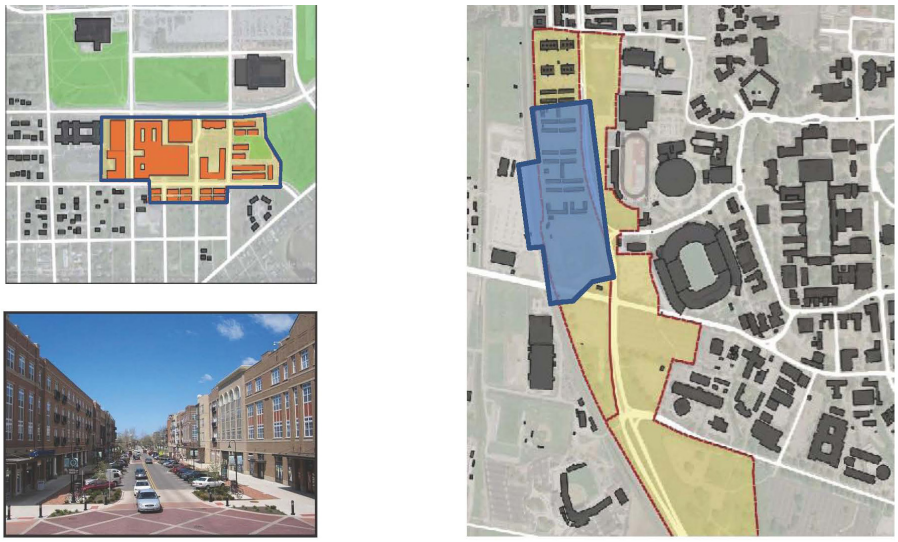
- In part due to Katrina, the Baton Rouge area has experienced a significant increase in tourist visitation, with a total increase of $183 million in spending. Conversely, spending by tourists in the Orleans Parish decreased about $450 million.
- LSU enrollment is a key driver of demand. Total enrollment has been increasing since 2009, with expectations to regain enrollment levels above 30,000 students potentially by 2014, in part through growth in graduate student enrollments. Interviews also suggest that over time, the LSU student population has shifted, with a growing increment of out-of-state students (see graphs above).
- The third factor relates to the significant concentration of sporting venues within walking distance of the Nicholson Gateway Site. A review of LSU Athletics Department data points to a total of about 1 million visits per year to these venues, with about 60% associated with game day football at Tiger Stadium. Baseball represents an additional 21% of attendance.

The analysis also highlights a clear policy impact, which is that LSU has stated their interest in seeing the project be used to largely meet university needs for student apartments as well as for office space. The one component that is expected to be "market based" (and therefore speculative) is retail.

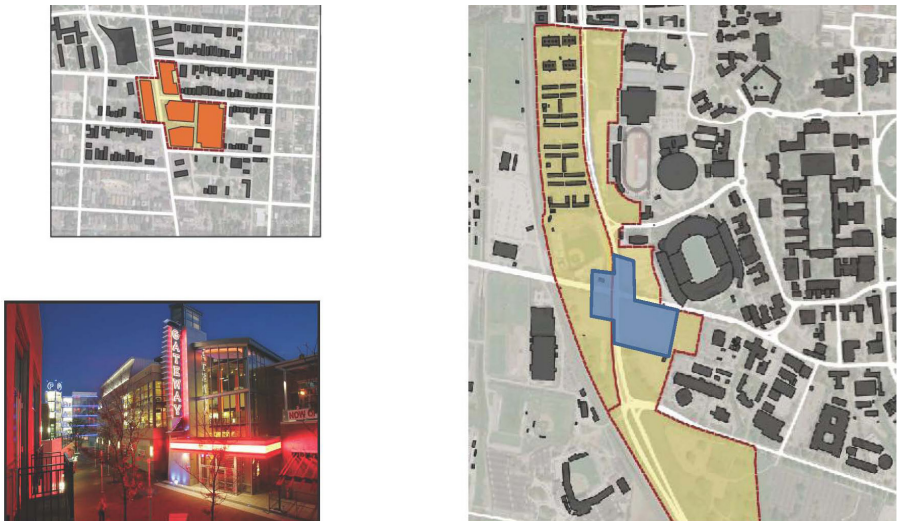
The Design Team also evaluated several mixed use benchmarks around other college campuses, with a specific focus on new projects that are proximate to football stadiums. Identified benchmarks include:

- Eddy Street Commons - University of Notre Dame – Project includes 90,000 sf retail, 82,000 sf office, 1,400 parking spaces, and 450 residential units.
- South Campus Gateway - The Ohio State University – 70,000 sf office, 200 residential units, and 1,200 parking spaces.
- Calhoun Street Marketplace - University of Cincinnati – 100,000 sf retail, 300 student apartments.

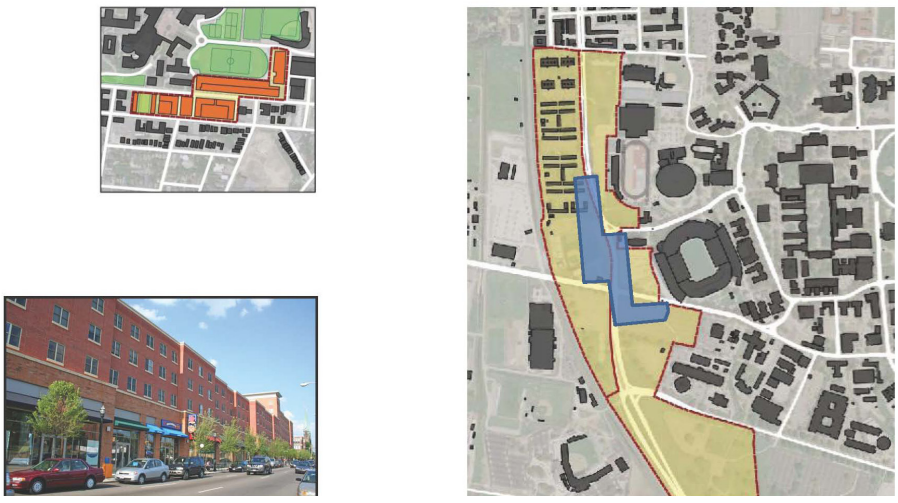
Projects such as Eddy Street Commons take advantage of their location near major sports venues by aligning the role of structured parking to support game day events while serving the everyday parking needs of a denser mixed used development. The mixed use element, which includes street level retail, office and residential uses, compliments the game day activities, while the structured parking allows for greater development densities than would otherwise be feasable. Universities tend to pursue these types of projects for several reasons, which extend



Scale Comparison: Eddy Street Commons, No tre Dame, South Bend, Indiana



Scale Comparison: South Campus Gateway, The Ohio State University, Columbus , Ohio



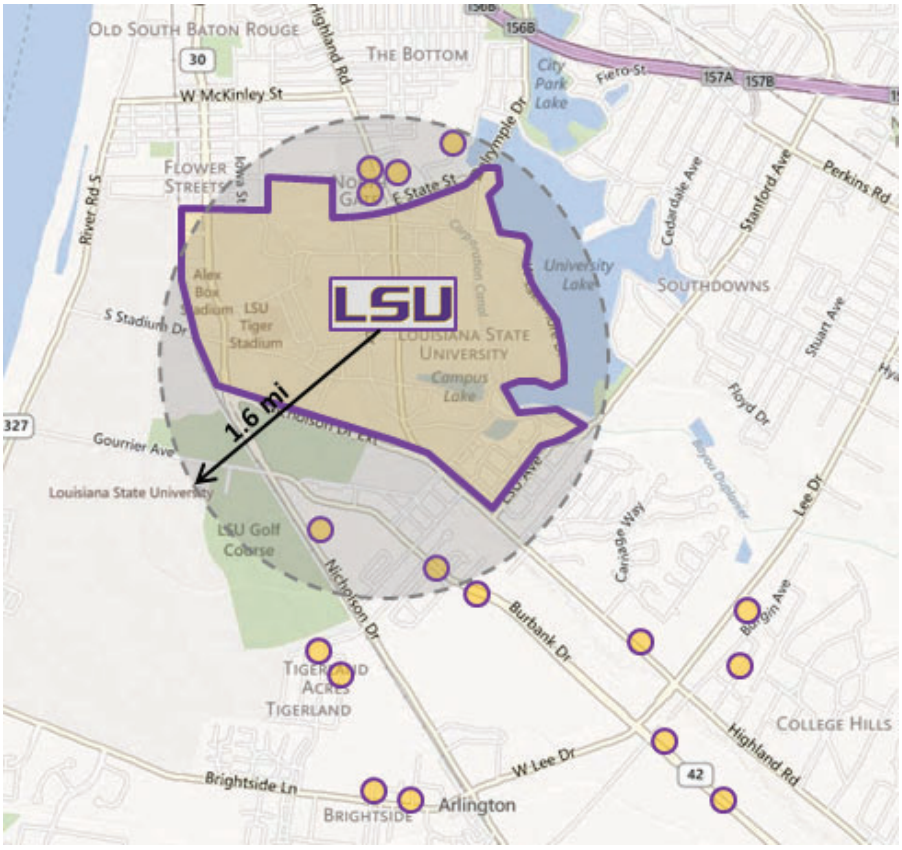
Scale Comparison: Calhoun Street Marketplace, University of Cincinnati, Cincinnati, Ohio

beyond core questions of profitability:

- The need to revitalize and reposition campus edges
- The need to compete for students and grow endowments
- The need to maximize cost recovery and / or revenue capture from existing assets

Real estate market support for the Mixed Use program also builds from a review of real estate conditions locally in residential, retail, and office segments. From a residential standpoint, the analysis reinforced a broader market, which is in better shape than the country as a whole. Local real estate conditions show continued residential activity over the past several years, despite the recession. Multi-family markets are recovering from a surge in post-Katrina construction (2005-2006), with 2011 unit deliveries beginning to approximate the long term average. Proximate to campus, new projects such as The Cottages, The Venue and Northgate, and Northgate Apartments are setting the market, with 4BR rents of roughly $2,400 to $2,500 per month per unit. Although a significant number of new units have been added to competitive inventory, none are within walking distance to campus.

Nicholson Gateway enjoys a number of competitive advantages due to its easy access from Nicholson Drive, its walkable distance to the core campus, and its proximity to Tiger Stadium and the other venues in the Athletics District. There is also precedence from similar developments occurring around other major universities across the country, some of which have a very similar



context.

That said, not all types of retail development will work well for Nicholson Gateway. Baton Rouge, like virtually all cities, is a competitive marketplace and the recession has dampened demand for new construction. It is not in what is traditionally considered an ideal location for regionally-serving retail, as demonstrated by the fact that the majority of regional-serving retail is concentrated on the other side of town, close to the highway. So for retail to succeed, it will need to be appropriately scaled and suited to the target market. In short, it will require a special kind of development and a special kind of developer; one that is oriented to LSU's unique advantages and to the long term gain.

The following lists describe some of the potentials and challenges:

1. Average retail rent levels across the region have been unstable as of late. Class A rents, typically associated with new construction, are currently falling in a $20 to $21 per square foot range (NNN basis). Indications are that these rents are arguably too soft to support new construction, at least at the average regional level.

2. Vacancy levels around LSU and across the larger South Baton Rouge submarket, defined by COSTAR, remain below regional levels. However, this may not necessarily indicate lack of demand for retail types not present in the submarket, as indicated in the next point.

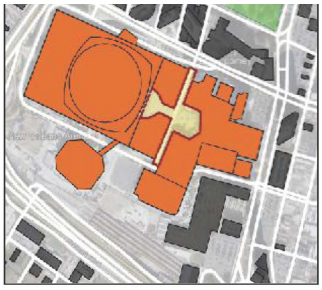
3. Analysis of retail spending potentials for local residents, employees and students points to considerable leakage of retail

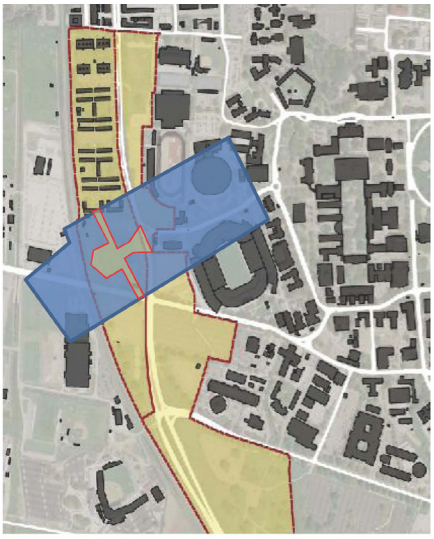
spending to other areas in the region. This indicates Nicholson Gateway may be able to fill part of that gap by providing certain offerings that are missing from the marketplace.

4. The uncertainty regarding retail market potentials relates to the fact that a number of tenants who would be well suited for this project (Urban Outfitters, for example) are already in the market. Therefore the amount of retail that is available to Nicholson development will very much depend on the particular developer and their ability to attract suitable tenants.

Program implications for Nicholson Gateway were determined for retail, residential, and office activity. Specific outputs are noted in Chapter 9: Implementation. The market assessment also evaluated uses such as hotel and cinema, but found that market support was more constrained. Discussions also considered other attractions, such as a museum, with a similarly unclear market response.

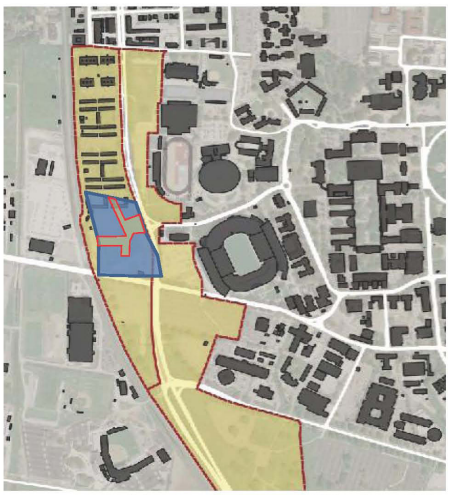
The market review also looked at opportunities to develop a defined plaza space, with a clear pedestrian connection to Tiger Stadium and other local attractions. A key driver for the plaza is the goal of creating opportunities for enhanced sponsorship and advertising, as well as donations. The effort looked at other programmed plazas linked with projects, including Champions Square (New Orleans), American Airlines Center (Dallas), Westgate City Center (Glendale, AZ), and Nokia Plaza (LA). These plazas are all deliberately





Scale Comparison: Champions Square, Mercedes-Benz Superdome, New Orleans

Scale Comparison: AT&T Plaza, American Airlines Center, Dallas, Texas



Scale Comparison: Nokia Plaza, Los Angeles, California

scaled and heavily programmed spaces. They provide pedestrian connectivity with local sports venues as well as other entertainment, dining, and retail opportunities.

Student Housing

The student housing analysis process incorporated the following steps to ensure that project objectives were being achieved:

- Project Initiation: A strategic visioning session provided a broad understanding of the University's culture, objectives, mission and vision as related to the redevelopment project and future campus development.
- Market Research: The market research component of this study included local market analysis as well as a comparison to regional and national trends in higher education and the development industry. Research included an on- and off-campus student housing analysis, a peer institution benchmarking comparison, and an assembly of student preferences through focus group sessions and a web-based survey.
- Program Definition: A proprietary Demand Based Programming ("DBP") model provided quantitative information about demand patterns and student preferences. The DBP process translated demand into programmable spaces for the respective project components. A recommended development program was analyzed to achieve supply and demand reconciliation.
- Financial Analysis & Phasing Strategy: A financial model was used to analyze the operating requirements of the various project components. The model tested a variety of development phasing concepts and deal structures.

The following results of the in-depth market research and financial analysis highlight development opportunities for LSU in student housing as well as some challenges.

LSU currently captures more than 70% of first-year students in on-campus housing at LSU. However, on-campus housing only accommodates 11% of sophomores and 4% of juniors and seniors. The attrition between on-campus housing freshman year and the following years is significant and has encouraged the development of private, off-campus properties to support the increasing student housing demand coming from enrollment growth.

There are many housing alternatives available to LSU students who desire to live off campus. Property managers consider students a key target market and advertise directly to them with competitive pricing, aggressive marketing campaigns,

Student Housing

lease incentives, and desired amenities. While some upper-division students indicated a desire to live on campus during focus group sessions, the limited housing supply and more affordable apartments offered in the highly competitive off-campus market are able to draw sophomores, juniors, and seniors away from on-campus housing.

Due to LSU's focus on housing freshman students and the large off-campus market supply, the University has accepted the off-campus market as supplemental housing for upper-division students; however, the University has an opportunity to accommodate a larger portion of upper-division students on campus if upper-division housing is determined to be critical to the student experience. LSU's peer institutions have already started accommodating a larger percentage of the student population in on-campus housing, as shown in the Campus Housing Capture Rate Comparison chart.

The survey results and the Demand-Based Programming model indicate that demand exists for additional on-campus housing for upper-division students. As noted in the 2011 LSU Housing Demand chart, LSU has the opportunity to develop additional housing for sophomores, juniors, and seniors.

It is important to note that housing demand for graduate students declines from an 18% current capture rate to a 12.4% potential capture rate. Currently, graduate students live in the old and affordable Nicholson Apartments. Since the Nicholson Apartments do not have debt, the University can afford to keep rental

Institution	Undergraduates Living on Campus
University of Illinois at Urbana-Champaign	50%
University of Maryland	44%
University of Nebraska	41%
Iowa State University	39%
Virginia Polytechnic Institute	36%
Purdue University	35%
University of Tennessee	35%
North Carolina State University	32%
University of Georgia	30%
Colorado State University	24%
Kansas State University	24%
Texas A&M University	13%
Peer Averages	**34%**
Louisiana State University	**24%**
Variance	***(9.6%)***

Campus Housing Capture Rate Comparison

Class	Enrollment*	Current Capture Rate	Potential Capture Rate	Maximum Potential Demand
Freshmen	5,182	78.0%	78.0%	4,042
Sophomores	3,976	11.0%	30.7%	1,222
Juniors	4,621	5.5%	21.5%	994
Seniors	5,928	3.5%	20.2%	1,199
Graduates	3,117	18.0%	12.4%	387
Gross Demand	**22,824**	**24.1%**	**34.4%**	**7,844**
Current LSU Supply				**6,086**
Surplus (Deficit)				***(1,758)***

*Spring 2012 LSU Enrollment
Source: LSU Budget and Planning

Spring 2012 LSU Housing Demand

rates affordable to satisfy the price-sensitive graduate population. While there is a desire to live in graduate housing, the prices required to support a new development are too expensive for many graduate students. Since LSU has a mission-based objective to accommodate graduate students in on-campus housing, the University will need to subsidize the rental rates for graduate students to make the housing more affordable and thus more attractive.

The following program was identified for new student housing in Nicholson Gateway:

- There is currently surplus demand for approximately 800 sophomore students, made up primarily of super suites (430 beds) and apartments (380 beds).

  We recommend building approximately 415 new super suite beds to accommodate demand. Given the lack of kitchens in super suite units, these beds should be located near available dining.

  We recommend that the East Campus Apartments and West Campus Apartments be converted to sophomore housing, and to relocate the juniors and seniors who currently live in ECA and WCA into the new Nicholson Gateway development.

- There is currently a surplus demand for approximately 700 junior and senior students, comprised primarily of apartment beds. The surplus demand includes the students who would be relocated from ECA and WCA.

  These beds should be located on the west side of Nicholson, with a portion of the beds being located in close proximity to the mixed-use development.

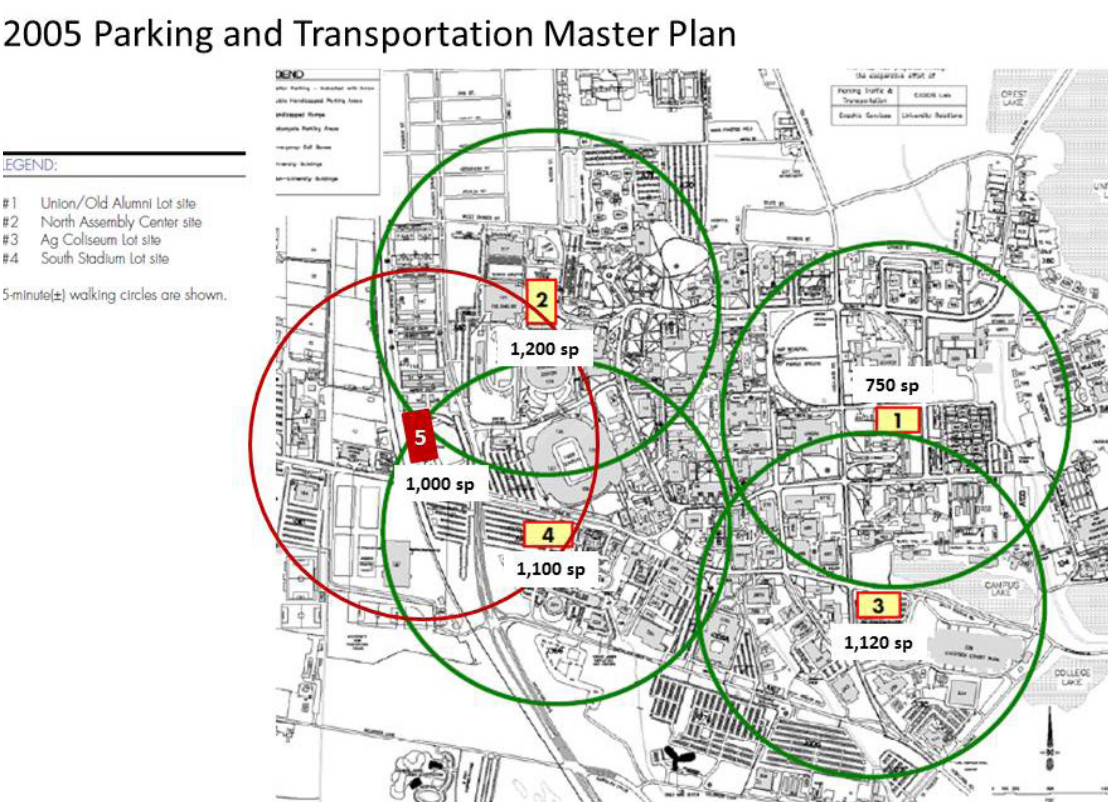
- New graduate beds would replace the existing graduate beds in Nicholson Apartments.

  To replace the demolished beds at Nicholson Apartments, LSU should develop approximately 340 apartment beds dedicated to graduate students.

Class	New Beds Demand	Bed Type	Recommended Development Zone	Recommended Number of Beds
Sophomores	430	Super Suites	TBD	415
Sophomores	380	Apartments	E & W Campus Apartments	380
Sophomores	**810**			**795**
Juniors & Seniors	325	Apartments	Zone D1	286
Juniors & Seniors		Apartments	Zone E	91
Juniors & Seniors	380	Apartments	Zone C	339
Juniors & Seniors	**705**			**716**
Graduates	250	Apartments	Zone D2	247
Graduates	90	Apartments	Zone E	97
Graduates	**340**			**344**

Nicholson Gateway - Proposed Student Housing Program

04 PARKING: ISSUES & BEST PRACTICES



Planning Diagram for Future Parking Structures

04. PARKING: ISSUES AND BEST PRACTICES

Introduction

A critical component for the redevelopment of the Nicholson Corridor is vehicular access, circulation and parking. The following paragraphs outline LSU's parking issues, parking and access precedents from other similar universities, and recommendations in relation to the redevelopment plans proposed.

LSU Issues

Traffic and Parking

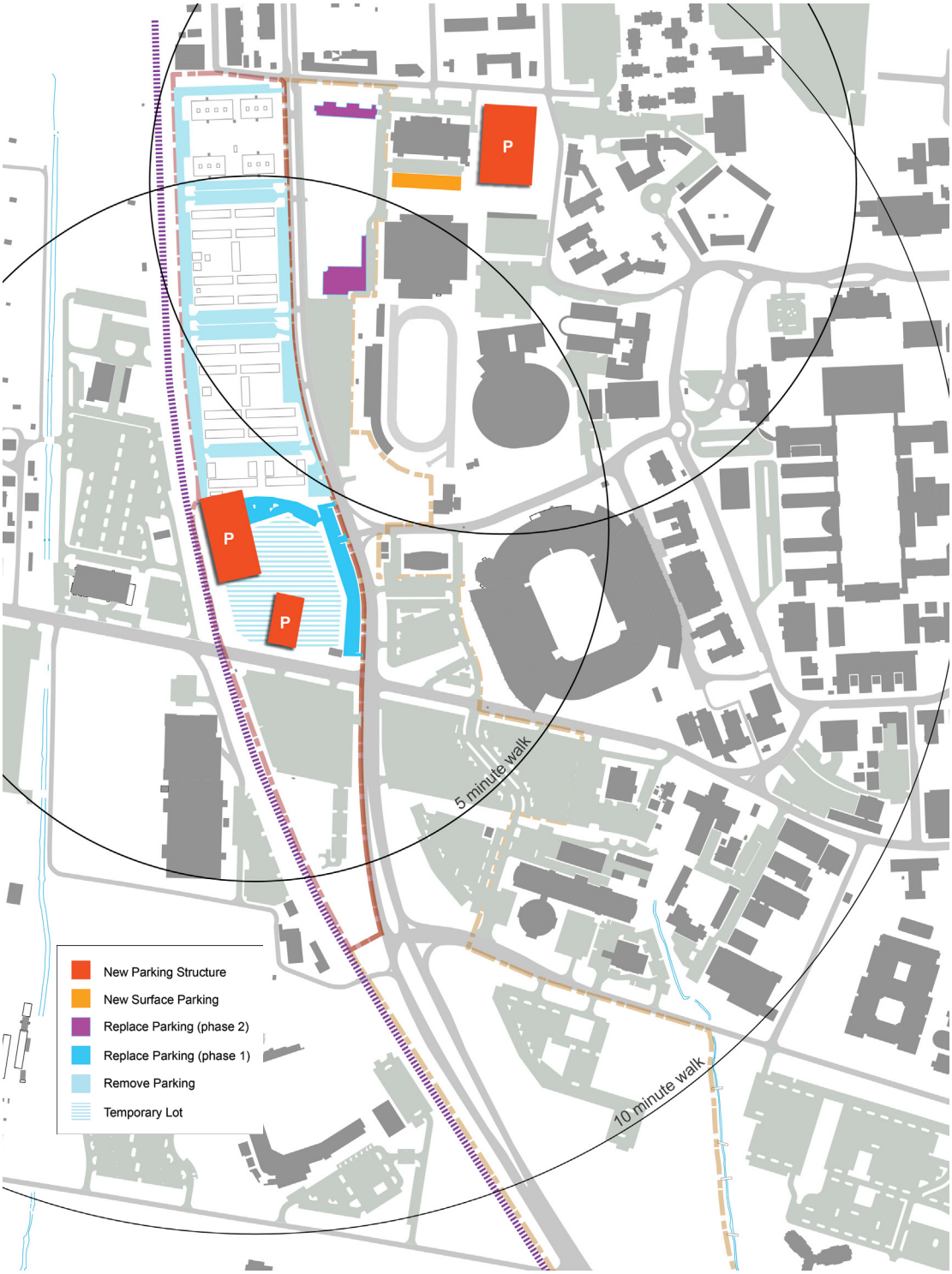
Traffic at and around LSU is typical of a major university environment. The class schedule, volume of students and limited roadway capacities makes for a difficult commute to and journey through the campus.

Parking is often a contentious issue. The perceived "lack" of parking comes from being accustomed to parking very nearby, such as in a high school parking lot. Parking complaints may also relate to an unwillingness to walk a distance from abundant parking, which is typically now at the periphery of campus.

Special events create another special need for traffic access and parking. In addition to the typical day during a school year, a university has numerous special events, which create other demands on the system. These events range from a small conference held at the Student Union, to weekly sporting events to huge events such as home football games. Access, circulation and parking for each of these events are unique. The common thread is people in cars wanting to get to campus at a certain time and park as close as possible to the event venue.

Different user groups

The university environment attracts a variety of User Groups to campus unlike any other major generator. Students may live on campus



Parking Replacement Diagram

or off campus. They may walk, take the shuttle, car pool, use a single occupant vehicle or ride a bike. They may have classes during the day or night throughout the week.

Faculty and staff are very similar in their transportation characteristics as students. Their variable modes of access and need to be on campus are beyond the typical 9 to 5 timeframe.

Administrators have some special needs. They may have a typical office schedule, but also may have added responsibilities for meetings and coordination with departments, colleges, dignitaries and legislators. Their need to move about campus in a convenient way under time constraints must be recognized.

Visitors are also important to consider. From delivery people, to parents, business people dealing with University issues, to the general public who may be "just visiting ", they too have needs for access, circulation and parking.

The Community

LSU is within the jurisdiction of several local and state institutions which govern day to day operations of the community surrounding the campus. This includes the City and Parish of East Baton Rouge and the State DOTD (Department of Transportation and Development). It is critical to engage and coordinate with these agencies, especially as it relates to utilities, drainage and roadway infrastructure that abuts or penetrates the campus.

The CSX rail road is also a neighbor with active trackage along the western border of campus. In addition, the Corps of Engineers has an active participation near campus along the Mississippi River levee system.

Recommendations

Parking associated with the Nicholson Apartment complex will be removed and replaced with parking to support the new housing district. The new parking will be located to the rear of the development, hidden from view and will serve as a buffer between the housing and the railroad tracks.

Redeveloped lots that currently support game day parking will be replaced with structured parking. The game day spaces will 'share' parking normally designated for non-game day uses. This includes approximately 250 spaces of game day spaces on long term lease, but not the balance of the Alex Box Lot that is on temporary lease and is scheduled to expire before the start of the project.

Structured parking within the Nicholson Gateway, though not a revenue generator, will enable a more intense redevelopment of the site. The primary parking deck in the Nicholson Gateway Development fits in with the 2003 LSU Master Plan, which proposed 4 primary structures at the perimeter of the core campus to accommodate commuter parking displaced from the campus core, creating a new bank of game day parking that is proximate to the stadium and other venues in the Athletics District.

Under the development scenario presented for the Nicholson Corridor redevelopment, the Design Team's recommendation would be a win /win for the university under the Master Developer agreement. While not having 100% control of the parking asset, the University is assuming it's primacy through the development agreement, and under those terms can dictate what type of parking should be developed, what type of O&M responsibilities each party will have, and to what degree revenue will be shared between the developer and the University.

Additionally, The Design Team recommends a phased development of parking facilities. As new development is built, parking is displaced, and added as necessary in new locations to accommodate additional demands generated by new development. This could also serve as a continuation of the general peripheral parking concept.

Access and revenue control needs to be thought through as the project is more fully developed. Initial improvements to Nicholson and connections to adjacent streets should incorporate access points for new and future anticipated development. In addition access and revenue control equipment needs to be explored to ensure the compatibility of university wide systems as it relates to communication, control of access and auditability or the fees generated by the facilities.

05 NICHOLSON CORRIDOR FRAMEWORK PLAN

Illustrative Plan

05. NICHOLSON CORRIDOR FRAMEWORK PLAN

Introduction

The Nicholson Drive Corridor presents an extraordinary opportunity for Louisiana State University to transform the under-utilized western portion of campus, which primarily consists of large parking lots, obsolete facilities, and a lackluster landscape, into an attractive campus district that extends the qualities of the campus core. The character of Nicholson Drive itself can be transformed from an auto-dominated highway that divides the two sides of the road, to a campus street that feels like it is part of the campus; one that unifies both sides of the street with improved crossings and strong streetscape identity.

The Corridor also presents an extraordinary opportunity for the City of Baton Rouge to improve one of the primary routes connecting the downtown to the campus. Redevelopment plans are already in place under the FuturEBR to promote development and streetscape improvements, and number of development projects are either in place or in the planning phases. The LSU redevelopment initiative reinforces the City's efforts to revitalize the Corridor and support the City's overall vision for Nicholson Drive.

For the purpose of the study, the Master Development Plan defines an 82 acre study area that includes both sides of Nicholson Drive, extending one mile from the North Gate at Chimes Street to just beyond the Burbank Drive intersection. The study area is bordered by the railroad tracks to the west and extends approximately 600 feet from the centerline of the road. Within this district, the primary focus of the study is defined by the 24 acres on the west side of Nicholson Drive, bounded by the railroad tracks, Chimes Street, and Skip Bertman. This area is called Nicholson Gateway.

This chapter describes the rationale and proposed improvements for the Corridor study area and Chapter 08 describes additional details for the improvements around Nicholson Gateway.

Land Use and Organization

The Nicholson Corridor has been identified as having the potential to better serve the University by improving the campus image along Nicholson Drive and identifying sites that can accommodate future facility needs. The following uses were considered within the study area:

Parking

Currently, surface parking is the dominant land use within the Corridor study area. Parking serves a valuable purpose for game day visitors and commuters. It has a relatively low cost and high return, and will continue to be a valuable use in the Corridor. However, because of the Corridor's proximity to the campus core and great access through Nicholson Drive, certain sites are better suited for facilities that support the campus growth needs. This is especially true for the Nicholson Gateway redevelopment area.

To accommodate these new uses, the general approach for this study has been to provide replacement game day parking at a 1:1 ratio or better, with the exception of temporary lots such as the former Alex Box site. Replacement parking will either be accommodated in parking structures or in surface lots supporting new uses that are not required during game day events.

Residential

The northern portion of the Nicholson Gateway project replaces the obsolete graduate housing complex with new housing for graduates and upperclassmen.

Housing sites have also been reserved on the east side of Nicholson, south of Skip Bertman Drive. These sites had been identified in earlier studies due to their proximity to the campus core. Since student housing sites close to the core campus are generally prioritized over commuter parking, some of these sites may necessitate the displacement of commuter parking. The additional parking need can be accommodated in nearby structured parking or in remote parking.

Mixed Use

The Nicholson Gateway project includes a mixed use core area consisting of retail, university affiliated office, and student and university affiliated housing. Based on the program developed from the market analysis, approximately 10 acres have been reserved for this use, which will be configured in a compact town center style environment. The location was selected because of its prime location at the corner of Nicholson Drive and Skip Bertman Drive which provides excellent visibility and benefits from the proximity to Tiger Stadium and game day pedestrian traffic from the west campus parking lots.

Opportunity Sites

Four sites within the study area are 'opportunity sites' due to their location advantages and adequate parcel size. However since no specific or immediate need has been identified, these sites can continue to be used for parking or reserved as open space until new facilities are required. Some possible uses that were suggested during the stakeholder discussions include the following:

1. The site adjacent to the Field House has the potential to significantly enhance the campus gateway experience and to strengthen the connectivity between the Nicholson Gateway project and the core campus. This site could be suitable for a number of different uses including residential, athletic, student services, or other university affiliated uses. Additional detail can be found in Chapter 7.

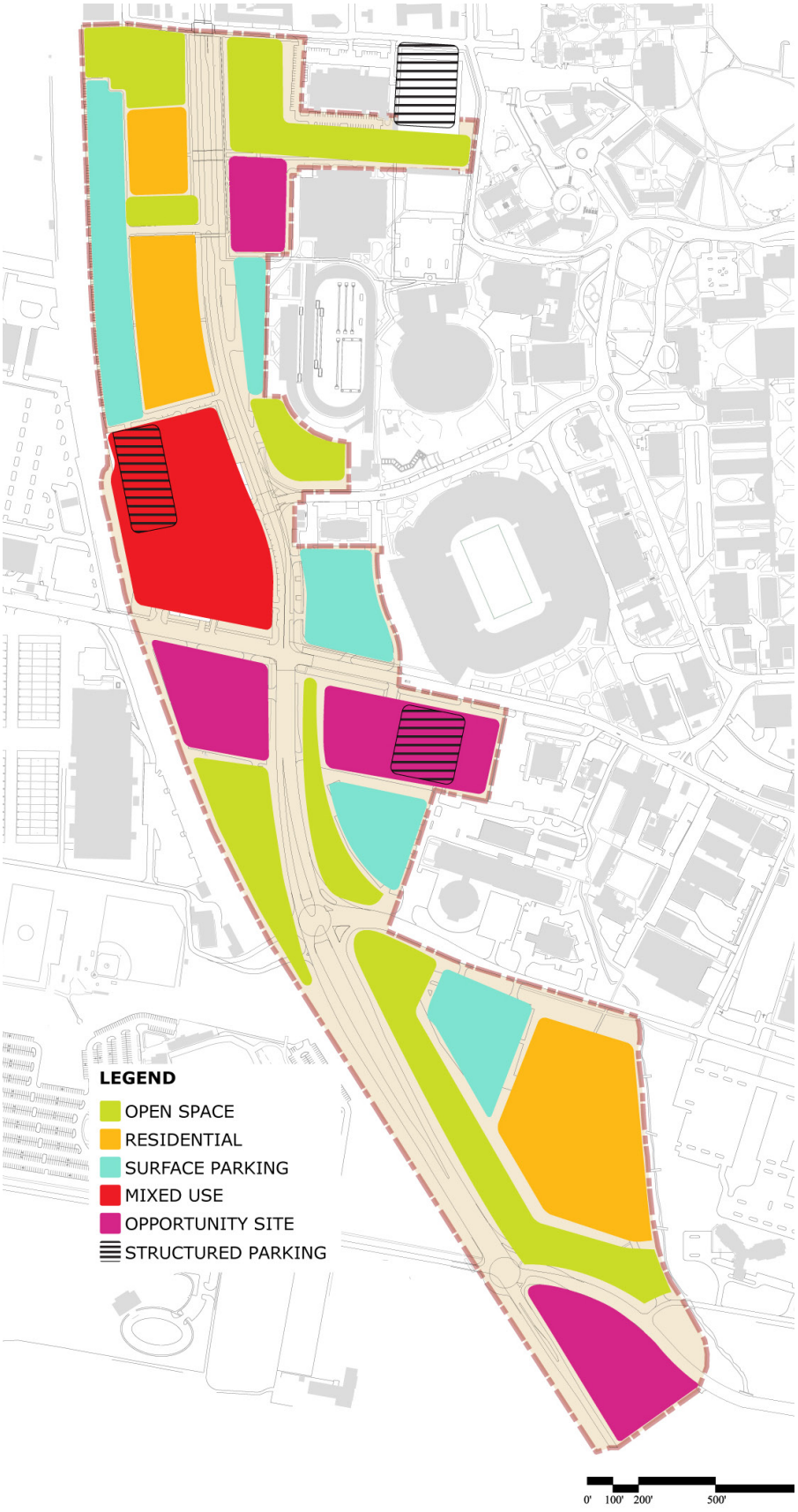
2. The site on the south west corner of Nicholson Drive and Skip Bertman Drive could be a candidate for uses such as a new sports or natural history museum. These uses would have synergies with the mixed use center across the street, however they have not yet identified funding or programming. This site would also need a strategy to accommodate displaced game day parking.

3. The site at the southern corner of Burbank Drive and Nicholson Drive could be a candidate for a future retail or visitor center.

4. The site at the southeast corner of Nicholson Drive and Skip Bertman. It would become available once the large commuter deck behind it was completed and it could replace the displaced parking.

Open Space

Certain areas have been reserved for open space, creating places for recreational activities and contributing to the campus image. South of Skip Bertman, generous parking and development setbacks preserve green space for tailgating during baseball and football events, and contribute to the parkway character of Nicholson Drive. The open space at North Gate provides recreational opportunities for the adjacent student housing and contributes to the sense of arrival to the campus.



Land Use

Gateway Experience

Design Concept and Character

The physical design and image for a campus is critically important for recruitment of high level students, faculty and researchers. The campus environment is not only the first impression for visitors but sets the atmosphere for future recruit's life on the campus. Currently, Nicholson Drive is characterized as a parkway, although it has some issues: fragmented pedestrian and bicycle circulation, old rundown buildings, a foreground of parking lots, and although there is a large stand of oak trees, the landscape needs substantial improvements. In general there is an overall lack of composition in the Corridor that one would expect for a major university.

The design concept for the Nicholson Gateway originates from the goals, design principles, land use and program organization developed in meetings with the working group and stakeholders. Repositioning the Nicholson Gateway from its current identity as the edge of campus, to a vibrant new corridor is to think beyond the gateway thresholds to create a sequence of episodes encompassing the entire Corridor from Chimes Street to the Gourrier / Burbank intersections. The preliminary programming workshops with the Working Group and stakeholders put in place the overall land use structure, described in the previous section. This land plan subsequently sets the stage for an episodic experience along the Corridor. There are three main segments to the gateway experience to create this episodic experience. From north to south the episodes are: campus buildings within a green setting, core retail within an entertainment center and the parkway / tailgate green south of Skip Bertman Drive.

The northern segment of the Corridor is characterized by campus buildings within a green setting. The feeling of entry into the campus is accentuated by the contrasting environments. North of Chimes, the Corridor is tightly framed with three-story buildings and minimal setbacks. South of Chimes, the landscape immediately opens to an open campus with buildings set in a park like setting. During early work sessions, stakeholders came to a general consensus that the campus community has an affinity for the building organization and character of Highland Drive, which runs through the center of campus. Building upon the strong stands of existing oaks in the Nicholson Corridor, the character of Highland Drive exemplifies the traditional image of LSU, defined as 'stately architecture framed by large trees with a foreground of green space'. This image led to the organization of the buildings and character for the northern portion of Nicholson Gateway.

The middle section of the Corridor is the Mixed Use Core and is more urban in character. This area is intended to become a vibrant center for not only the campus community but also the community at large. The center is intended to have an urban feel and includes restaurants with outdoor dining, campus related retail, offices, some housing, and parking to support not only day-to-day needs but also major athletic events. There will be a distinct character change as a visitor enters the core traveling along Nicholson Drive. The density will be high, with highly visible building facades close to the street. Along with a major view of the existing stadium, there will be a multi-functional / multi-purpose plaza space.

The southern segment of the parkway assumes a parkway character that further enhances the campus image. With the addition of trees and landscaping, and a requirement to have a generous setback for future buildings, the parkway has the potential to not only significantly improve the campus character but also expand and improve the tailgating area for the sporting venues.

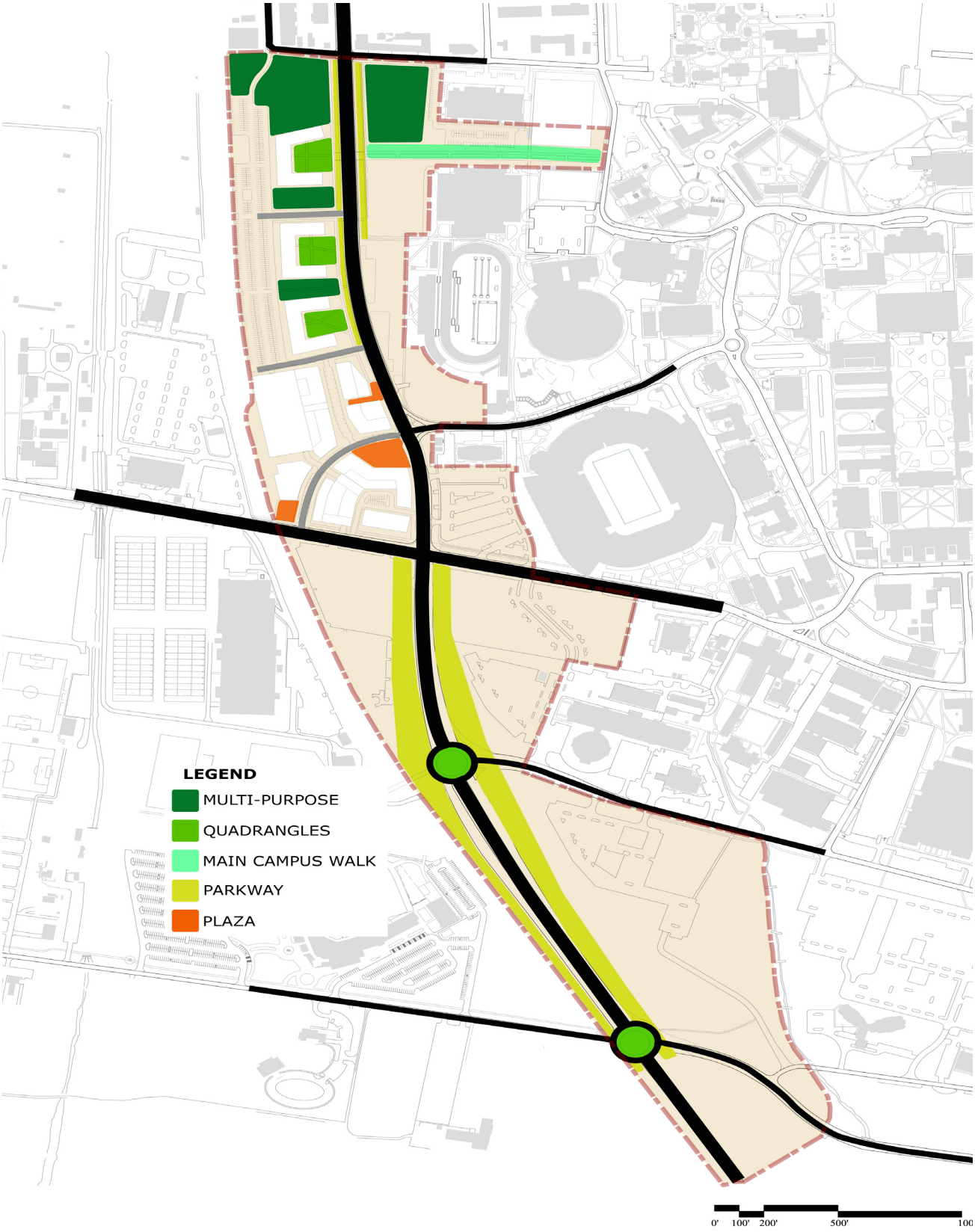
Open Space Systems

Providing a connected network and variety of open spaces for the campus community is critical to the quality of campus life. The open space system for the Nicholson Corridor falls under typologies that serve both functional and social needs. The vehicular and pedestrian circulation systems along with the building organizations are the armatures that position the open spaces. The types of open spaces for the Nicholson Corridor include parkways, quadrangles, plazas, promenades and multi-purpose green spaces described on the following pages.

Green Campus Character in Housing District

Vibrant Mixed Use Center

Tailgate Green



Landscape Types

Strong Canopy of Trees to Enhance the Parkway Character

Nicholson Drive Parkway

Although still a major thoroughfare, Nicholson Drive should have an enhanced park-like atmosphere. The plan proposes widening the median and narrowing the pavement by reducing travel lane widths and eliminating on-street parking. Multimodal pathways will be introduced outside the treeline on both sides of the road. Additional planting will help screen surface parking. The street is a significant public space for the campus and is envisioned to become a major pedestrian north /south circulator. In addition, the right-of-way can be utilized for tailgating.

Foreground of Greenspace with Stately Architecture

Quadrangle Space for Interaction

Quadrangles

The quadrangles for the Nicholson Corridor are primarily associated with the new housing blocks and are not only intended as an image-setting device but also serve an important social function for student life. The quadrangles are defined by 'U'-shaped buildings that face the street. The buildings encapsulate the quadrangle space with a stately architectural façade. The Quads are public spaces although they are defined in such a way that they appear to be for students only. The quadrangle spaces are primarily lawn with circulation, which are organized on desire lines linking building entries to primary campus circulation corridors. The lawn is open and flexible to allow for multipurpose events, impromptu social gatherings and recreation. Large shade trees dot the Quad's open space to provide a strong canopy not only framing the architecture but also providing comfort for the space.

Quadrangle Space for Socialization

Plaza Spaces as an Extension of a Interior Social Space

Plazas

Plazas are gathering spaces located at key points in the Corridor. Plazas are heavily used activity spaces for events, outdoor dining and/or gathering and socializing. The main plaza for the Nicholson Corridor is in the mixed use area. This is a large plaza that is anticipated to have outdoor dining as a retail edge but is primarily set up to be a platform for multi-purpose events. The plaza could potentially have a water fountain, major art piece or other animated feature to enliven the plaza during non-event times. A second plaza is located on the east side of Nicholson Drive at the end of the pedestrian promenade. This space is intended as a student gathering space with potential for food and coffee carts or a more permanent small café associated with the housing. The plaza is located on the shady side of the building and could be enlivened with moveable tables and chairs, umbrellas and small gardens. There are other small plazas located in the Corridor at major pedestrian areas. These plazas are intended to have colorful paving, seating, lighting and either overhead canopies or trees for shade.

Plaza Spaces for Multipurpose Activities

Potential for the Promenade to Become a Flexible Green Corridor

Promenade

A significant connective open space promenade is anticipated to be located where the existing tennis courts reside just north of the Maddox Fieldhouse. The promenade will become the main pedestrian circulation connection from the new housing blocks along Nicholson to the main part of campus. The promenade has the potential to become an exciting experiential walkway with seating elements, gardens, rotating temporary or permanent art or interpretive elements that describe, for example, the academic discoveries that have been made at the university.

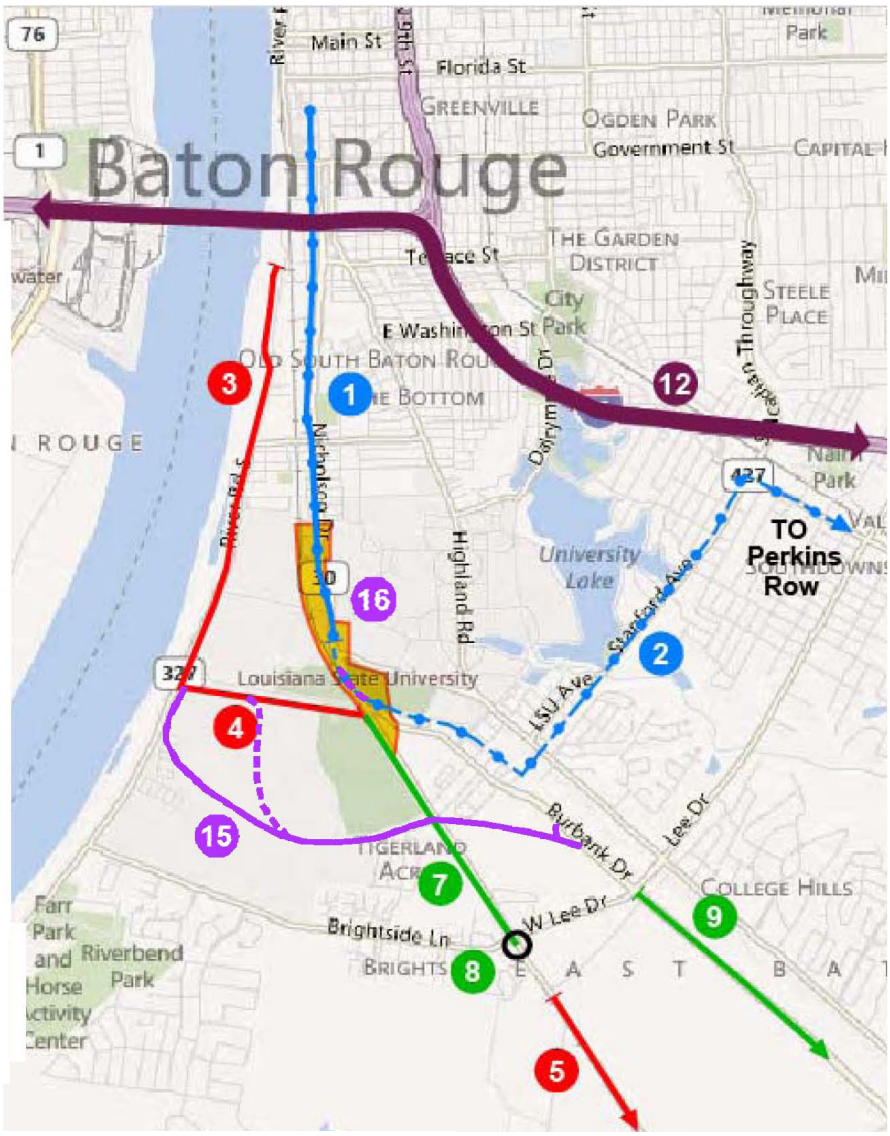
Potential for the Promenade to Become a Themed Walk

Circulation Systems

Improved connectivity is one of the primary themes of the Master Development Plan both across and along the Nicholson Drive. Currently Nicholson Drive functions more like a by-pass road than a campus drive. In its current state, the road would isolate the Nicholson Gateway development from the rest of the campus. To successfully reposition the Corridor, both sides of the street need to feel connected, and be functionally and programmatically connected and unified. This section identifies proposed improvements for traffic, transit, bikes and pedestrians.

Regional Access

Nicholson Drive (LA 30) is a regional arterial roadway between US 61 in Ascension Parish to Government Street in Downtown Baton Rouge, LA. It is the largest of three north-south corridors that traverse through the LSU campus. It is connected at each end of the roadway by Interstate 10 and serves as a major north-south roadway through the southern part of the Baton Rouge metropolitan area. The roadway provides several functions. First, it is a major truck corridor that serves several chemical plants and industrial sites along the Mississippi River south of Baton Rouge. Due to the location of these industrial facilities, Nicholson Drive sees a significant amount of truck traffic that is directed through the LSU campus. Second, it serves as a main artery for off-campus students, faculty and staff who live mainly south of campus. It also is a major corridor for those who commute through campus to Downtown Baton Rouge. Lastly, it provides access to many of the campus' sports



Regional Access and Future Improvements

FUTUREBR PROPOSED IMPROVEMENTS

PROPOSED STREET CAR PROJECTS

- Planned (<10 yrs) 1 NICHOLSON (DOWNTOWN TO LSU)
- Planned (10+ yrs) 2 EXTENSION (LSU TO PERKINS ROWE) VIA STANFORD & PERKINS

PROPOSED ROADWAY IMPROVEMENTS

- Planned (10+ yrs) 3 RIVER ROAD WIDEN TO 4 LANES (RELOCATED TERRACE ST. TO GOURRIER DR.)
- Planned (10+ yrs) 4 GOURRIER DR WIDEN TO 4 LANES (RIVER ROAD TO NICHOLSON DR.)
- Planned (10+ yrs) 5 NICHOLSON DRIVE WIDEN TO 4 LANES (BEN HUR RD. TO BLUEBONNET EXT.)
- Planned (10+ yrs) 6 NICHOLSON DRIVE WIDEN TO 4 LANES (BLUEBONNET EXT. TO IBERVILLE PARISH LINE

PROPOSED GREEN LIGHT PLAN PROJECTS

- Funded (3-5 yrs) 7 NICHOLSON DRIVE WIDEN TO 4 LANES (GOURRIER DR. TO BRIGHTSIDE DR.)
- Funded (3-5 yrs) 8 NICHOLSON DR./BRIGHTSIDE DR.
- Complete 9 INTERSECTION IMPROVEMENTS BURBANK DR. WIDEN TO 4 LANES

LADOTD IMPROVEMENTS

- Planned (<10 yrs) 12 I-10 WIDEN TO 8 LANES FROM I-110 TO I-12 & IMPROVEMENTS TO LA 415

LSU GATEWAY PROPOSED IMPROVEMENTS

- Idea (10+ years) 15 SOUTH BYPASS (RIVER ROAD TO BURBANK DR.)
- Idea (3-5 years) 16 NICHOLSON ROAD DIET IMPROVEMENTS

facilities and commuter parking lots, which on football and baseball game days are central focal points for tailgating activities on campus. South of the LSU campus, at the intersection of Burbank Drive, another major parallel corridor funnels additional traffic to Nicholson Drive as it traverses through campus. Nicholson Extension also provides access between Nicholson Drive and Highland Road. These two intersections feed a significant amount of traffic to Nicholson Drive as it moves north through campus.

Several recent and future projects will affect traffic along Nicholson Drive in the near future. Projects completed recently include the widening of Burbank Drive from Lee Drive to Siegen Lane and the widening of Siegen Lane from Burbank Drive to Perkins Road. The combination of these two projects effectively create a four lane arterial loop from LSU around the rapidly developing southern Baton Rouge to Sherwood Forest Boulevard which provides access to Interstates 10 and 12 and connects the roadway to the northern Baton Rouge communities of Central and Greenwell Springs. It is also expected that the recently opened L'Auberge Hotel and Casino and other off campus student housing developments will continue to increase traffic along Nicholson Drive and Burbank Drive.

Future roadway projects proposed along Nicholson Drive will provide a four lane roadway from LSU to Lee Drive. This project is highlighted in the Green Light Plan, a transportation improvements plan funded by a ½ cent sales tax.

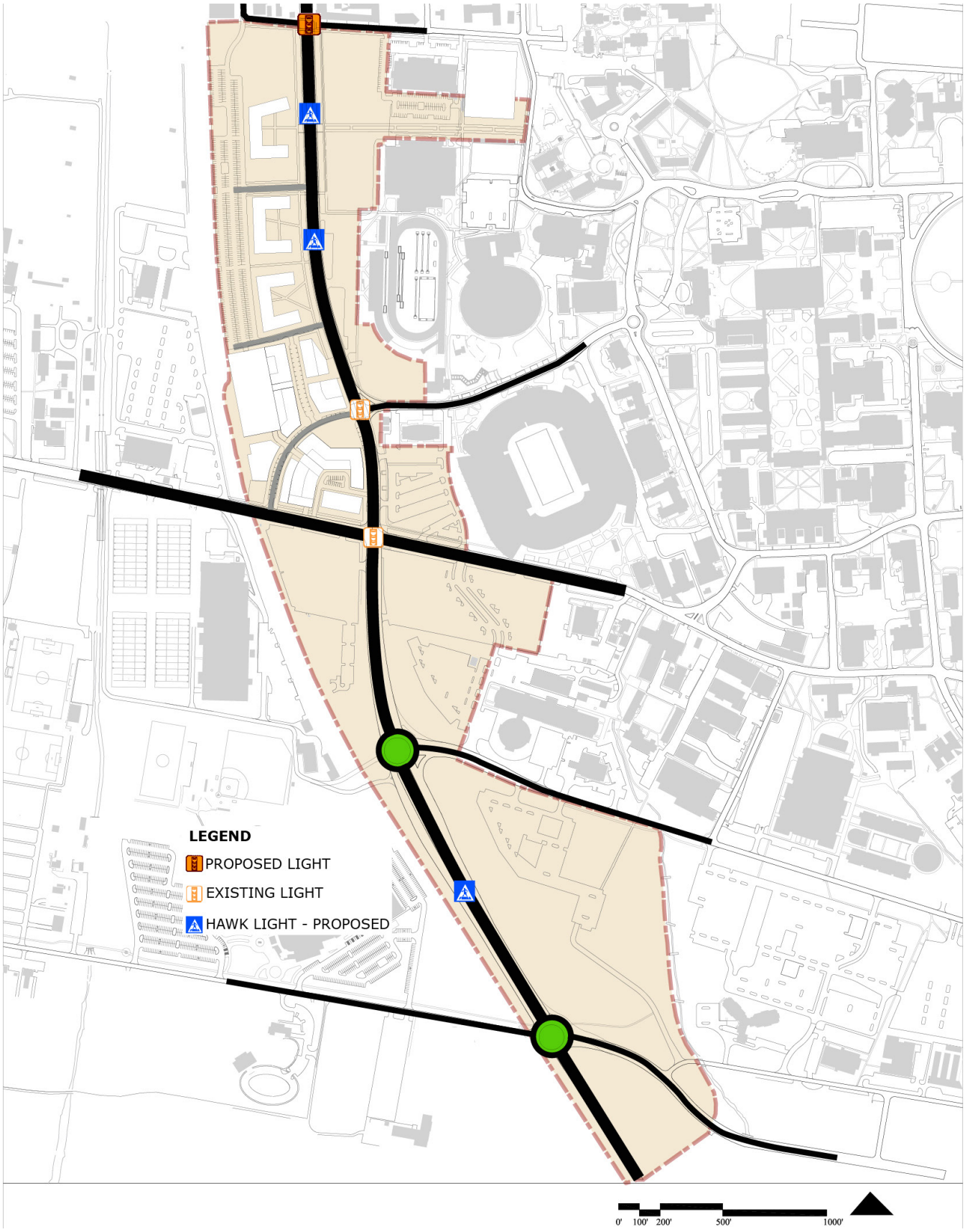
The FuturEBR Comprehensive Master Plan also has proposed several projects that will affect the corridor. While these projects are part of the Plan, they have no source of funding at this time. Roadway projects include the widening of Gourrier Drive, River Road, and Oklahoma Street. In addition, there would be planned improvements to the Nicholson Drive/Highland Road off-ramp from eastbound Interstate 10 to the Mississippi River Bridge. This could potentially redirect truck traffic from Nicholson Drive to River Road within the limits of the LSU Campus. Other roadway projects include widening Nicholson Drive to four lanes from Lee Drive to the Iberville Parish Line. The Plan also identified Nicholson Drive as one of the corridors in its "Great Streets" program which is designed to revitalize Nicholson Drive from the LSU Campus to Downtown Baton Rouge through streetscape improvements and street oriented redevelopment.

Nicholson Drive

The new and improved Nicholson Drive assumes two distinct characters as it passes through the study area. North of Skip Bertman Drive, it is a divided four-lane boulevard which is tightly defined by the live oak canopy and the median tree line. This space is designed to create a compressed feeling that causes drivers to take notice and slow down. Nicholson Drive south of Skip Bertman Drive assumes the character of a broader parkway with generous setbacks and an open and expansive landscape right-of-way edge.

Accordingly, the plan adopts two different traffic control strategies north and south of Skip Bertman Drive. In the southern segment, the plan adds two rotaries—one at Burbank Drive and one at Nicholson Extension. The rotaries cause traffic to slow and contribute to a sense of entry to the campus. Because of the high traffic volumes, these rotaries require two lanes and a large radius. Because of this, the scale of these rotaries is well suited to the openness of the parkway, but too large for the constrained northern segment. A new pedestrian crossing will be located between the two rotaries, and be signaled with a HAWK light. HAWK lights are manually activated pedestrian traffic signals that are mounted overhead to they are more obvious to vehicular traffic. The HAWK is particularly helpful for baseball games where fans move between the Alex Box Stadium, the east side parking and the tailgating area.

North of Skip Bertman Drive, the existing signal at North Stadium Drive serves a new entry to the mixed use district. At this location, two new HAWK lights are aligned with major pathways to the core campus. Per the LADOT plan, the light at West Roosevelt is relocated to Aster Street, and the median at Chimes is closed.

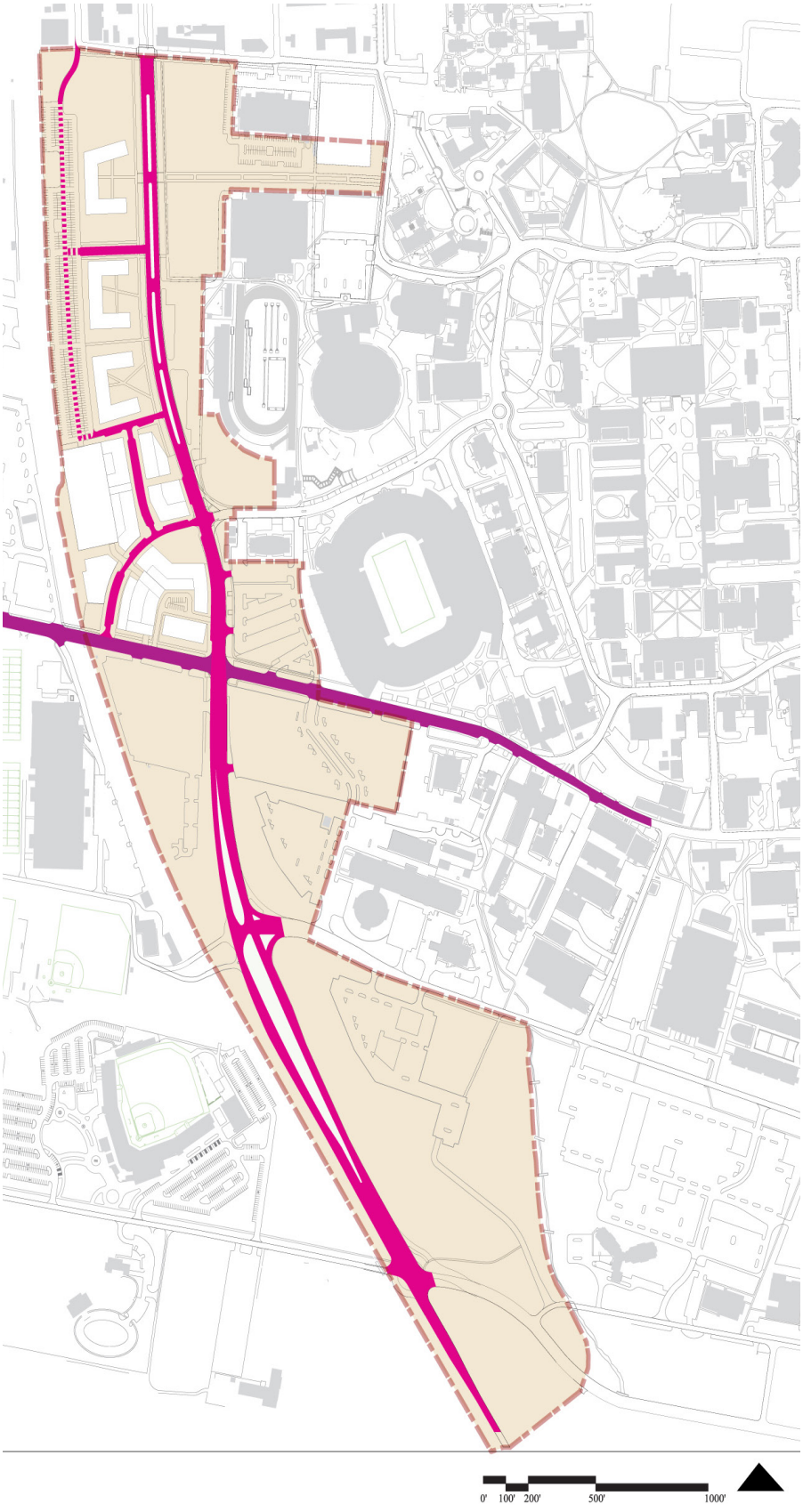


Traffic Controls

Street Network

The Nicholson gateway street network creates an urban style street grid in the mixed use section with narrow two lane streets and on-street parking. These roads are designed to create an intimate urban feel and they are defined by a continuous building edge with active retail frontage. The streets incorporate on-street parking, which buffers pedestrians from traffic and creates a more comfortable sidewalk experience. The on-street parking configuration also provides "teaser" parking to draw in shoppers looking for "front door" parking.

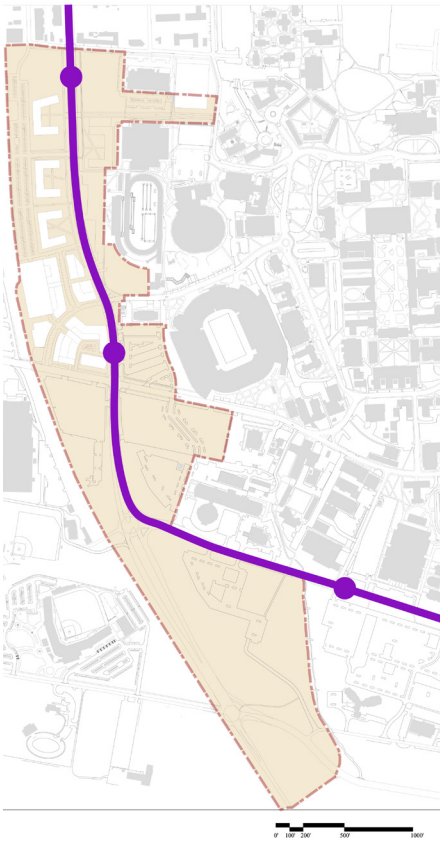
The plan introduces a new street extending from North Stadium Drive at Nicholson to Skip Bertman Drive near the railroad tracks. The purpose of this street is to provide easy access for businesses and residents to parking within the development. The design of the road allows for through traffic, but only at slower speeds. A second street runs north and south, parallel to Nicholson Drive. This street is lined with retail storefronts and apartments above to create a Main Street feel. Two access streets are located north of North Stadium which serve parking lots on the western edge of the development; one at the end of the Main Street and second at the midpoint between Chimes Street and North Stadium Drive. The parking lots also allow for a traffic route that runs from the main parking structure north to Wyoming Street, and allows traffic exiting the garage to bypass a segment of Nicholson Drive.



Street Grid Diagram

Center Median Street Car

Outside Traffic Lane Street Car



Proposed Street Car Route Through Campus

Transit

The LSU Tiger Trail System provides convenient access between Nicholson Gateway, West Campus and Downtown Baton Rouge. The Downtown/Vet trail route travels from the School of Veterinary Medicine on West Campus, along Skip Bertman Drive and South Stadium Drive. It then loops back on North Stadium Drive and travels north along Nicholson Drive to Downtown.

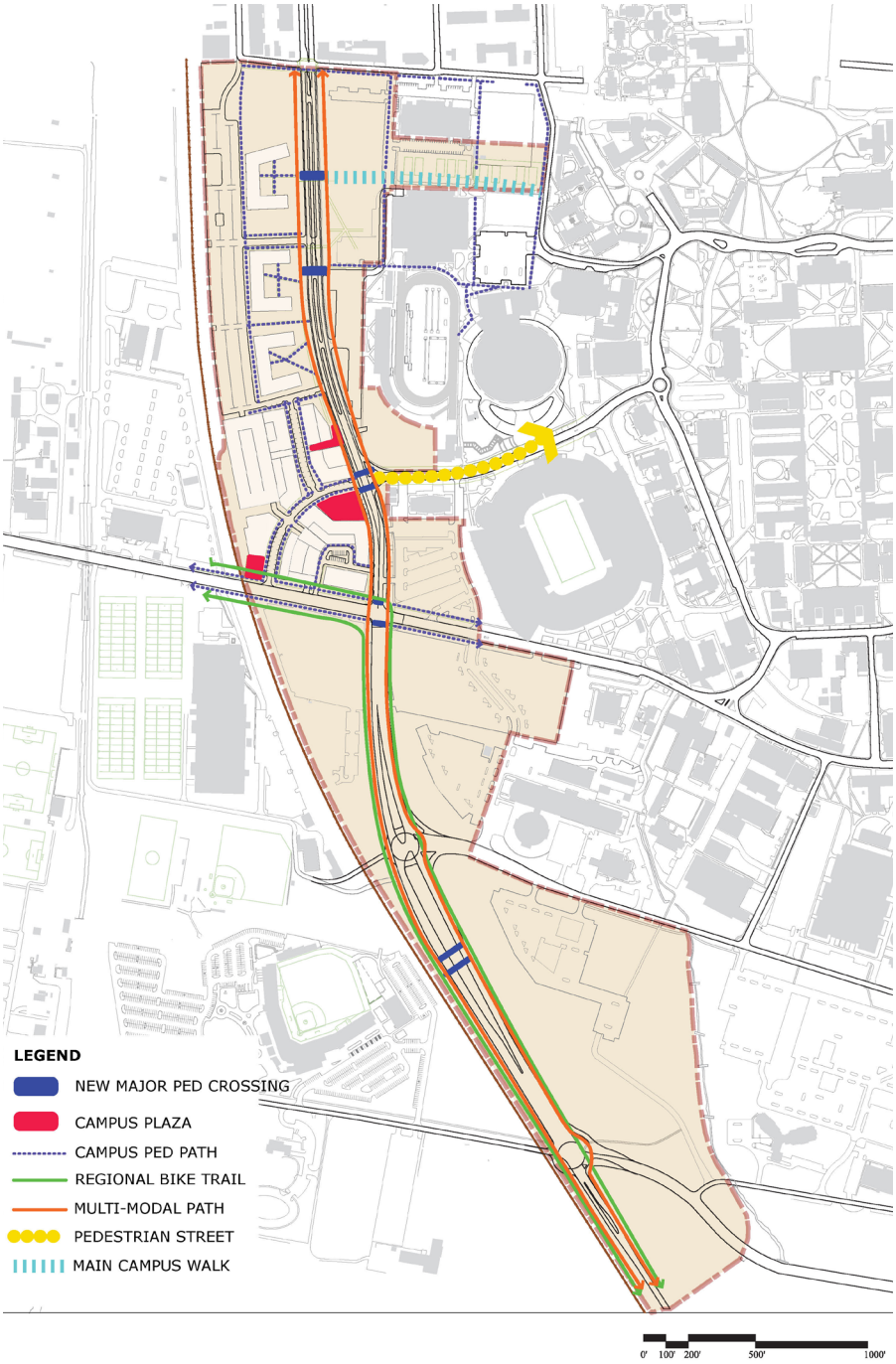
The FuturEBR plan proposes a streetcar that would link Downtown Baton Rouge to the LSU campus in the first phase, with a future phase that would extend the route eastward to Perkins Rowe, a major retail shopping area located on Perkins Street on the east side of town. Although the streetcar is not yet funded, the proposed redesign of Nicholson Drive is designed to accommodate the streetcar either in the median or in a shared travel lane.

Bike Circulation

Twelve foot wide, multi-purpose pathways will align on both sides of Nicholson Drive, providing a continuous connection along the Corridor. South of Skip Bertman Drive, an off-road regional bike trail will connect the levee trail running along River Road, east along Skip Bertman Road and south down Nicholson Drive to the Tigerland area. North of Skip Bertman Drive, bike traffic is anticipated to be more local and casual in nature and will mix with pedestrian traffic on the roadside trails and other campus pathways.

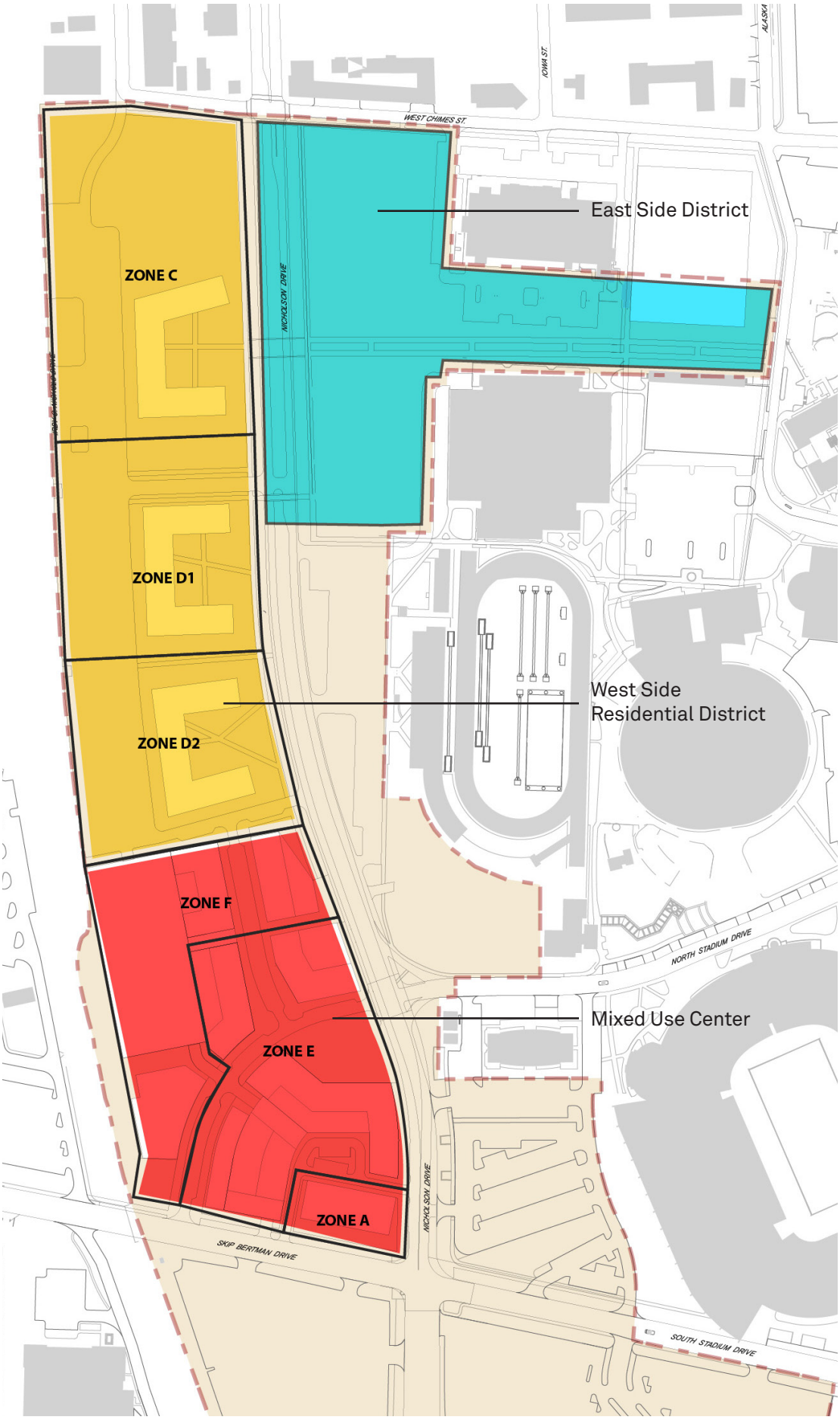
Pedestrian Circulation

The Nicholson Drive roadside multi-purpose trails will also provide a continuous route north-south through the Corridor. East-west pathways will extend and improve existing trail from the campus core, across the signalized pedestrian crossings to the Nicholson Gateway development. Within the housing portion of the development, the sidewalk network follows the pattern of a traditional campus quad, where paths are oriented informally along desire lines. In the mixed use center, sidewalks are typically 16' wide and run along both sides of the street. In the southern segment of Nicholson Drive, a new pedestrian walkway extends from the Alex Box stadium, across the relocated rail crossing, and across Nicholson Drive at the proposed HAWK light pedestrian crossing.



Bike and Pedestrian Circulation

06 NICHOLSON GATEWAY DEVELOPMENT PROGRAM



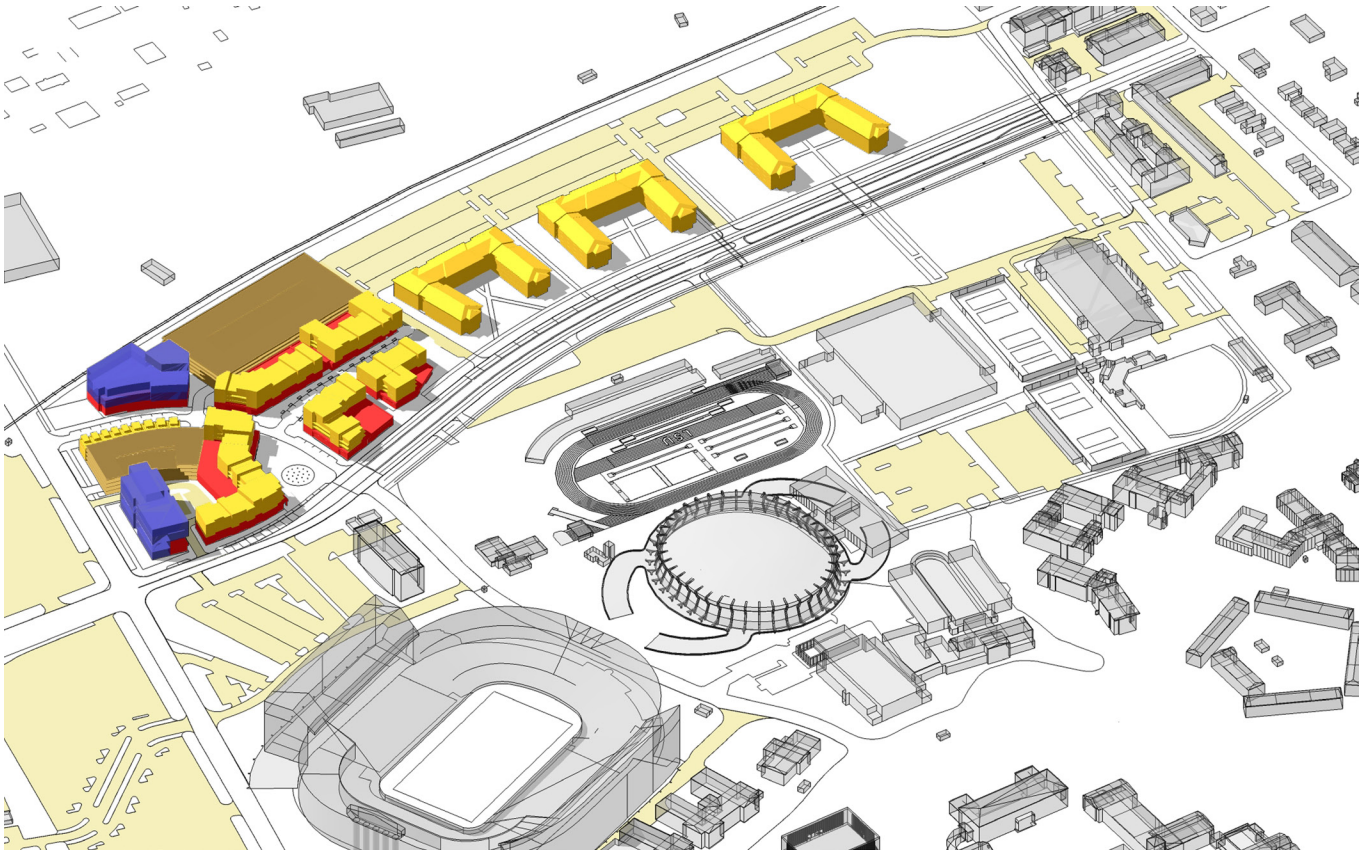
Blocks and Zones

06. NICHOLSON GATEWAY DEVELOPMENT PROGRAM

Blocks and Zones

The program for the Nicholson Gateway project, which includes the Mixed Use Center and West Side Residential District, is broken down into zones as defined in the table below. Across the street, the East Side District improvements would be developed separately by the University and are not included in the program. A detailed listing of the program is included in the Appendix.

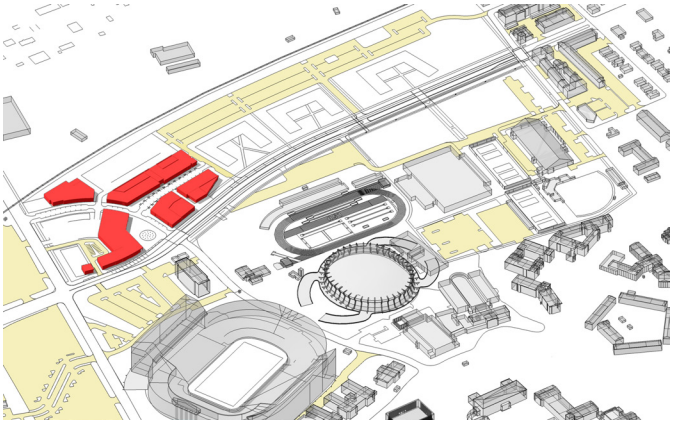
Zones	Units
Zone C / D1 / D2 - Student Housing	870 Beds
Zone A / F - Office Space (Sq Ft)	110,100 SF
Zone E - Market Apartments	89 Units
Zone E - Retail Space (Sq Ft)	79,400 SF
Zone E / F- Parking	1,894 spaces
Zone F: Retail Space	58,300 SF
Zone E / F- Upper class Apartments	370 Beds



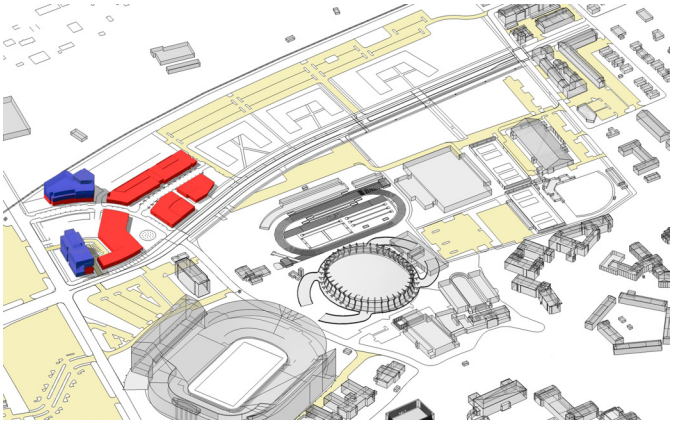
Building Use Diagram

Building Use Organization

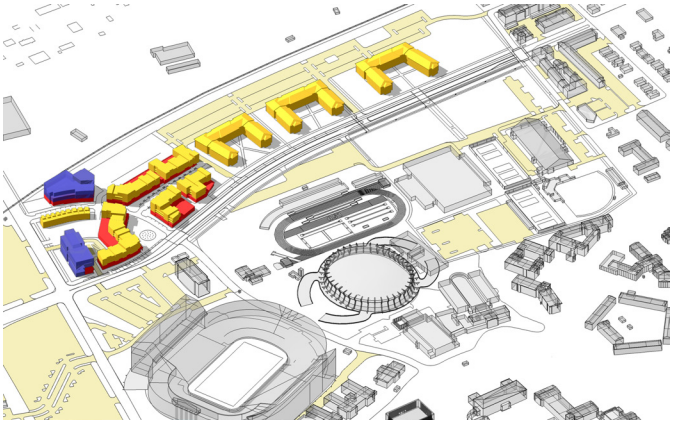
Building uses include mixed use (residential over retail), office, residential, and parking.



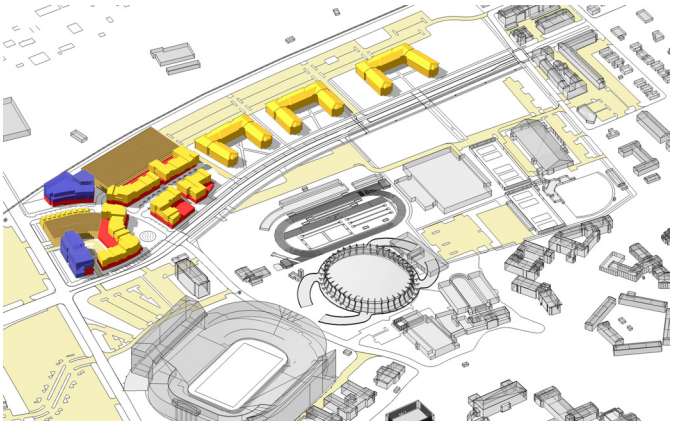
Retail



Office

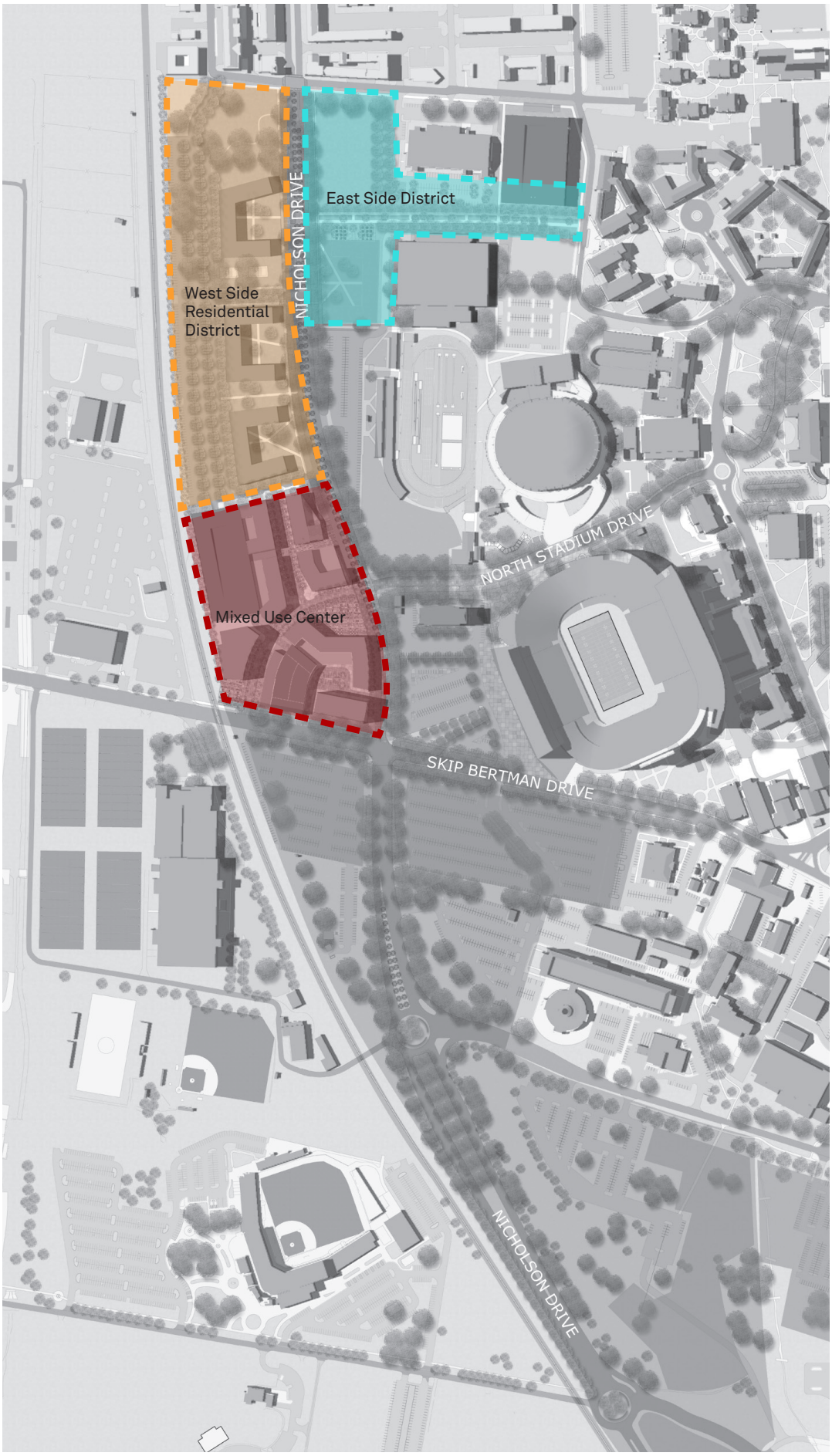


Housing



Parking

07 CAMPUS DISTRICTS



Three Zones of Nicholson Gateway

Mixed Use Center

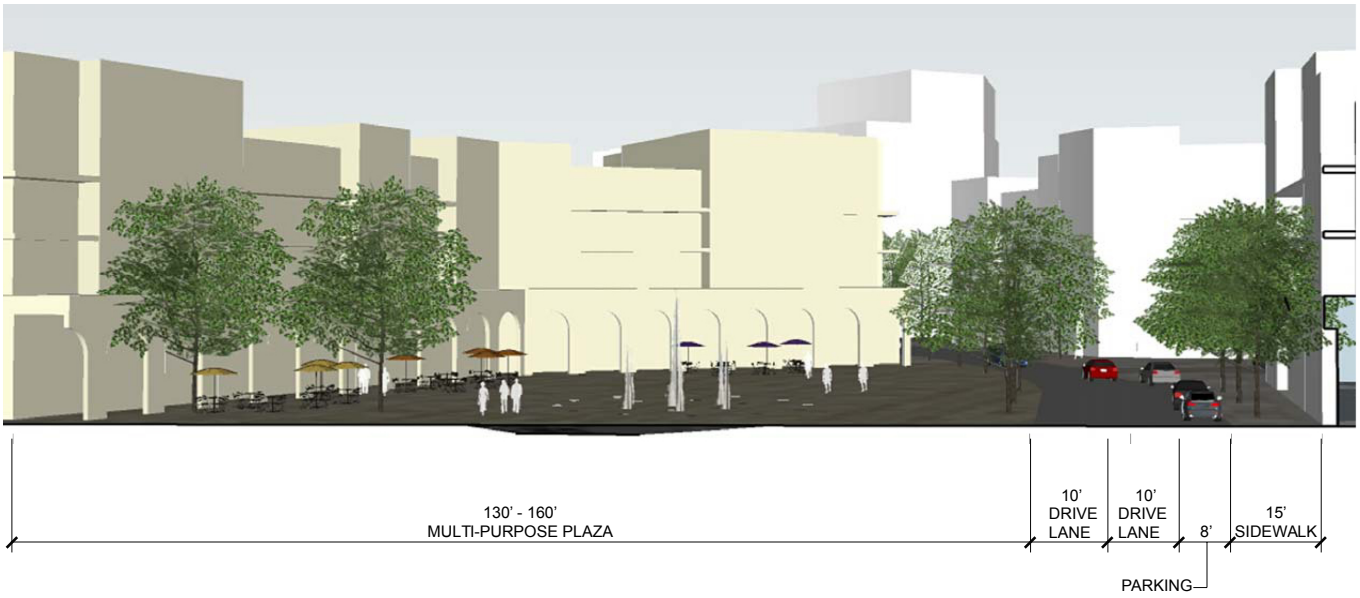
07. CAMPUS DISTRICTS

Introduction

The Nicholson Gateway development project will be the first phase in the University's initiative to redevelop the Nicholson Corridor. Located across the street from Tiger Stadium, the project limits are defined by Skip Bertman Drive to the south, the railroad tracks to the west, West Chimes Street to the north, and Nicholson Drive to the east, including the adjacent Nicholson Drive improvements. The project consists of two districts: the Mixed Use Center which is located in the southern portion of the site where the former Alex Box Stadium once stood; and the West Side Residential District, which will replace the existing Nicholson Apartments.

The East Side District includes recommendations for the open spaces around the Natatorium and Field House including the tennis courts and tennis stadium, parking lots, and lawn areas. These improvements are designed to complement the Nicholson Gateway Project by improving connectivity with the main campus and accommodating future program needs. However, the program for this area has not been determined and this district is not part of the development project.

Mixed Use Plaza Rendering



Mixed Use Plaza Section

Mixed Use Center

The mixed use center creates a new town center/university village on the west side of campus. It brings together a mix of retail, restaurants, and entertainment complemented by housing and office space in a compact street oriented environment. Development is organized around a simple street network and central plaza, and is designed to accommodate the anticipated program demand of 137,700 gross square feet of retail; 89 units of university affiliated housing for faculty and staff; 110,100 gross square feet of university affiliated office space; and 369 student apartment beds.

Mixed Use Center

Central Plaza

The central plaza is the iconic heart of Nicholson Gateway, bringing students, neighborhood residents, faculty, staff, visitors, and sports fans together into an exciting and dynamic urban environment. The plaza is framed on three sides with retail shops and restaurants, and opens to the east with views to North Stadium Drive and Tiger Stadium. The plaza includes café-style seating areas and is ringed by a continuous arcade which provides shade and shelter from the elements. The plaza is sized to accommodate a range of events such as game day activities or small concerts, while still feeling comfortable for non-programmed everyday use. The entire plaza is paved to maximize flexibility and allow for a range of activities. The plaza could potentially have a water fountain, major art piece or other animated feature to enliven the space during non event times.

Main Street Bird's Eye

Foundation Building/South Block
Located prominently at the corner of Nicholson Drive and Skip Bertman Drive, the Foundation Building anchors the southern end of the project and creates a strong visual marker from the southern approach. The four story building provides 60,000 square feet of office space for the University Foundation as well as other university affiliated users. The building's primary entrance is oriented towards Skip Bertman Drive giving the building a distinct identity while remaining part of the overall district. A small café or other retail use on the corner facing Nicholson Drive capitalizes on the excellent drive-by visibility, and provides active retail use that complement the other retail activity in the district. A small parking court behind the building accommodates visitor and VIP parking and doubles as a multi-functional plaza space.

Adjacent to the Foundation Building, a mixed use retail/housing building frames the edge of the block facing Nicholson Drive and the southern edge of the central plaza, with a four story building containing ground floor retail with faculty/staff apartments above. A row of 3-story townhouse-apartments frames the west end of the block which shields the parking behind.

These townhouses provide an alternative apartment configuration that helps to attract a broader housing market. The block curves towards Skip Bertman Drive in a gesture that invites and channels pedestrian traffic from the western parking lots through the central plaza on their way to the core campus. A 400-car parking structure located in the interior of the block serves the adjacent housing, and can be accessed directly from Skip Bertman Drive and from the new entry drive. The façade of the parking structure facing Skip Bertman Drive is designed to screen the cars and integrate with the architecture of the adjacent Foundation Building.

Vibrant Retail Street

Mixed Use Center

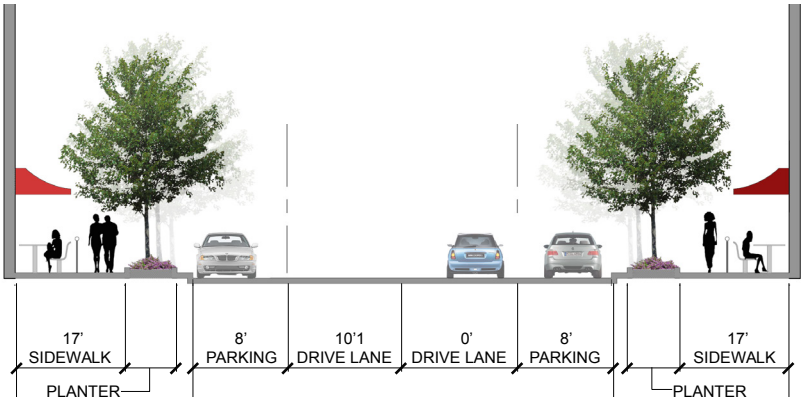
Main Street Bird's Eye

Main Street/Northern Blocks

North of the central plaza, a new "main street" extends the retail activity northward, terminating at the campus residential district and the connection back to Nicholson Drive. The street is framed on both sides with four-story buildings with three levels of student apartments over ground floor retail. Storefronts will feature an array of activities including restaurants, shops, and cultural facilities that contribute to a lively and interesting sidewalk experience. The tree-lined walks are wide enough to comfortably accommodate sidewalk cafés and public art displays.

The primary parking structure is located behind the main street development, alongside the railroad tracks with vehicular access points from the north and south ends. The primary pedestrian access to the parking is located along Main Street, which channels pedestrian traffic past the shops and restaurants on the way to the Central Plaza.

South of the primary parking structure stands a second office building containing approximately 50,000 sf of university affiliated office space over ground floor retail. Given its less prominent location, it would be best suited for back office space, such as uses located in the campus core that can be better served on the periphery.



Retail Street Section

West Side Residential District Eye Level Rendering

West Side District

The West Side Residential District replaces the existing Nicholson Apartment complex with a mix of graduate and upperclassmen apartments. Three "U" shaped courtyard buildings house a total of 870 beds. The residential buildings are organized around large quadrangle spaces facing Nicholson Drive creating a traditional campus open space arrangement that is much like the campus core. The courtyards contribute to the park-like setting of the corridor, and create a welcoming gesture that makes the housing feel more a part of the campus rather than a separate development. The landscape draws on the distinctive charm and character of the live oak trees, and buildings have been carefully sited to preserve them wherever possible.

The quad spaces serve as outdoor social spaces for students what will bring activity and visual vibrancy to enhance the Corridor's image. They contribute to the traditional collegiate feel of the district and provide opportunities for recreational activities like pick up sports and volleyball, as well as being a general hang-out space for the residents.

A 640 space parking lot is located behind the housing away from view from Nicholson Drive. The parking provides convenient access to the housing and provides a buffer to the railroad tracks.

West Side Residential Bird's Eye View

West Side Residential District Plan

Open Space Promenade

East Side District

The East Side district includes the open spaces east of Nicholson Drive around the Natatorium and Fieldhouse. Critically situated between the Core Campus and the Nicholson Drive Corridor, the East Side District has tremendous potential to enhance the pedestrian connections while accommodating future programmatic needs.

Promenade

A new open space promenade will replace the existing bank of tennis courts between the Maddox Fieldhouse and the Natatorium. The promenade will connect the campus core with the West Side Residential District and will become an exciting experiential walkway with seating elements, gardens, rotating temporary or permanent art, or interpretive elements that describe, for example, the academic discoveries that have been made at the university.

View from above the West Side Housing looking east down the Promenade.

Parking

A new 1,200 car parking structure is planned for the former softball site behind the Natatorium. This parking will accommodate existing parking demand for residents, athletics, commuters, and game day events, while providing capacity for future development.

East Side District, Detail Plan

View from North Gate looking south down Nicholson Drive. The yellow building on the left represents a potential future building site.

Opportunity Site

The lawn area west of the Maddox Field House presents an extraordinary future development site. Although a specific program has not been determined, this site is an excellent candidate for any number of uses due to its proximity to the core campus, visibility from Nicholson Drive, and accessibility to parking once the parking structure is complete. Regardless of use, the building should be designed to contribute to its context by incorporating the following considerations:

• Create a sense of threshold by having architecture define both sides of Nicholson Drive. The east side architecture should complement the scale and character of the west side architecture.

• Create a continuous architectural edge fronting the open space in front of the Natatorium

• Capitalize on is strategic position at the end of the promenade, by coordinating entries and programming outdoor plaza spaces in order to attract pedestrian activity and create a destination.

• Service entries and parking should be located to the rear of building and away from the street.

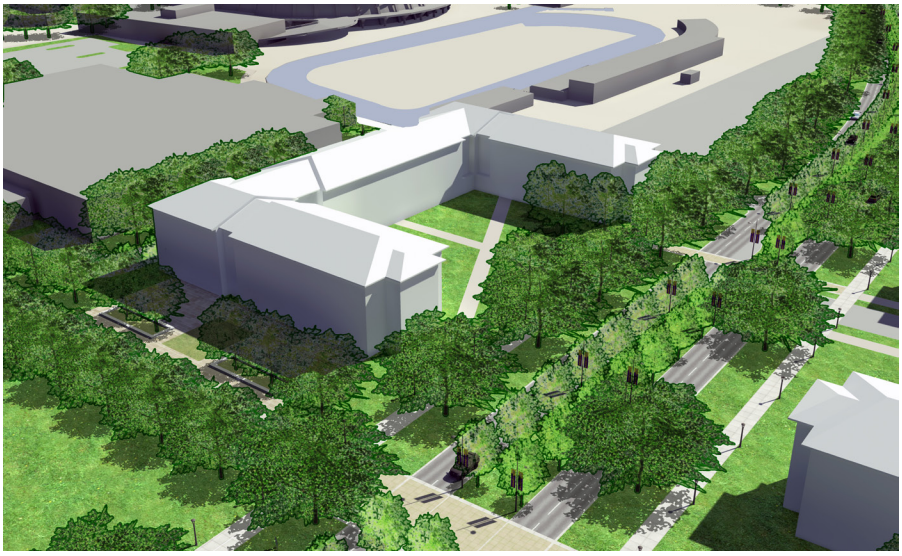
Three scenarios were considered for the East Side District Opportunity Site: enhanced green space, university housing, or university affiliated.

The enhanced open space scenario, replaces the lawn area and parking in front of the Field House with a new park that is framed by trees. The landscape helps to mask the unattractive architecture of the Field House and enhance the overall appearance of the corridor. Because this option lacks the activity generated by building entries, it is designed to operate as a passive park space.

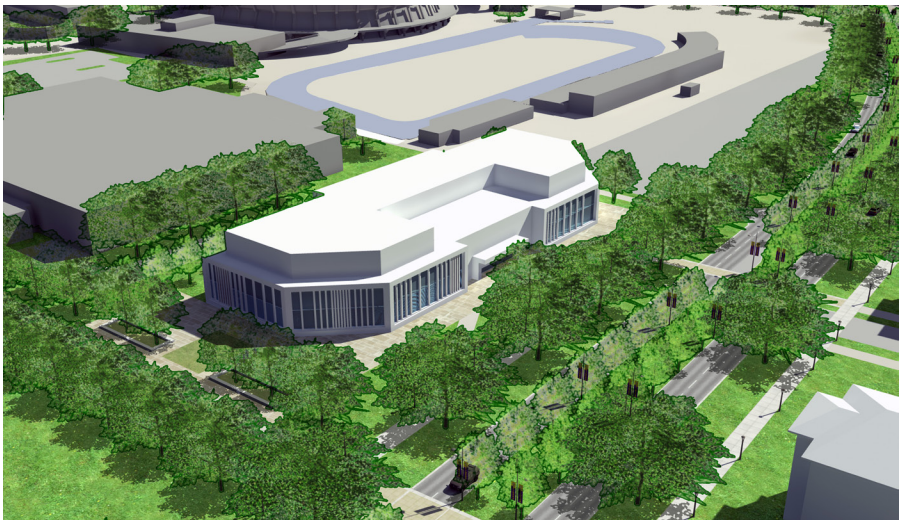
The university housing scenario sites a “U” shape residential building that opens onto Nicholson Drive. This configuration mirrors the west side housing, which helps to unify the two sides of the street, and to define the open space in front of the Natatorium. A four story residential building with this configuration can accommodate approximately 400 beds of student housing.

The university affiliated scenario tested the footprint for a larger facility of undetermined use. The idea is that a properly sited and designed building can accommodate a number of different uses while contributing to the surrounding context. This option illustrates a 60,000 sf building on 2 floors.

Scenario 1- Enhanced Open Space

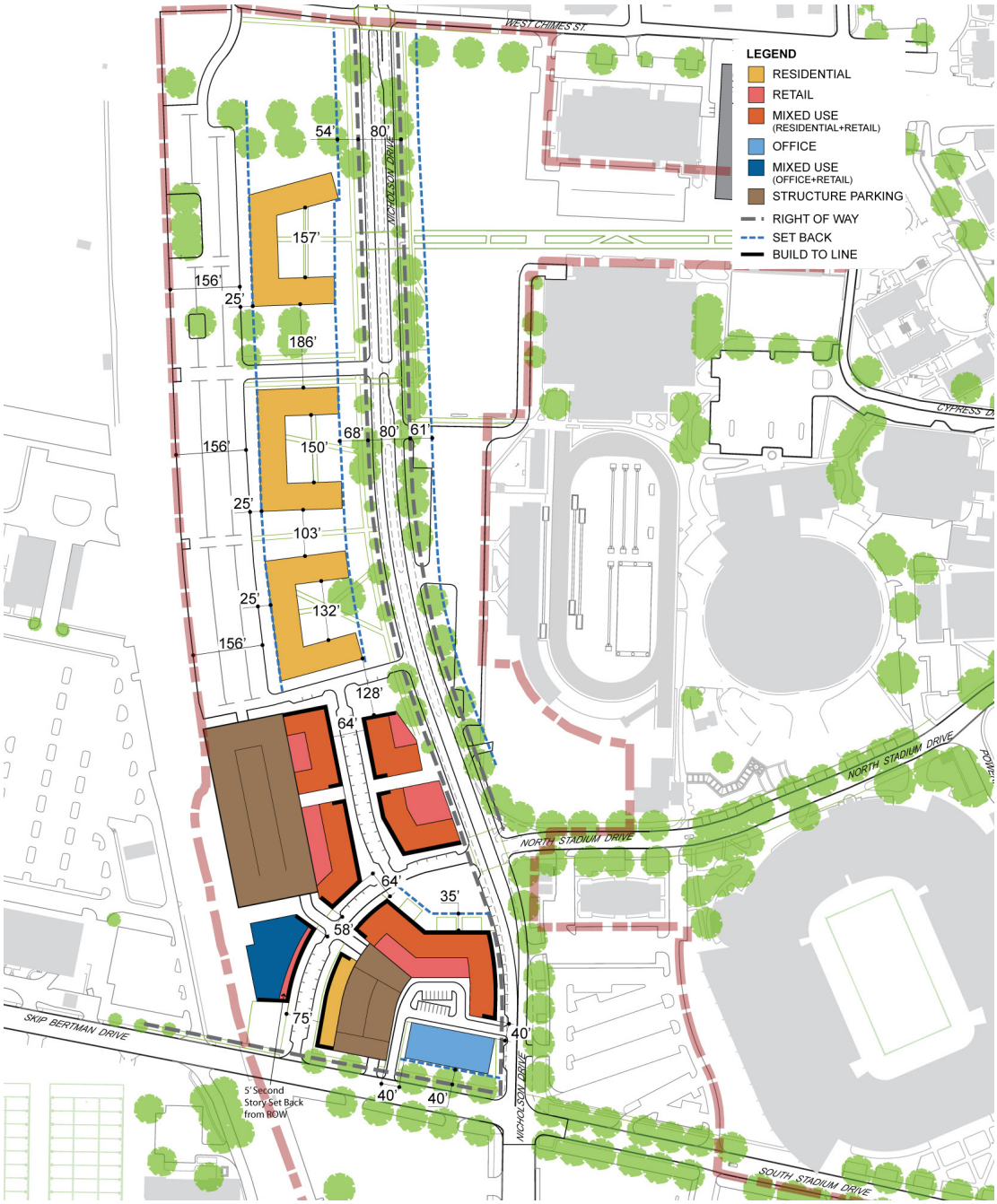


Scenario 2- University Housing



Scenario 3- University Affiliated Use

08 DESIGN DEVELOPMENT GUIDELINES



Build to Lines

08. DESIGN & DEVELOPMENT GUIDELINES

Urban Design Guidelines

The purpose of the design and development guidelines are to inform the design and review process by providing recommendations related to dimensions, form and materials. Recognizing that the Plan may be altered to adjust to specific development proposals, it is useful to recognize some consistent principles and a consistent design approach. Although the details may change, the basic outcome and character is maintained.

Building Setbacks and Build-to Lines

Setback buildings to avoid the dripline of the live oak trees.

West Side Residential: minimum setback from Nicholson Drive ROW (assuming 80' wide) is 80'.

Mixed Use: typical setback from Nicholson Drive ROW; typical roadway setback; setback along Skip Bertman Drive.

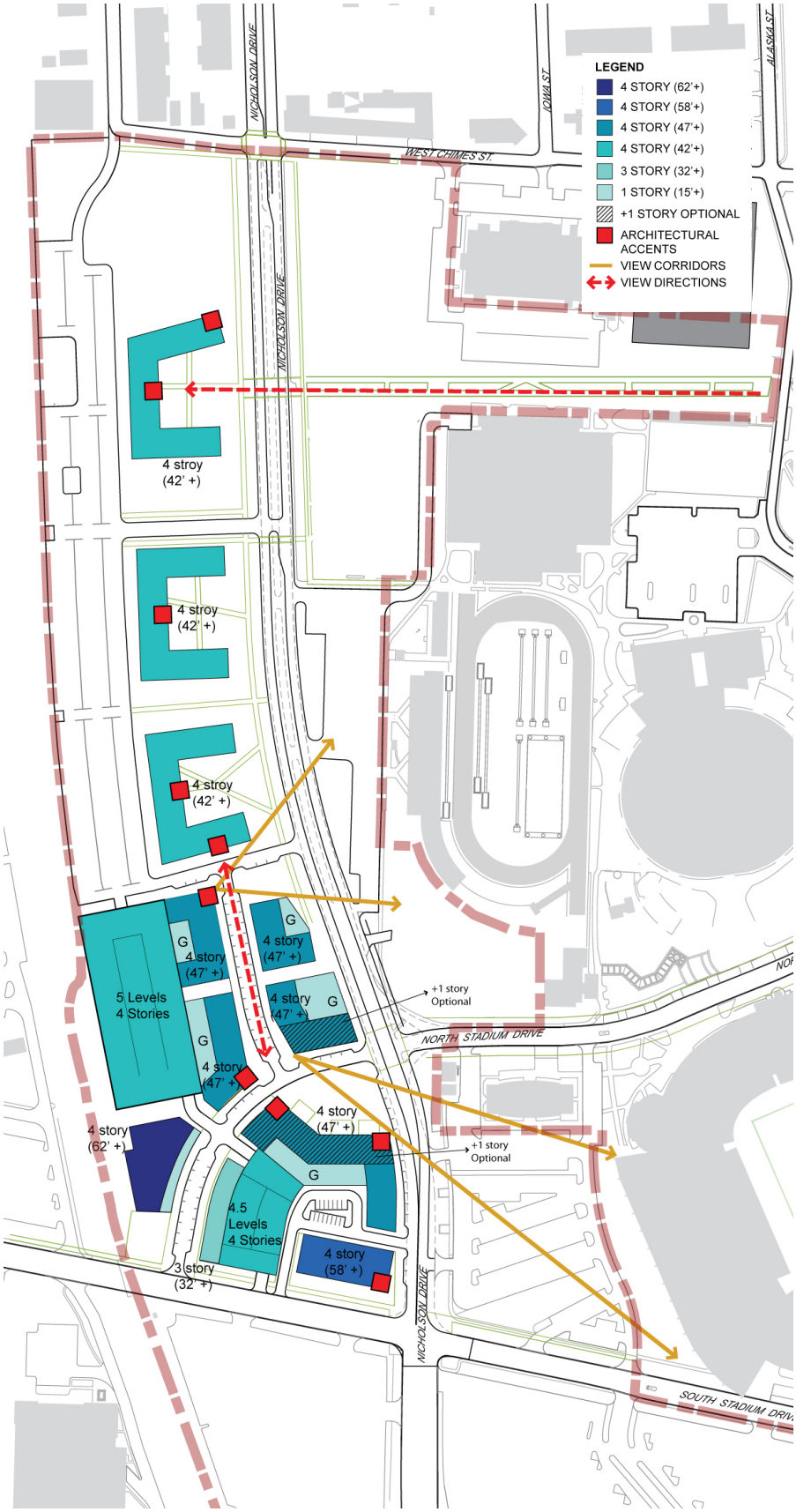
Building Heights

Buildings are high enough in the town center portion to create a comfortably scaled street.

In the West Side Residential, the 4 story scale is typical of most of the campus architecture and tall enough to define the quadrangle.

Generally, most buildings within the Nicholson Gateway Development are 4 stories high; however building heights will vary since residential, retail, and office require different floor to floor heights. So, for instance an office building at 4 stories might average 60' to top of parapet, while a 4 story apartment building might be 40' to the top. Some variety in height is attractive because it helps to break down the massing of the block.

Landmark features can also be created by introducing taller architectural elements, often in combination with special façade accents that emphasize important locations in the plan such as building entries, street corners, and the terminations of view corners.



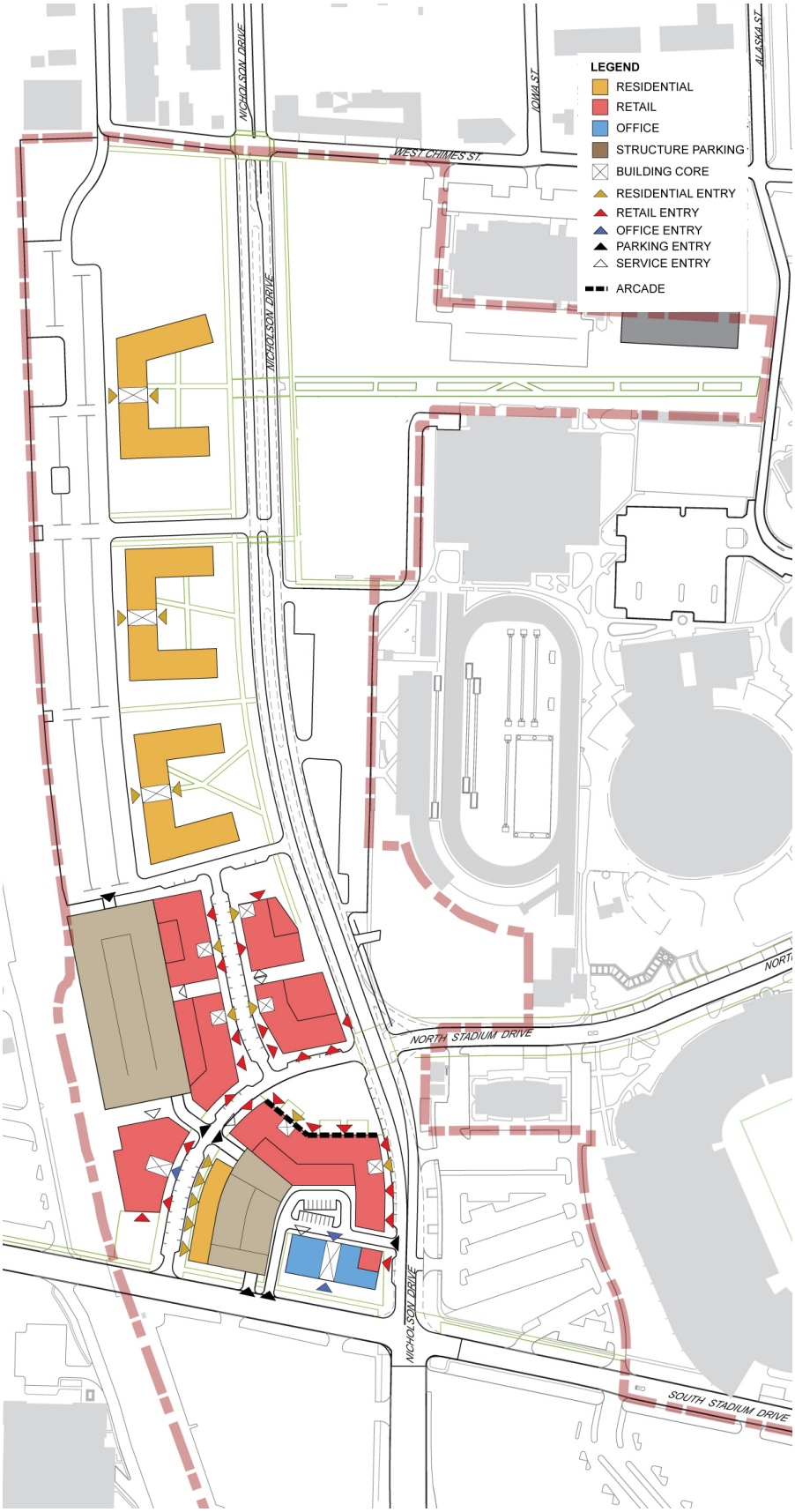
Building Height

Building Entries and Orientation

Building fronts should be oriented to address the street or public space with primary facades and entries. The diagram at the right provides an example of appropriate building locations, where retail entries are located along the sidewalk or public space along with residential lobbies, with service entries to the sides or rear where they can be concealed from view along the primary pedestrian routes. The actual number and precise location will vary depending on actual development proposal.

Urban Street Types and Character

The streets for the Nicholson Corridor fall into several types, not just in terms of volume and width, but also street character which is an important contributor to the campus image. The principal street type in the Corridor is Nicholson Drive, which is a major thoroughfare; it varies in width and character as it flows through campus. The second street type are the retail streets in the core mixed-use district and the third type are the streets that access the housing blocks.



Entries and Orientation

View of Mixed Use Center Looking North

Architectural Guidelines

The architectural character of the districts can draw from two equally valid approaches, to emulate the traditional architecture of the campus in the neo-traditional northern renaissance style, or to complement the campus with architecture that is slightly more progressive while still being compatible with the overall architectural character of the campus. Because Nicholson Gateway is located on the campus periphery, there is some degree of flexibility in terms of how closely the style and character of the architecture needs to conform to the traditional campus style and standards.

Generally, the mixed use core is better suited to a more contemporary expression, since the goal is to create a more dynamic and urban experience that is quite distinct though complementary to the traditional campus experience. Also, the town center district is new to the campus and will be unique to Nicholson Gateway so it is appropriate to broaden the architectural vocabulary to draw from urban places as well as campus places. But certain users may prefer the more traditional aesthetic and because both approaches are compatible, it is possible to combine the two and still achieve an attractive and cohesive district. In fact, the combination can yield more variety and interest.

The student apartments in the north and east districts may also benefit from a more progressive expression in order to set the district apart, however a more traditional character might also be preferred since it is set in a more traditional campus environment and should feel a part of the campus core. Either way, the housing on both sides of Nicholson should utilize the same general expression to provide unity and reinforce the impression of driving through a district rather than between two districts.

The following section provides examples of architectural elements and materials that are appropriate for the building types found within the district including: mixed use, office, townhouse, student apartment, and parking structure.

Mixed Use

Mixed Use buildings are designed to accommodate retail such as shops, restaurants, small businesses, galleries, and other uses; and upper floors containing residential or office space. Street level spaces typically feature storefronts to provide transparency to the ground floor. Residential lobbies are also integrated into the ground floor to provide access to the upper levels. Larger retailers will require deeper footprints than the residential buildings above, creating opportunities for roof terraces.

Mixed Use Architecture Example

Mixed Use Architecture Example

Mixed Use Architecture Example

Town Houses

The town houses consist of 2 story units stacked over 1 story ground floor units, each with their own entry to the exterior.

Townhouse Architecture Example

Townhouse Architecture Example

Townhouse Architecture Example

Student Apartments

Student apartments are typically 4 story walk-up buildings configured as open “U” shaped courtyard buildings. Each building is served by a primary lobby with access from the front and rear.

Student Apartment Architecture Example

Student Apartment Architecture Example

Student Apartment Architecture Example

Office

Office buildings are distinct from mixed use because they have little to no ground floor retail. They typically have a single lobby and a single main entry point. They typically have a deeper footprint than residential buildings.

Office Architecture Example

Office Architecture Example

Office Architecture Example

Parking Structures

The parking structures in the district are either located in the interior of the block, or hidden from view. Any exposed facades should be designed to shield parking and to integrate with the surrounding architecture.

Parking Structure Architecture Example

Parking Structure Architecture Example

Materials

The material palette of Nicholson Gateway needs to maintain high quality and durable materials comparable with University Standards.

- Roofs may be flat or sloped. Acceptable materials for sloped roofs include clay tile or standing metal seam.
- Walls should be warm sandstone or buff. Acceptable materials include: stucco, brick, concrete and metal panels.
- Windows: clear, non-reflective glass.

Stucco Wall Material Example

Roof, Wall and Window Example

Warm Colors of Stucco and Brick

Surface Parking Guidelines

The treatments for surface parking for the Nicholson Corridor falls into two categories; proposed new parking and existing parking lot improvements.

New parking in the proposed Corridor shall fall behind architecture so there is an architectural façade and lawn facing the Corridor at all times. To have views across expansive parking lots in the Corridor is extremely discouraged because it does not interface with the proposed new image for the Nicholson Corridor or a campus image in general. New parking lots shall have trees every 45' on center to create a strong shade canopy for not only environmental comfort but to mitigate heat island effects. The trees shall be in planted islands with significant planting area for the tree type, or if space is limited curbed planters can be used that are both planter and bumper stops. The minimum planter size shall be 6'x6' for a medium sized tree. Large trees will need a significantly larger planter in order to thrive unless silva cells or some other pavement supported system to create root volume area are employed. Permeable paving systems or curbless parking lots with bumper stops that sheet drain to bioswale cleansing systems are strongly encouraged.

There are existing trees that are being preserved in the parking area behind the housing west of Nicholson. The planting area for these trees should be evaluated with the campus arborist but the paving at a minimum should not extend into the drip line of the existing trees. The trees should be protected and monitored by the campus arborist during construction.

Parking Lot with a Strong Tree Canopy

Curbless Lot

Shady Parking Lot

For existing parking lots that will be fixed for a long period of time, adding tree plantings at 45 feet on center should be evaluated with new improvements or upgrades to potentially improve the campus image along the Corridor. At the very least additional live oaks should be added to the Nicholson edge of parking areas along with a low, consistent hedge or wall of approximately 3 feet in height to screen foreground views of parking areas.

Berming is discouraged although there may be a case for berming and landform in some instances.

Potential to Transplant Large Oaks

Section View - Nicholson Character Between Chimes and North Stadium Drive

Open Space and Landscape Guidelines

North Section of Nicholson Drive

Nicholson Drive between Chimes and Skip Bertman is currently a 4-lane boulevard with segments of parallel parking lanes on each side. The drive is difficult for pedestrians to cross and has heavy car and truck traffic that tends to drive over the speed limit. When one drives on Nicholson through the campus there is not a perception that you are on a college campus that is rampant with pedestrians and bicycles, which makes safety a critical issue. The guidelines for Nicholson Drive are not only intended to set the character of the Corridor creating an identity of a drive that is on a college campus, but also to make the drive safer to cross. Although Nicholson Drive carries the designation of a State Highway, meetings with LDOT has resulted in preliminary agreement to make alterations. Nicholson Drive through campus can be made safer and slower by narrowing and compressing the Corridor, removing the parallel parking on both sides, narrowing the drive lanes to 11 feet in width, widening the median to create a greener Corridor and adding

Parkway Character with Buildings Set Back

Parkway Character with Buildings Set Back

additional tree plantings. It has been proven that by compressing and creating a more residential feel to the street space traffic will inherently slow down. In addition, highly visible signaled crossings with textured walking surfaces will be added at locations along Nicholson which will slow traffic and provide safer crossings for pedestrians. It is anticipated that this new compressed and green character will carry from Chimes to North Stadium Drive and then change to a more urban character in association with the new mixed use center.

Vibrant Street

Mixed-Use Section of Nicholson Drive

At the Mixed-Use Center, Nicholson will transition to not having a median and it will become more open to retail, athletic venues and activities. The more urban and open atmosphere will relate to an image of the center of activity as intended. If budget allows, colorful pedestrian pavers or colored concrete used for the retail center could extend across Nicholson, which would further invigorate the image of the center.

Vibrant Plaza

Section - Nicholson Drive between Skip Bertman Drive and North Stadium Drive looking north

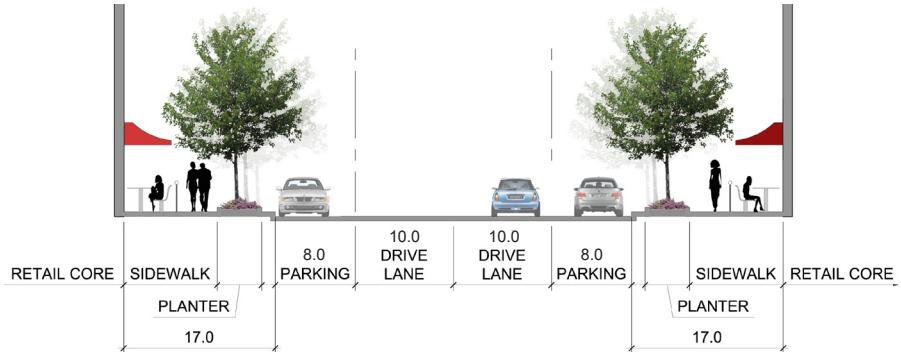
Core Area Streets

The streets in the core mixed-use area are intended to have the vibrancy of an urban street with on street parking, colorful paving, architecturally distinctive lighting, new amenities and street trees. The streets will have two 11 foot lanes with parallel parking lanes on each side. The streets will have curb and gutter for drainage and both the pedestrian and vehicular paving are intended to be colorful pavers or colored concrete to create a strong and vibrant identity for the district. The lighting and amenities should be consistent with the Nicholson Drive amenities described. The street trees should be a consistent light and lacy textured urban tree with a high canopy that contrasts with the oaks and does not create a dense crown that will screen the retail. The tree openings shall be as large as possible to provide air and water to the root system but not impede pedestrian flow. The tree pits could either be covered with tree grates or have a small curb to prevent trampling and be planted with colorful and flowering plant materials, although the treatment should be consistent throughout the Corridor.

The streets that connect the housing blocks are simple streets that connect from Nicholson Drive to the parking on the west side of the housing buildings. The streets are two lanes with short term parallel parking on each side. The streets will have a detached pedestrian sidewalk on both sides that connect to the main circulation paths on Nicholson Drive. The streets shall be lined with trees that are light and lacy, in contrast to the live oaks on Nicholson Drive.

Vibrant Core Area Street

Elements that Create Human Scale



Section - Retail Street

Section - South Street Green

Tailgate Green

Parkway / Tailgate Green Section of Nicholson Drive

The southern segment of Nicholson Drive from Skip Bertman Drive to the Burbank / Gourier intersection is intended to have a parkway character. The street will include four traffic lanes, a wide median, and significant setbacks to development edges. It will be lined with strong stands of live oaks as a continuation of the character in the northern segment of Nicholson Drive.

The the two new 2-lane roundabouts proposed for the southern segment of Nicholson Drive are designed to not only slow traffic and facilitate circulation, but also to add to the campus image. The roundabouts have the potential to include gateway level monumentation (see signage section) and significant tree plantings that serve to promote and extend the LSU campus image.

Nicholson Drive Pedestrian Paths

Nicholson Drive is also intended to have multi-modal (pedestrian and bicycle) circulation set back from the street that parallels the Corridor (see the circulation section for description, location and width). The walkways will be a minimum of 8' wide, concrete and have curb depressions at all road crossing for disabled access. The multi-modal path will be the armature for connections to all the major Nicholson Drive pedestrian crossings.

Multi-Modal Path

Nicholson Corridor Amenities

It is also critical that Nicholson Drive have upgraded amenities to go along with the new intended image for the west side of the campus. This would include street lighting with banner hardware for advertising of events and pageantry, pedestrian lighting to bring a human scale to the Corridor as well as pedestrian safety at night and site furnishings including benches, recycling receptacles and bicycle racks. The amenities should have a new contemporary look and bring a proprietary language of elements that are in harmony with the architectural development of the Corridor. The amenities could have both University identification and donor recognition if the University elects to raise funds by donor funded amenities.

Amenities with University Identification

Open Space

Guidelines for the Nicholson Corridor open spaces are intended to guide the quality, use and feel of the proposed open space types. The open space typologies for the Nicholson Corridor are the Quadrangles, Plazas, Multi-Purpose Recreational Spaces, the Tailgate Green and major connective open spaces.

Student Plaza

Plazas

Plazas are also an important open space type for the Nicholson Corridor. Plazas are intended to be intensive use open spaces that need the resilience of a hard surface to be successful. Intended uses can be for large events and formal gatherings to informal and impromptu social functions. Plaza spaces should have a warm colored paving of either colored concrete or pavers. Amenities should be moveable tables and chairs to allow for a variety of arrangements from large gatherings to sitting alone. Shade should be provided through a strong tree canopy, permanent trellises, fabric structures or shade umbrellas. If the space is intended for large events, the plaza should be animated with water, lighting or art features that make the space feel comfortable during non-event times, while being arranged to permit large gatherings. Lighting should be low-level or pedestrian-level to bring human scale to the spaces. Carefully select fixtures to avoid unpleasant glare.

Student Plaza

Quadrangles

The Quadrangle spaces are the most significant open spaces in the Corridor, not only for setting the campus identity for the Corridor but also providing an important social function for the students. The Quadrangle spaces shall be simple lawn surfaces with 6 foot concrete pathways that lead from building entries to crossings or follow major desire lines. Because of the floodplain, the Quadrangle spaces may need to be elevated. The spaces should sheet drain but be perceived as flat and level with the building finish floor elevation. This may necessitate a low retaining wall at the edge of the Quadrangle space that ties to the architecture. This would be advantageous by providing a separation from the street landscape creating the perception of a private space although the space is not intended to be gated. The Quadrangle spaces should be populated with randomly spaced live oaks that are potentially transplanted if a location of an oak becomes problematic for construction. Foundation plantings at the base of buildings should be evaluated based on the final architectural expression if the need for screening or softening of the foundation is necessary. Foundation planting should be limited to low shrubs, perennials and groundcovers. If found necessary, foundation plantings should be simply organized. The Quadrangle spaces may contain a small indoor/outdoor plaza if there is a groundfloor student area planned at the base of the building. The plaza should be directly adjacent to a student public area, sized appropriately and contained by a hedge. Paving should be concrete unit pavers with a warm color and natural stone texture. Moveable tables and chairs with either a permanent trellis or umbrellas should also be provided for shade. A large singular oak could also be considered. Low level lighting shall also be provided for nighttime use. Misters and permanent outdoor fans may also be considered to provide comfort and extend the life of the space.

Multi-Purpose Quadrangle Space

Multi-Purpose Quadrangle Space

Multi-Purpose Recreational Spaces

Multi-purpose open spaces are planned for the Nicholson Corridor and are spaces that are intended for students for informal events and recreational activities. Much like a flexible open green park, the spaces are open lawn areas with the absence of obstructions. The major multi-purpose recreational spaces for the Nicholson Corridor are present at the Chimes gateway. These spaces are important for setting the character image of the Corridor as a gateway experience of entering and campus atmosphere. The open green space on the east heading south just past Chimes is an existing lawn but has the potential to be upgraded with reinforced athletic turf to make a more resilient surface for recreational activities and to inhibit erosion. The Natatorium should be screened by a double row of columnar trees to provide a more pleasant view and backdrop to the open space. As the Corridor develops, the long term fate of the Natatorium building should be evaluated. If a new building is proposed for the site, then the façade that faces the green space should be a significant image setting façade. If the Natatorium is to remain for a number of years then a double row of trees to screen the façade is recommended. The green space west of Nicholson Drive just south of West Chimes Street will need to be developed as existing buildings are removed. It is intended to save the existing oaks and replenish the lawn area in this area to create a flexible park space.

Recreation

Recreation

Recreation

View of the Pedestrian Promenade

Connective Open Space Promenade

There is a major connective open space promenade planned between the Maddox Fieldhouse and the Natatorium at the current location of the existing tennis courts. The promenade is intended to be a major experiential connector between the main part of campus and the new housing blocks. The promenade is envisioned to be a double concrete walkway separated by a green space at the center. The green space should be considered as rooms separated by crossing pathways to define the rooms. The rooms shall be surrounded by evenly spaced rows of finely textured trees to contrast with the live oaks that are omnipresent on campus to add to the identity of the promenade. The character of the promenade has the potential to be an exciting experiential walkway with seating elements, gardens, rotating temporary or permanent art or interpretive elements that describe, for example, the academic discoveries that have been made at the university. It is recommended that the University go through a working group and stakeholder process with the selected consultant to formulate the theme for the promenade. The amenities for the promenade should be consistent with the amenities chosen for the Nicholson Gateway and include, seating, recycling receptacles and bicycle racks. The lighting should be low level and pedestrian level lighting consistent with the new fixtures chosen for the Nicholson Gateway. An alternative to this approach

would be that the promenade has its own proprietary language of elements if a strong theme, as mentioned above, is chosen. The amenities could relate to the theme, giving the Corridor a stronger identity. The idea though is for the promenade to be harmonious with either a campus theme or a new theme and not to become a mishmash of elements that dilute the promenade's potential to become a significant and memorable space on campus.

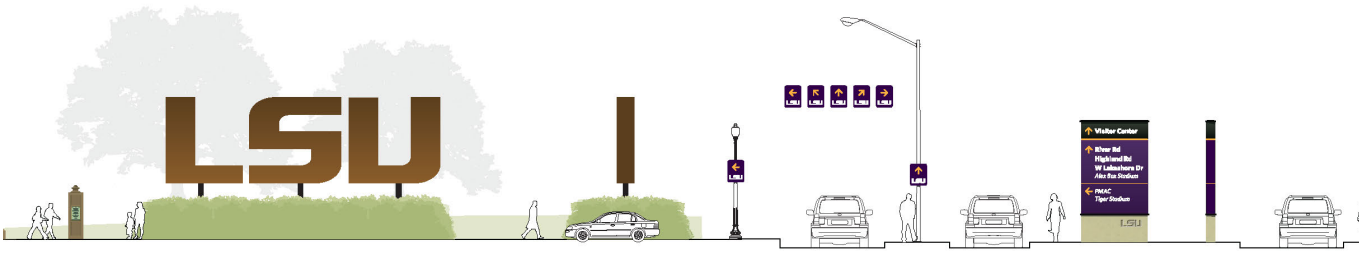
Promenade as a Discovery Walk

Promenade as an Art Walk

Tailgate Greens

As the Nicholson Corridor develops it is intended that Nicholson Drive south of Skip Bertman become a parkway with buildings set back at least 150 feet from the edge of Nicholson. The parkway shall be lined with live oaks to continue the character of Nicholson north of Skip Bertman. The 150 foot right of way area should be planted with lawn and there is potential to be a major conveyance or bioswale near the edge of the road. With this significant lawn space and its adjacency to sporting venues there is great potential for the lawn space to be used for tailgating for both football and baseball events.

Parkway Tailgating



LSU Campus Wayfinding Signage Guideline Excerpt

Signage and Wayfinding Guidelines

Signage is another element that can add a layer to the Nicholson Gateway to further enhance the image. A well planned and designed signage system has the potential to not only solve directional communication problems but be identity elements that contribute to the overall campus aesthetic. The signage and wayfinding elements that are anticipated to fall into the Nicholson Corridor fall into the following categories: Large Format Digital Screens, University Gateway Identification Signage, Vehicular Wayfinding Signage and Pedestrian Wayfinding Signage.

Large Format Digital Screens

Large Format Digital Screens are exciting devices that are usually associated with sporting venues on college campuses. These large screens can enliven the campus through enthusiastic imagery related to athletic events such as replays of special athletic achievements, upcoming contests and individual athlete's profiles, for example. The imagery can also be associated with advertising and can bring revenue to the University. In the Nicholson Gateway the core retail area is the only place for this kind of device. The screen would ideally be mounted at the second level of a facade facing the main plaza.

University Gateway, Vehicular and Pedestrian Signage

In view of the fact that LSU is ubiquitous with large beautiful oak trees, it is recommended that to contrast the verticality of the forest of oak trunks that signage in the Corridor be low slung and horizontal in character. The signs should be stone or another high end material that is consistent with the stateliness of the University. Gateway signage would be the most monumental, followed by Vehicular signage and Pedestrian. It is anticipated that Gateway signage would be associated with the new roundabouts, particularly at the Gourrier / Burbank intersection. The signs will be oriented towards the approaching roads and at an appropriate vehicular scale. Vehicular wayfinding signage would be at a scale appropriate for vehicles as would pedestrian signage. All signage should conform with the LSU Campus Wayfinding Signage Guidelines.

LSU Wayfinding Signage Guideline Excerpt

Large Format Digital Screen

Constructed Wetlands

Sustainability Guidelines

The term “sustainable design” is sometimes vague and misapplied. Because of this, the focus should be that sustainable design strategies support the long-term success of the University while engaging LSU students and employees on a personal level, making meaningful connections between daily life and larger issues of health, energy, materials, community and water. From the broad based planning level to the small details, planning and design moves should be evaluated through the lens of physically, socially and economically sustainable principles.

Bioswale

Sustainability is not just about building, but creating a campus community that fosters inherently

more sustainable behavior; therefore University residents will use fewer resources, produce less waste and pollution and make healthier choices in their lives. The goal should be to create multi-functional, high performance systems that are holistic and integrated rather than the traditional single focused and myopic discipline driven approach to planning and design.

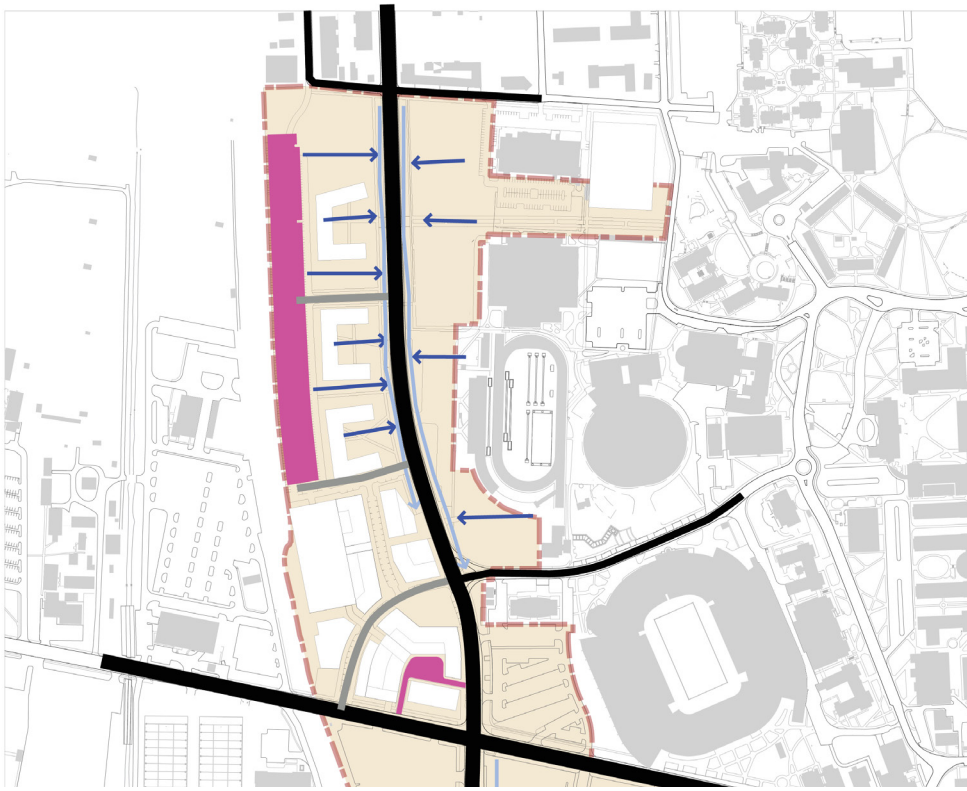
It is at the University's discretion whether projects should follow the LEED rating system and apply for certification. In any event, LEED guidelines are a good checklist for possibilities to make projects more sustainable. LEED is a great resource for buildings however LEED falls short when it comes to site and landscape issues, which are a significant portion of the Nicholson Gateway. In this respect the American Society of Landscape Architect's Sustainable Sites Initiative Guidelines should be referenced:

http://www.sustainablesites.org

These guidelines are more comprehensive for site issues and cover things like soils, water and landscape maintenance more significantly than LEED.

Here are some potential opportunities for sustainable strategies for the Nicholson Corridor beyond buildings and from a site perspective that should be evaluated as the project progresses:

- Recycling demolished building materials
- Minimizing impervious cover
- On site storm water management – BMP's, surface treatments for



Potential Stormwater Management for North Housing

Bioretention

Solar Parking Shelters

stormwater runoff, permeable paving systems, improve water quality

- Reducing Heat Island through tree plantings
- Light pollution reduction
- Renewable energy – solar panel covering for parking bays
- Systems that expand rooting volume for trees in an urban situation
- Minimizing soils disturbance during construction and soil management plans to create healthy soil
- Water conserving water features
- A comprehensive maintenance program

Silva Cell

Optimize natural light and indoor air quality

Architectural Sustainability

Sustainable design seeks to reduce negative impacts on the environment, and the health and comfort of building occupants, thereby improving building performance. The basic objectives of sustainability are to reduce consumption of non-renewable resources, minimize waste, and create healthy, productive environments.

Sustainable design principles include the ability to:

- Optimize site potential;
- Minimize non-renewable energy consumption;
- Use environmentally preferable products;
- Protect and conserve water;
- Enhance indoor environmental quality; and
- Optimize operational and maintenance practices.

Building design should integrate best practices for sustainability as defined by ASHREA 198.1 or the USGBC LEED standards for new construction.

09 IMPLEMENTATION

ASWELL COURT
ZONE C
CARONDELET COURT
EASTON COURT
BLDG C-1
RALVEZ COURT
ZONE D1
JOHNSON COURT
BLDG D-1
BLDG D-2
ZONE D2
MARIGNY COURT
ZONE F
BLDG F-1
STRUCTURE PARKING
BLDG F-2
BLDG E-2
BLDG E-1
ZONE E
BLDG F-3
BLDG E-3
BLDG E-4
STRUCTURE PARKING
BLDG A-1
ZONE A

Phasing

09. IMPLEMENTATION

Phasing

The project implementation is broken into multiple phases to facilitate staging and provide some flexibility for the market demand. The project financials assume a build out to be accomplished over the next five years from 2013 through 2017, though the actual timing may vary based on market and university housing demand, funding, and developer interest.

- Phase 1, opening in 2016 will include the Foundation building [Zone A]. This will proceed as an independent project and not be a part of the Nicholson Gateway project financial model. Since design is already underway and the project will not require State or University funding, it is likely to finish ahead of the rest of the project.
- Phase 2, opening in 2015 will include the demolition of a portion of Nicholson Apartments and replacement with interim surface parking [Zone F] which can be utilized for game day events; as well as a new 290 bed student apartment building [Zone D2], and the demolition of existing housing structures Zone D1.
- Phase 3, opening in 2016 will include a second 290 bed student apartment building [Zone D1] and the demolition of the student apartments in Zone C. This phase might also include the construction of a 1,000 car parking deck [Zone F] depending on State Funding availability. Likewise, this phase might include either a portion or the entire mixed use center [Zone E and F] depending on developer interest and market demand. For the purposes of the project financial model, only the portion of the mixed use center in Zone E was assumed for this phase.
- Phase 4, opening in 2017 will complete the construction of the west side student housing including a third 290 bed student apartment building [Zone C].
- Phase 5, opening in 2017 will include the completion of the mixed use center if it is not completed in Phase 3.

Site Costing

The method for site costing began with dividing the project areas up into phases and developing site costs for each phase. Creating the phasing was vetted with the University so that demolition of old buildings works with the University's plan to manage housing relocation and the construction of new buildings. The estimates were for construction cost only and don not include escalation, administration, permits, design or engineering soft costs. The estimates do include for each phase a percentage of construction cost for contractors General Conditions, Bonds & Insurance and Mobilization. At planning level a 20% contingency for lack of detail was carried in the site costs for all phases. The costs included rough area takeoffs and industry standard unit costs for Site Preparation, Demolition, Infrastructure, Excavation and Grading (including imported fill costs to bring the site out of the flood plain), Paving and Surfacing, Landscape Improvements, and allowances for Signage and Amenities. The estimate spreadsheets are included in the appendix of this document.

Funding

Financial Implications

The financial program builds from the following core market drivers:

- The student housing component has apparent demand with "relatively" low risk.
- The mixed use retail component has the clear potential to be successful, allowing for the timing of market response and tenant quality, both of which are project risks.
- The program includes a significant amount of office space, a majority of which is proposed for University identified needs.
- The program includes "University Affiliated / Market Rate Apartments" that would only be available for rent to University related personnel.
- The project's parking strategy includes a mix of surface lots and parking structures. While surface lots have the potential to be revenue positive, higher densities will drive need for parking structures, which are generally more expensive to build and operate.
- With clear linkage between parking and game day income, the decision of who builds, owns, and operates these parking facilities is an important detail.

As part of the planning effort for Nicholson Gateway, the The Design Team also evaluated preliminary financial implications associated with the market-tested program highlighted below.

Phasing	Units
Zone C / D1 / D2 - Student Housing	870 Beds
Zone A / F - Office Space (Sq Ft)	110,100 SF
Zone E - Market Apartments	89 Units
Zone E - Retail Space (Sq Ft)	79,400 SF
Zone E / F Parking	1,894 spaces
Zone F: Retail Space	58,300 SF
Zone E / F- Upper class Apartments	370 Beds

The modeling effort is based on current decisions regarding the development program and assumptions. Given that several critical assumptions are still "in play", this section of the report should be considered current as of December 17, 2012. Changes made after this date have not been incorporated.

The financial model is conceptual in nature, and subject to the Design Team's limiting terms and conditions. It has been built from takeoffs for gross floor area and site size, as defined in the evolving Master Development Plan. As such, precise floor plans have not been developed, so the team has made assumptions for efficiency of building, unit, and parking space layouts. Mixed use program revenue assumptions were developed by the Design Team; Student housing assumptions were developed by Brailsford & Dunlavey (B&D).

The financial model presumes a generalized "master developer" ownership structure, with LSU participating directly or indirectly (through a non-profit foundation), along with one or more developers. The intent of the model is simple - to arrive at an estimate of net operating income after debt service and assumed equity payouts to participating developers payable to the University and / or a related non-profit entity. The analysis also stresses that the university may choose to move forward with this project for non-financial reasons, which will be summarized below.

A number of critical assumptions shaped the effort:

- Current 2012 rents for retail, office, and residential activities, which are inflated to future years of occurrence, based on proposed absorption.
- No allowances are made for developers who are "bought out" during the 30-year holding period; a long-term hold is presumed.
- Assumptions have been made for site infrastructure costs as well as improvements to the Nicholson Corridor. Specific cost estimates shown on the following pages generally include streetscape and pedestrian improvements along Nicholson Drive, but do exclude potential costs related to proposed traffic rotaries.
- Mixed use construction costs are assumed at a premium to single use (i.e. student housing) construction costs.
- The phase II retail program is speculative
- The Master Development Plan includes a definitive pedestrian connection from the mixed use Plaza to North Stadium Drive. This pedestrian route creates ample opportunities for sponsorship and donation opportunities; these have not been calculated, but could be significant to project financial performance.
- The model presumes that a developer will contribute equity and debt to the project (25/75 split), and receive a return currently estimated at 7% of invested project equity on an annual basis over the forecast period. Looking forward, this percentage is a critical question, which will need to be negotiated with prospective developer partners.
- The model includes an allowance for replacement reserves, which begin in the 2nd year of occupancy for each component. The reserve is assumed at 5% of gross revenue on an annual basis.
- The model identifies the need for either local or state financial capacity (incentives or appropriation) to fund specific infrastructure costs, related to public site improvements, enhancements to Nicholson, or development of parking assets. At present, the State of Louisiana has not committed a specific appropriation to this project.
- The model makes no assumption for the use of New Markets Tax Credits, which if used, would otherwise reduce project equity requirements.
- The "market apartments" presume that renters will be university affiliated
- Year 1 of the project begins as of July 1, 2013
- A two year construction period is assumed for all project elements

Outputs	2013	2014	2015	2016	2017	2018	2019
Absorption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Zone C/D1/D2 – Student Housing	0	0	290	580	870	870	870
Zone E/F - Apartments	0	0	0	203	203	369	369
Zone E/F - Apartments	0	0	0	89	89	89	89
Zone E/F – Office	0	0	0	0	0	50,100	50,100
Zone E/F – Retail	0	0	0	79,400	79,400	137,700	137,700
Zone E/F Parking	0	0	468	842	842	1,426	1,426

Baseline Model Absorption Summary

Scenario	Description	2012 Project Site Infrastructure Costs	2012 Project Nicholson Improvement Costs	2012 Project Development Costs
Scenario 1	No state appropriation, all infrastructure included btw Chimes & Skip Bertman, all structured parking, Zone E as university affiliated apts, deduct 250 parking spaces from parking cash flow for athletics	$12,423,392	$3,403,983	$198,091,925
Scenario 2	Excludes East Side Project / no state appropriation / All infrastructure included	$12,423,392	$3,403,983	$137,602,145
Scenario 3	Excludes East Side Project / Includes $25 million state appropriation for Structured parking & 75% of Nicholson Improvements	$12,423,392	$0	$176,468,702

Development Scenarios and Estimated Development Costs

The Design Team used the above phasing program to develop a baseline scenario and three alternatives; each is described below:

Scenario 1: This option includes the full build-out program including structured parking as well as the proposed Nicholson Drive streetscape and roadway improvements for the segment between West Chimes Street and Skip Bertman Drive. No state appropriation is assumed. Replacement parking for football parking (250 spaces) is assumed to cash flow to Athletics and so it is deducted from project revenue.

Scenario 2: This option assumes all surface parking and eliminates the two parking structures as well as the program located in zone E. Additional parking would be required offsite in the South Alex Box Lot or elsewhere. To increase revenue, the 89 university affiliated market rate housing units are converted to 267 beds of student housing- three beds per unit. No state appropriation is assumed. Replacement parking for football parking (250 spaces) is assumed to cash flow to Athletics and so it is deducted from project revenue.

Scenario 3: This option is the same as Scenario 1 except that it includes a state appropriation of $24,183,802 which is applied to the Zone F parking deck and Nicholson Drive improvements. Replacement parking for football parking (250 spaces) is assumed to cash flow to Athletics and so it is deducted from project revenue.

	A. Debt Service Interest @ 5%				B. Debt Service Interest @ 6%			
	Year 10 Cumulative NOI Before Debt to Project	Year 10 Cumulative NOI After Debt to University	Year 10 Return on Cost	Year 10 Return on Equity	Year 10 Cumulative NOI Before Debt to Project	Year 10 Cumulative NOI After Debt to University	Year 10 Return on Cost	Year 10 Return on Equity
Scenario 1	$98,124,600	$3,992,969	46.3%	7.5%	$98,124,600	-$3,787,192	46.3%	-7.1%
Scenario 2	$81,427,500	$10,041,076	56.6%	27.9%	$81,427,500	$4,299,015	56.6%	12.0%
Scenario 3	$98,317,500	$10,894,273	52%	23.2%	$98,317,500	$3,847,740	52.3%	8.2%

Current Estimated Financial Outcomes from the Noted Scenarios

Cumulative Net Operating Income (NOI) before debt service reflects total project cash flow, before debt service, replacement reserves, or equity payouts to developer partners. Cumulative NOI after debt reflects estimates of residual cashflow payable to the university and / or its affiliates, after debt service, payments to project partners, and replacement reserves. The 10-year return on cost reflects a return on the total cost of the project (NOI in relation to total project cost). The 10-year return on equity reflects total equity invested in relation to net operating income after debt service. The analysis shows the financial impact of increasing debt service interest costs (from 5% to 6% on an annualized basis) which is an eventual likelihood.

Deal Structure Recommendations

As LSU plans for the revitalization of the Nicholson Corridor, discussions regarding the ownership structure that will be responsible for project implementation move to center stage. The discussion begins with broader strategic considerations:

- Property Ownership: The Nicholson Corridor is located on state-owned land that cannot be sold. The University should seek partners that are comfortable with ground lease structures.
- Design & Program Standards: The University should seek partners that recognize and can demonstrate the importance of blending project aesthetics with campus architecture. The University should view Nicholson as an extension of the campus that should transition to the campus edge with a "university feel." As such, the University should have approval authority over the exterior design and landscape concepts for the development.
- Affinity: The University should seek a partner that values its mission and hopes to further that mission through this development and partnership opportunity.

Considerations build from a clear understanding of University objectives:

- Generate incremental cash flow from the Nicholson project to support graduate student enrollment growth.
- Expand on-campus housing opportunities for upper class students.
- Amplify the game day experience and more importantly, increase capture of game day revenues, in part by creating new opportunities for sponsorship and advertising, as well as provision of premium parking facilities.
- Increase University endowment and enhance University recruitment
- Improve pedestrian connectivity and safety across Nicholson
- Alleviate space constraints at the core of campus, providing space for university functions that can be relocated.

Beyond the university's identified goals, the optimal ownership structure will need to:

- Maximize University flexibility
- Ensure the University's participation in project cash flows
- Allow the Institution to maintain effective project control
- Insulate the university from day to day project decisions and liability

Ultimately, our experience suggests that two core questions will need to be answered by LSU leadership:

1. The level of risk tolerance that the University, its auxiliaries, and related foundations are prepared to accept in prioritizing the objectives of the Nicholson Gateway Corridor. Decisions, such as Risk versus Control, Mission versus Profitability, and Commitment versus Partnership, will need to be prioritized by LSU.
2. The level of risk tolerance relates closely to judgment of what set of targets are used to define project success. For example, one target could be defined as a specific threshold of net operating income, while another target could be to achieve a specific percentage of upper class living on campus. Other softer targets relate to the revitalization of the Corridor and improvement of campus image.

Potential Deal Structures

Although there are a variety of deal structures available in the market, our experience points to four specific approaches for consideration that are most commonly associated with campus edge initiatives such as the Nicholson Gateway development.

Self-Development: The Institution can choose to self-develop the project, being 100% responsible for achieving project financing, creating design aesthetics, determining construction quality, defining phasing and sequencing strategies, selecting a delivery method, and ultimately delivering the projects. Additionally, the Institution would receive 100% of the benefits from any financial profitability realized by each project. For this approach, while the University would have control and benefit over the entire project, the University would also have 100% of the financial commitment required to implement these projects and 100% of the risk associated with those commitments. Our experience would suggest that these realities have tended to discourage institutions from choosing the Self Development option, because the institution's debt capacity and credit rating are subject to exposure with developments of this size and scale. Most institutions choose to utilize credit ratings and debt capacity for projects that are more closely tied to the institution's core mission.

Developer Master: At the other extreme, the Institution can choose to outsource 100% of the development to a third party through a ground lease in exchange for an annual ground lease payment to be negotiated. The third party would control 100% of the project decisions, including design, construction quality, tenant mix, and delivery method. The third party would also be responsible for providing project financing. While the Institution would have the ability to shape some of the project concepts and set some minimum project design standards, the third party will resist extensive requirements unless they are matched by financial resources. This approach provides the lowest risk for the University because it is not as exposed to credit rating risk or debt capacity usage. However, this scenario provides the lowest control for the University regarding the design and implementation; it also limits the University's upside financial potential once the project reaches stabilized occupancy.

Our experience shows that there are two alternative models that fit in between the extremes. These models are defined as a **Master Partnership** or a **Master Developer**:

The **Master Partnership** structure requires the official formation of a development partnership between the institution and a third party. In this scenario, the institution and the third party partner each contribute equity toward the project and a partnership LLC is officially formed. In a Master Partnership, the institution and the third party share the design, construction, financing, and implementation responsibilities. The advantage of this structure to the University is that it reduces the development risk by sharing it with the third party developer. The disadvantage of this structure is that it reduces the University's long-term financial potential by sharing the long-term return with the third party developer.

Similarly, the **Master Developer** model presumes the formation of an LLC (either for profit or not-for-profit) with defined roles for the Institution and one or more developers, as well as the possible role for a non-profit foundation. Once formed, the Master Developer would have the option to self-develop or syndicate individual parcels of land within the defined development zone, based on an array of considerations. While the Institution typically maintains approval authority over final development concepts, details, and project execution process, they are also expected to secure funding for infrastructure improvements. The nature of this deal structure can allow for funds from state appropriation, local tax-increment financing (TIF), as well as other incentives, particularly New Markets Tax Credits. While the Master Developer structure presumes a continued significant presence of the institution throughout the development process, this approach is also typically flexible as to the level of support - financially, physically, and strategically – required by the development partner(s) to successfully implement the project.

The risks associated with the Master Developer approach relate to the difficulty of making the individual projects work financially because third party partners may expect a higher return for the exposure they assume by allowing the University to maintain control. However, to the extent that the developer partners' risk is reduced by strong university linked demand, this challenge can be balanced. The added challenge with this approach is the extent to which the university is able to secure funding for infrastructure projects from local and state sources.

Recommended Structure

The project team recommends that LSU further evaluate the Master Developer structure for the Nicholson Gateway development. Our experience suggests that the University would likely need to assume responsibility for a share of infrastructure costs and parking. Developer partners would need to bring additional equity to the table to support development of individual projects. Within the Master Developer structure, the key is how profits after debt service are allocated between partners.

Next Steps

LSU will need to move forward on a number of work efforts to sustain project momentum. Elements include:

1. Finalize the Master Development Plan and build consensus with state leadership regarding several key questions:

   a. Reach decisions regarding ownership / responsibility for Nicholson Drive. Discussions had focused on this road being conveyed from state to local control. Identified project needs for streetscape and traffic calming adjustments along Nicholson Drive logically flow from these discussions. The anticipated outgrowth requires further clarity regarding the scale, structure, timing, and use of proposed state appropriation for the Nicholson Project.

2. Connect with city officials to build support for the Nicholson project:

   a. Assign roles and responsibilities regarding improvements to Nicholson Drive

   b. Access to local incentives (including tax increment financing), linked with broader regional benefits. Need for local incentive support is clearly linked with the outcome of conversations regarding state appropriation.

3. Sustain internal conversations regarding the university's role in the Nicholson Project. Elements include:

   a. Conduct further research on best practices regarding the role and structure of deals pursued by universities around the US. Specific emphasis should be placed on the evaluation of ground lease mechanisms that have been effective in balancing risk, control, and rewards.

   b. Finalize internal thinking regarding:

   i. The level of University control that will be needed as part of the overall deal structure.

   ii. University expectations for project performance metrics, both policy and financial (for example, what is an acceptable rate of return and over what duration).

   iii. Clarify how project revenues (parking / game day) will be allocated / shared internally.

   c. Continue conversations with University affiliated foundations to evaluate their potential role, capacity, and interest in participating in the project. While a foundation role is not critical to the process, the analysis does suggest that potential fundraising, sponsorship, and donation opportunities need to be better understood.

   d. Consider the engagement of a firm to provide program management services.

4. As planning guidance is being firmed up, and the roles of state and local government are clarified, the University will need to engage with the development community.

   a. Continue conversations with a sample of developers (local and national) to evaluate capabilities and interest.

   b. Initiate a RFI / RFQ process to test concepts with the development community

   c. Initiate an RFP process to identify one or more development partners.

Responsibilities

Clearly, specific roles and responsibilities will evolve out of the noted work efforts, with the University in position to make key strategic decisions that will dictate project outcomes.

10 ACKNOWLEDGEMENTS

10. ACKNOWLEDGEMENTS

Nicholson Working Group:
Steve Waller – Residential Life (PS)
Kurt Keppler – Student Life
Mary Miles – Planning, Design, & Construction (PS)
Jason Soileau – Planning, Design, & Construction (PS)
Jason Tolliver – University Auxiliary Services (PS)
Eddie Nunez – Athletics (PS)
Frank Miller – Tiger Athletic Foundation
D'Ann Morris – Chancellor's Office
Heath Price – FAS (PS)
Marie Frank – Purchasing
Jane Cassidy – Academic Affairs
Taylor Cox – Student Government, Pres
Kelsey LeBlanc – RHA, President
Jeff Darby – Family/Graduate Housing
Gary Graham – Parking, Traffic & Transportation (PS)
Tony Lombardo – Facility Services
Gina Dugas-LSU Foundation (PS)

LSU Senior Leadership
LSU Foundation
Tiger Athletics Foundation
LSU Alumni Association
Facility Design and Development Committee
Budget Planning and Accounting Services
LSU Athletics
LSU Residential Life
Student Groups
University Auxiliary Services, Dining
City and State Facility and Traffic Agencies
FuturEBR
Campus Stakeholders
Local Elected Officials

AECOM
Steve Wilson
Tim Anderson
Chris Brewer
Paul Moore
Jonathan McDowell
Robert Schmidt
Han Oul-Joo
Suzanne Serna
Doug Tichenor
Kaia Nesbitt
Tracy Flecky

Brailsford and Dunlavey
Peter Isaac
Wilson Jones

Grace and Haber
Jerry Hebert
Adam Fishbein
David Hebert

Walker Parking
Rick Mobley

APPENDIX

APPENDIX

Development Program

NICHOLSON GATEWAY - DEVELOPMENT PROGRAM
10/10/2012

Phase 1- Foundation Developed- not in project financials; complete summer 2014

	BLDG A-1	BLDG FOOT AREA (SF)	FLOOR	BLDG NET AREA (SF)		PARKING SUPPLY	PARKING NEED	PARKING NOTES
ZONE A 27,400 SF	retail	2,000	1	2,000			8	on-street parking
	office (2-4 FL)	15,000	3	45,000			180	4 per 1,000sf
	office (1 FL)	13,000	1	13,000			52	4 per 1,000sf
	TOTAL		4	60,000			232	

Phase 3- demolish housing 2016; replace with housing 2017

	BLDG C-1	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	BED UNITS 420 SF/BED	PARKING SUPPLY	PARKING NEEDS	PARKING NOTES
ZONE C 316,200 SF	Grad/undergrad apartments	30,450	4	121,800	290		209	0.72 sp/bed
	Surface Parking					239		
	TOTAL			121,800	290	239	209	in surface parking

Phase 2- demolish housing 2015; replace with housing 2016

	BLDG D-1	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	BED UNITS 420 SF/BED	PARKING SUPPLY	PARKING NEEDS	PARKING NOTES
ZONE D1 157,900 SF	Grad/undergrad apartments	30,450	4	121,800	290		209	0.72 sp/bed
	Surface Parking					203		
	TOTAL			121,800	290	203	209	in surface parking

Phase 1- demolish housing and replace with surface parking; complete summer 2014; replace housing 2015

	BLDG D-2	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	BED UNITS 420 SF/BED	PARKING SUPPLY	PARKING NEEDS	PARKING NOTES
ZONE D2 163,600 SF	Grad/undergrad apartments	30,450	4	121,800	290		209	0.72 sp/bed
	Surface Parking					206		
	TOTAL			121,800	290	206	209	

Phase 2a- first portion of mix use discrict, 2016 or later (depending on developer interest and available game day parking).

	BLDG E-1	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	BED UNITS 400 SF/BED		PARKING NEED	PARKING NOTES
ZONE E 210,500 SF	Upperclassmen Apartments	14,000	3	42,000	105		84	0.8 sp/bed (Zone F)
	retail	21,100	1	21,100	201		84	4 sp/1,000sf (Zone F)
	TOTAL			63,100	306		168	
	BLDG E-2	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	BED UNITS 400 SF/BED		PARKING NEED	PARKING NOTES
	Upperclassmen Apartments	13,000	3	39,000	98		78	0.8 sp/bed (Zone F)
	retail	21,300	1	21,300	218		85	4 sp/1,000sf (Zone F)
	TOTAL			60,300	632		163	
	BLDG E-3	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	HOUSING UNIT 1200 SF/BED		PARKING NEED	PARKING NOTES
	Market housing	27,700	3	83,100	69		104	1.5 sp/unit (Zone E parking deck)
	retail	37,000	1	37,000	534		148	4 sp/1,000sf (Zone F)
	TOTAL			120,100	1,207		252	
	BLDG E-4	BLDG FOOT AREA	FLOOR	BLDG NET AREA (SF)	HOUSING UNIT 1200 SF/BED		PARKING NEED	PARKING NOTES
	Market housing- townhouse	8,000	3	24,000	20		30	1.5 sp/unit (Zone E parking deck)
	TOTAL			144,100	20		282	
	BLDG E-5 Parking Structure*	BLDG FOOT AREA	LEVELS	BLDG NET AREA (SF)		PARKING SUPPLY	TOTAL NEED	PARKING NOTES
	Structured Parking	27,000	4.5	121,500		374	134	Zone E- market housing demand
							232	Zone A- office parking demand
	TOTAL			24,000		374	366	

* Note: The E-5 parking deck could be avoided if the majority of the office parking was accommodated across the street in the South Alex Box lot. A surface lot in place of the E-5 deck and E-4 townhouses would accommodate 140 cars, which would support the market housing (104 spaces) and a portion of the office (35 spaces).

Phase 1- demolish housing and replace with surface parking; complete summer 2014

	SURFACE PARKING	BLDG FOOT AREA (SF)	FLOOR	BLDG NET AREA (SF)		PARKING SUPPLY	PARKING NEED	PARKING NOTES
ZONE F (surface parking) 188,200 SF	Surface parking lot	157,000	1	157,000		468	480	for Zone E need- retail, student housing
	TOTAL		1	31,557,000		468		

Phase 2b-final portion of mixed use district; 2016 or later (depending on developer interest and available game day parking).

ZONE F (full build out) 188,200 SF	BLDG F-1	BLDG FOOT AREA (SF)	FLOOR	BLDG NET AREA (SF)	BED UNITS 450 SF/BED		PARKING NEED	PARKING NOTES
	Upperclassmen Apartment	15,000	3	45,000	100		80	0.8 sp/bed
	retail	21,300	1	21,300	-		85	4 sp/1,000sf
	office	-	-	-	-			4 sp/1,000sf
	TOTAL		4	66,300	-		165	parks in zone F structure
	BLDG F-2	BLDG FOOT AREA (SF)	FLOOR	BLDG NET AREA (SF)	BED UNITS 450 SF/BED		PARKING NEED	PARKING NOTES
	Upperclassmen Apartment	10,000	3	30,000	67		53	0.8 sp/bed
	retail	17,000	1	17,000	-		68	4 sp/1,000sf
	office	-	-	-	-			4 sp/1,000sf
	TOTAL			47,000	-		121	parks in zone F structure
	BLDG F-3	BLDG FOOT AREA (SF)	FLOOR	BLDG NET AREA (SF)			PARKING NEED	PARKING NOTES
	retail	20,000	1	20,000	-		80	4 sp/1,000sf
	office	16,700	3	50,100	-		200	4 sp/1,000sf
	TOTAL			70,100			280	parks in zone F structure
	BLDG F-4 Parking Structure	BLDG FOOT AREA	LEVELS	BLDG NET AREA (SF)		PARKING SUPPLY	TOTAL NEED	PARKING NOTES
	STRUCTURE PARKING (for Zone F)	68,400	5.0	342,000		1,052	567	Zone E parking demand
							480	Zone F Parking demand
	SURFACE PARKING							
	TOTAL			50,100		1,052	1,047	

Rate Assumptions	gsf bldg/bed	parking/bed
Graduate Apartment	450	1
Upper Classmen Apartment	425	1
60/40 upperclass/grad mix	420	1
	gsf bldg/unit	**parking/unit**
market housing (1, 2 and 3 bed units)	1,200	1.5

Site Cost Estimate

LSU Nicholson Gateway Phased Sitework Cost Estimate

Refer to the phasing diagrams and other information in the implementation section to correlate the costing information with the zones.

Notes:
1. The following estimate is for construction costs only and does not include preconstruction administration, permits, soft costs inc. design or engineering costs.
2. The cost estimate is intended as a tool for budgeting and fund raising

LSU Nicholson Gateway

Baton Rouge, LA

Phased Development Estimate

Item	Notes		Qty	Unit	$/Unit	Total
Zone C						
General						**$150,990**
General Conditions				% of Base	3%	$68,632
Bonds and Insurance				% of Base	1.50%	$41,179
Mobilization				% of Base	1.50%	$41,179
Site Preparation						**$10,000**
Tree Protection	Protection and Maintenance		20	EA	200.00	$4,000
Construction Fencing			3,000	LF	2.00	$6,000
Demolition						**$266,240**
Utility Removal and Capping			1	LS	5,000.00	$5,000
Building Demolition	Existing Apt Buildings		86800	SF	2.00	$173,600
Clearing and Grubbing	Landscape and Paving		438,200	SF	0.20	$87,640
Infrastructure						**$451,500**
Water Taps	2" lines plus meter		2	EA	1,000.00	$2,000
Water Line Extensions	8"		100	LF	50.00	$5,000
Storm Water System	600'x15" avg dia. PP with 6 CB-01s		1	LS	42,000.00	$42,000
Fire Hydrants			2	EA	750.00	$1,500
Fire Service Line	8"		1	LS	2,000.00	$2,000
Electric Service			1	LS	5,000.00	$5,000
Sewer Service	8"		1	LS	6,000.00	$6,000
Gas Service	2"		1	LS	3,000.00	$3,000
Site Drainage and Erosion control	Above ground grading		1	LS	35,000.00	$35,000
Street, Parking & Security Lighting	Fixtures ave 50 feet o.c.		70	EA	5,000.00	$350,000
Excavation and Grading						**$64,000**
Rough Grading	Fill 2' to above flood level		8,000	CY	8.00	$64,000
Paving and Surfacing						**$852,500**
Roads and Parking paving	Includes Curb and Gutter		97,000	SF	7.50	$727,500
Specialty Paving Veh	Crosswalks		0	SF	15.00	$0
Specialty Paving Ped	Plaza Areas		0	SF	12.00	$0
Standard Walkway	Concrete Sidewalks		25,000	SF	5.00	$125,000
Landscape Improvements						**$427,500**
Trees	Trees		50	EA	500.00	$25,000
Plaza Trees	Trees & Grates		0	EA	1,500.00	$0
Landscape	Lawn and groundcover		217,000	SF	1.50	$325,500
Gardens	More Intense landscape		11,000	SF	7.00	$77,000
Fencing						**$20,000**
Security Fence	At Housing Quads		200	LF	100.00	$20,000
Signage and Site Amenities						**$45,000**
Allowance			1	LS	45,000.00	$45,000
	Sub-total Zone C					**$2,287,730**
	Master Plan Contingency 20%					$457,546.04
	Base Construction Cost					**$2,745,276**

LSU Nicholson Gateway Phased Sitework Cost Estimate

Zones D1 & D2						
General						**145,798.42**
General Conditions				% of Base	3%	$66,272
Bonds and Insurance				% of Base	1.50%	$39,763
Mobilization				% of Base	1.50%	$39,763
Site Preparation						**$6,000**
Tree Protection	Protection and Maintenance		10	EA	200.00	$2,000
Construction Fencing			2,000	LF	2.00	$4,000
Demolition						**$123,120**
Utility Removal and Capping			0	LS	0.00	$0
Building Demolition	Existing Apt Buildings		44000	SF	2.00	$88,000
Clearing and Grubbing	Landscape and Paving		175,600	SF	0.20	$35,120
Infrastructure						**$463,250**
Water Taps	2"		4	EA	1,000.00	$4,000
Water Line Extensions	8"		100	LF	50.00	$5,000
Storm Water System	1250'x18"dia + 11 CB-01s		1	LS	90,750.00	$90,750
Fire Hydrants			2	EA	750.00	$1,500
Fire Service Line	8"		2	EA	2,000.00	$4,000
Electric Service			2	EA	5,000.00	$10,000
Sewer Service	8"		2	EA	6,000.00	$12,000
Gas Service			2	EA	3,000.00	$6,000
Site Drainage and Erosion control			1	LS	30,000.00	$30,000
Street, Parking & Security Lighting	Fixtures ave 50 feet o.c.		60	EA	5,000.00	$300,000
Excavation and Grading						**$64,000**
Rough Grading	Fill to above flood level		8,000	CY	8.00	$64,000
Paving and Surfacing						**$1,032,500**
Roads and Parking paving	Includes Curb and Gutter		121,000	SF	7.50	$907,500
Specialty Paving Veh	Crosswalks		0	SF	15.00	$0
Specialty Paving Ped	Plaza Areas		0	SF	12.00	$0
Standard Walkway	Concrete Sidewalks		25,000	SF	5.00	$125,000
Landscape Improvements						**$299,399**
Trees	Trees		60	EA	500.00	$30,000
Plaza Trees	Trees & Grates		0	EA	1,500.00	$0
Landscape	Lawn and groundcover		179,599	SF	1.50	$269,399
Gardens	More Intense landscape		20,000	SF	7.00	$140,000
Fencing						**$30,000**
Security Fence	At Housing Quads		300	LF	100.00	$30,000
Signage and Site Amenities						**$45,000**
Allowance			1	LS	45,000.00	$45,000
	Sub-total Zones D1 & D2					**$2,209,067**
	Master Plan Contingency 20%					$441,813.38
	Base Construction Cost					**$2,650,880**

LSU Nicholson Gateway Phased Sitework Cost Estimate

Zone E						
General						**$223,213**
General Conditions				% of Base	3%	$101,460
Bonds and Insurance				% of Base	1.50%	$60,876
Mobilization				% of Base	1.50%	$60,876
Site Preparation						**$6,800**
Tree Protection	Protection of Existing Oak Trees		7	EA	200.00	$1,400
Construction Fencing			2,700	LF	2.00	$5,400
Demolition						**$85,000**
Utility Removal and Capping			0	LS	0.00	$0
Building Demolition	Existing Apt Buildings		0	SF	2.00	$0
Clearing and Grubbing	Existing Landscape		425,000	SF	0.20	$85,000
Infrastructure						**$708,500**
Water Taps	2"		7	EA	1,000.00	$7,000
Water Line Extensions	8"		600	LF	50.00	$30,000
Storm Water System	1600'x18" dia + 15 CB-01		1	LS	118,000.00	$118,000
Fire Hydrants			4	EA	750.00	$3,000
Electric Service			1	LS	30,000.00	$30,000
Sewer Service	8" plus manholes		1	LS	60,000.00	$60,000
Gas Service			6	EA	3,000.00	$18,000
Site Drainage and Erosion control			1	LS	42,500.00	$42,500
Traffic Signal Improvements			1	EA	150,000.00	$150,000
Street, Parking & Security Lighting	Fixtures ave 50 feet o.c.		40	EA	5,000.00	$200,000
Event Infrastructure	Utilites and communication		1	LS	50,000.00	$50,000
Excavation and Grading						**$120,000**
Rough Grading	Fill 2' to above flood level		15,000	CY	8.00	$120,000
Paving and Surfacing						**$1,591,500**
Roads and Parking paving	Concrete Includes Curb and Gutter		30,000	SF	7.50	$225,000
Specialty Paving Veh	Roadways		37,000	SF	15.00	$555,000
Specialty Paving Ped	Plaza Areas		62,000	SF	12.00	$744,000
Standard Walkway	Concrete Sidewalks		13,500	SF	5.00	$67,500
Temp Parking	Grading and Gravel		180,000	SF	0.50	$90,000
Landscape Improvements						**$132,000**
Trees	Trees		30	EA	500.00	$15,000
Plaza Trees	Trees & Grates		48	EA	1,500.00	$72,000
Landscape	Lawn and groundcover		30,000	SF	1.50	$45,000
Gardens	More Intense landscape		4,000	SF	7.00	$28,000
Fencing						**$0**
Security Fence	At Housing Quads		0	LF	100.00	$0
Signage and Site Amenities						**$600,000**
Allowance			1	LS	100,000.00	$100,000
Water Feature / Art Feature			1	LS	500,000.00	$500,000
	Sub-total Zone E					**$3,382,013**
	Master Plan Contingency 20%					$676,402.57
	Base Construction Cost					**$4,058,415**

LSU Nicholson Gateway Phased Sitework Cost Estimate

Zone F Public Realm additions to Zone E						
Note: Assume all infrastructure will be in place from Zone E improvements to save costs and temp pads will be put in place for future bldgs						
General						**$22,118**
General Conditions				% of Base	3%	$10,054
Bonds and Insurance				% of Base	1.50%	$6,032
Mobilization				% of Base	1.50%	$6,032
Paving and Surfacing						**$270,000**
Specialty Paving Veh	Roadways		6,000	SF	15.00	$90,000
Specialty Paving Ped	Plaza Areas		15,000	SF	12.00	$180,000
Landscape Improvements						**$18,000**
Plaza Trees	Trees & Grates		12	EA	1,500.00	$18,000
Signage and Site Amenities						**$25,000**
Allowance			1	LS	25,000.00	$25,000
	Sub-total Zone F					**$335,118**
	Master Plan Contingency 20%					$67,023.55
	Base Construction Cost					**$402,141**

Cost Estimate for Nicholson Drive Improvements
LSU Nicholson Gateway

New Signaled Intersection @ Chimes

Description	Quantity	Unit	Unit Price	Price
New Intersection Lighting				
Controller	1	LS	$15,000.00	$15,000.00
Signal Heads	6	EA	$1,500.00	$9,000.00
Mast Arms (30 feet)	2	EA	$15,000.00	$30,000.00
Service	1	LS	$1,000.00	$1,000.00
Wiring & Ped Detection	1	LS	$10,000.00	$10,000.00
Handicap Ramps	4	EA	$1,500.00	$6,000.00
Sidewalk	300	SF	$5.00	$1,500.00
Special Pavement at Crosswalk (incl. base)	108	SY	$120.00	$12,960.00
Striping	1	LS	$1,500.00	$1,500.00
Landscape	1	LS	$10,000.00	$10,000.00
Subtotal				**$96,960.00**
Contingency			20%	$19,392.00
TOTAL				**$116,352.00**

Pedestrian Crossing with Hawk Light (3 locations)

Description	Quantity	(3) Locations	Unit	Unit Price	Price
New Intersection Lighting					
Controller	1	3	LS	$15,000.00	$45,000.00
Signal Heads	6	18	EA	$1,500.00	$27,000.00
Mast Arms (30 feet)	2	6	EA	$15,000.00	$90,000.00
Service	1	3	LS	$1,000.00	$3,000.00
Wiring & Ped Detection	1	3	LS	$10,000.00	$30,000.00
Handicap Ramps	4	12	EA	$1,500.00	$18,000.00
Sidewalk	300	900	SF	$5.00	$4,500.00
Special Pavement at Crosswalk (incl. base)	108	324	SY	$120.00	$38,880.00
Striping	1	3	LS	$1,500.00	$4,500.00
Landscape	1	3	LS	$10,000.00	$30,000.00
Subtotal					**$290,880.00**
Contingency				20%	$58,176.00
TOTAL					**$349,056.00**

Nicholson Drive Improvements (Chimes Street to S. Stadium/Skip Bertman Drive)

Length of Roadway = 2500 ft (24 ft wide pavement in each direction)				
Description	**Quantity**	**Unit**	**Unit Price**	**Price**
Curb Removal	10000	LF	$5.00	$50,000.00
Pavement Removal	5867	SY	$10.00	$58,670.00
2" Mill & Overlay	13333	SY	$20.00	$266,660.00
Curbs	10000	LF	$15.00	$150,000.00
Topsoil	2933.5	CY	$35.00	$102,672.50
Striping	1	LS	$5,000.00	$5,000.00
Landscaping	1	LS	$100,000.00	$100,000.00
Sidewalks (12' wide, 4" thick)(both sides)	6666	SY	$35.00	$233,310.00
Drainage	2500	LF of Rdwy	$93.00	$232,500.00
Street Lights w/ Banners @ 100' O.C	50	EA	$15,000.00	$750,000.00
Pedestrian Lights @ 50' O.C.	100	EA	$5,000.00	$500,000.00
Subtotal				**$2,448,812.50**
Contingency			20%	$489,762.50
Total				**$2,938,575.00**

Financial Analysis Disclaimer

GENERAL LIMITING CONDITIONS

AECOM devoted effort consistent with (i) the level of diligence ordinarily exercised by competent professionals practicing in the area under the same or similar circumstances, and (ii) the time and budget available for its work, to ensure that the data contained in this report is accurate as of the date of its preparation. This study is based on estimates, assumptions and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the Client, the Client's agents and representatives, or any third-party data source used in preparing or presenting this study. AECOM assumes no duty to update the information contained herein unless it is separately retained to do so pursuant to a written agreement signed by AECOM and the Client.

AECOM's findings represent its professional judgment. Neither AECOM nor its parent corporation, nor their respective affiliates, makes any warranty, expressed or implied, with respect to any information or methods disclosed in this document. Any recipient of this document other than the Client, by their acceptance or use of this document, releases AECOM, its parent corporation, and its and their affiliates from any liability for direct, indirect, consequential or special loss or damage whether arising in contract, warranty (express or implied), tort or otherwise, and irrespective of fault, negligence and strict liability.

This report may not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the Client. This study may not be used for purposes other than those for which it was prepared or for which prior written consent has been obtained from AECOM.

Possession of this study does not carry with it the right of publication or the right to use the name of "AECOM" in any manner without the prior written consent of AECOM. No party may abstract, excerpt or summarize this report without the prior written consent of AECOM. AECOM has served solely in the capacity of consultant and has not rendered any expert opinions in connection with the subject matter hereof. Any changes made to the study, or any use of the study not specifically identified in the agreement between the Client and AECOM or otherwise expressly approved in writing by AECOM, shall be at the sole risk of the party making such changes or adopting such use.

This document was prepared solely for the use by the Client. No party may rely on this report except the Client or a party so authorized by AECOM in writing (including, without limitation, in the form of a reliance letter). Any party who is entitled to rely on this document may do so only on the document in its entirety and not on any excerpt or summary. Entitlement to rely upon this document is conditioned upon the entitled party accepting full responsibility and not holding AECOM liable in any way for any impacts on the forecasts or the earnings from (project name) resulting from changes in "external" factors such as changes in government policy, in the pricing of commodities and materials, price levels generally, competitive alternatives to the project, the behaviour of consumers or competitors and changes in the owners' policies affecting the operation of their projects.

This document may include "forward-looking statements". These statements relate to AECOM's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "will," "should," "seek," and similar expressions. The forward-looking statements reflect AECOM's views and assumptions with respect to future events as of the date of this study and are subject to future economic conditions, and other risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, including, without limitation, those discussed in this study. These factors are beyond AECOM's ability to control or predict. Accordingly, AECOM makes no warranty or representation that any of the projected values or results contained in this study will actually be achieved.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

VOLUME 2: MIXED USE
MARKET AND FINANCIAL ANALYSIS

NICHOLSON GATEWAY

Louisiana State University

December 2012

AECOM

In association with:

Grace & Hebert Architects
Brailsford & Dunlavey
Walker Parking

Introduction

As part of the larger team effort, AECOM staff also evaluated the economic context for the Nicholson Corridor project to help frame real estate market support for the master plan. This document summarizes many of the key research efforts that led to the core report conclusions.

Demographic and Economic Context

Population

Population in the City of Baton Rouge increased at an annualized rate of 0.1 percent from 2000 to 2010. East Baton Rouge Parish and the Baton Rouge MSA each experienced significant population increases from 2000 to 2010, at annualized rates of 0.6 percent and 1.3 percent respectively.

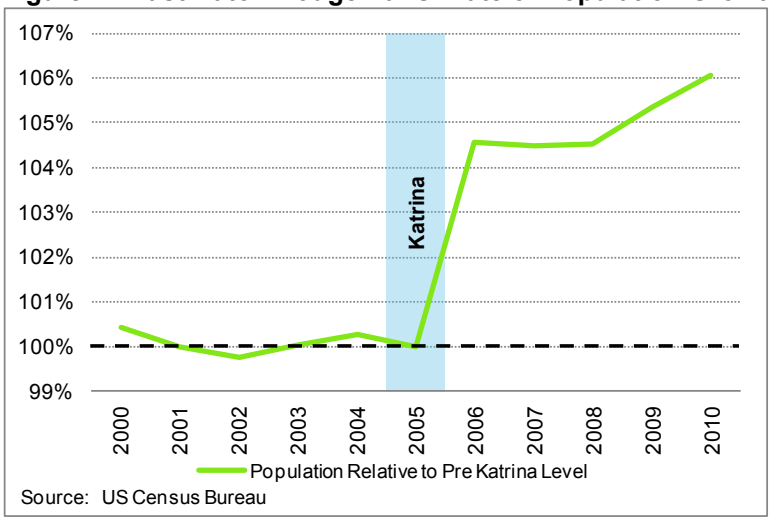
Table 1: Population by Geographic Area, 1990-2010

Geography	2000	2010	Absolute	CAGR
United States	281,421,906	309,050,816	27,628,910	0.9%
Louisiana	4,468,976	4,529,426	60,450	0.1%
Baton Rouge MSA	705,973	802,484	96,511	1.3%
East Baton Rouge Parish	412,852	440,171	27,319	0.6%
Baton Rouge City	227,818	229,493	1,675	0.1%

Source: US Census Bureau

The overall population increased following the impact of Hurricane Katrina in 2005. As of 2010, the East Baton Rouge Parish population has increased to more than 6 percent of pre-Katrina levels. From 2005 to 2010, East Baton Rouge Parish experienced population growth at an annualized rate of 1.2 percent, a majority of which took place immediately after Katrina, from 2005 to 2006.

Figure 1: East Baton Rouge Parish rate of Population Growth, 2000-2010

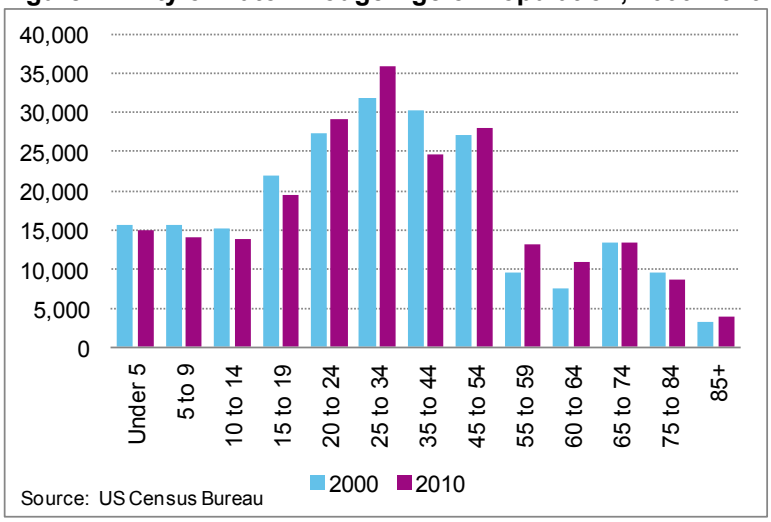


Even as individuals have begun to repopulate the most devastated areas in Louisiana (i.e., New Orleans), Baton Rouge has retained population levels above what they were in 2005.

The City of Baton Rouge median age was 30 years in 2000, experiencing a slight uptick to 31 years in 2010, yet still below the national median age of 37 in 2010. In 2010, approximately 52 percent of the population was between the ages of 20 to 54. Age cohorts experiencing significant growth from

2000 to 2010 were groups between the ages of 55 to 59, increasing at an annualized rate of 3.3 percent, and groups between the ages of 60 to 64, increasing at an annualized rate of 3.7 percent.

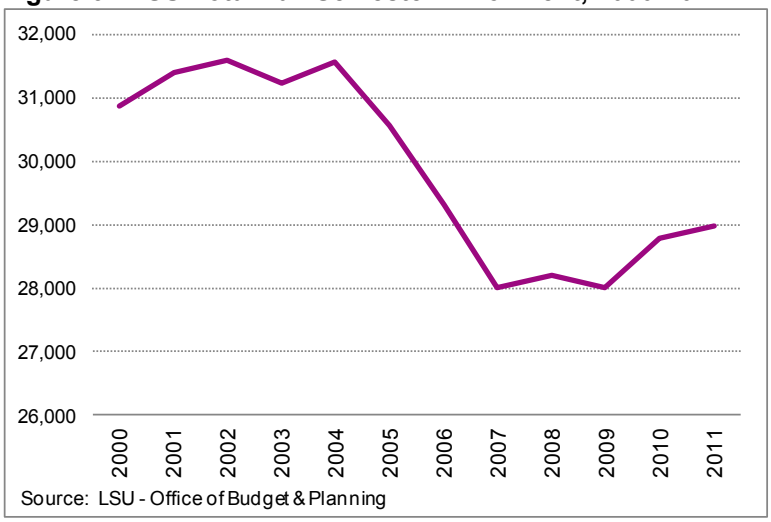
Figure 2: City of Baton Rouge Age of Population, 2000-2010



LSU Enrollment

From 2000 to 2011 Louisiana State University (LSU) enrollment has decreased by a total of 1,885 students, at an annualized rate of 0.6 percent. However since 2007, enrollment has experienced an increase of nearly 1,000 students. Total enrollment in the fall of 2011 was 28,985.

Figure 3: LSU Total Fall Semester Enrollment, 2000-2011



The majority of LSU's student body is comprised of undergraduate students; in the fall of 2011, undergraduates represented an 82.7 percent share of the total LSU student body, indicating a decrease from 84.6 percent in the fall of 2000. Graduate level students increased from a 14.3 percent share of total students in the fall of 2000 to a 15.9 percent in the fall of 2011, and professional

level students increased from a 1.0 percent share of total students in the fall of 2000 to a 1.4 percent share in the fall of 2011.

Households

The number of households in the Baton Rouge MSA increased by more than 40,000 from 2000 to 2010; East Baton Rouge Parish and the City of Baton Rouge accounted for more than 40 percent of the regions total increase in households from 2000 to 2010.

Table 2: Households by Geographic Area, 2000-2010

Geography	2000	2010	Absolute	CAGR
United States	105,480,101	116,716,292	11,236,191	1.0%
Louisiana	1,656,053	1,728,360	72,307	0.4%
Baton Rouge MSA	256,637	300,022	43,385	1.6%
East Baton Rouge Parish	156,365	172,057	15,692	1.0%
City of Baton Rouge	88,973	91,474	2,501	0.3%

Source: ESRI & US Census Bureau

Nationally, nonfamily households have increased as a share of total households, from 47 percent to 51 percent between 2000 and 2010. Nonfamily households in East Baton Rouge Parish have increased at a rate more than doubling the national pace, increasing at an annualized rate of 1.5 percent from 2000 to 2010. In East Baton Rouge Parish, from 2000 to 2010, the number of individuals living alone in nonfamily households slightly decreased in share from 78.1 percent in 2000 to 76.1 percent in 2010.

Figure 4: US & Baton Rouge MSA Household Characteristics, 2000-2010

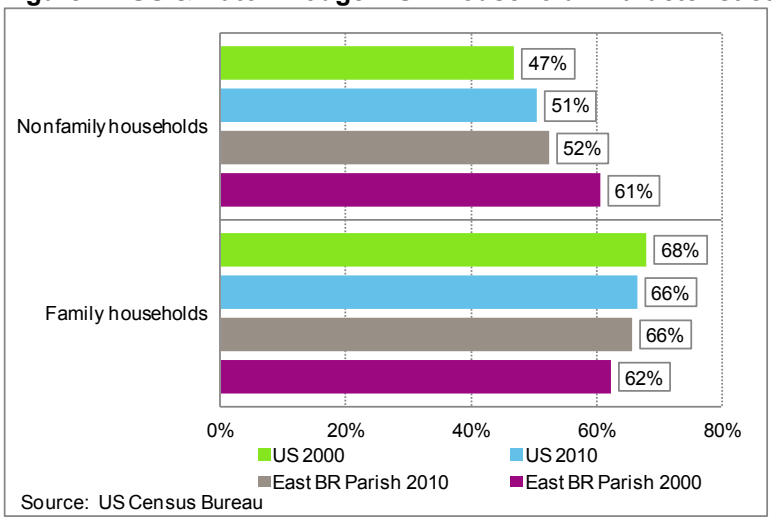
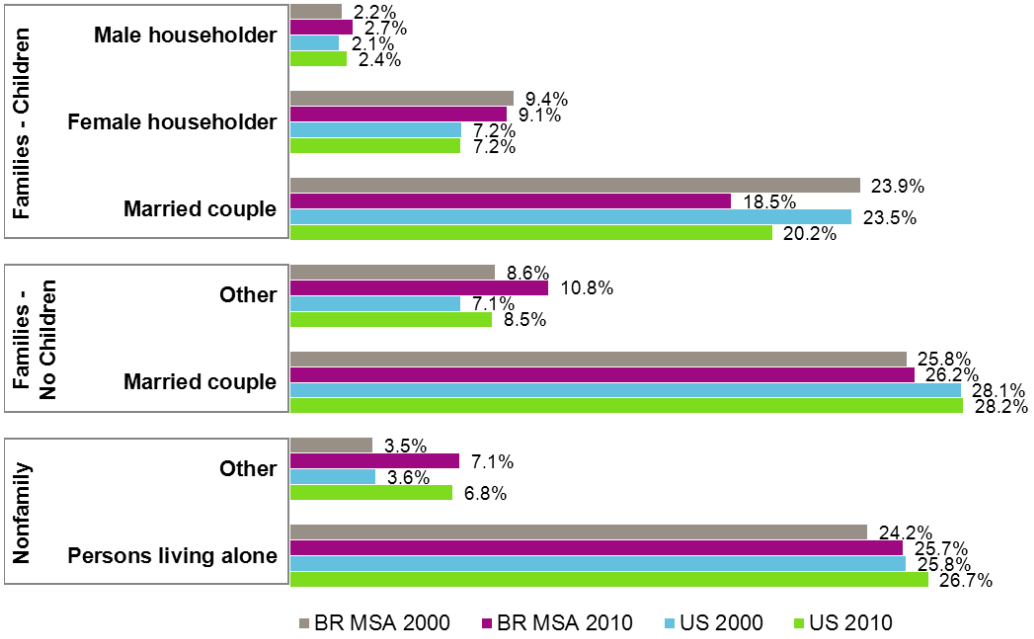


Figure 5: US & Baton Rouge MSA Household Characteristics, 2000-2010

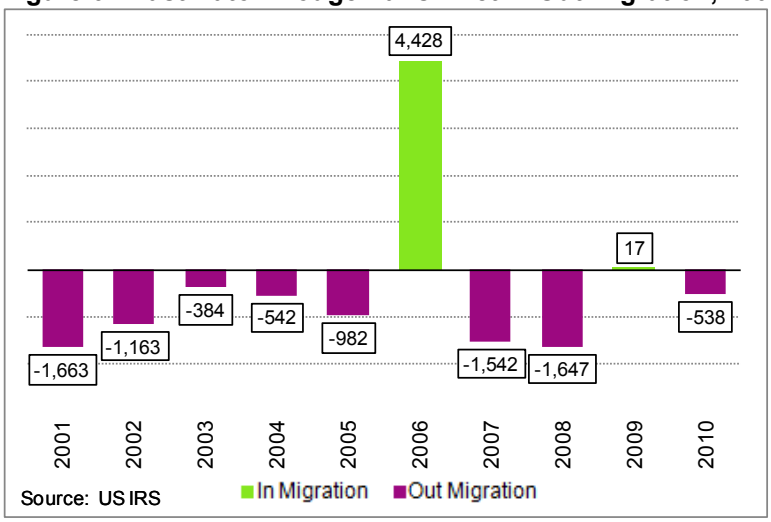


The above chart summarizes key elements of the regional structure of households. Overall non-family households are increasing, while married couple households with kids are decreasing. As well, Individuals living alone are increasing.

In/ Out Migration

The table below is a snapshot of household migration in and out of East Baton Rouge Parish from 2001 to 2010. Overall, East Baton Rouge Parish experienced a net decrease of nearly 264 households from 2001 to 2010. However, the number of households increased dramatically in 2006 as a result of Hurricane Katrina, increasing by 4,428 net households between 2005 and 2006, producing a positive net migration of just over 700 households from 2006 to 2010. From 2000 to 2010, the New Orleans-Metairie-Kenner MSA accounted for a net migration of approximately 3,700 households to the East Baton Rouge Parish.

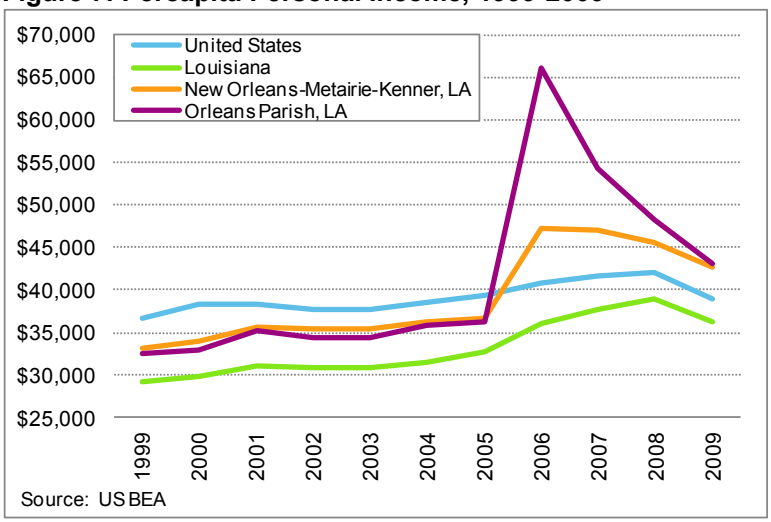
Figure 6: East Baton Rouge Parish Net In/Out Migration, 2001-2010



Per Capita Income

In 2009, the Orleans Parish inflation-adjusted per capita personal income was approximately $43,000, which was nearly 11 percent greater than the nation's inflation-adjusted per capita personal income, at $39,000. Per capita income reached a peak in 2006 at $66,000 for Orleans Parish, declining by an annualized rate of 13 percent from 2006 to 2009. The average per capita personal income in the past decade, of $41,000 in Orleans Parish, was greater than the national average ($39,000), the state's average ($33,000), and the regional average ($39,000).

Figure 7: Percapita Personal Income, 1999-2009



Educational Attainment

The educational attainment of the East Baton Rouge Parish workforce will influence the area's business mix moving forward, albeit helping to inform how new jobs may take the place of jobs lost. The table below examines the share of population aged 25 years and older by levels of achieved formal education in East Baton Rouge Parish relative to the United States. In 2010, nearly 65 percent of individuals 25 years of age and older in East Baton Rouge Parish did not possess a higher-level

degree (i.e. bachelors / secondary), which is below the national average at 72 percent. Moreover, from 2000 to 2010, 31 percent of the East Baton Rouge Parish population aged 25 years and older possessed a bachelor's degree or higher in 2000, which increased to 35 percent in 2010. Nationally, this cohort outpaced East Baton Rouge Parish, increasing at an annualized rate of 1.5 percent in the US and 1.2 percent in East Baton Rouge Parish from 2000 to 2010.

Table 3: East Baton Rouge Parish Educational Attainment, 2000-2010

Level of Education	2000		2010		CAGR	
	East BR Parish	US	East BR Parish	US	East BR Parish	US
Less than 9th grade	4%	8%	3%	6%	-3.0%	2.1%
9th - 12th grade, no diploma	12%	12%	9%	8%	-2.9%	3.6%
High school graduate (equivalent)	26%	29%	25%	29%	-0.5%	0.0%
Some college, no degree	24%	21%	24%	21%	0.3%	0.1%
Associate degree	3%	6%	4%	8%	2.9%	1.9%
Bachelor's degree	19%	16%	22%	18%	1.2%	1.3%
Grad. / professional degree	11%	9%	13%	10%	1.2%	1.7%
High school graduate plus	*84%*	*80%*	*88%*	*86%*	0.5%	0.6%
Bachelor's degree plus	*31%*	*24%*	*35%*	*28%*	1.2%	1.5%

Source: US Census Bureau

Employment

From January 2002 to January 2012 employment in East Baton Rouge Parish increased at an annualized rate of 0.5 percent, from 185,529 in 2002 to 195,069 in 2012. As the nation has begun to recover from the recession, East Baton Rouge Parish has experienced a decline in employment; since 2010, employment has decreased at an annualized rate of 0.94 percent in East Baton Rouge Parish.

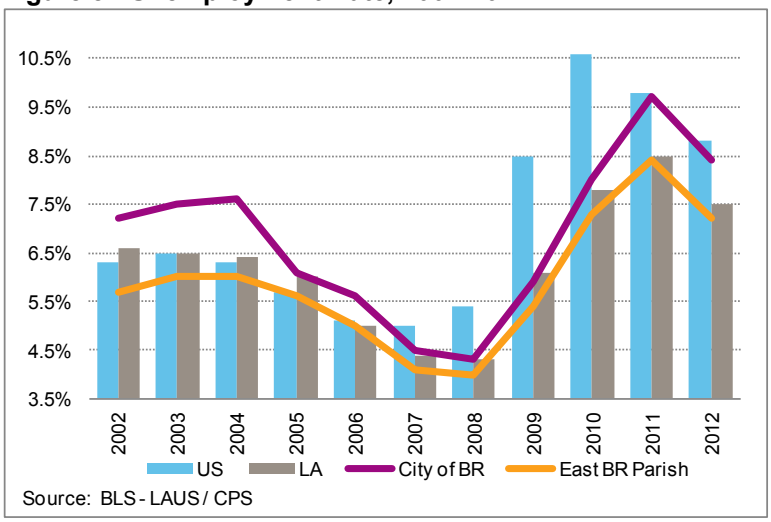
Table 4: East Baton Rouge Parish Labor Force, January 2002-2012

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2002	196,713	185,529	11,184	5.7%
2003	196,858	185,113	11,745	6.0%
2004	199,607	187,554	12,053	6.0%
2005	200,904	189,659	11,245	5.6%
2006	211,988	201,382	10,606	5.0%
2007	208,470	199,866	8,604	4.1%
2008	211,033	202,628	8,405	4.0%
2009	213,616	201,984	11,632	5.4%
2010	214,362	198,785	15,577	7.3%
2011	214,715	196,778	17,937	8.4%
2012	210,179	195,069	15,110	7.2%
CAGR 02-12	0.66%	0.50%	3.05%	2.36%
CAGR 02-10	1.08%	0.87%	4.23%	3.14%
CAGR 10-12	-0.98%	-0.94%	-1.51%	-0.69%

Source: BLS - LAUS

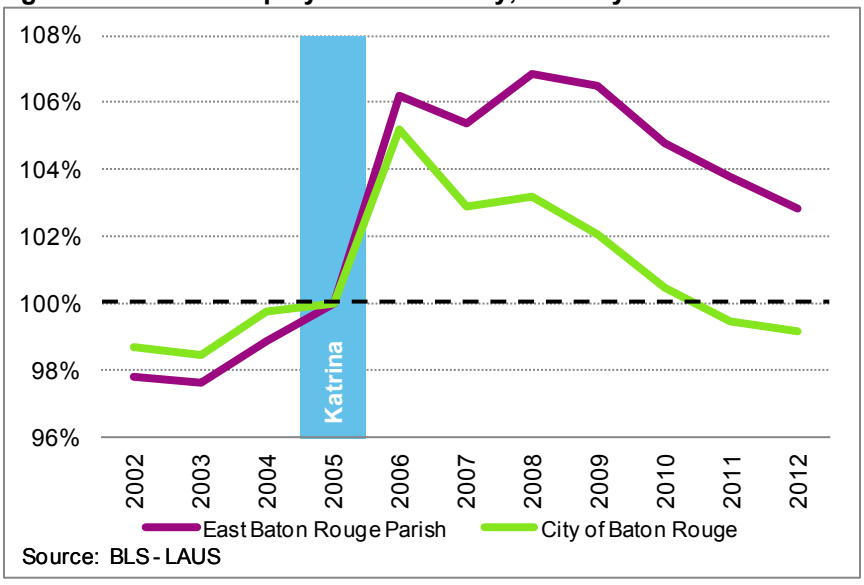
The chart below displays unemployment rates in the US, the state of Louisiana, the City of Baton Rouge, and East Baton Rouge Parish from January 2002 to January 2012. As of January 2012, unemployment rates in the State of Louisiana (7.5%), the City of Baton Rouge (8.4%) and East Baton Rouge Parish (7.2%) were all below the national average of 8.8 percent.

Figure 8: Unemployment Rate, 2002-2012



The overall employment growth in the City of Baton Rouge and East Baton Rouge Parish, fueled primarily by post-Katrina migratory trends, has been forced down by national economic pressures as well as household out migration. Reports suggested that that Louisiana is operating in a counter-cyclical fashion relative to the national economy, which would imply that as the nation begins to pull out of the most recent recession, Louisiana will still feel impacts. While a severe economic downturn is not a likely scenario, recent employment numbers have not been strong, especially in the City of Baton Rouge.

Figure 9: Rate of Employment Recovery, January 2002-2012



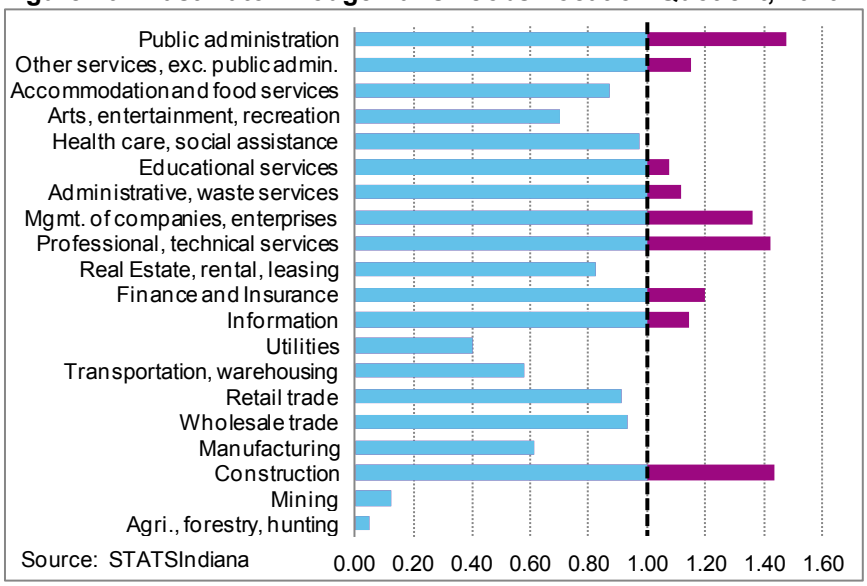
Employment in both the City of Baton Rouge and East Baton Rouge Parish have declined since experiencing a sharp spike in 2006. As of 2010, employment levels in the City of Baton Rouge dropped in line to where employment was in 2005. While employment in the City of Baton Rouge and East Baton Rouge Parish experienced modest growth from 2002 to 2010, employment has

decreased at an annualized rate of 0.65 percent in the City of Baton Rouge, and 0.94 percent in East Baton Rouge Parish, from 2010 to 2012, while employment in the US has increased at an annualized rate of 1.14 percent during this time. According to the chart below, it is apparent that employment in the City of Baton Rouge and East Baton Rouge Parish continue to trend downward.

Jobs Location Quotient

The table below is a location quotient analysis focused on jobs by industry sector in the East Baton Rouge Parish in relation to the state of Louisiana. This analysis identifies which industry sectors are more significant in East Baton Rouge Parish. Location quotients are used to determine how well the local market, in this case East Baton Rouge Parish, resembles a larger market, in this case the state of Louisiana. Industry sectors with a LQ ratio greater than 1.0 are more significant locally compared to the state. In general, higher location quotients point to industry sectors which are more integrated in the local economy, and have a greater influence on growth and job creation. A sample of the sectors evaluated in the analysis follows.

Figure 10: East Baton Rouge Parish Jobs Location Quotient, 2010



In 2010, the public administration industry sector reported the highest location quotient in East Baton Rouge Parish, at 1.47. Subsequently, the job market for the public administration industry sector is more significant in East Baton Rouge Parish than it is statewide. This sector includes a myriad of services, occupations and activities, such as executive, legislative, judicial, administrative and regulatory activities of Federal, State, local, and international governments. Other notable industry sectors are the construction industry sector (1.43), professional and technical services sector (1.42), the management of companies and enterprises sector (1.36), and the finance and insurance sector (1.19), as well as several other sectors above the 1.0 location quotient baseline.

Market Area Demographic Discussion

The map below indicates the designated market areas immediately surrounding the project site. To the north of the project site (green) is downtown Baton Rouge. The LSU campus is indicated in orange, encompassing the project site. The blue shaded area is the neighborhood trade area.

The following table looks at net population growth in each market area from 2000 to 2010. Overall, the Baton Rouge MSA, not including East Baton Rouge Parish experienced the most significant growth from 2000 to 2010, increasing at an annualized rate of 2.14 percent during this time period. The neighborhood trade area and East Baton Rouge Parish also increased in population during this time.

Table 5: Market Area Population, 2000-2010

	2000	2010	CAGR
Project Site	843	546	-4.25%
Downtown Baton Rouge	1,766	1,661	-0.61%
LSU Campus	8,008	7,537	-0.60%
Neighborhood Trade Area	28,472	30,325	0.63%
City of Baton Rouge	188,729	189,424	0.04%
East Baton Rouge Parish	185,034	210,678	1.31%
Baton Rouge MSA	293,121	362,313	2.14%
Total	705,130	801,938	1.29%

Source: Census, ESRI, AECOM

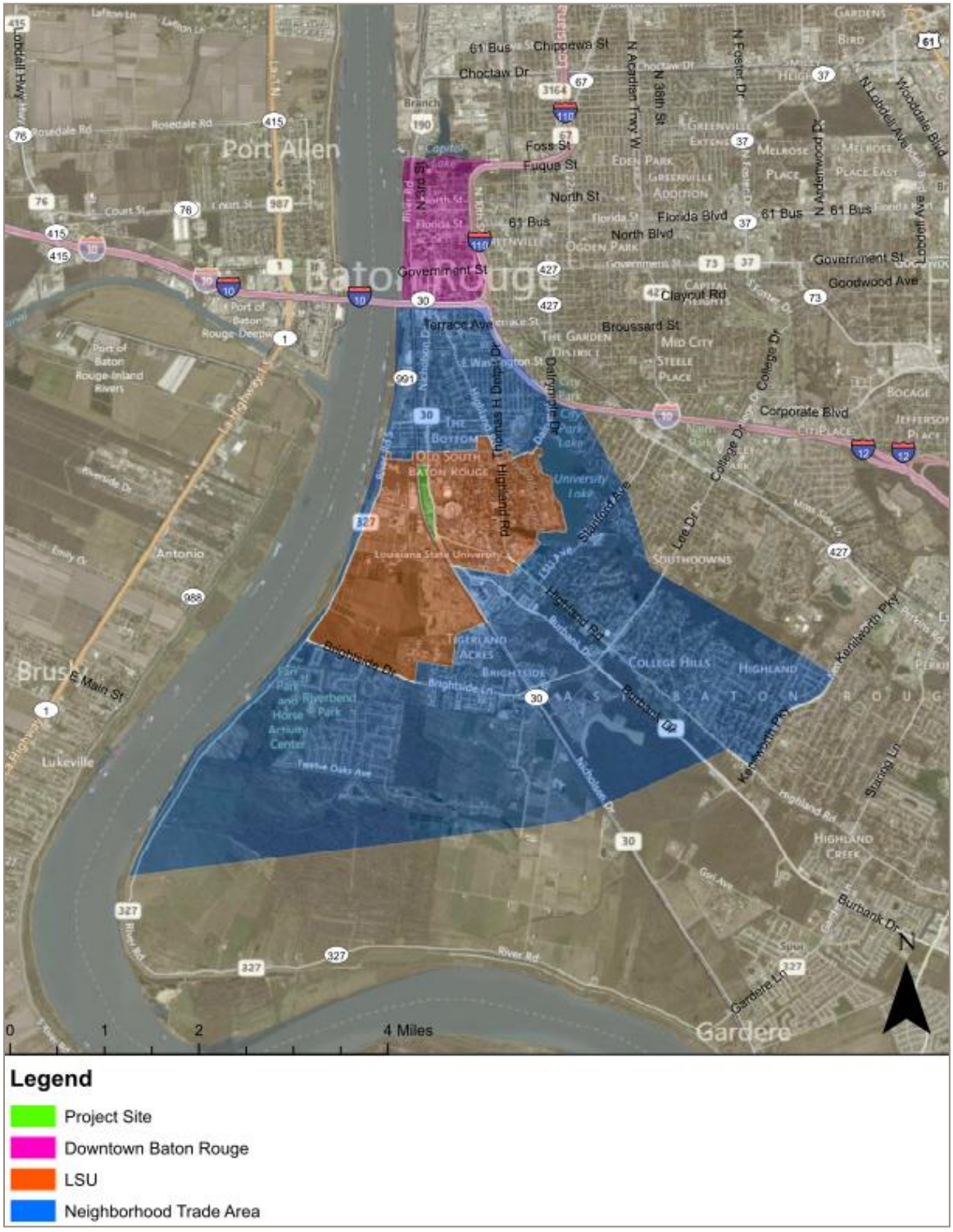
In total, all 28,771 students who attended LSU in the fall of 2010 were located within the Baton Rouge MSA. Students made up a 4 percent share of the total regional population in 2010. The largest share of students in one market area lived beyond East Baton Rouge Parish (43%), while 22 percent of students were concentrated on campus.

Table 6: Student Population by Market Area, 2010

	Population	LSU Students
Project Site	546	0
Downtown Baton Rouge	1,661	229
LSU Campus	7,537	6,364
Neighborhood Trade Area	30,325	5,911
City of Baton Rouge	189,424	2,994
East Baton Rouge Parish	210,678	830
Baton Rouge MSA	362,313	12,442
Total	802,484	28,771

Source: Census, ESRI, AECOM

Table 7: Market Area Map


Port Allen
Baton Rouge
Gardere
Brusly
Lukeville
Antonio
Government St
Florida Blvd
North Blvd
Foss St
Fuqua St
North St
Terrace Ave
Broussard St
Claycut Rd
Corporate Blvd
Goodwood Ave
Choctaw Dr
Chippewa St
Rosedale Rd
Court St
E Main St
River Rd
Burbank Dr
Highland Rd
Kenilworth Pky
Stanford Ave
Lee Dr
College Dr
Dalrymple Dr
Thomas H Delpit Dr
Nicholson Dr
Brightside Dr
Tigerland Acres
Brightside
College Hills
Highland
Highland Creek
Old South Baton Rouge
The Bottom
Mid City
Steele Place
Southdowns
Bocage
Melrose Place
Greenville Addition
Eden Park
Ogden Park
Louisiana State University
University Lake
Port of Baton Rouge-Inland Rivers
Port of Baton Rouge-Deepwater
Riverbend Park
Horse Actuary Center
Treehouse Oaks Ave
Gardere Ln
Starling Ln
Woodvale Blvd
N Lobdell Ave
N Acadian Thwy W
N 38th St
N Foster Dr
N Anderwood Dr
N 61 Bus
61 Bus
Louisiana
Lobdell Hwy
Lafitte Ln
Rosedale Rd
Court St
Florida St
Government St
Terrace Ave
Broussard St
Claycut Rd
Corporate Blvd
Goodwood Ave
Choctaw Dr
Chippewa St
Foss St
Fuqua St
North St
Florida Blvd
North Blvd
E Main St
River Rd
Burbank Dr
Highland Rd
Kenilworth Pky
Stanford Ave
Lee Dr
College Dr
Dalrymple Dr
Thomas H Delpit Dr
Nicholson Dr
Brightside Dr
Brightside Ln
Tigerland Acres

Key Implications

- Strong population growth, increasing at an annualized rate of 1.29% from 2000 to 2010
- Strong household growth, increasing at an annualized rate of 1.57% from 2000 to 2010
- Aging population, median age increasing from 32.5 to 34.3 from 2000 to 2010
- Strong per capita income growth, increasing at an annualized rate of 1.44% from 2000 to 2010.
- LSU fall enrollment has increased by an average of 500 students annually since 2009, reaching 30,000 by 2014 at this pace
- Conditions are improving
- Baton Rouge is growing as a tourist destination
- Like the rest of the state, Hurricanes Katrina and Rita were a challenge, along with the BP Spill
- While the New Orleans area is recovering, Baton Rouge has become economically more important
- Although population forecasts are positive, employment growth will drive real estate recovery
- Lower natural gas prices will drive industrial expansion

Site implications also include:

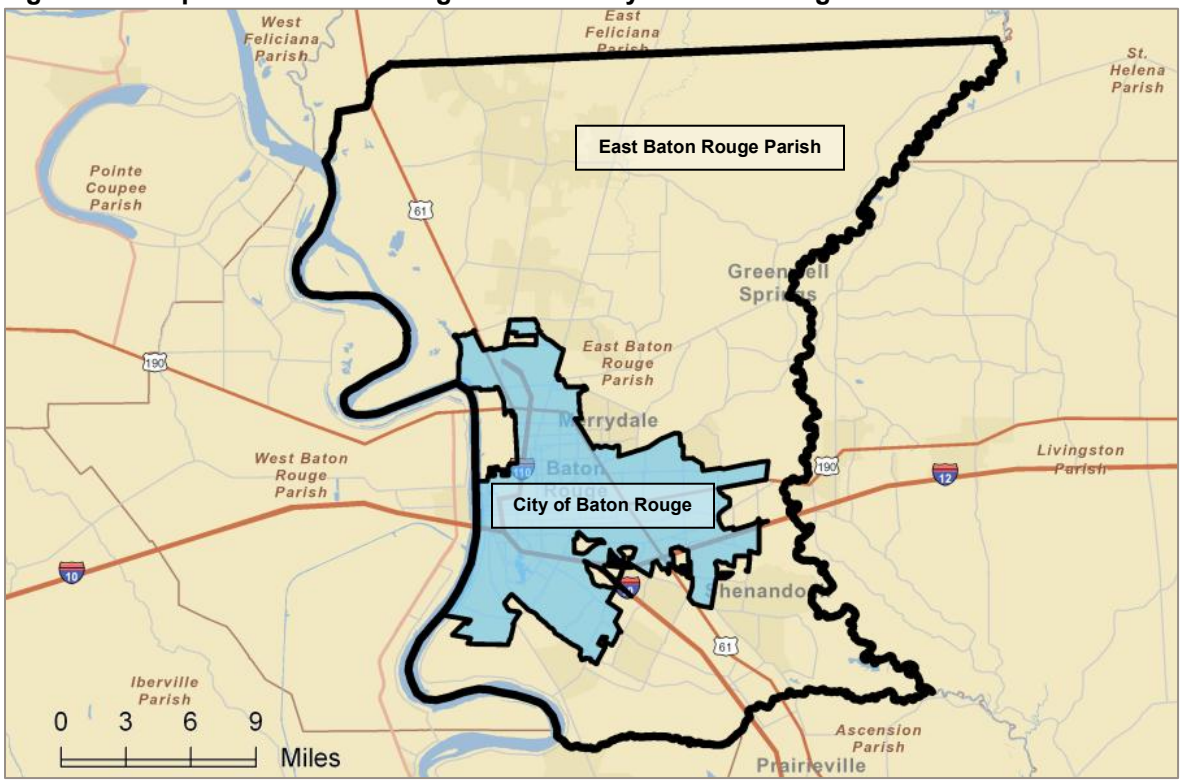
- Approximately one million annual sports visits
- Significant day / nighttime population
- The modest retail base surrounding campus is dominated by fast food
- Deliberate choices regarding pedestrian access will shape market opportunity

Market Analysis Framework

Residential Market

Overall, development of new housing units has been more pronounced in East Baton Rouge Parish outside of the City of Baton Rouge. In the previous decade, from 2000 to 2010, total housing units in the City of Baton Rouge increased at an annualized rate of 0.3 percent from 97,388 units in 2000 to 100,801 in 2010. What is more, housing development outside of the City of Baton Rouge in East Baton Rouge Parish has outpaced the City by more than six times, increasing from 71,685 units in 2000 to 86,552 housing units in 2010, at an annualized rate of 1.9 percent.

Figure 11: Map of East Baton Rouge Parish & City of Baton Rouge



In the City of Baton Rouge, owner occupied units represented a 49 percent share of the city's total housing inventory in 2010, while owner occupied units represented a 66 percent share of total housing units in the East Baton Rouge Parish in 2010. Overall, rental units are more established in the City of Baton Rouge, while homeowner units are more established in East Baton Rouge Parish.

Excluding the City of Baton Rouge, rental occupied units have increased at an annualized rate of 2.95 percent in East Baton Rouge Parish and at an annualized rate of 0.9 percent in the City of Baton Rouge; however, in both the City of Baton Rouge and East Baton Rouge Parish the share of renter occupied units, within each respective market, have increased in the past decade. During this time period, the share of renter occupied units in the City of Baton Rouge increased from 44 percent in 2000 to 46 percent in 2010, and 24 percent in 2000 to 27 percent in East Baton Rouge Parish outside of the City.

During the period from 2000 to 2010, owner occupied units have decreased at an annualized rate of 0.3 percent, an actual decrease from 46,417 to 45,124 in the City of Baton Rouge. Simultaneously, owner occupied housing units increased at an annualized rate of 1.4 percent from 2000 to 2010 in East Baton Rouge Parish outside the City of Baton Rouge.

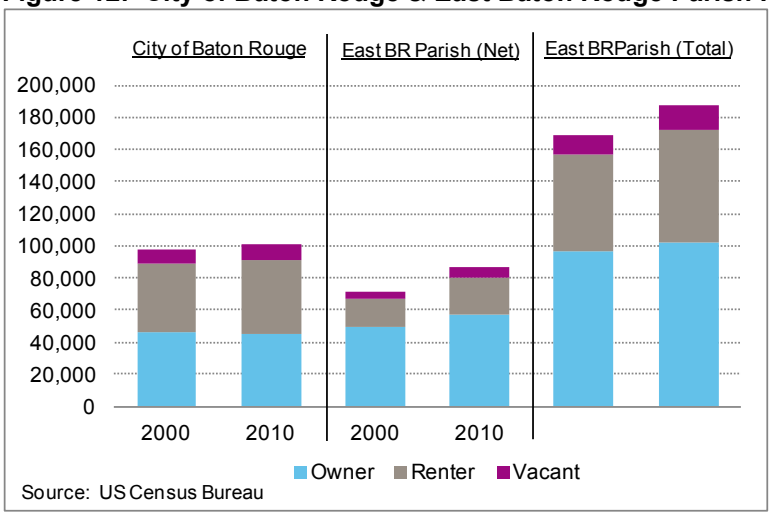
Table 8: Housing Inventory East Baton Rouge Parish & City of Baton Rouge, 2000-2010

	City of Baton Rouge				East BR Parish net of City of BR				East Baton Rouge Parish			
	2000	2010	Net	CAGR	2000	2010	Net	CAGR	2000	2010	Net	CAGR
Total	**97,388**	**100,801**	**3,413**	**0.3%**	**71,685**	**86,552**	**14,867**	**1.9%**	**169,073**	**187,353**	**18,280**	**1.0%**
Occupied	**88,973**	**91,474**	**2,501**	**0.3%**	**67,392**	**80,583**	**13,191**	**1.8%**	**156,365**	**172,057**	**15,692**	**1.0%**
Owner	46,417	45,124	-1,293	-0.3%	49,915	57,217	7,302	1.4%	96,332	102,341	6,009	0.6%
Renter	42,556	46,350	3,794	0.9%	17,477	23,366	5,889	2.9%	60,033	69,716	9,683	1.5%
Vacant	**8,415**	**9,327**	**912**	**1.0%**	**4,293**	**5,969**	**1,676**	**3.4%**	**12,708**	**15,296**	**2,588**	**1.9%**
Vacancy Rate	***8.6%***	***9.3%***	***0.61%***	***0.7%***	***6.0%***	***6.9%***	***0.91%***	***1.4%***	***7.5%***	***8.2%***	***0.65%***	***0.8%***
Owner	*4.2%*	*4.7%*	*0.47%*	*1.1%*	*2.9%*	*2.8%*	*0.17%*	*0.6%*	*3.7%*	*3.8%*	*0.13%*	*0.3%*
Renter	*0.8%*	*0.9%*	*0.07%*	*0.8%*	*0.9%*	*1.1%*	*0.16%*	*1.6%*	*0.8%*	*1.0%*	*0.11%*	*1.3%*
Other	*3.6%*	*3.7%*	*0.07%*	*0.2%*	*2.1%*	*3.1%*	*0.92%*	*3.7%*	*3.0%*	*3.4%*	*0.41%*	*1.3%*

Source: US Census Bureau

According to the Census, 91 percent of total housing units in the City of Baton Rouge were occupied, while 92 percent of units in East Baton Rouge Parish were occupied. In total, East Baton Rouge Parish reported a total of 187,353 housing units in 2010. More than half (100,801 total units) of the housing units in East Baton Rouge Parish were located in the City of Baton Rouge. Vacancy is higher in the City of Baton Rouge compared to East Baton Rouge Parish (outside the City), at 9.3 percent and 6.9 percent respectively in 2010.

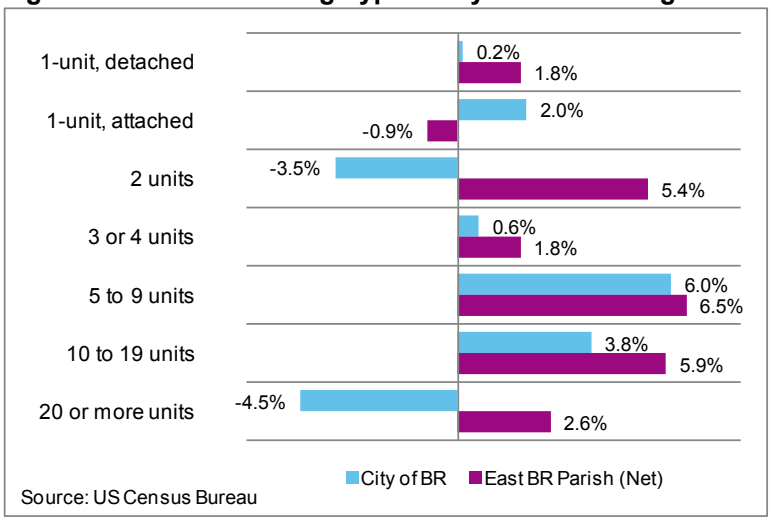
Figure 12: City of Baton Rouge & East Baton Rouge Parish Housing Inventory, 2000-2010



The figure below displays the growth of building types in the City of Baton Rouge and the area surrounding (within East Baton Rouge Parish) from 2000 to 2010. Multi-unit buildings experienced significant growth from 2000 to 2010. One unit detached buildings, otherwise known as single family homes, make up a predominate share of building types in East Baton Rouge Parish, 64 percent of all buildings in the entire East Baton Rouge Parish (including the city), half of which are in the City of Baton Rouge and the other half in the surrounding Parish. During the period from 2000 to 2010, East

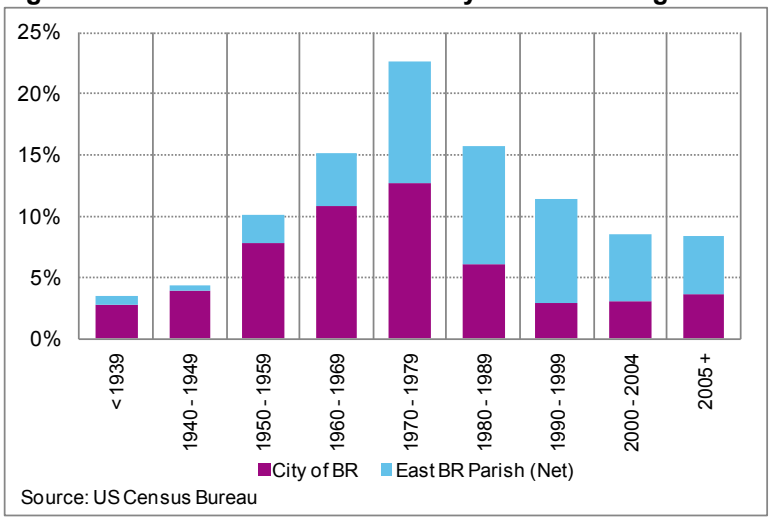
Baton Rouge Parish (minus the City) experienced a 1.8 percent average annual growth in one unit detached buildings, while this type of building increased by an average annual rate of 0.2 percent in the City of Baton Rouge.

Figure 13: Growth in Bldg Type – City of Baton Rouge & East Baton Rouge Parish, 2000-2010



While nearly 53 percent of residential structures in the East Baton Rouge Parish are located in the City of Baton Rouge, more than two thirds were built prior to 1980. On the other hand, while 47 percent of residential structures in East Baton Rouge Parish are located outside the City of Baton Rouge, two fifths were constructed between 1980 and 1999. Since 2000, more than 60 percent of all residential construction in East Baton Rouge Parish has taken place outside of the City.

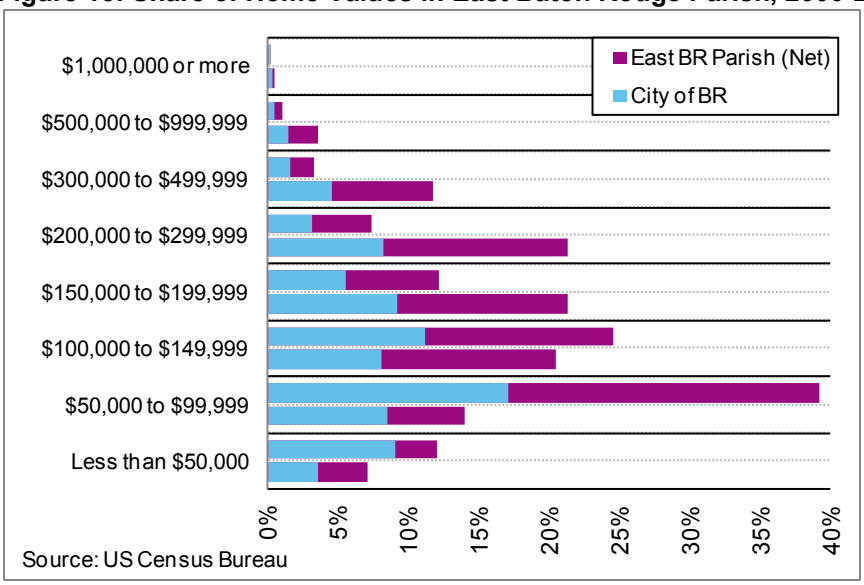
Figure 14: Year Structure Built -- City of Baton Rouge & East Baton Rouge Parish



From 2000 to 2010, owner occupied units increased from roughly 96,000 in 2000 to 102,000 in 2010 in the East Baton Rouge Parish. In East Baton Rouge Parish, the share of owner occupied homes which are valued within the $500,000 to $999,999 range increased at the quickest rate from 2000 to 2010, at an annualized rate of 14 percent. Homes valued between the $200,000 to $299,000 range

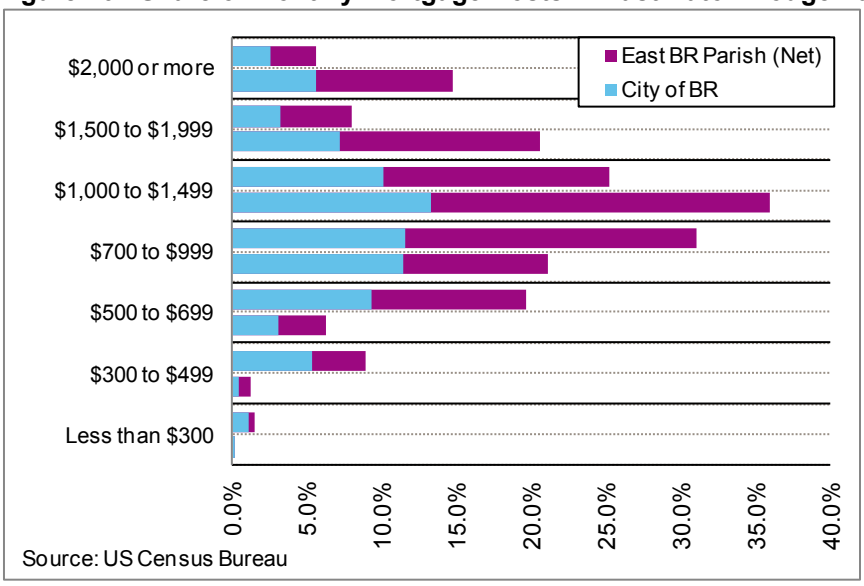
increased from a 7 percent share of total owner occupied units in East Baton Rouge Parish in 2000 to a 21 percent share of total owner occupied units in 2010 – homes valued in this range increased at an annualized rate of 10 percent within the City of Baton Rouge and an annualized rate of 13 percent in the area beyond the city from 2000 to 2010. Home valued between the $50,000 to $99,000 range decreased from 39 percent share of owner occupied homes in East Baton Rouge Parish in 2000 to a 14 percent share in 2010; home within this range decreased at an annualized rate of 7 percent in the City of Baton Rouge and an annualized rate of 13 percent in the area beyond the city.

Figure 15: Share of Home Values in East Baton Rouge Parish, 2000-2010



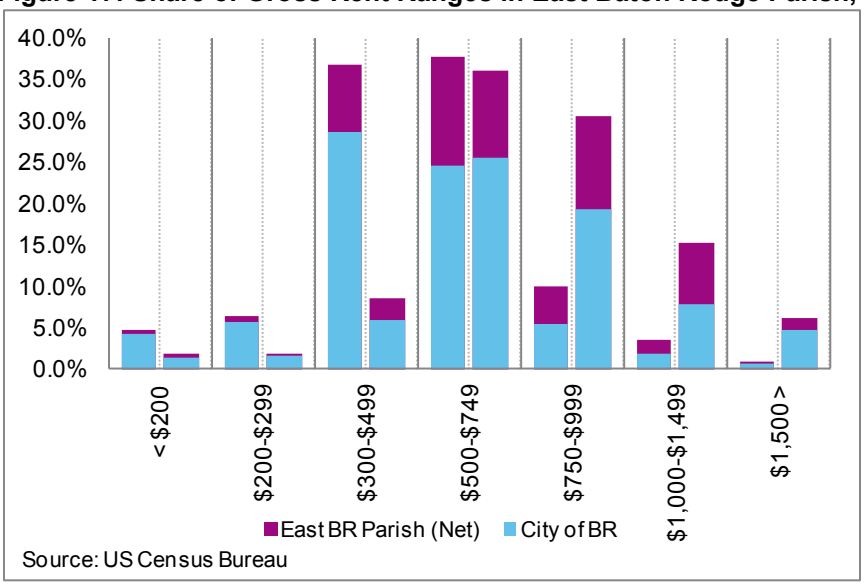
The median monthly mortgage cost for homeowners in East Baton Rouge Parish was $837 in 2000, increasing slightly to $876 in 2010. From 2000 to 2010, mortgage costs above $1,000 monthly increased from a 40 percent share in 2000 to a 71 percent share in 2010, a predominate share of growth took place outside of the City of Baton Rouge.

Figure 16: Share of Monthly Mortgage Costs in East Baton Rouge Parish, 2000-2010



The median rent in East Baton Rouge Parish increased from $510 in 2000 to $760 in 2010. The chart below indicates that the majority of renter occupied units in the East Baton Rouge Parish reside between the $500 to $749 monthly rent range; rents within this range increased in the City of Baton Rouge at an annualized rate of 0.4 percent, while decreasing in the area outside the City at an annualized rate of 2.3 percent. Rents in the $300 to $499 range decreased from 37 percent share in 2000 to a 9 percent share from 2000 to 2010 in East Baton Rouge Parish, with the most significant decrease taking place in the City of Baton Rouge. Renter occupied units renting the $750 to $999 range increased from a 10 percent share in 2000 to a 31 percent share in 2010, with the most significant increase taking place in the City of Baton Rouge.

Figure 17: Share of Gross Rent Ranges in East Baton Rouge Parish, 2000-2010



Implications

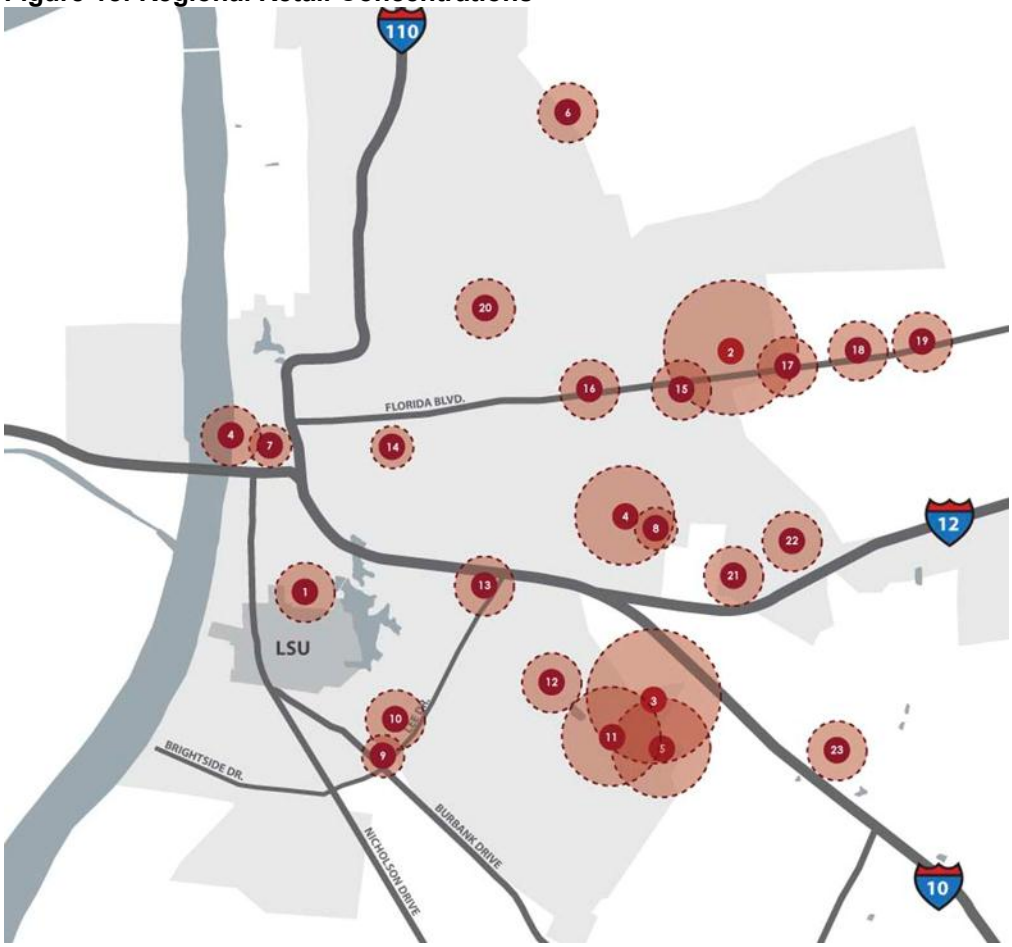
Findings include:

- Permits peaked in 2006 through post Katrina-Rita impacts. In 2006, multiunit building permits more than tripled than the year prior, up to 2,600 in 2006. Since 2006, multiunit building permits decreased significantly; however, by 2011, multiunit building permits rebounded to pre-Hurricane / pre-recession levels, at about 500 per year.
- In the past decade, the renter share of occupied units has increased. Currently, a majority of the rental market is represented by the low to mid-range supply – 80 percent of renter occupied households pay less than $1,000 per month on rent – whereas the high end rental market represents a small share of overall rental activity.
- More than half (58%) of overall ownership activity is represented by the mid-range market; owners affording homes listed at $114,500 to $258,500.
- Recently developed condominium projects have increased supply for a high end product in the Baton Rouge market. The disparity in price of newly developed condos versus the average price in the Baton Rouge market suggest there is potential to expand market supply of higher end condominium units in this market.
- A review of unit pricing around the LSU campus reinforces the premiums that can be commanded for rental units in walking distance proximity to campus. Part of the opportunity for housing adjacent to campus relates to the fact that unit pricing tends to be per bedroom, rather than per unit.
- In the course of the study, University officials indicated that from a policy standpoint, they would be unlikely to support condominium development. While rental apartments were viewed positively, there was a sense that the university would prefer rentals be made available to students and university related employees.

Retail Market Discussion

AECOM analysis and fieldwork considered the array of retail offerings across the region. The map below highlights key concentrations of inventory, which includes projects such as Perkins Rowe and several regional malls and shopping centers.

Figure 18: Regional Retail Concentrations



Retail space in the Baton Rouge MSA has increased at an annualized rate of 0.7 percent from the first quarter of 2008 to the first quarter of 2012. As of the first quarter of 2012, the Baton Rouge MSA reported a total of over 33.3 million square feet of rentable building area for retail space, 11.8 percent of which was vacant during the first quarter of 2012. The vacancy rate for retail space in the Baton Rouge MSA increased from 6.5 percent in the first quarter of 2008 to 11.8 percent in the first 2012; additionally, per square foot rent increased from about $10 in the first quarter of 2008 to $11 in the first quarter of 2012.

Table 9: Baton Rouge MSA Retail Inventory History, Q1 '08-'12

Period	# Bldgs	Total RBA	Vacancy	Total Average Rate
2008 1Q	1,695	32,431,627	6.5%	$10.1
2009 1Q	1,711	32,819,947	8.8%	$11.6
2010 1Q	1,723	32,995,767	8.8%	$10.9
2011 1Q	1,737	33,189,439	9.8%	$11.4
2012 1Q	1,753	33,300,028	11.8%	$11.3
CAGR Q1 '08-'12	0.84%	0.66%	16.23%	2.90%

Source: CoStar

The following charts summarize key performance metrics regarding the regional retail market. From a development standpoint, the region is recovering from a period of above average development, between 2003 and 2008. As the economy recovers, new development will begin to emerge, aligned with growth in Class A rents.

Figure 19: Retail Space Development by Year, Region

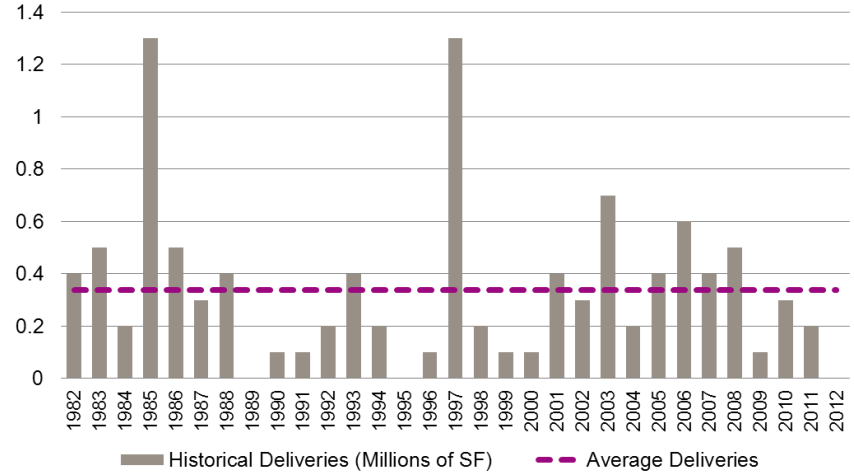
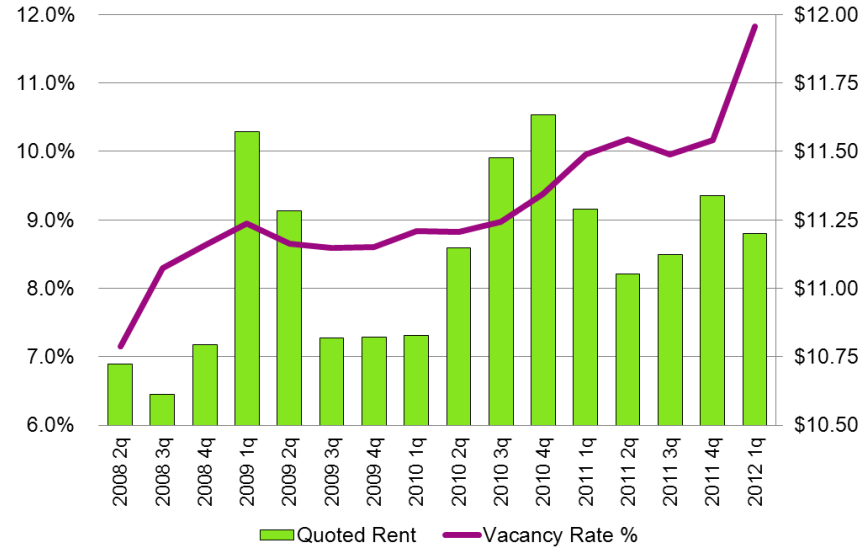
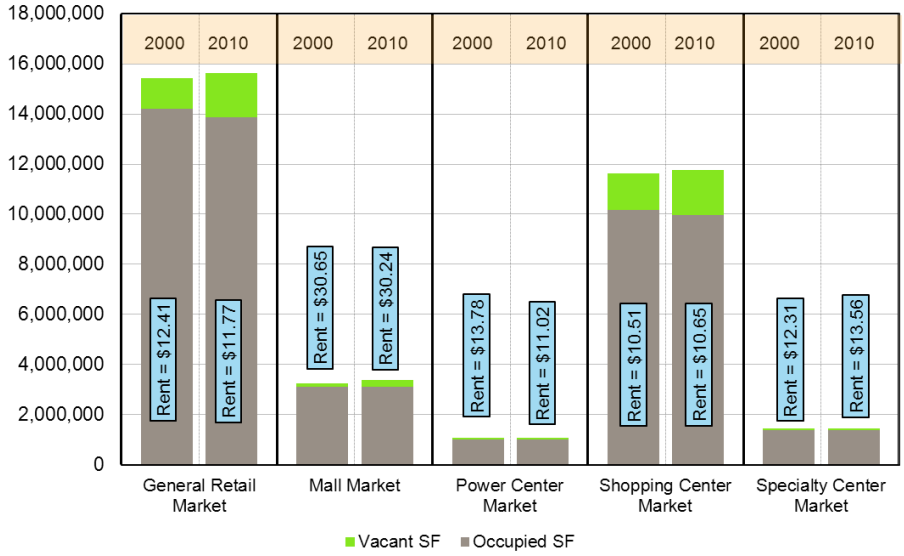


Figure 20: Retail Rents and Vacancy



The following table summarizes rents by store time, according to COSTAR. The analysis speaks to the significant rent premium commanded by shopping malls compared to other center formats. A key opportunity from a retail standpoint is to be able to create a project that will be attractive to regional and national chains, but at rents lower than what would be expected in a regional mall.

Figure 21: Retail Rents by Store Type



Depth for retail market demand was legitimized by favorable trends in the local retail market, themes which speak to this premise include:

- Falling just below $5.0 billion in 2009, total retail sales in the City of Baton Rouge / East Baton Rouge Parish have rebounded to near 2008 levels.
- From 2010 to 2011, retail sales in the Baton Rouge market recovered at nearly the same pace as the nation, at an annualized rate of 7 percent.
- Analysis of potential spending around the LSU campus reinforced a leakage of potential spending to other areas in the region.
- The proximity of the site to several sports venues, which support about 1 million annual visits, was noted as critical.
- The proposed project is likely to be anchored by a mix of restaurants and bars, along with other supporting retail activities. A grocery store is also possible.

Market concerns include the following:

- The past recession has had a significant impact on the retail industry, with many national chains having gone out of business.
- New projects will likely have more stringent lending requirements, as well as expectations for pre-leasing of some retail space.

- Market analysis has already identified several tenants, such as Urban Outfitters, who would be likely tenants for this project, who are already in the market.

Office Market Discussion

Office space in the Baton Rouge MSA has increased at an annualized rate of 0.9 percent from the first quarter of 2008 to the first quarter of 2012. As of the first quarter of 2012, the Baton Rouge MSA reported a total of over 18.3 million square feet of rentable building area for office space, 15.7 percent of which was vacant during the first quarter of 2012. The vacancy rate for retail space in the Baton Rouge MSA increased from 9.1 percent in the first quarter of 2008 to 15.7 percent in the first 2012; additionally, per square foot rent experienced a slight increase increased from $14.80 in the first quarter of 2008 to $14.83 in the first quarter of 2012.

Table 10: Baton Rouge MSA Office Inventory History, Q1 '08-'12

Period	# Bldgs	Total RBA	Vacancy	Total Average Rate
2008 1Q	1,572	17,735,143	9%	$14.80
2009 1Q	1,603	18,205,690	13%	$16.06
2010 1Q	1,617	18,298,715	15%	$16.08
2011 1Q	1,623	18,330,070	16%	$15.00
2012 1Q	1,627	18,381,578	16%	$14.83
CAGR Q1 '08-'12	0.9%	0.9%	14.6%	0.1%

Source: CoStar

The following tables summarize key performance metrics for the regional office market. In general, the charts speak to an office market that is recovering from a period of significant construction. The path forward for the office market will link closely with broader growth in office using employment, as well as the needs of specific tenants. As shown below, the education sector has been a key driver of space demand. An evaluation of Class A office rents did reinforce a modest recovery in rent levels, which have been moving toward $22 per square foot.

Figure 22: Office Construction Trends

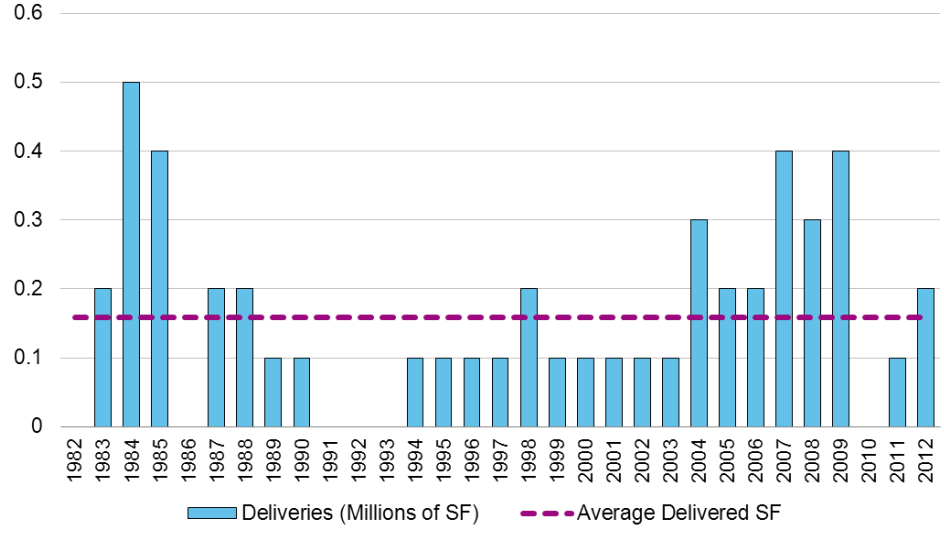


Figure 23: Annual Office Using Employment Growth Trajectory

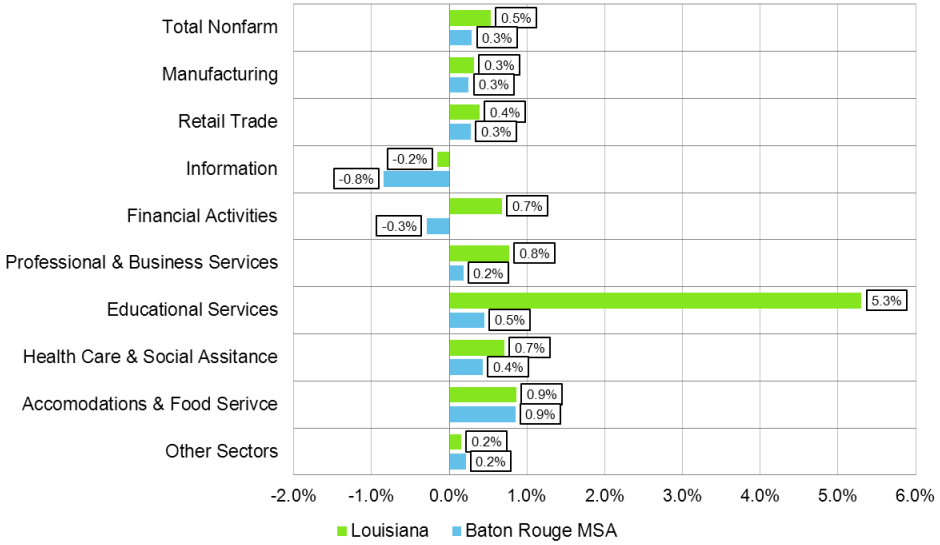


Figure 24: Office Rents and Vacancy

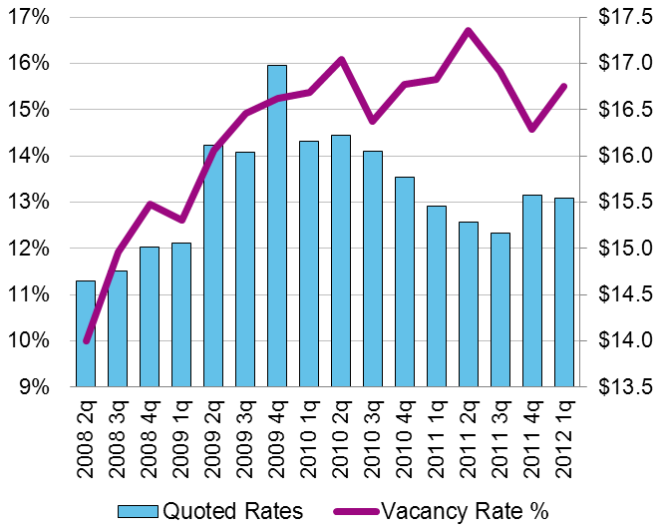
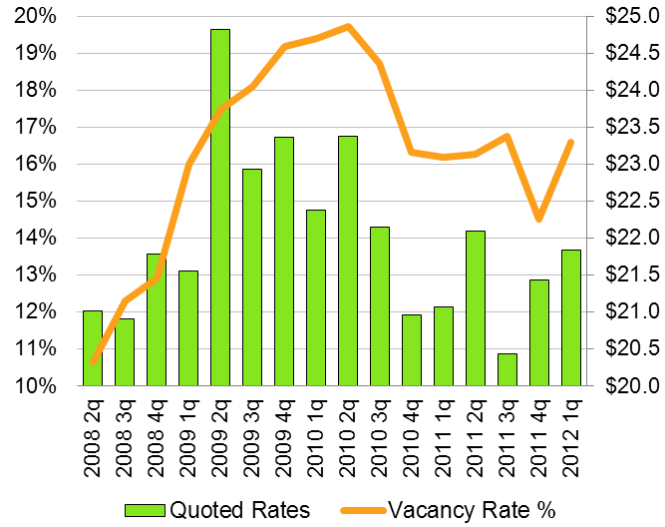


Figure 25: Class A Office Rents and Vacancy



Implications

Office market trends were determined by the growth in office using industry sectors in the past decade, key metrics determining the depth of demand include:

- Office using industry sectors, including finance, information, professional business services, and educational and health services have grown by an average of 1,700 employees annually from 2002 to 2012.
- Approximately 90 percent of growth has taken place in the education and health service industry sectors.
- As with retail, new projects do need to achieve significant pre-leasing before banks will commit to the project.

University Mixed Use Project Summary

Several universities were examined to help frame programming initiatives for the Nicholson Corridor site. In particular, four universities with successful mixed-use developments were evaluated. These projects include the University of Pennsylvania (University Square), Notre Dame University (Eddy Street Commons), Ohio State University (South Campus Gateway), and University of Cincinnati (Calhoun Street Marketplace). Lessons learned from these examples are:

- Three of the four projects are adjacent to university sports venues
- The universities role within each project varies; for example, the university may take on the roles and responsibilities of the developer, owner, tenant, community stakeholder or any combination of each role mentioned.
- The success of each mixed-use project depends, greatly, on the types of anchors, pedestrian accessibility, appropriate density, the role of non-traditional anchors, as well as the ability to attract other viable tenants.
- The South Bend project was noted as a specific example, in part with its ability to develop in spite of the recession, but also through its mixed use character, and proximity to the football stadium.

AECOM also reviewed several festival plaza projects, all linked with incremental revenue opportunities from sponsorship and advertising opportunities. Project examples include Nokia Plaza at Staples Center, Westgate City Center in Phoenix, Champion's Square in New Orleans, and the American Airlines Center plaza in Dallas.

Program Implications

The program implications build from several critical path factors:

- Efforts to maximize residential density and walkability will drive real estate value
- Ability to increase our capture of sports and entertainment related retail spending already occurring within the Region
- Commercial rents have only partially recovered
- In the short term, more strict bank lending requirements will impact project feasibility
- Retail tenanting will be a challenge but not impossible
- Pace of market recovery may require phased development

AECOM has completed the program implications analysis for the Nicholson Gateway Corridor project. Outcomes for program implications at the Nicholson Gateway Corridor site were determined for retail, residential, office, and the other use types (plaza, museum, cinema & hotel); the three primary use types are listed in the table below. In addition, concepts including hotels, cinemas, and museums were evaluated. For these uses, the analysis did not identify compelling market demand in the near term. There was interest in a LSU related museum, although discussions did not point to an obvious university sponsor to fund such a project, which would not likely generate enough earned income to cover operating expenses.

Retail	30,000 to 80,000 square feet, with the ability to scale up to about 120,000 square feet, based on market response. The approach assumes a restaurant, café, and bar anchored project, along with supporting retail activities (apparel, electronics, services, etc.). Grocery, art supplies, and hardware are additional possible anchors.
Market Rate Residential	The analysis identified a potential opportunity for between 100 and 400 market rate units. In conversations with university staff, it became clear that only university affiliated market rate tenants would be considered. Phasing for this component will need to align with other proposed student apartment units proposed as part of the overall strategy.
Office	The analysis identified a potential for between 60,000 and 90,000 square feet of office space, all aligned with university demand.

From a feasibility standpoint, program outcomes for residential and office are closely linked with choices made by the University in coming months. At the same time, the retail element is linked with market demand. While the analysis suggests that a program as small as 30,000 square feet could work, our concern is that it would be too small to serve as a viable destination anchor. Developments in the 80,000 to 120,000 square foot range begin to create a concentration of activity. Tenant response will dictate the scale and success of the retail element.

Program implications for the Nicholson Gateway Corridor will vary depending on several key factors influenced by policy decisions and market forces, such as:

Policy Decisions:

- Role of University
- Revenue Generation
- Grow Game Day
- Alignment with University Mission(s)
- Role of state and local governments
- Project alignment with broader university sponsorship and advertising goals

Market Forces:

- Phasing / Absorption
- Density Expectations

- Parking Requirements
- Need for Bank Financing
- Challenged Sectors (Hotel / Cinema)
- Transportation Impacts
- Plaza Sponsorship & Advertising
- Relationship Between Construction Costs and Rent Levels

Project Sensitivities:

- Scale and mix of student housing component
- Risk tolerance and role of the university
- Market response
- Analysis of vehicular and pedestrian system improvements
- Critical success factors for the university

Locational Factors:

- Importance of walkability
- Connectivity between retail and residential
- Pedestrian connectivity to campus
- Retail and plaza alignment with “game day” venues
- Higher densities will require structured parking

VOLUME 3: STUDENT HOUSING
MARKET AND FINANCIAL ANALYSIS

NICHOLSON GATEWAY

Louisiana State University

December 2012

BRAILSFORD & DUNLAVEY

In association with:

AECOM

PREFACE & PROJECT INTRODUCTION

In May 2012, Louisiana State University ("LSU" or the "University") engaged Brailsford & Dunlavey ("B&D") along with AECOM (collectively known as the "Project Team") to prepare a campus edge development analysis ("Project") for the University's historically underutilized Nicholson Gateway. The goal of the development initiative was to outline an implementable, long-term strategic plan to transform the western edge of campus through mixed-use offerings for students, LSU workforce, and the town of Baton Rouge. B&D's scope of work for the Project was to look exclusively at student housing opportunities within the Nicholson Gateway development.

This appendix provides a summary of the findings of B&D's student housing analysis and is intended to serve as a foundation for decision making as the University continues to implement its strategic plan in the Nicholson Corridor.

UNIVERSITY BACKGROUND

As indicated on the University's website, the mission of LSU is to be a leading research-extensive university, challenging undergraduate and graduate students to achieve the highest levels of intellectual and personal development. Founded in 1853, the mission of Louisiana State University is the generation, preservation, dissemination, and application of knowledge and cultivation of the arts.

As the Flagship institution of the state, LSU is committed to implementing its mission by:

- Offering a broad array of undergraduate degree programs and extensive graduate research opportunities designed to attract and educate highly qualified undergraduate and graduate students;
- Employing faculty who are excellent teacher-scholars, nationally competitive in research and creative activities, and who contribute to a world-class knowledge base that is transferable to educational, professional, cultural, and economic enterprises; and
- Using its extensive resources to solve economic, environmental, and social challenges.

Today, LSU is the largest institution of higher education in the state of Louisiana. In 2011, the University enrolled nearly 24,000 undergraduate students and over 5,000 graduate students in 14 schools and colleges. Several of LSU's graduate schools, such as the E.J. Ourso College of Business and the Paul M. Hebert Law Center, have received national recognition in their respective fields of study. Designated as a land-grant, sea-grant and space-grant institution, LSU is also noted for its extensive research facilities, operating approximately 800 sponsored research projects funded by various national agencies.

CAMPUS HISTORY

The LSU campus is located a few miles south of downtown Baton Rouge. A majority of the University's 250 buildings, most of which were built between 1925 and 1940, occupy a 650-acre plateau on the banks of the Mississippi River and exhibit the University's distinctive architecture style, characterized by Saint Joe's brick, red-tiled rooftops, and porticoes intended to emulate the architecture of Italian Renaissance. The campus is well known for the 1,200 live oak trees that dot campus, many of which were planted during the 1930s. In total,

fifty-seven buildings on the LSU campus are listed on the National Register of Historic Places. Students have a variety of on-campus housing options spread out over nineteen residence halls and four apartment facilities.

PROJECT OBJECTIVES

Louisiana State University has prioritized the redevelopment of the Nicholson Gateway corridor to enhance the western edge of campus and create another gateway to campus. Through conversations with University leaders and project stakeholders, the Project Team has identified the following strategic objectives for the Project:

- The University should drive the development process.
- The development plans should have a degree of flexibility with the University's mission in mind.
- The Project should be financially beneficial for the University, specifically for Athletics, Residential Life, and other participating parties.
- Safety in the Nicholson corridor, and the perception of safety, should be improved with the Project.
- The Project should provide a campus border to delineate between the University and the surrounding community. The border should have iconic signage to indicate that the University is being approached. Simultaneously, the Project should provide a campus gateway that encourages the local community to engage positively with the University campus.
- The Project should provide space relief and alleviation from current constraints at the core of campus.
- The Project should be a recruitment tool for University students, faculty, and staff.
- The planning effort for the Project should deliberately identify the need for open areas and green spaces.
- The Project plan should Residential Life's needs for future expansion to meet growing enrollment and strategic initiatives for on-campus housing retention.

Along with AECOM's assistance and cooperation from key project stakeholders, B&D addressed the following components of this development analysis to ensure that Project objectives were being met:

- *Project Initiation:* A strategic visioning session was conducted to support the Project by understanding the University's culture, mission, and vision as related to the Project and other objectives for the future development of campus.
- *Market Research:* Primary and secondary research to analyze market conditions was performed, including analysis of local off-campus offerings, regional and national benchmarking, student focus group sessions, and a web-based survey instrument.
- *Program Definition:* B&D utilized its proprietary Demand Based Programming ("DBP") model to provide quantitative information about demand patterns and student preferences. The DBP process translated demand into programmable spaces for the respective project components. A recommended development program was analyzed to achieve supply and demand reconciliation.
- *Financial Analysis & Phasing Strategy:* B&D developed a financial model that analyzed the operating requirements of the various project components. The financial model allowed B&D to test different development phasing concepts and deal structures.

ACKNOWLEDGEMENTS

This appendix documents B&D's findings related to student housing development opportunities within the Nicholson Gateway. The findings contained herein represent B&D's professional opinions based upon assumptions and conditions detailed in this report. B&D conducted research using both primary and secondary information sources that are deemed to be reliable, but whose accuracy cannot be guaranteed.

Throughout the project, Steve Waller, Director of the Department of Residential Life, was B&D's primary contact and facilitated communication and coordination with University administrators and students. B&D would like to acknowledge his support and thank him for his efforts.

Brailsford & Dunlavey would also like to acknowledge the support, cooperation and effort of the University community who contributed to the completion of this analysis, with special recognition to the following members of the Working Group:

- Jane Cassidy, Academic Affairs
- Jeff Darby, Family/Graduate Housing
- Emmett David, Planning, Design & Construction
- Marie Frank, Purchasing
- Gary Graham, Parking, Traffic & Transportation
- Gina Dugas, LSU Foundation
- Kurt Keppler, Student Life
- Tony Lombardo, Facility Services
- Frank Miller, Tiger Athletic Foundation
- D'Ann Morris, Chancellor's Office
- Eddie Nunez, Athletics
- Heath Prince, FAS
- Kim Savoy, RHA
- Jason Soileau, Planning, Design & Construction
- Jason Tolliver, University Auxiliary Services
- Steve Waller, Residential Life
- Cody Wells, Student Government

This appendix and accompanying analysis for student housing was produced by the following individuals from Brailsford & Dunlavey:

- Peter Isaac, Senior Project Manager
- Wilson Jones, Project Analyst

TABLE OF CONTENTS

Student Housing Development Summary.....6

Student Housing Market Analysis 9
- Housing Supply – On campus
- Housing Supply – Off campus
- Peer Benchmarking
- Focus Groups
- Student Survey Results

Program Definition.....21
- Demand Based Programming Model
- Concept Exploration

Financial Analysis & Phasing Strategy.....26
- Student Housing Financial Model
- Phasing Strategy
- Recommended Development Structure

EXHIBITS

Student Housing Market Research.....A

Student Housing Survey Results.....B

NICHOLSON GATEWAY DEVELOPMENT SUMMARY

SUMMARY OF FINDINGS

The University currently captures nearly 70% of first-year students in on-campus housing at LSU. However, on-campus housing only accommodates 11% of sophomores, 5.5% of juniors, and 3.5% of seniors, which represents significant attrition in on-campus housing between freshman year and the following years. In addition to undergraduate housing, LSU offers a fairly robust and affordable graduate program, with more than 500 beds that are priced below market value and that are dedicated to graduate students.

The market research and B&D's proprietary Demand-Based Programming model indicate that demand exists for additional on-campus housing for upper-division students. However, the addition of upper-division beds at Nicholson Gateway would require the demolition of the affordable housing offerings for graduate students, and thus would be inconsistent with LSU's vision. The following chart describes the potential capture rate by class for new housing in Nicholson Gateway.

Class	Enrollment	Current Capture Rate	Potential Capture Rate	Maximum Potential Demand
Freshmen	5,182	78.0%	78.0%	4,042
Sophomores	3,976	11.0%	30.7%	1,222
Juniors	4,621	5.5%	21.5%	994
Seniors	5,928	3.5%	20.2%	1,199
Graduates	3,117	18.0%	12.4%	387
Gross Demand	**22,824**	**24.1%**	**34.4%**	**7,844**
Current LSU Supply				**6,086**
Surplus / (Deficit)				**(1,758)**

B&D has worked to provide housing recommendations that meet LSU's demand trends and strategic objectives, given the University's desire to increase graduate recruitment efforts, to enhance or replace the aging Nicholson Apartments, and to produce additional income for LSU initiatives. The housing recommendations outlined in this appendix are feasible from a demand standpoint, and if the assumptions about construction cost are followed, these projects could provide additional revenue to support the University's or the Project's other initiatives. The Plan outlined in this appendix includes:

- The demolition of the existing Nicholson Apartments on the west side of Nicholson Drive,
- The development of 892 apartments beds on the west side of Nicholson Drive,
- The development of 415 suite-style beds on the east side of Nicholson Drive, and
- The development of 188 apartment beds on the west side of Nicholson Drive as part of a mixed-use development.

The recommendation to develop net additional beds on campus requires the University to re-assign some of the existing student beds:

- Approximately 380 beds in West Campus Apartments and East Campus Apartments, which currently accommodate juniors and seniors, would be re-assigned to sophomores, allowing juniors and seniors to move to the perimeter of campus.
- Most of the graduate housing that would be demolished in this plan would be redeveloped as part of the Project. The Plan includes the redevelopment of 340 beds for graduate students. Depending on the eventual decisions made by the University regarding phasing and funding, B&D believes that there is an opportunity to subsidize a portion of the rental rates for graduate students to ensure that these properties can serve as effective recruitment tools for a growing graduate population.
- Family-style housing that would be demolished in this plan would be redeveloped on another part of campus (family housing was outside the scope of the Project).

Class	New Beds Demanded	Bed Type	Recommended Development Zone	Recommended Number of Beds
Sophomores	430	Suites	Zone B	415
Sophomores	380	Apartments	East Campus Apartments & West Campus Apartments	380
Sophomores	**810**			**795**
Juniors & Seniors	325	Apartments	Zone D1	286
Juniors & Seniors			Zone E	91
Juniors & Seniors	380	Apartments	Zone C	339
Juniors & Seniors	**705**			**716**
Graduates	250	Apartments	Zone D2	247
Graduates	90	Apartments	Zone E	97
Graduates	**340**			**344**

FINANCIAL ANALYSIS & IMPLEMENTATION

B&D recommends that LSU is the "Master Developer" for the entire Nicholson Gateway development. The Master Developer model allows the University to balance risk and control while it is involved in the continued planning and implementation of the campus edge development. As the Master Developer, the University would syndicate individual parcels of land (or in this case individual Zones) within the Project for either self development or third party participation, depending on the needs and demands of the individual zone. By ground leasing individual parcels of land to third party partners, the University can maintain approval authority over final development concepts, details, and the project execution process. As the Master Developer, the University could also maintain authority over the schedule and the overall development concept for the entire Nicholson Gateway Project.

The risk associated with the Master Developer approach is that the economics of the individual projects are not always sufficient to attract a third party partner. However, the housing market research indicates strong housing demand, and B&D believes that the demonstrated demand surplus will be attractive for potential qualified development partners. B&D believes that the opportunity for development in LSU's market will afford the University with the opportunity to drive conversations with its Foundation and with the private housing development community (both local and national) to determine the best output to meet the University's and the Project's needs.

- B&D recommends that LSU considers self-developing Zone B.
- B&D recommends that LSU considers syndicating development Zones C and D to a third-party partner through a ground lease structure. The University will maximize its leverage in negotiations and will allow its development partners to realize economies of scale if Zone C and Zone D are awarded as a package rather than developed as individual parcels.
- B&D recommends that housing in Zone E is included as part of the mixed-use development effort. As such, it is likely that the student housing from Zone E will be developed by a different partner than the organization that develops Zone C and D.

STUDENT HOUSING MARKET ANALYSIS

Brailsford & Dunlavey conducted in-depth market research to understand local market conditions and compare them to regional and national trends in higher education and the development industry. The market research component of this analysis included an on- and off-campus housing student housing analysis, a peer institution benchmarking comparison, and an understanding of student preferences through focus group sessions and a web-based survey instrument.

ON-CAMPUS HOUSING OFFERINGS

Louisiana State University currently offers 6,086 on-campus beds for undergraduate and graduate students. The beds are offered in the following configurations:

- 3,042 traditional-style beds with shared rooms
- 766 suite-style beds with shared rooms
- 412 suite-style beds with private rooms
- 130 efficiency and one-bedroom apartment units
- 444 two-bedroom apartment beds with private rooms
- 381 three-bedroom apartment beds with private rooms
- 912 four-bedroom apartment beds with private rooms

The total on-campus housing inventory listed above is spread out between nineteen residence halls and four apartment facilities. Residential Life has converted some of the residence halls into eight living learning communities, six of which are discipline specific and two of which are interdisciplinary.

The University currently captures approximately 70% of first-year students in on-campus housing at LSU. Nearly all of the 3,042 traditional-style beds are filled by freshmen, with suites accommodating the remaining first-year students living on campus.

On-campus housing retention decreases from freshman to sophomore year, with only 11% of full-time sophomore students continuing to live on campus. This attrition rate presents both a challenge and an opportunity for LSU's Residence Life program. The University has tried to address this population by creating a program called Sophomore Gold that is focused on improving the sophomore on-campus living experience, but the lack of available on-campus beds has hindered the University's ability to retain students in on-campus housing after their freshman year.

Junior and senior students primarily reside in East and West Campus Apartments, which offer three- and four-bedroom apartment configurations. The on-campus apartments offer private bedrooms, a living room, and a full kitchen in an attempt to compete with the student-focused, off-campus apartment market. Despite capturing less than 5% of full-time juniors and seniors, students indicated that they enjoy the existing on-campus apartment offerings. Students told B&D during focus groups that on-campus apartments offer proximity to campus that no off-campus property can match, and the focus group participants requested that any future development at Nicholson include student housing in an apartment configuration.

Graduate and family students are currently accommodated in the Nicholson Apartments and Edward Gay Apartments, which offer a total of 671 beds in one-, two-, and three-bedroom configurations. Both of these residential facilities are well occupied, but they are older facilities that are in need of renovation or replacement. The Nicholson Apartments are located on the west side of Nicholson Drive and are a key component of this redevelopment initiative. The University has repeatedly affirmed that it is committed to offering affordable on-campus housing options for graduate and family students.

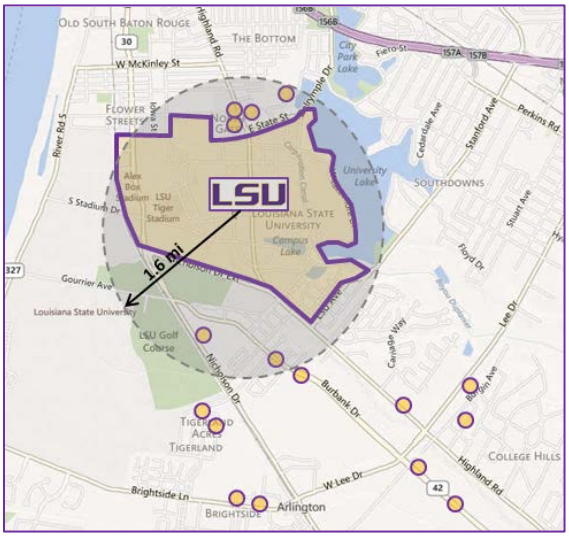
Overall, on-campus housing offerings at LSU are considered affordable when compared to its peer institutions. The average on-campus rate is approximately $704 per month, which is a weighted average of the residence hall offerings ($649 per month) and the on-campus apartment average ($884 per month). Family and graduate housing is lower at $689 per month. The following off-campus market analysis and peer benchmarking exercise will provide additional context for these on-campus housing rates.

OFF-CAMPUS MARKET ANALYSIS

The purpose of the off-campus market analysis was to identify the nature of the private rental housing market, allowing B&D to compare the off-campus and on-campus housing options available to LSU students. Through community tours, conversations with students, interviews with property managers, and general market research, B&D identified sixteen properties that were commonly regarded as student accommodations located in close proximity to the LSU campus. Specific criteria such as rental rates, unit types, associated property costs, and available amenities were analyzed to better understand why some students chose off-campus properties over on-campus housing options.

LOCATION

The properties analyzed by B&D were an average of 1.6 miles from the heart of campus, which equates to an average drive time of six to ten minutes. Several properties are located directly proximate to campus, including the Campus Crossings Highland Apartments, Campus Crossings Venue at Northgate, Tiger Manor, and the Northgate Apartments. The farthest property included in the analysis was only 3.0 miles from campus, demonstrating the availability of student housing near campus. The off-campus map highlights each property's proximity to campus.



RENTAL RATES

An analysis of monthly rental rates for the off-campus market was conducted to calculate the average cost of living for students in the private market. The average monthly rent for a multiple occupancy apartment unit is approximately $550 per month excluding utilities. Focus groups and intercept interviews with students living off campus revealed that students pay between $90 and $120 per month in utilities in addition to their rental costs. By combining average off-campus rental rates and estimated utility costs per month, B&D is able to estimate that the average LSU student living in a multiple-occupant unit in the off-campus rental market pays approximately $655 per month in total rental costs.

As seen in most large markets, the average off-campus rental rate including project cost of utilities was less than LSU's current on-campus rates. The average off-campus living costs for apartment-style units are approximately 22% lower than comparable apartments on campus. While the off-campus market offers benefits such as increased privacy, in-unit kitchens, fewer regulations, and a sense of independent living at affordable prices, the on-campus housing offers proximity to campus resources and direct student community.

AMENITIES

Students are accustomed to the amenities offered in the private market. Air conditioning, cable television, high-speed Internet / Wi-Fi, fitness centers, on-site parking, and swimming pools were found in most of the off-campus properties, and students enjoy the ability to choose their own roommates. Developers are responding to student preferences by offering more amenities and providing a better sense of a student community to LSU students. Campus Crossings' three properties – Brightside, Highland, and the Venues at Northgate – along with The Cottages of Baton Rouge and The Woodlands (opening fall 2012) offer the most amenities desired by students and were most effective at creating a sense of community for LSU students. In addition to swimming pools and clubhouse facilities offered by most of the off-campus properties, these five properties provide students with additional amenities such as volleyball courts, tanning booths, grilling areas, gaming rooms, and other community areas where students are able to interact.

OFF-CAMPUS HOUSING MARKET SUMMARY

There are many housing alternatives available to LSU students who desire to live off campus. Properties consider students a key target market and advertise directly to them with competitive pricing, aggressive marketing campaigns, lease incentives, and desired amenities. B&D's analysis indicates that some students are willing to give up the proximity to campus resources and direct student community offered by on-campus housing for the additional amenities, increased privacy, and sense of community with fellow LSU roommates of their choosing found in the Baton Rouge off-campus market. While some upper-division students indicated a desire to live on campus during focus group sessions, the limited housing supply and more affordable apartments offered in the highly competitive off-campus market are able to draw sophomores, juniors, and seniors away from on-campus housing. Due to LSU's focus on housing freshman students and the large off-campus market supply, the University has accepted the off-campus market as supplemental housing for upper-division students; however, the University has an opportunity to accommodate a larger portion of sophomore students on campus if housing is seen as affordable and critical to the student experience. The University will need to focus on providing the desired unit-types and amenities at a competitive price point if it desires to improve its overall on-campus capture rate.

PEER BENCHMARKING ANALYSIS

The peer institution analysis serves as a benchmarking tool to compare LSU's on-campus housing metrics to housing metrics at peer institutions across the region and country. An understanding of the University's competitive position amongst similar schools will provide context for future decisions regarding housing offerings and capacity on campus.

Through conversations with University administrators, B&D compiled the list of twelve comparable institutions. The following institutions were chosen for the benchmarking exercise and analysis:

1. Colorado State University
2. Iowa State University
3. Kansas State University
4. North Carolina State University
5. Purdue University
6. Texas A&M University
7. University of Georgia
8. University of Illinois at Urbana-Champaign
9. University of Maryland
10. University of Nebraska
11. University of Tennessee
12. Virginia Polytechnic Institute

Using resources and market research, B&D conducted a series of analyses to examine the housing capacity at LSU relative to regional and national peer institutions. B&D's analysis compares the trailing three-year tuition costs for in-state and out-of-state students at the comparable institutions, the enrollment size and on-campus housing capture rate for full-time undergraduate students, and the cost of living on campus relative to the other Southeastern Conference schools.

TUITION

LSU ranked first in tuition affordability on an annual basis when compared to the twelve peer institutions selected for this benchmarking analysis. The average in-state tuition at LSU was 30% lower at LSU than at peer institutions, with out-of-state students paying nearly 27% less as well.

ENROLLMENT SIZE & UNDERGRADUATE ON-CAMPUS HOUSING CAPTURE RATE

LSU's current enrollment of 28,536 students is approximately 9.4% less than enrollment levels seen at the twelve peer institutions. Undergraduate and graduate student enrollments are 7.9% and 16.4% lower, respectively, than the peer average. LSU currently offers approximately 5,500 on-campus beds for undergraduate, graduate, and family students. LSU accommodated approximately 24% of undergraduate students on campus during the 2011-12 academic year. By comparison, the peer institution group captured an average of 34% of undergraduate students in their on-campus housing offerings.

ON-CAMPUS HOUSING COSTS

B&D researched the cost of living on campus at all Southeastern Conference schools relative to the current housing rental rate structure at LSU. The SEC schools were chosen for this portion of the peer benchmarking analysis due to their regional proximity, similar campus size, and cross-applicant student base. The analysis compares rental rates for double- and single-occupancy units by unit type. Vanderbilt University was excluded when calculating the average rates because it offers significantly higher rates than those at the other eleven conference schools.

LSU's on-campus housing costs are an average of 8.6% higher than the average SEC on-campus housing rates for each unit type. LSU's traditional double-occupancy units, single suite-style units, and single-occupancy apartment units were anywhere from 13.7% to 16.4% higher than comparable housing at peer conference schools. B&D believes that LSU's rates are appropriate given the recent upgrades to many on-campus facilities.

SEC On-Campus Housing Rates	Traditional		Suite		Apartment	
Institutions	Double	Single	Double	Single	Double	Single
Auburn University	$454	$591	$526	$653	-	$707
Mississippi State University	$384	$448	$555	$767	-	-
University of Alabama	$561	$667	$722	$998	$587	$916
University of Arkansas	$477	$676	$742	$813	$378	$740
University of Florida	$492	$522	-	-	$543	$630
University of Georgia	$502	$579	$586	$667	-	$719
University of Kentucky	$501	$739	$670	$991	-	-
University of Mississippi	$450	$617	-	$636	-	-
University of South Carolina	$460	-	$545	$744	-	$661
University of Tennessee	$545	$833	-	-	$561	$728
Vanderbilt University	$984	$984	$984	$984	-	$984
Average	**$528**	**$666**	**$666**	**$806**	**$517**	**$761**
Louisianna State University	**$615**	**$666**	**$646**	**$917**	**-**	**$884**
Variance	***16.4%***	***0.0%***	***(3.1%)***	***13.7%***	***-***	***16.2%***

STUDENT FOCUS GROUPS

FOCUS GROUP OBJECTIVES

The purpose of the focus groups was to engage a variety of students in dynamic conversation about their experiences at LSU. The focus group discussions were intended to yield qualitative data, reveal hidden sensitivities, and raise issues not previously considered by the University, rather than provide rigid, statistically reliable responses from a demographically representative sample of the population. Throughout the process, B&D gained an enhanced understanding of student concerns and obtained pertinent information to be used as a guide in developing market-responsive concepts related to potential new student housing in the Nicholson Development Corridor.

METHODOLOGY

The focus groups were organized by the University and held in the Student Union. The interactive discussions were led by moderators from B&D whose role was to guide the conversations to address issues pertaining to varied aspects of current and future campus housing. The moderators introduced a series of questions, intentionally open ended in nature, to engage the participants in conversation. Participants in each session were very vocal, and the interaction with students proved informative and productive.

SUMMARY OF FINDINGS

The focus groups were comprised of a variety of student participants representing on- and off-campus residents, multiple class levels, and a broad range of viewpoints and opinions. In general, LSU students had a positive perception of the on-campus living experience, especially during their freshman year, and students agreed that additional housing was needed on campus to accommodate student demand. The following sections highlight the key themes of the focus group discussions, including responses regarding preferred on-campus locations, student safety and traffic concerns, the "college experience," on-campus housing, student housing preferences, the off-campus housing market, and existing graduate housing offerings.

PREFERRED ON-CAMPUS LOCATIONS

Students said that the favorite spaces on campus were used for lounging, leisure, "hanging out," picnics, tanning, flag football, socializing, studying, and athletics. Commonly mentioned "favorite places" on or near campus included the Quad, Tiger Stadium, the Parade Grounds, the Student Union, the Recreation Center, Mike's Habitat, and the residence halls.

Most of the discussions centered on LSU's campus and the oaks that give campus its identity. The group participants mentioned the need to preserve as much open space as possible when considering future development. There was a concern that too much development would create rows and rows of buildings, and participants stated that they wanted "pockets of openness." Participants mentioned that LSU has a premier landscape architecture school that should be utilized for open space planning efforts.

STUDENT SAFETY & TRAFFIC CONCERNS

Safety was frequently discussed between the focus group participants. Participants commonly mentioned the crime in the area immediately north of the North Gate. As a result, the desire to walk near the proposed Nicholson Gateway development was limited. Participants mentioned that more activity, better lighting, and the creation of a buffer between the development and the high-crime neighborhoods would be important as the Gateway was planned.

In addition to safety from crime, participants also mentioned safety from traffic. Traffic management and a pedestrian-friendly environment were critical components of the discussions. Students suggested that the following issues and ideas were taken into consideration by key decision makers when shaping the Nicholson Drive redevelopment plan:

- Walking across Nicholson and the railroad tracks should be a critical component of the planning effort.
- The plan should consider both "tunneling" under the railroad tracks and Nicholson and providing an overhead walkway to cross the areas.
- A redevelopment effort should create an area that is easy to control during big events on campus.
- Creating a "ring road" could improve traffic flow and serve as a perimeter for campus.
- Sustainability and green efforts such as a greenway or biking corridor should be considered and implemented.
- The plan should include a transportation hub that can introduce additional modes of transportation.
- The redevelopment should create a new entrance to the campus that is aesthetically pleasing and serve as a gateway to the western part of campus and Tiger Stadium.

- The plan should use the Gateway to link the isolated part of campus west of Nicholson with the rest of the campus.
- Slowing down traffic on Nicholson can help increase safety and reconnect a part of campus that is now isolated.

THE "COLLEGE EXPERIENCE" & NICHOLSON

The participants frequently discussed the "college experience," and the desire to have the collegiate feel of a "college town." Participants often referred to the college towns from other SEC schools such as Alabama, Arkansas, Mississippi State, and Ole Miss as successful models. When discussing the college town feeling, participants mentioned that the Gateway should include a mixed-use focus with parking, residential, and retail uses. These offerings would create another recruitment tool for the University in direct proximity to Tiger Stadium.

Focus group participants indicated that the Gateway should include the following components (in no particular order):

- Grocery store
- School / Office supply store
- Village concept with horseshoe pits, putting greens, and open space
- An urban feel
- Dry cleaning
- Fast food
- Casual / local restaurants
- Coffee shops
- Sports bars / somewhere to watch games
- Clothing stores (boutique)
- Clothing stores (LSU focus)
- Movie theatre
- Dry cleaner
- Car wash
- Electronics store
- Landscape / Plaza

The participants agreed that the Nicholson Gateway should provide a housing solution for both graduate and undergraduate housing. Location and proximity to campus are two of the biggest factors students said that they considered when selecting housing in the off-campus market. Consensus among participants was that an improved Nicholson Drive area would be preferred to most of the current off-campus apartment offerings due to its close proximity to campus and Tiger Stadium.

ON-CAMPUS HOUSING

Participants who lived on campus as freshmen agreed that the on-campus housing experience for first-year students is successful at LSU. Students mentioned that they made the majority of their friends during their first-year living experience, and most students said that they would love to live on or near campus as sophomores if

the right type of housing was made available to them. While LSU's current residential facilities are popular campus assets, upper-division students expressed the desire for increased apartment offerings for sophomores, juniors, and seniors who desire independent living on campus.

Several students mentioned that apartment-style units are not conducive for freshmen development and would like LSU to offer suites or super suites to students. These super suites could help increase participation in the University's pilot Sophomore Gold program, which is intended to provide additional programming to sophomore students through faculty talks, off-campus dinners, adventures, and other programming efforts. Participants mentioned that the Sophomore Gold experience could be enhanced with appropriate suite or super suite style unit types that provide increased privacy while still maintaining the sense of community found in the traditional residence halls.

Students mentioned the lack of new housing options for students as a recruitment challenge. Participants mentioned that some of the existing housing is old, offers few amenities, has cinder block walls, lacks a washer/dryer, and forces a shared bedroom, which are not attractive factors for students considering LSU or LSU housing. Participants agreed that providing preferred unit types and amenities could improve on-campus housing participation and retention.

STUDENT HOUSING PREFERENCES

Participants indicated interest in the following on-campus housing amenities to improve the student housing experience at LSU:

- Highly public, highly visible spaces to "see and be seen"
- Open spaces, possibly near the elevator, to create spontaneous interaction
- Convenience store / mini mart
- Increased study space
- Lounge/ recreation room / TV & media room
- Coffee shop
- Computer lab
- Outdoor community space – brick outdoor pavers / green space
- Twelve-month leases

OFF-CAMPUS HOUSING MARKET

Students frequently mentioned the off-campus housing market as viable housing for students. The local apartment market is highly competitive and markets directly to LSU students. These student-focused properties do an excellent job of providing amenities at an attractive price point.

The cottage-style developments that offer shuttle service to campus, private bedrooms, a clubhouse with amenities, and "the biggest pools in Baton Rouge" were a popular topic of conversation amongst all of the groups. However, with all of the amenities, students mentioned that living close to campus was important. Students said that they would be interested in a housing option that offers both proximity and amenities. The one factor that continually came up was the desire for private, single-occupancy bedrooms. Students stated that this was one of the top three factors they considered when deciding where to live while at LSU.

Although most students clearly stated that the off-campus market is more affordable that University-sponsored housing, focus group participants noted that there is a difference between the cost of off-campus housing and the perception of that cost. Students claiming that off-campus living was more affordable did not always factor in the approximately $150 per month that they spend on utilities. Once utilities were factored in, students mentioned that the rental rates in the off-campus market were fairly similar to the on-campus rates. Participants in the group suggested increasing the marketing of an all-inclusive housing rate to reduce this common misperception.

EXISTING GRADUATE STUDENT HOUSING

Two of the focus group sessions included family and graduate students. Graduate students mentioned that they prefer a 12-month lease term due to on-going research projects and program requirements. The desire for private rooms was clearly expressed; however, international students indicated that they did not mind sharing bedrooms to reduce rent expenses.

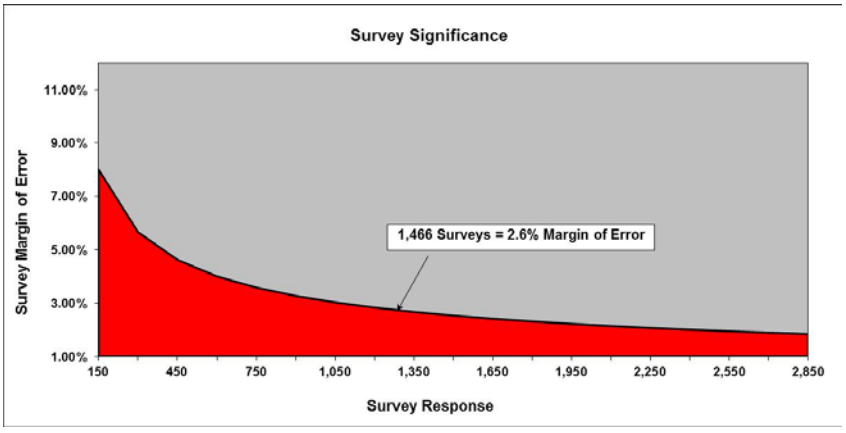
Many of the graduate students who lived in the existing Nicholson Apartments said that the entire area should be changed to create a more student-considerate environment. Safety is a primary concern, and a gated community, with good signage and good lighting, should be considered. Participants also felt that activity from restaurants, retail, and entertainment in the Gateway would make the area feel safer.

STUDENT SURVEY RESULTS

B&D conducted a web-based survey that tested the housing preferences of LSU students. Data collected through the survey formed the basis for the Project Team's recommendations of the types and amount of housing demanded in the proposed Nicholson Gateway plan.

Survey questions were designed to assess current housing preferences and configurations, price sensitivities, unit type preferences, and other housing selection criteria. Response options were structured to maximize information regarding the projection of desirable facility characteristics and demand for campus housing options. Demographic questions allowed the responses to be sorted to identify discrepancies in demand results.

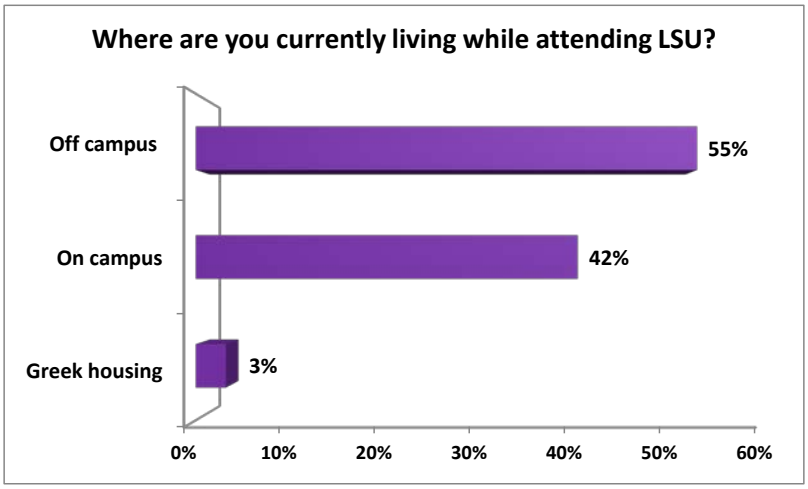
LSU students completed 1,466 electronic surveys. The response rate resulted in a 2.6% margin of error at a 95% confidence interval, which passes B&D's statistical validity test. A copy of the student survey instrument, including response frequencies, is included in this document as an exhibit.



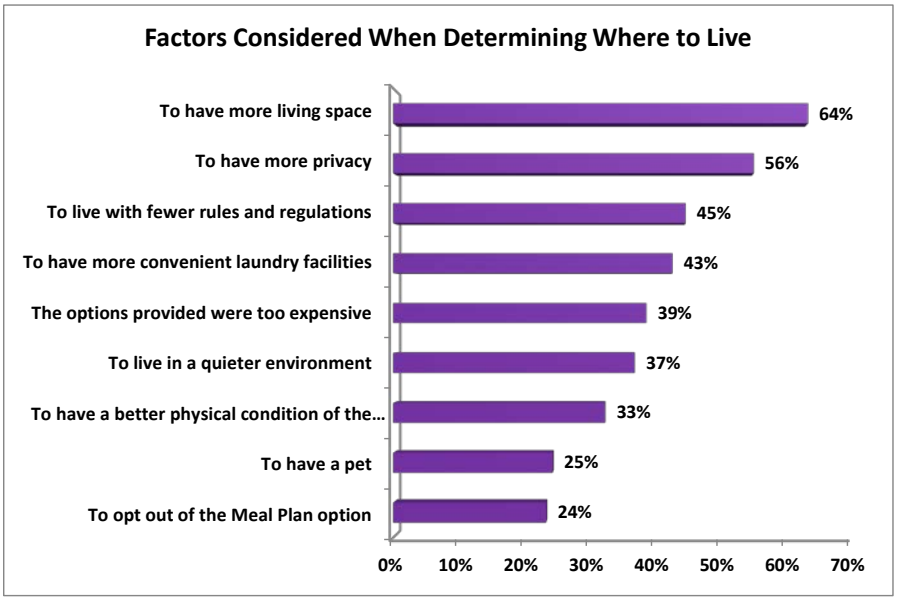
A total of 1,466 survey responses were received, with 1,276 respondents completing the entire assessment. In addition to the statistically-valid survey response, B&D found that the survey sample accurately represented the LSU population. Female respondents and full-time students were overrepresented by 11.0% and 5.7%, respectively, as compared to LSU's actual student demographics. Overrepresentation by these two sub-groups is typically seen by B&D and is adjusted for in the Demand Based Programming analysis detailed in the Program Definition section of this document.

DEMOGRAPHIC CATEGORY	SURVEY COUNT	SURVEY TOTAL	SURVEY %	DEMOGRAPHICS COUNT	DEMOGRAPHICS TOTAL	DEMOGRAPHICS %	SURVEY % - DEMO. %
Gender							
Male	552	1,454	38.0%	12,595	25,698	49.0%	(11.0%)
Female	902	1,454	62.0%	13,103	25,698	51.0%	11.0%
Race / Ethnicity							
White	875	1,276	68.6%	19,338	25,698	75.3%	(6.7%)
Black or African American	106	1,276	8.3%	2,593	25,698	10.1%	(1.8%)
Asian	120	1,276	9.4%	1,554	25,698	6.0%	3.4%
American Indian or Alaskan Native	3	1,276	0.2%	95	25,698	0.4%	(0.1%)
Hispanic	51	1,276	4.0%	1,204	25,698	4.7%	(0.7%)
Multi-Racial	25	1,276	2.0%	397	25,698	1.5%	0.4%
Native Hawaiian or Other Pacific Islander	3	1,276	0.2%	13	25,698	0.1%	0.2%
Did not respond	93	1,276	7.3%	504	25,698	2.0%	5.3%
Classification							
Freshman	292	1,458	20.0%	5,318	25,698	20.7%	(0.7%)
Sophomore	304	1,458	20.9%	4,170	25,698	16.2%	4.6%
Junior	218	1,458	15.0%	4,936	25,698	19.2%	(4.3%)
Senior	275	1,458	18.9%	7,192	25,698	28.0%	(9.1%)
Graduate / Professional	369	1,458	25.3%	4,082	25,698	15.9%	9.4%
Enrollment Status							
Full-time	1,385	1,466	94.5%	22,824	25,698	88.8%	5.7%
Part-time	81	1,466	5.5%	2,874	25,698	11.2%	(5.7%)

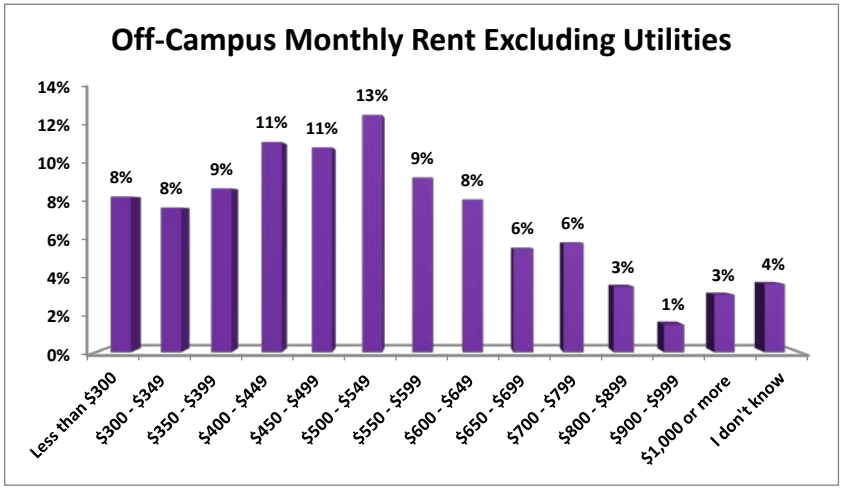
Student survey results indicate that 53% of respondents currently live off campus, while 42% of students currently live on campus, and the remaining 3% of respondents live in Greek housing. The 45% of survey respondents who either live on campus or in Greek Village is higher than the 25% of full-time students actually living on campus, indicating that a high percentage of on-campus students took the survey.



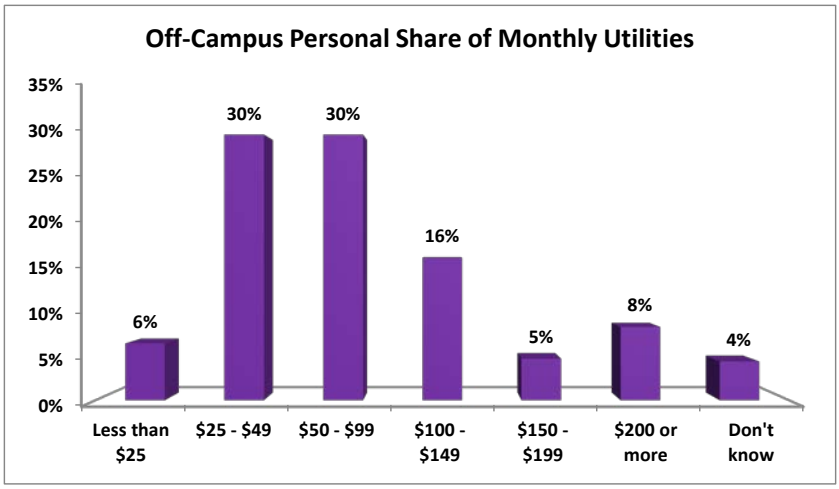
Sixty-four percent (64%) of all survey respondents indicated that having more living space was an important factor considered when determining where to live. Increased privacy, fewer rules and regulations, convenient laundry facilities, and the total cost of living were also important factors students use to determine future living conditions. While most of these factors are consistent with what B&D typically finds at other campuses, the cost of the units was less prioritized at LSU than at other campuses. Typically, price is one of the leading factors that are considered by students when determining where to live.



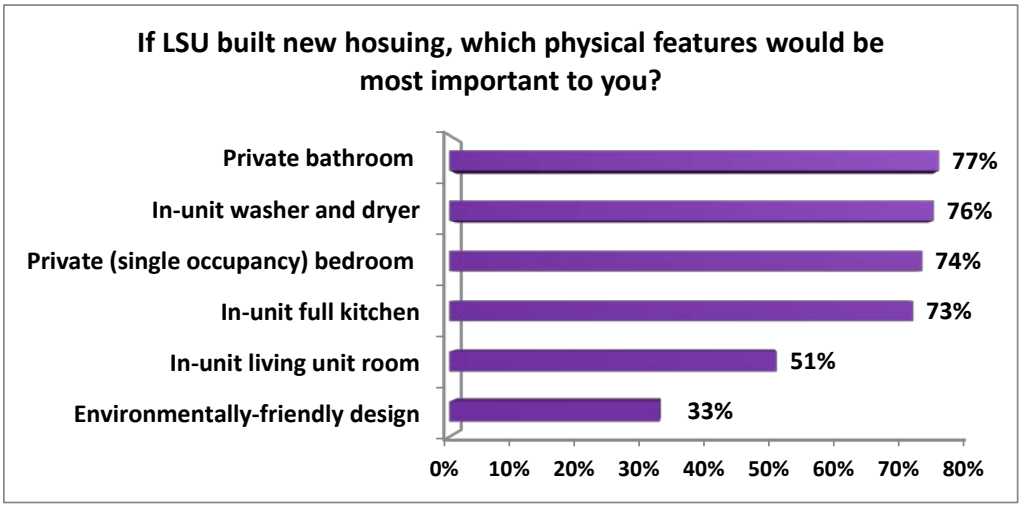
The survey asked students how much they pay in monthly rent to gauge the cost of living in the Baton Rouge apartment and private housing market. Approximately 60% of the population spends less than $550 per month on rent.



The survey also asked how much students pay in monthly utility costs. Approximately two-thirds (66%) of survey respondents indicated paying less than $100 per month in utilities.



Students were asked which features would be the most important for the University to consider if building new housing. Private bathrooms, in-unit washer and dryer, private (single occupancy) bedrooms, in-unit kitchens, in-unit living room, and environmentally-friendly design are the most desired features according to LSU students. Other notable features include on-site parking and convenient location. These preferences are similar to the reasons students gave when asked why they chose to move off campus.



Overall, the survey results indicate that some sophomore, junior, and senior students at LSU would live in on-campus housing provided their living preferences were met at price points that compete with current off-campus apartment offerings. Price tolerance and demand for the specific units tested in the student survey are analyzed in the following Program Definition section.

PROGRAM DEFINITION

DEMAND BASED PROGRAMMING OBJECTIVES & METHODOLOGY

B&D developed a housing demand model to project the specific quantity of demand for the unit types tested in the student survey. The Demand Based Programming ("DBP") model projects demand under the assumption that housing offerings match the characteristics of the units presented to respondents in the survey. The model derives the demand figures based on responses from the survey as well as enrollment numbers provided by the University. These figures may be reanalyzed in the future, if necessary, to reflect deviations in the projected enrollment.

CAPTURE RATES

The DBP model allowed B&D to project housing demand for each class level. Capture rates reflect the percentages of students in the target market who indicated their intention to live in the proposed units. For example, the number of freshmen included in the target market and interested in living in the proposed units divided by the freshman sample size results in the capture rate for the current academic year. These capture rates are then applied to the full-time enrollment figures for each class, which generates the total projected demand. Finally, the projected demand is multiplied by weight factors to ensure a demographic balance between the survey respondents and the entire target market population.

TARGET MARKET / DEMAND FILTERS

B&D tested the demand for location, price points, and unit types for on-campus housing at LSU. To ensure accuracy in demand projections, B&D filtered the demand to only include students who would be viable tenants in any new student housing projects built as a part of the Nicholson Corridor redevelopment. In order to be considered for the target market, students had to meet all of the following conditions:

- Full-time undergraduate and graduate students
- Age 18-29
- Single without children
- Currently living on campus OR currently living off campus and paying $400+ per month in rent

Additionally, B&D used a concept called "Occupancy Coverage Ratio" or "OCR" to ensure accurate demand projections. OCR measures the market risk of a given unit type. A 1.00:1.00 ratio means that 100% occupancy can be achieved but that new competition or a modest decrease in enrollment will likely lead to immediate vacancy problems. Higher occupancy ratios are associated with stable occupancy performance; however, occupancy ratios that are too high mean that there are significant housing shortages, which could deter students from enrolling or persisting at the University. The following table demonstrates the baseline OCR assumptions.

Housing Type	Minimum	Conservative	Detrimental
Traditional	1.05:1	1.15:1	1.25:1
Suite	1.10:1	1.20:1	1.35:1
Super-Suite	1.15:1	1.20:1	1.35:1
Apartment	1.15:1	1.30:1	1.50:1

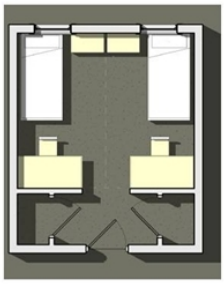
The OCRs that were selected for this analysis allow for conservative demand projections due to the strength of LSU's off-campus market.

TESTED UNITS & PRICE POINTS

B&D provided a detailed description of the proposed units and rental rates (expressed in 2011-12 dollars) in the student survey. The following units were included:

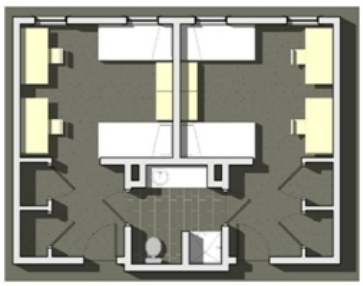
- Traditional Unit Type – One furnished bedroom with a centrally located bathroom outside the room. No common area or kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Traditional	Shared Bedroom (double occupancy)	$752	$3,384



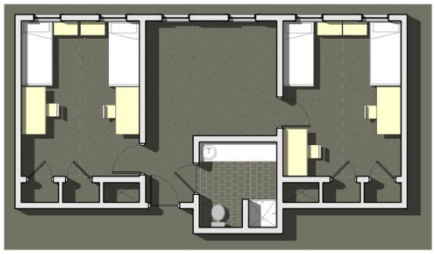
- Suite Unit Type – Two furnished bedrooms connected by a shared bathroom in the unit. No common area or kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Suite	Private Bedroom (single occupancy)	$752	$3,384
Suite	Shared Bedroom (double occupancy)	$712	$3,205



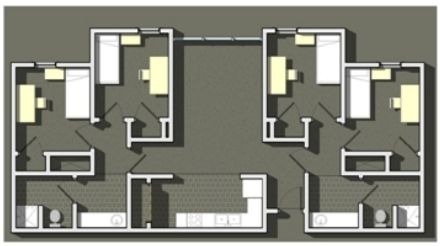
- Super-Suite Unit Type – Two furnished bedrooms with a shared bathroom and living room in the unit. No kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Super Suite	Private Bedroom (single occupancy)	$792	$3,564



- Apartment Unit Type – single occupancy (private) bedrooms with a full kitchen, bathroom(s) and living room in the unit.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Efficiency	Private Bedroom (single occupancy)	$928	$4,178
One Bedroom / One Bathroom	Private Bedroom (single occupancy)	$969	$4,360
Two Bedroom / One Bathroom	Private Bedroom (single occupancy)	$888	$3,995
Three Bedroom / Two Bathroom	Private Bedroom (single occupancy)	$851	$3,830
Four Bedroom / Two Bathroom	Private Bedroom (single occupancy)	$828	$3,725



DEMAND PROJECTIONS

As previously mentioned, the demand shown herein represents the survey results extrapolated over the University's Fall 2011 enrollment figures and discounted by both the selected OCR filters and the target market filters. The results indicate demand for approximately 7,850 on-campus beds to accommodate both undergraduate and graduate students. The demand distribution by class and maximum potential capture rates are displayed in the chart below. Based on the analysis, the largest opportunity to increase capture rate comes from sophomore, juniors, and seniors who desire on-campus housing accommodations.

Class	Enrollment	Current Capture Rate	Potential Capture Rate	Maximum Potential Demand
Freshmen	5,182	78.0%	78.0%	4,042
Sophomores	3,976	11.0%	30.7%	1,222
Juniors	4,621	5.5%	21.5%	994
Seniors	5,928	3.5%	20.2%	1,199
Graduates	3,117	18.0%	12.4%	387
Gross Demand	**22,824**	**24.1%**	**34.4%**	**7,844**
Current LSU Supply				**6,086**
Surplus / (Deficit)				**(1,758)**

As demonstrated in the previous chart, LSU has an opportunity to increase the capture rate for sophomore, junior, and senior students. However, the replacement of the Nicholson Apartments would require an increase in rental rates for graduate students relative to their current rates, which results in a slight decrease in graduate housing demand.

The DBP model projects demand distributed across the following unit types. Super-suites and apartments are the highest demanded unit type tested in the student survey, representing approximately two thirds of overall housing demand.

Unity Type	Projected Beds Demanded	% of Total Projected Demand
Traditional	913	12%
Suite	1,882	24%
Super-Suite	2,670	34%
Apartment	2,379	30%
Total Projected Demand	**7,844**	**100.0%**

CONCEPT EXPLORATION

B&D reconciled supply and demand to explore how the development of new housing could be absorbed by the students. B&D's reconciliation, described below, takes into account the loss of graduate beds that will be realized with the demolition of Nicholson Apartments.

The supply and demand reconciliation for sophomore housing represented a demand surplus of 810 beds.

- There is a demand surplus of 430 suite-style beds for sophomores who desire to remain on campus in a community-oriented setting. B&D recommends the development of a new facility to accommodate this demand.
- There is a demand surplus of 380 apartment beds for sophomores who demand amenities such as kitchens and in-unit washer and dryers. B&D recommends utilizing existing beds in East Campus Apartments and West Campus Apartments to accommodate these students. The 380 junior and senior residents who will be displaced from ECA and WCA can be relocated to the new apartment housing west of Nicholson.

The supply and demand reconciliation for junior and senior housing represented a demand surplus of 705 students.

- Based on the current assignment policies, the supply and demand reconciliation for juniors and seniors is 325 apartments.
- Additionally, 380 of the juniors and seniors currently living in East Campus Apartments and West Campus Apartments would be replaced by sophomores, and thus would need to be accommodated in new housing.
- B&D recommends the development of new apartment beds to accommodate the 705 juniors and seniors who demand on-campus apartments.

Class	New Beds Demanded	Bed Type	Recommended Development Zone	Recommended Number of Beds
Sophomores	430	Suites	Zone B	415
Sophomores	380	Apartments	East Campus Apartments & West Campus Apartments	380
Sophomores	**810**			**795**
Juniors & Seniors	325	Apartments	Zone D1	286
Juniors & Seniors			Zone E	91
Juniors & Seniors	380	Apartments	Zone C	339
Juniors & Seniors	**705**			**716**
Graduates	250	Apartments	Zone D2	247
Graduates	90	Apartments	Zone E	97
Graduates	**340**			**344**
Totals	**1,855**			**1,855**

The supply for graduate housing will decrease once Nicholson Apartments is demolished. Given the affordable price points offered at the Nicholson Apartments, the demolition of this residential facility will also have a decreasing effect on the demand for graduate housing. With affordable apartments being replaced by more expensive apartments as part of the Nicholson Gateway redevelopment, graduate demand actually is expected to decrease slightly. To meet LSU's strategic initiatives, the University asked B&D to replace 340 beds of graduate housing as part of the Project. Since providing housing on campus for graduate students is a priority for the University, there is a chance that the rental rates for graduate beds will need to be subsidized to make them more affordable for graduate students.

B&D believes that demand from students for on-campus housing would be positively impacted by a change in the available on-campus supply. If LSU provides housing that attracts more students through new facilities, preferred amenities, and close proximity to campus, upper-division students are likely to remain on campus following freshman year. Strengthening the residence life program and increasing the number of student on campus will create an enhanced culture for on-campus housing.

Additionally, providing apartment units west of Nicholson for junior, senior, and graduate students will create a community of upper-division students in close proximity to the proposed retail offerings included in the redevelopment effort. Creating a town-center feel surrounding Nicholson Drive will transform this edge of campus and is likely to change students' use of this historically underutilized area. The junior, senior, and graduate beds can all be developed in high-density units, and therefore can be interchanged to accommodate influxes in demand.

FINANCIAL ANALYSIS & PHASING STRATEGY

OBJECTIVES & METHODOLOGY

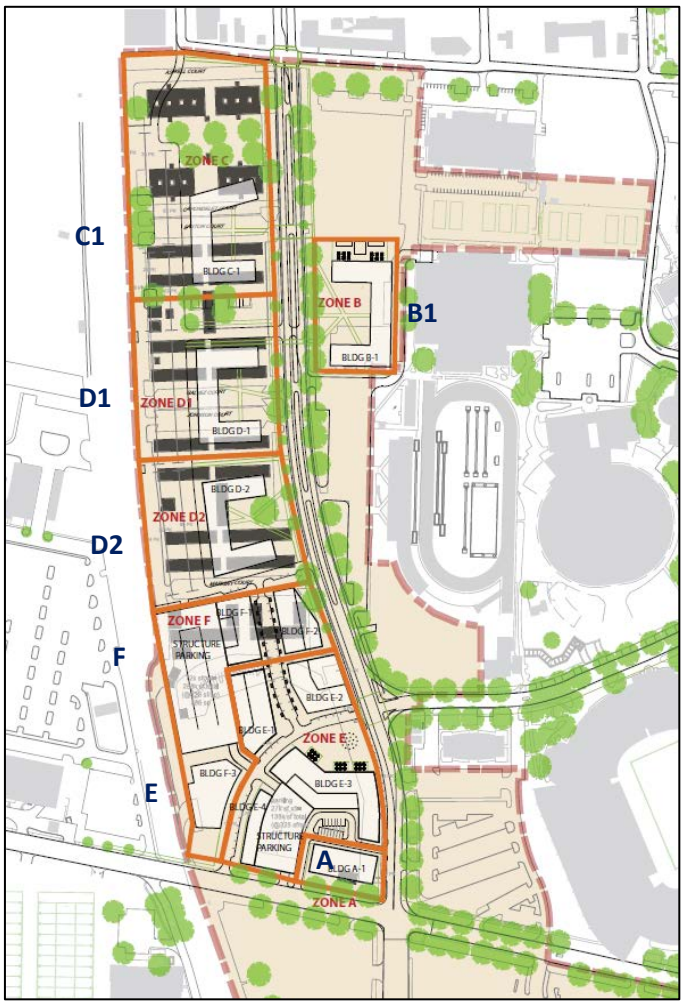
B&D developed an operating financial model that details the revenues, expenses, and affiliated debt with each of the proposed housing developments for the Nicholson Corridor detailed herein. To forecast the system's operating performance over a ten-year stabilized period, each model analyzes projected revenues and operating expenses (both personnel and non-personnel), capital cost assumptions, and potential excess cash flow that could be used to support other project components or University initiatives.

UNIVERSITY RECOMMENDED PHASING STRATEGY

Per University recommendations, the following phasing strategy for student housing on Nicholson Drive and the accompanying parking was applied to this analysis:

- 2016: New housing in Zone E opens
- 2017: New housing in Zone D opens (both D1 and D2)
- 2018: New housing in Zone C opens
- 2018: New housing in Zone B opens (east of Nicholson)

As described in the subsequent paragraphs, this suggested phasing and implementation strategy could change based on LSU's approvals and financing process.



HOUSING FINANCIAL MODEL ASSUMPTIONS

B&D was given capital cost assumptions by AECOM and the other members of the Project Team. Standard student housing practices and LSU's historical financial performance were analyzed to inform the following assumptions related to the operating financial models.

REVENUES

General assumptions for operating revenues for each housing model included the following:

- An average occupancy of 95% was projected for all buildings after the completion of new construction. This occupancy rate was supported by the Demand Based Programming from the student survey and historical student housing applicant figures.
- Rental rates were calculated on a per semester basis. For the purpose of the model, the semesters were 4.5 months.
- Rental rates were inflated at 3.5% annually. The University has been using a 4% average rate increase in recent years.
- Revenues, including rental rates, were inflated at 3.0% per year.

EXPENSES

Assumptions for housing operating expenses included the following:

- New construction will result in more efficient buildings that will take advantage of energy saving systems. The new housing developments are assumed to operate at $8.00 per square foot (2012 dollars) and are adjusted annually for inflation.
- All expenses were inflated at 3.0% per year.
- Operating expenses were assumed to be the same for all student housing developments.

CONSTRUCTION QUALITY

General assumptions for construction quality for each housing development included the following:

- Construction costs were calculated based on the University recommended rate of $150 per square foot. This rate was based off input from the Project Team as well as recent on-campus projects that met University architectural standards.
- Construction costs were slightly lower (approximately 7.5%) than the recommended $150 per square foot when a developer-led process was modeled. The reduction in construction quality is required to ensure that the return on investment for developers is sufficient when compared to market standards.
- Site costs were based off the average rate for each development zone prepared by AECOM.
- Total project costs were calculated with a 1.25x or 1.30x project multiplier, depending on the development type and structure. The multiplier includes design fees; furniture, fixtures, and equipment; program management costs; and other soft costs.

CAPITAL COSTS

- No initial commitment is required from a self-developed facility.
- A developer-led process is modeled with a 25% upfront equity commitment from the developer. The developer receives a preferred return of 8% per annum on their initial commitment.
- Project costs were inflated at 3.0% on an annual basis, allowing the University to adequately budget for the scheduled projects.
- New debt associated with the proposed new construction projects assumed a 5.0% interest rate and 30-year term.

ZONE B – SOPHOMORE HOUSING

REVENUE ASSUMPTIONS

- The recommended 415 beds of suite-style housing to be developed east of Nicholson will help increase sophomore student retention and satisfy unmet demand from second-year students who desire to live on campus. Total project cost for the Zone B suite-style housing east of Nicholson totaled $29.6MM. Per the University's phasing strategy, this housing will come on line in Fall 2018 to serve sophomore students.

Revenue Assumptions	
Revenue Inflation Rate	103%
Occupancy	95.0%
Suite (Private) - Monthly	$752
Suite (Shared) - Monthly	$0
Suite (Private) - per Semester	$3,384
Suite (Shared) - per Semester	$0
Number of Suite (Private) Beds	415
Number of Suite (Shared) Beds	0
Summer Rentals	
Suite (Private) - Monthly	$752
Suite (Shared) - Monthly	$0
# of Months	0
Summer Occupancy	0%
Other Revenue Assumptions	
Damages as % of Rental Revenue:	0.50%
Annual Vending/Person (Occupied Bed):	$50
Annual Parking Rental Rate	$0
Other/Bed (All Beds):	$0

EXPENSE ASSUMPTIONS

- The expenses for the Zone B development are projected at $8.00 per square foot.

CAPITAL COST ASSUMPTIONS – UNIVERSITY

Capital Cost Assumptions	
Project Open Year	2018
Site Cost per SF	$7.14
Hard Cost per SF (excluding site costs)	$142.86
Total Hard Cost per SF	$150.00
Total Hard Cost	$19,372,759
Soft Cost Multiplier	0.30x
Total Soft Cost	$5,811,828
Parking Cost	$0
Total Project Cost	$25,184,586
Inflation Allowance	3.0%
Project Cost at Project Year	$29,630,539
Developer - Equity	$0
Amount Financed	$29,630,539
Debt Service Payment at Project Year	$1,927,509

CAPITAL COST ASSUMPTIONS – DEVELOPER

Capital Cost Assumptions	
Project Open Year	2018
Site Cost per SF	$7.14
Hard Cost per SF (excluding site costs)	$131.86
Total Hard Cost per SF	$139.00
Total Hard Cost	$17,952,090
Soft Cost Multiplier	0.30x
Total Soft Cost	$5,385,627
Parking Cost	$0
Total Project Cost	$23,337,717
Inflation Allowance	3.0%
Project Cost at Project Year	$27,457,633
Developer - Equity	$6,864,408
Amount Financed	$20,593,225
Debt Service Payment at Project Year	$1,339,619
Developer Fee	8.0%
Annual Fee Increase	3.0%

PROJECTED FINANCIAL OUTCOMES

B&D recommends that LSU considers a self-development option for the Zone B housing facility. A self-developed facility provides the University with both maximum design control and financial return. Since the Zone B development would be designed for sophomores, the facility could naturally be absorbed into the current housing system's inventory and could be operated under the current paradigm. Given the proposed Zone B program, the facility would be appropriate for either freshman or sophomore students, and as such could serve as swing space if required by LSU in the future.

Since the Zone B development will not include kitchens, B&D highly recommends that this type of housing facility is built on the east side of Nicholson to provide proximity to existing housing and food service offered by LSU.

B&D suggests that a University-sponsored development with 100% financing will produce the greatest cash flow after debt service ("CFADS") back to LSU. At a construction cost of $150 per square foot, the University will receive the construction quality it desires and will receive the greatest financial return. If developed by LSU, the facility is projected to receive $3,560,000 in cumulative cash flow after debt obligations have been paid by Year 10 of the project. This financial return is compared to a $1,920,000 return that is projected if the University used a third part partner to develop the same property, as displayed in the CFADS chart.

Cash Flow After Debt Service (CFADS)		
Development Scenario	**University**	**Developer**
Construction Cost (PSF)	$150	$139
Year 1	$60,000	$0
Year 5	$310,000	$160,000
Year 10	$670,000	$400,000
Cumulative (Year 10)	**$3,560,000**	**$1,920,000**

In addition to the recommended development structure, B&D finds it important to note that the Zone B development will produce the greatest financial return to the University out of all housing developments associated with the Nicholson Gateway Project. The Zone B facility utilizes high-density development that capitalizes on reduced square-foot-per-bed ratios, and thus makes the development more profitable. The earlier the Zone B development is built, the faster LSU can utilize the positive cash flow to support other Project initiatives (such as graduate housing subsidy). The financial model is developed with the assumption that Zone B is opened in the fall of 2018, but B&D recommends that LSU continues to analyze this phasing strategy and considers shifting Zone B housing earlier into the development process.

ZONES C & D – JUNIOR AND SENIOR HOUSING

REVENUE ASSUMPTIONS

- The recommended apartment housing in Zone C and D constructed west of Nicholson would accommodate junior and senior students. The total project cost for the Zone C and Zone D apartment developments is approximately $68.4MM. This development will serve nearly 900 students west of Nicholson by providing desired three and four-bedroom apartment units.

Revenue Assumptions	
Revenue Inflation Rate	103%
Occupancy	95.0%
Apt (3BR Private) - Monthly	$851
Apt (4BR Private) - Monthly	$828
Apt (3BR Private) - per Semester	$3,830
Apt (4BR Private) - per Semester	$3,726
Number of 3BR Apt (Private) Beds	411
Number of 4BR Apt (Private) Beds	461
	872
Summer Rentals	
Apt (3BR Private) - Monthly	$851
Apt (4BR Private) - Monthly	$828
# of Months	2
Summer Occupancy	15%
Other Revenue Assumptions	
Damages as % of Rental Revenue:	0.50%
Annual Vending/Person (Occupied Bed):	$0
Annual Parking Rental Rate	$165
Other/Bed (All Beds):	$0

EXPENSE ASSUMPTIONS

- The expenses for the Zone C and D developments are projected at $8.00 per square foot.

CAPITAL COST ASSUMPTIONS – UNIVERSITY

Capital Cost Assumptions	
Project Open Year	2017
Site Cost per SF	$8.35
Hard Cost per SF (excluding site costs)	$141.65
Total Hard Cost per SF	$150.00
Total Hard Cost	$47,890,933
Soft Cost Multiplier	0.25x
Total Soft Cost	$11,972,733
Parking Cost (in site costs)	$0
Total Project Cost	$59,863,666
Inflation Allowance	3.0%
Project Cost at Project Year	$68,380,272
Amount Fundraised / Other Funding	$0
Amount Financed	$68,380,272
Debt Service Payment at Project Year	$4,448,235

CAPITAL COST ASSUMPTIONS – DEVELOPER

Capital Cost Assumptions	
Project Open Year	2017
Site Cost per SF	$8.35
Hard Cost per SF (excluding site costs)	$134.65
Total Hard Cost per SF	$143.00
Total Hard Cost	$45,656,023
Soft Cost Multiplier	0.25x
Total Soft Cost	$11,414,006
Parking Cost (in site costs)	$0
Total Project Cost	$57,070,028
Inflation Allowance	3.0%
Project Cost at Project Year	$65,189,192
Amount Fundraised / Other Funding	$16,297,298
Amount Financed	$48,891,894
Debt Service Payment at Project Year	$3,180,488
Developer Fee	8.0%
Annual Fee Increase	3.0%

PROJECTED FINANCIAL OUTCOMES

B&D recommends that the University utilizes a development partnership with a third party to build the 872 beds of three- and four-bedroom apartments in Zone C and Zone D. Engaging a third party allows the University to accommodate additional students in campus housing and provides additional revenue for the Nicholson Project without utilizing the University's balance sheet. Since the Zone C and D housing is designed for juniors, seniors, and graduates, the student residents will be seeking a more independent living experience, and operations of the facility will not need to be closely tied to the residential program offered on campus.

The University should strive to establish design controls and design standards to be agreed upon by the third party partner. The standards should focus on the exterior design, and B&D recommends that the design should have the strictest parameters in areas that face Nicholson.

Using a self-developed option, the University would receive approximately $9,550,000 cumulatively over ten years. In a third-party partnership structure, the University would likely receive $4,900,000 over the same period.

Although a third-party partnership will reduce the University's opportunity to capture all of the CFADS due to the annual preferred equity payout to the development partner, this structure will reduce the University's upfront commitment and project risk. This process will also save University debt capacity for other campus initiatives.

Cash Flow After Debt Service (CFADS)		
Development Scenario	**University**	**Developer**
Construction Cost (PSF)	$150	$143
Year 1	$270,000	$20,000
Year 5	$860,000	$420,000
Year 10	$1,700,000	$1,000,000
Cumulative (Year 10)	**$9,550,000**	**$4,900,000**

In the phasing strategy, Zone D is developed first and Zone C is developed in a subsequent year. For the purpose of the model, Zone C and D are projected for development at the same time, both opening in 2017. B&D recommends that LSU is flexible to the third-party developer helping to drive the schedule for the development of Zone C and D. There might be a scenario where the third party achieves economies of scale if development on Zone C and Zone D occur simultaneously, and B&D recommends that the University is open to that scheduling option.

ZONE E – MIXED USE HOUSING

The project cost for the 180 beds proposed in Zone E totals approximately $14,400,000. These beds will serve junior, senior, and graduate students who desire to be closer to the mixed-use area of development on the southern half of the Nicholson corridor. This housing will come on line in conjunction with the office, retail, and parking components proposed in Zone A, Zone E, and Zone F.

B&D recommends that the University utilizes a third-party development partner to build the 180 beds of three- and four-bedroom apartments in Zone E. The partner does not need to be a national student housing developer, but instead should be part of the mixed-use development team. In a ground lease format, B&D projects that the University will receive approximately $1,000,000 cumulatively after ten years.

POTENTIAL DEAL STRUCTURES

Although there are a variety of deal structures available in the market, there are four deal structures that are most commonly used for a campus edge initiative such as the Nicholson Gateway development.

1. **Self Development:** LSU can choose to self-develop the Nicholson Gateway Corridor. In this scenario, LSU would be 100% responsible for achieving project financing, creating design aesthetics, determining construction quality, defining phasing and sequencing strategies, selecting a delivery method, and ultimately delivering the projects. Additionally, the University would receive 100% of the benefits from any financial profitability realized by each project.

   While the University would have control and benefit across all project components, the University would also have 100% of the financial commitment required to implement these projects and 100% of the risk associated with those commitments. The commitment and risk associated with these types of developments usually prohibits institutions from choosing the Self Development option, because the institution's debt capacity and credit rating are subject to exposure with developments of this size and scale. Most institutions choose to utilize credit ratings and debt capacity for projects that are more closely tied to the core of the institution's mission.

2. **Developer Master:** On the opposite end of the spectrum from the Self Development option, the University can choose to outsource 100% of the development to a third party. In this scenario, the University would ground lease the entire development parcel to a third party for an annual ground rent fee to be negotiated. The third party would control 100% of the project decisions, including design, construction quality, tenant mix, and delivery method. The third party would also be responsible for attaining project financing. The University would have the ability to shape some of the project concepts and set some minimum project design standards; however, this extended level of control required by the University typically comes at a premium when negotiating ground lease agreements. The Developer Master scenario provides the lowest risk for the University because it is not as exposed to credit rating risk or debt capacity usage. However, this scenario provides the lowest control for the University regarding the design and implementation process and limits the University's upside financial potential once the project stabilizes.

3. **Master Partnership:** The Master Partnership structure requires the official formation of a development partnership between the institution and a third party. In this scenario, the institution and the third party partner each contribute equity toward the project and a partnership LLC is officially formed. In a Master Partnership, the institution and the third party share the design, construction, financing, and implementation responsibilities. The advantage of this structure to the University is that it reduces the development risk by sharing it with the third party developer. The disadvantage of this structure is that it reduces the University's long-term financial potential by sharing the long-term return with the third party developer.

4. **Master Developer:** The Master Developer model allows the University to balance risk and control while it is involved in the continued planning and implementation of the campus edge development. As the Master Developer, the University would syndicate individual parcels of land within a larger development zone for either self development or third party participation, depending on the needs and demands of the development zone. By ground leasing individual parcels of land to third party developers, the University typically maintains approval authority over final development concepts, details, and project execution process. In this scenario, the University also maintains authority over schedule and the overall development concept. As the Master Developer, the University would be responsible for securing any funds that may be available for infrastructure improvements, including funds from potential tax-increment financing projects.

   While the role of Master Developer typically has a significant presence throughout the development process, the Master Developer is typically flexible as to the level of support - financially, physically, and strategically – required by the development partner(s) to successfully implement the project.

   The risk associated with this project is that it can be difficult to make the individual projects work financially because third party partners typically expect a higher return for the exposure they assume by allowing the University to maintain control. However, third party partners' risk is reduced by strong demand, so markets with demonstrated demand surplus typically attract qualified partners. As the Master Developer, the University would reduce its financial contribution, would maintain control over the design and implementation of the project, and would realize long-term financial benefit from the project.

RECOMMENDED STRUCTURE

The Project Team recommends that LSU considers the Master Developer deal structure for the Nicholson Gateway development. As the Master Developer, LSU would assume responsibility of improving infrastructure, landscape, and overall project concept and schedule. LSU would then syndicate individual development parcels to third party partners.

STUDENT HOUSING

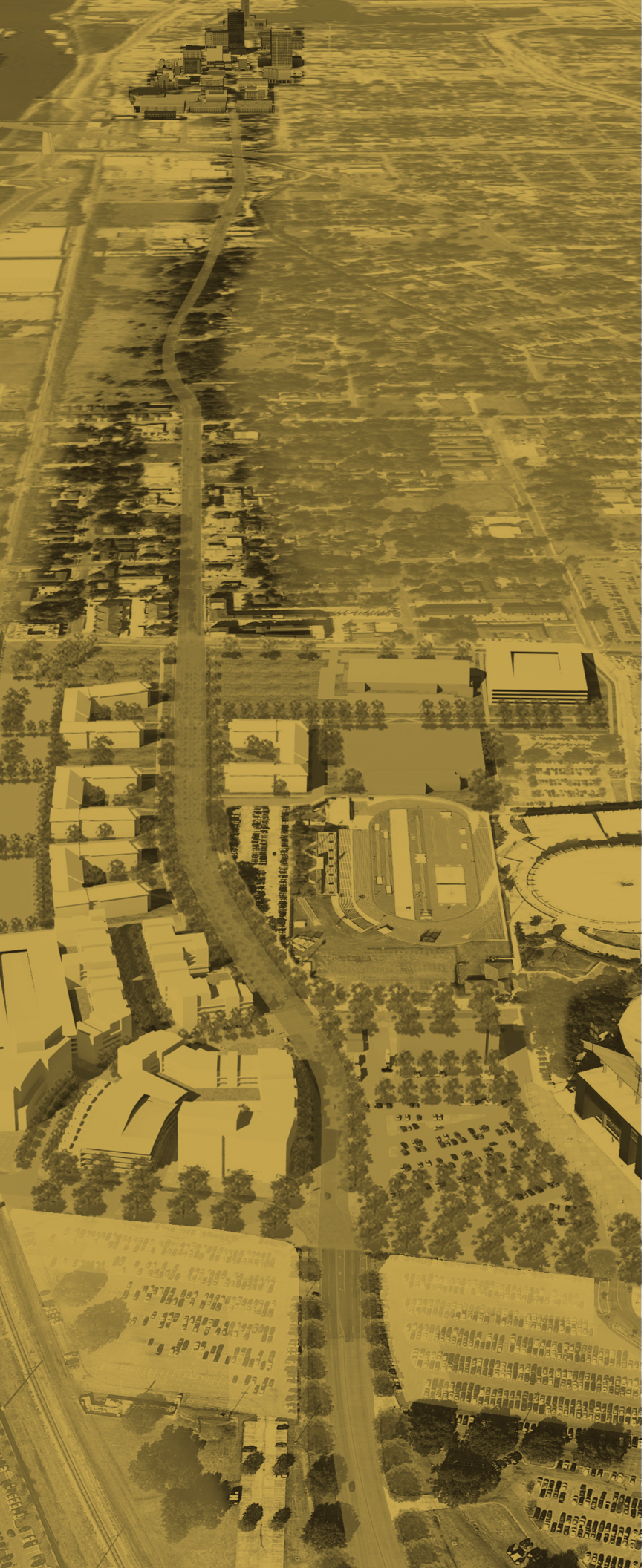
The project team envisions that LSU would syndicate development Zones C and D to a third-party partner through a ground lease structure. In this format, the project team believes that LSU has two primary options for consideration.

1. LSU can ground lease the land to a private, for-profit developer.
2. LSU could ground lease the land to its Foundation as a not-for-profit development partner.

Not all institutions have the luxury of using an affiliated foundation for their real estate needs. However, the project team has found that utilizing a foundation, when available and willing to help, can be a very beneficial and cost effective option for colleges and universities.

- Foundations have the ability to utilize tax-exempt debt structures, so the cost of borrowing money is typically cheaper for Foundations than private developers (typically up to 2% cheaper money).
- Foundations may, or may not, require a development fee from the University, but typically these fees are anywhere from 2% to 5% less than the fees that developers would charge.
- Foundations can hold the asset on their balance sheets with less stringent requirements than a private developer.
- Foundations can decide to hire a third-party management company or the University to manage the new housing, whereas a private developer typically requires that it manages its own properties.
- Foundations that do not possess in-house development capacities to manage the design and construction process can outsource the program management of this work to specialty firms such as Brailsford & Dunlavey. Program management firms are typically less expensive than the development fees charged by third-party developers.

BRAILSFORD & DUNLAVEY



VOLUME 4: MEETING MINUTES

NICHOLSON GATEWAY

Louisiana State University

December 2012

AECOM

In association with:

Grace & Hebert Architects

Brailsford & Dunlavey

Walker Parking

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Meeting with the Chancellor
Date	March 19, 2012
Time	3:00 pm
Location	Council Room
Attendees	Chancellor Martin, Eric Monday, Steve Waller, Steve Wilson

Nicholson Gateway should be a transformational project

- change the campus back door into a gateway
- show the world that LSU is on the move despite budget cuts

Challenge

- Tension with community
- Nicholson and r.r. are boundaries
- Threat of flooding
- Some facilities are not in the most optimal location

Opportunity

- Surge in housing demand
- Link to athletic precinct
- Land available for redevelopment on both sides of Nicholson
- Public private partnerships. The private sector is critical
- The new district should remarkable and standout from the rest of the Nicholson corridor, like the effect of entering the Augusta national golf course.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Data Review and Questions
Date	March 20, 2012
Time	8:00 am
Location	Council Room
Attendees	Emmett, Jason, Steve, AECOM TEAM

Data and Information Requests

- Athletics can provide attendance and game day parking
- Joe Thompson (police department) can provide GIS information
- Fred Felner can provide information on the trees. Potential to meet him next visit.
- Brian Harman and provide utility mapping
- 2005 traffic study- Jonathan (AECOM) can get this.
- Paul Hoffman- History of campus. Jerry (G+H) will contact him.

Issues

- West side drainage- railroad is the divider line. New pump station to be constructed on site will connect two flood zones.
- Nicholson Gateway cannot link to the campus central power or chilled water.
- Nicholson site is below flood elevation (el. 21', Nicholson; el. 26' apartments- raised on fill 2' above flood level).
- Housing considered for Gateway site is on hold, pending this study.
- No geotech data is available for the Nicholson site. Based on experience during the Box redevelopment, the site contains sand boils and will require piles.
- 2 trains per day. Rail company is difficult to coordinate with.
- Live Oaks are sacred. Limit of disturbance is 15' past drip line
- Need to slow traffic on Nicholson- potential for round about

Studies

- Easy Street has been very successful in promoting biking. Reduced students driving between classes.
- Old softball site is likely the next parking deck

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Nicholson Steering Group
Date	March 20, 2012
Time	10:00 am
Location	Council Room
Attendees	Emmett, Jason, Steve, Heath, Gary, Kirt (aux. services), AECOM TEAM

General Comments

- Project is about linking. Potential for intermodal connections with Tiger Trails and city bus.
- Residents in Nicholson Apartments have lower parking ratios than other campus housing (40% v. 70%)
- Potential to create a pedestrian tunnel under the Nicholson. Other successful tunnel examples include Menderville Town (under r.r.), and tunnel at Texas A+M
- The planned tennis court relocation creates an opportunity for creating a strong pedestrian connection between the Nicholson site and the campus core
- Slowing and crossing Nicholson are critical issues. The crossing at N. Stadium is difficult.
- Residential needs 2 new buildings- 600 beds + 1,400 new beds. The goal is for 4,250 beds, 85% freshmen. More than 50% of students are from out of state due to the low out of state tuition fees. Goal for next decade is to replace obsolete 60's housing.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Budget and Planning
Date	March 20, 2012
Time	10:00 am
Location	Barataria Room

General Comments

- Nicholson Gateway site would not appeal to most faculty and staff who are looking for single family homes
- Grocery store would be nice
- 99 year land lease is possible without legislature

Finance

- The potential funding mechanism for the project has not yet been defined and can be explored through the course of the project (501c, Foundation, etc.)
- University had used creative funding partnerships on past projects where university funds mix with state and donor funds.
- A funding request for Nicholson Gateway would need to be submitted this summer

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Facility Design and Development Committee
Date	March 20, 2012
Time	11:00 am
Location	Council Room
Attendees	

Vision for Nicholson Gateway Project

- Preserve as much open space as possible. Avoid a continuous street wall of buildings.
- Provide retail and mixed use residential
- Development should be oriented to fans
- Nicholson Gateway plan should fit with the overall campus masterplan and further the campus mission

Ideas for Nicholson

- Reroute through traffic around the campus to River Road
- Slow traffic, special paving
- Reconfigure to be like Highland Road
- Pedestrian overpass

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Nicholson Working Group
Date	March 20, 2012
Time	3:00 pm
Location	Council Room
Attendees	

Vision for Nicholson Gateway Project

- Become the “place to be” like the Cottage District at Mississippi State
- Potential for amazing open spaces

Possible uses

- Housing for upperclassmen, international students, more affluent graduate students, and possibly sophomores
- Back office space and other university related programs

Challenges

- Money
- DOT, RR, Public Works
- Risk of Failure
- Saturation of the housing market.
- Potential competition with other planned development sites along Nicholson, though they are primarily targeting young professionals.

Support

- City/Parish want to see the Nicholson Corridor redevelop
- Developers are very interested to share their opinions

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Residential Life, Senior Staff
Date	March 21, 2012
Time	9:00 am
Location	Tchoupitoulas Room
Attendees	

Campus housing goals

- Increase freshman housing from 60% to 80%
- Potential to attract/retain more sophomores on campus

Campus housing challenges

- Perception that on campus housing is not cost competitive with off-campus housing because of hidden costs (i.e. 12 month lease vs. 9 month occupancy, or utility costs not included, etc.)
- Amenities around campus are not conveniently located

Opportunities

- Need an option that is not apartments (too expensive) but that has less shared space that traditional housing.
- Goal is to increase the graduate population by 15%.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Risk Management, Parking/Traffic/Transportation, Campus Safety, LSU Police
Date	March 21, 2012
Time	10:00 am
Location	Tchoupitoulas Room
Attendees	

Traffic

- Campus is trending towards a more pedestrian oriented campus

Safety

- Trend in crime has been rising due to better enforcement- more proactive, saturate the campus with police
- Crime during football weekends has been deterred

Nicholson

- Nicholson Road has no particular traffic safety issues/incidents
- The Nicholson area is perceived a more unsafe that it has been in the past.
- At game day, Nicholson Road becomes very congested. Since traffic eventually bottlenecks at the highway ramps, there is little opportunity to improve traffic flow.
- Currently pedestrians must yield to traffic. It should be the other way around.
- Streetscape improvements should be designed to maintain a clear line of site, and to use white light to facilitate camera surveillance

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	University Auxilary Services, Dining
Date	March 21, 2012
Time	2:00 pm
Location	Barataria Room

Dining / Auxiliary

- 2 current convenience stores (open til 3am)
- Can handle 700 people for banquets in Student Union
- Currently evaluating new store locations
- “Large food” component is missing on west side of campus

Ideas for new auxiliary services

- Bookstore sales are very strong, and there is capacity for another bookstore… would probably do well on west side.
- Copy / mail center
- Transit center with coffee shop
- Health / recreation
- Sporting goods
- Restaurant / sports bar
- Computer / electronics
- Eye care / dentist
- Salon

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Athletics
Date	March 21, 2012
Time	8:00 am
Location	Athletics Building
Attendees	Eddie Nunez and team

AECOM Request for Data

- Total events, event days
- Attendance per event including day of week and seasons
- Student use vs. res use vs. visiting tournament
- Economic impact studies
- Visits for museum or hall of fame
- Traffic and parking impacts for Nicholson for different sporting events

Summary of Athletics Plan

Tiger Stadium

- Tiger Stadium plaza. West portion will be complete late summer 2012. North portion will be complete 2013. Eddie will send renderings.
- Façade Project. Fix spalling on north façade and up lighting. Eddie will send renderings.
- South stadium expansion. Will send stats.

Alex Box

- Designed by Grace + Hebert
- Finished additional suites

Football Training

- Visitor parking required in adjacent lot for special events

Track

- 2001 Campus Master Plan was not in sync with the Athletics Plan. Pushing west did not make sense due to const. Track is good where it is.
- Lack of indoor track is a problem, but would cost $45 million or more to construct.
- Track requires parking for 30-40 busses, which fills 80% of the lot. Additional parking could be located on Nicholson

Tennis

- Scheduled to move courts to south campus by 2014

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

Maravich Center (Basketball)

- Adding entry annex to south side. Eddie will send rendering.

Natatorium

- Bad investment. Pool is damaged. Hoping to join forces with campus recreation.

Gymnastic Facility

- Designed by Grace and Aber

Parking Garage

- 1,000-1,200 cars
- In capital outlay

Ideas for Nicholson Gateway

- Sports Hall of Fame like Paul Bryant Museum at Alabama.
- Enhance game day with greens and plazas
- Provide easy access to parking on Nicholson
- Do not make game day traffic any worse
- Maintaining visibility to the stadium is important for tailgating

AECOM
BRAILSFORD & DUNLAVEY

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 1

Subject	Residential Interviews Summary
Date	March 20-21, 2010
Time	
Location	
Attendees	

Nicholson Gateway Initiative Meetings – March 20th & 21st, 2012

1. The University's strategic objectives for the Nicholson Gateway initiative are listed below:
    a. The University should drive the development
    b. The development plans should have a degree of flexibility with the University's mission in mind
    c. The Gateway should generate money for the University
    d. Safety, and the perception of safety, should be improved with the Gateway
    e. The Gateway should provide a campus border to delineate between the University and the surrounding community. The border should have iconic signage to indicate that the University is being approached. Simultaneously, the Gateway should provide a campus gateway that encourages the local community to engage positively with the University campus.
    f. The Gateway development should provide space relief and alleviation from current constraints at the core of campus.
    g. The Gateway should be a recruitment tool for University students, faculty, and staff.
    h. The Gateway plan should deliberately identify the need for open / green spaces.
    i. The Gateway plan should address housing.

2. Students, Faculty, and Staff said that the favorite spaces on campus were used for lounging, leisure, "hanging out," picnics, tanning, flag football, socializing, studying, and athletics. Commonly mentioned "favorite places" on or near campus are listed below:
    a. Tiger Stadium
    b. Quad
    c. Parade Ground
    d. Mike's Habitat
    e. Greek Amphitheatre
    f. Union
    g. U-Rec
    h. Library
    i. Churches
    j. Department Building Lounges
    k. Housing
    l. Campus Dairy Store - Ice Cream
    m. Pierre's Landing

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

3. The group participants mentioned the need to preserve as much open space as possible. There was a concern that too much development would create rows and rows of buildings, and participants stated that they wanted “pockets of openness.” Participants mentioned that LSU has an premier landscape architecture school that should be utilized for open space planning efforts.

4. Safety was frequently discussed between the focus group participants. Participants commonly mentioned the crime in the area immediately north of the North Gate. As a result, the desire to walk near the proposed Nicholson Gateway development was limited. Participants mentioned that more activity, better lighting, and the creation of a buffer between the development and the high-crime neighborhoods would be important as the Gateway was planned.

5. In addition to safety from crime, participants also mentioned safety from traffic. Traffic management and a pedestrian-friendly environment were critical components of the discussions. Topics that were discussed included the following:
    a. Walking across Nicholson and the railroad tracks should be a critical component of the planning effort.
    b. The plan should not include diverting Nicholson.
    c. The plan should consider both “tunneling” under the railroad tracks and Nicholson and providing an overhead walkway to cross the areas.
    d. The plan should design an area that is easy to control during big events on campus.
    e. The participants mentioned a “ring road” to serve as a perimeter road around campus.
    f. Participants said that 4:30pm is the hour when parking gates open and activity flow changes on campus, so the University community is already accustomed to the desire to remove vehicular access from the internal campus. Some participants mentioned that Highland Road is a good example of a usable model.
    g. The plan should consider a greenway or biking corridor.
    h. The plan should consider including a transportation hub that can introduce additional modes of transportation.
    i. The plan should encourage the railroad to participate in the redevelopment of Nicholson by explaining the economic incentives from the redevelopment.
    j. The plan should introduce a new entrance to the campus.
    k. The plan should slow down traffic.
    l. The plan should use the Gateway to link the isolated part of campus west of Nicholson with the rest of the campus.

6. The participants frequently discussed the “college experience,” and the desire to have the collegiate feel of a “college town.” Participants often referred to the college towns from other SEC schools such as Alabama, Arkansas, Mississippi State, and Ole Miss as successful models. When discussion the college town feeling, participants mentioned the following:
    a. The Gateway should include a mixed-use focus with parking, residential, and retail uses.
    b. The Gateway should be used as a recruitment tool.
    c. The Gateway planning should consider including the following components (in no particular order):
        i. Car wash
        ii. Village concept with horseshoe pits, putting greens, and open space
        iii. An urban feel
        iv. Grocery store

v. School / Office supply store
vi. Dry cleaning
vii. Fast food
viii. Casual / local restaurants
ix. Coffee shops
x. Sports bars / somewhere to watch games
xi. Clothing stores (boutique)
xii. Clothing stores (LSU focus)
xiii. Movie theatre
xiv. Dry cleaner
xv. Electronics store
xvi. Landscape / Plaza

7. The participants said that the Nicholson Gateway should provide a housing solution for both graduate and undergraduate housing.

8. Undergraduate Housing On Campus
    a. LSU's Residential Life is required to maintain a 1.4x debt coverage ratio, which is much higher than B&D typically sees for LSU's peer institutions. As a result, rental rates will increase by 6% per year until 2019 and by 4% per year after 2019.
    b. The Nicholson Apartments have been removed from future debt service calculations (after FYE 2012) so the system will not be impacted negatively when they are taken off line.
    c. There are approximately 85% of first-year students in on-campus housing, and the on-campus housing experience for first-year students is successful at LSU.
    d. LSU offers 8 residential colleges, 6 of which are discipline specific and 2 of which are interdisciplinary. The residential colleges are popular campus assets.
    e. Participants mentioned that apartment-style units not conducive for freshmen development and would like LSU to offer suites or super suites to students.
    f. Students mentioned that they made the majority of their friends during their first-year living experience, and most students said that they would love to live on or near campus as sophomores if the right type of housing was made available to them.
    g. LSU administrators noted that the lack of new housing options for students is a recruitment challenge. Participants mentioned that some of the existing housing is old, offers no amenities, has cinder block walls, lacks a washer/dryer, and forces a shared bedroom, which are not attractive factors for students considering LSU or LSU housing.
    h. LSU administrators mentioned that, philosophically, they understand the need for sophomore housing. Group participants mentioned that funding is based on retention rates and graduation rates, and the administrators commented that sophomore housing and continued community development would help improve both retention and graduation rates.
    i. Participants mentioned that Sophomore Gold was created as a combination of Student Life, the First Year Experience, and Residential Life. Sophomore Gold is a pilot program that includes faculty talks, off-campus dinners, adventures, and programs. Participants mentioned that the Sophomore Gold experience could be enhanced with appropriate suite or super suite style unit types.

9. Participants mentioned interest in the following on-campus housing amenities:
    a. Study space
    b. Lounge/ recreation room / TV & media room
    c. Highly public, highly visible spaces to “see and be seen”
    d. Open spaces, possibly near the elevator, would create spontaneous interaction
    e. Convenience store / mini mart
    f. Coffee shop
    g. Computer lab
    h. Outdoor community space – brick outdoor pavers / green space
    i. 12 -month leases

10. When asked about housing in the Nicholson Gateway, participants said:
    a. The bus system is regularly used by people living in the Nicholson Apartments.
    b. The entire area would need to be changed. Safety is a primary concern, and a gated community, with good signage, and good lighting, should be considered. Participants also felt that activity from restaurants, retail, and entertainment in the Gateway would make the area feel safer.

11. Participants frequently mentioned the off-campus housing market as viable housing for students.
    a. Participants mentioned the cottage-style developments that offer shuttle service to campus, private bedrooms, a clubhouse with amenities, and “the biggest pools in Baton Rouge.” However, with all of the amenities, students mentioned that living close to campus was important. Students said that they would be interested in a housing option that offers both proximity and amenities.
    b. Participants noted that there is a difference between the cost of off-campus housing and the perception of cost. Students commonly mentioned that it was cheaper to live in the off-campus housing market, but they did not always factor in the approximately $150 per month that they spend on utilities. Once utilities were factored in, students mentioned that the rental rates in the off-campus market were fairly similar to the on-campus rates. Participants in the group credited the lack of marketing of an all-inclusive housing rate as the reason for this misperception.
    c. Participants mentioned private, single-occupancy bedrooms as an important factor in the their housing decisions.

12. Family and Graduate housing were mentioned in the group discussions.
    a. Graduate students mentioned that they prefer a 12-month lease term.
    b. University administrators mentioned that family housing is not profitable. As a result, during a previous Housing Master Plan the University made the decision to remove all family-housing options. However, due to safety concerns in the surrounding areas, the University has decided to continue provide housing for families indefinitely, regardless of the financial impact it will have on the housing system. The administrators in the group discussions mentioned a development of 150 apartments, with 100 two-bedroom units and 50 three-bedroom units, providing 350 bedrooms on campus. The administrators mentioned that the family housing development was not planned for the Nicholson Gateway.
    c. The University also mentioned the desire to accommodate graduate students and married students without children. Young adults should be accommodated in the Gateway Development in single-occupancy bedrooms within apartment-style units. The housing should be market rate and should be designed to accommodate the

students with disposable income who will also utilize the retail, restaurants, and entertainment planned for the district.

13. Workforce Housing
    a. Participants from the groups mentioned that a short-term housing option could help recruit and support visiting faculty members. A short-term option would be anything six months or less.
    b. Participants mentioned that for-sale condominiums should be considered for alumni and for faculty and staff members.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	External Facility Stakeholders
Date	April 18, 2012
Time	1:30 PM
Location	West Campus Apartment Activity Center
Attendees	LSU System, EBR Public Works, LA Facility Planning and Control, LA DOT, City Planning

FUNDING AND DEVLEOPMENT

- Capital Outlay follows an annual cycle begins every summer.
- The typical timeline for the design and construction of a project is 4-5 years following the State process vs. 2-2 ½ years through private development.
- Title 41 allows the university to lease the property to a private entity for up to 99 years.

TRANSPORTATION

- The City of Baton Rouge and the state DOT are discussing the possibility of the City taking over Nicholson Drive. The exact extent has not been determined.
- Nicholson Estates is a high density development in the planning phase. It is located at the former sewage plant and would be targeted towards young professionals.
- North South traffic in Baton Rouge constrained since there are few routes including Highland Avenue which is congested, River Road with only 2-lanes, and Nicholson. Shifting traffic to River Road would require significant improvements.
- Current 4-lane configuration should be adequate for all foreseeable traffic demands.
- There is a plan for a street car running down Nicholson. No money has been allocated.
- There is a potential for a new ramp leading to 1-10 east, but it will not pass environmental review.
- Development density can create traffic problems. City Place is an example of development of an appropriate density to accommodate traffic demand. Perkins Row is too dense so it has traffic problems.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

LAND USE REGULATIONS

- Being on state owned property, the project would not be governed by local zoning, but it the land is leased it may trigger a review. Need to verify what the underlying zoning.

OTHER COMMENTS

- Will Nicholson Gateway compete with North Gate?
- Does this project support the University Mission?

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	External Facility Stakeholders
Date	April 18, 2012
Time	1:30 PM
Location	West Campus Apartment Activity Center
Attendees	LSU System, EBR Public Works, LA Facility Planning and Control, LA DOT, City Planning

FUNDING AND DEVLEOPMENT

- Capital Outlay follows an annual cycle begins every summer.
- The typical timeline for the design and construction of a project is 4-5 years following the State process vs. 2-2 ½ years through private development.
- Title 41 allows the university to lease the property to a private entity for up to 99 years.

TRANSPORTATION

- The City of Baton Rouge and the state DOT are discussing the possibility of the City taking over Nicholson Drive. The exact extent has not been determined.
- Nicholson Estates is a high density development in the planning phase. It is located at the former sewage plant and would be targeted towards young professionals.
- North South traffic in Baton Rouge constrained since there are few routes including Highland Avenue which is congested, River Road with only 2-lanes, and Nicholson. Shifting traffic to River Road would require significant improvements.
- Current 4-lane configuration should be adequate for all foreseeable traffic demands.
- There is a plan for a street car running down Nicholson. No money has been allocated.
- There is a potential for a new ramp leading to 1-10 east, but it will not pass environmental review.
- Development density can create traffic problems. City Place is an example of development of an appropriate density to accommodate traffic demand. Perkins Row is too dense so it has traffic problems.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

LAND USE REGULATIONS

- Being on state owned property, the project would not be governed by local zoning, but it the land is leased it may trigger a review. Need to verify what the underlying zoning.

OTHER COMMENTS

- Will Nicholson Gateway compete with North Gate?
- Does this project support the University Mission?

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	Local Legislators
Date	April 18, 2012
Time	3:30 PM
Location	West Campus Apartment Activity Center

Attendees

CANCELLED

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	Town Hall Meeting
Date	April 18, 2012
Time	5:00 PM
Location	Caddo Room, Student Union
Attendees	Faculty, Staff, Students, Neighborhood Residents

- There is a need for additional grad / married student housing on campus
- The redevelopment of Nicholson needs meet and exceed ADA requirements for people with disabilities.
- General concern about the extent of truck traffic along Nicholson, and specific concern about trucks carrying chemicals and other hazardous materials. Crossing the street is not viewed as an easy thing.
- Interest in separate bike lanes along Nicholson.
- Interest in having a grocery store.
- Interest in having a public space to “hang out” – Discovery Green in Houston was noted as an example of public space that can be programmed.
- Northgate / Chimes was seen as a key destination, with stores such as Chipotle and 5 Guys going in soon
- Concerns of local residents who live north of campus along Nicholson. There was interest in a business incubator which could employ local residents
- Discussion of many university spaces which people are familiar with, but have not seen in years – Field House pool was noted as an example. The pool was suggested as a possible amenity to future residents in the area.
- Interest in Nicholson Gateway being family oriented. No bars.
- Provide activities and amenities for kids.
- Provide space for local businesses and not chain stores
- Understand opportunities for a university museum (history / sports)

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

- Attract a broad cross section of residents including seniors and families with young children. The seniors can provide child care, and the children can keep the seniors active.

- From a design standpoint, there was a sense that new development on the Nicholson site could be similar to established on-campus design standards

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	Selected Deans
Date	April 18, 2012
Time	9:00 AM
Location	Caddo Room, Student Union
Attendees	Art Architecture + Interior Design, Graduate School Administration

ART, ARCHITECTURE + INTERIOR DESIGN

- Art, Design, Architecture, and Landscape are divided among different facilities of varying quality. There is a desire to consolidate where possible and to improve adjacencies.
- There are no plans for expansion.
- There are currently no significant community outreach programs, or interdisciplinary pursuits.
- The Graduate Art walk is an event held every spring and fall to showcase the various art studios.

GRADUATE SCHOOL ADMINISTRATION

- The school is totally administrative providing support for the 70 graduate programs.
- Hines Hall has an art display that could potentially move to Nicholson.
- The administrative office could potentially relocate to a site outside the campus core, possibly to Nicholson.

GRADUATE STUDENTS PROFILE AND IDEAS

- With the goal to grow the University to 32,000 students, there is a need to increase the graduate enrollment by 20%. To accomplish this, the university will need more resources to subsidize the graduate students. Need to generate 2-3 million dollars with the Nicholson Gateway project to provide this income.
- 80% of graduate students are international with lower incomes and will need financial assistance with housing.
- Graduate student residents need a common space to counteract their tendency to cloister. This could include all night retail/services.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

- Graduate student families tend to have small children and no transportation. A public meeting space (50 seats) could provide a place for small lectures, receptions, and music space.
- Graduate students tend to bring their own lunch and have no meal plan.
- Graduate students are more likely to be on campus all year long.
- There are two types of graduate students: those with young families who need a sense of community, modern apartments far from the nighlife, and those who live in the lab and only want a quiet place to sleep.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 2

Subject	LSU Foundation, TAF and Alumni Association
Date	April 18, 2012
Time	10:00 AM
Location	Caddo Room, Student Union

- The goal: Make a big statement, create a beautiful place, introduce mixed use, and generate revue.

NICHOLSON GATEWAY- FINANCING

- A private entity can move the project more quickly. Take advantage of construction costs while they are down.
- Land lease for state owned land is typically 50 year but could be 99 year.
- All proceeds from parking during game day weekend turn over to TAF.
- State might have a role in funding a parking garage.
- Can a TIF work with new tax credits? Since land is tax exempts, TIF might require a tax in lieu.
- Structured parking would need to be built more economically than on campus, $10k per car vs. $17k per car.
- Georgia Tech Foundation is one model for implementation. They focus exclusively on real estate.
- Implementation entity needs to be slim and well managed with no politics, little governance, and a small group of decision makers.
- Revenue and profit should flow to the University and not the foundation.

NICHOLSON GATEWAY- IDEAS

- USC turns R.R. cars into game suites during games. Not everyone wants to have a tailgate for 50 people.
- Auburn provides pre-sold tailgate like condos. Need to provide a spot for this.
- A vista upon approach to the project could create a Disney-like feel and momentum.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

- Corporate partners such as McDonalds could provide funding
- A bridge under Nicholson styled like the one at Texas A+M is estimated at $4 million.
- Need more parking for sporting events.
- Create a Rodeo Strive experience linking the Baseball Stadium to Skip Bertman Drive.
- Alumni housing is not likely to work in this location- difficult to work financially.
- Need to concentrate impacts.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 3

Subject	Working Group
Date	June 6, 2012
Time	9:00-12:00
Location	International Room, LSU Student Union

MARKET ANALYSIS AND DEVELOPMENT PROGRAM

1. Sports museum would not likely be well supported and not a revenue generator. A Natural History Museum might be more successful.
2. Hotel may compete with the Cook Hotel. Not enough demand for both.
3. Certain entertainment uses may be restricted to University regulations. Alcohol sales may be permitted depending on the context. For instance, a white tablecloth restaurant may be ok, where a liquor store would not.
4. Speculative office space would likely not be permitted. Users would need to have some relationship with the university.

PROGRAM LOCATION PREFERENCE

1. Freshman and sophomore housing in best suited east of Nicholson near the academic core and residential services.
2. Family housing is not well suited for the gateway development. Better sites, such as the one south of Nicholson Extension, provide for more open space and privacy.
3. Nicholson apartments should be replaced with new housing for upperclassmen and graduate students
4. The mixed use development is best located on the corner of Nicholson and Skip Bertman. Additional commercial or university development could be located on the other corners of the intersection.
5. Generally space along the segment of the corridor south of Skip Bertman should be reserved for green space.
6. The plaza should be sited at the termination of North Stadium Drive.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Working Group
Date	July 17, 2012
Time	9:00-12:00
Location	International Room, LSU Student Union

IMPROVING NICHOLSON DISCUSSION

1. Athletics has plans to convert North Stadium Drive into a pedestrian plaza with limited vehicular access for service vehicles, bus traffic serving athletic events, and visitor parking.
2. Overpass over rail road track is likely not feasible due to conflict with the power lines that run along the western edge of the tracks.
3. General consensus was that option 2 or 2a was the preferred configuration, though option 1 might be best closer to the mixed use center where on-street parking could serve the retail.
4. Widening River Road and the streetcar would likely not happen for 10-20 years, therefore Nicholson streetscape/roadway improvements in the gateway area should be designed to accommodate these long term improvements without depending on them for short term success.
5. Will casino and peak hour traffic negatively impact the feasibility of traffic roundabouts? Likely not. Most casino traffic comes from the south and east and casino traffic tends to peak at different times than different general rush hour traffic.
6. Though the real bottle neck for Nicholson during game day occurs off-site, there is a desire to move traffic out of the university area so maintaining the 4-lane road is critical.
7. General preference for the roundabout at Aster rather than Chimes, as well as at Burbank.
8. General support for the 12’ bike path/sidewalk outside the line of Oak Trees.
9. A game day traffic bypass concept that would route traffic from the garage north through the resident parking was deemed as not a good idea since it would contribute to congestion around Chimes and Stadium, which is the primary exiting route for team busses to the highway.
10. Prefer option 2 for Nicholson which maintains 4 lanes and widens the median with no on-street parking.
11. Prefer roundabouts at Burbank and Aster.

DEVELOPMENT DISCUSSION

1. Housing location preference places freshman closest to the core, then sophomores, then juniors/seniors, then graduates. The preference is to keep sophmores in the area east of Nicholson. The preferred strategy for Nicholson is to push junior and senior housing out of the

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

core and into zone 1 of the Gateway area, and have the sophomores backfill the existing facilities.

2. The university housing mission should support the greater university goal to improve student retention, rather than simply trying to maximize housing profitability. Since freshman and sophomores have the lowest retention rates, every effort should be made to ensure they have the most positive social experience which has a direct relation to their location near the core of campus, as well as room arrangements that encourage socialization.
3. Due to locational advantages, there is built in demand for student housing that can compete with private off-campus housing, even with slightly higher prices and fewer amenities.
4. Modify all options to keep the north east and northwest corner of the development open to enhance the arrival experience to the campus.
5. The tennis courts will likely not be moved for 5 more years.
6. By fall 2015, something must be done to provide 330 freshman beds.
7. There are some staging concerns for completing the parking desk on the old softball field site since it will not be completed for 5-10 years.
8. It will take 5 years to receive a capital outlay for the sophomore housing.
9. The open courtyard housing configuration (“U” shape) depicted in option 1 were most popular, followed by option 3, closed courtyard. Though the openness of 1 was preferred, there were some concerns about perceived safety, though acknowledged that these might be addressed through gates and landscape treatment.
10. The option 2 housing configuration was generally seen as undesirable because it was too internally focused and presented too much of a closed building edge along Nicholson. The lack of development on the east side east side of Nicholson also exaggerated the separation of the west side of Nicholson from the rest of the campus.
11. The east-west greenway (old tennis courts) could be enhanced by lining one edge with housing. This would provide active uses along green, screen the Natatorium or Field House, and create a more cohesive housing precinct linking Nicholson Gateway with the housing community in the campus core.
12. The option 3 plaza configuration was generally preferred for the following reasons:
    a. Provides a gracious gesture that funnels pedestrian traffic to/from Skip Bertman to North Stadium Drive.
    b. Maintains partial views to the stadium.
    c. Has a smaller scale plaza that option 1 or 2.
    d. Provides a continuous building edge along the western face of the Stadium Plaza (West Stadium Lot).
    e. Provides street fronting retail at the intersection Nicholson and Skip Bertman.
    f. Provides a prominent location for a signature office building fronting Nicholson with great views to the stadium.
    g. Serves to capture commuters and fans in the retail environment on their way to or from the stadium/campus. For game day, this has the added benefit of delaying departures to alleviate some of the traffic congestion.
13. The preferred option for the foundation building would be option 1 or 3, since they work as a stand-alone building and are supported by nearby parking.

14. There was some support for elements of option 1 mixed use center, primarily the openness to the stadium view. However, the space seemed too large and open, especially when combined with the stadium plaza. Also, the traffic idling at the intersection would further divide the two plazas and create an undesirable view, and put less emphasis on the connection between Skip Bertman and N. Stadium Drive. Overall, option 1 was seen as the least desirable.
15. There was some support for elements of the option 2 mixed use center configuration, particularly the features it shared with option 3 such as the transition from Skip Bertman to North Stadium Drive, and the continuous architectural edge along Stadium Plaza (West Stadium Lot). There was also some support for a jumbotron that could potentially televise sporting events.
16. There was support for the Stadium Plaza concept so long as it did not reduce parking or game day operations.
17. There was general support for reserving S. Alex Box Lot for future development.
18. There was general support for a future commuter parking structure on the South Stadium lot that would be set back from Nicholson to allow for tailgating.
19. There was support for a narrow band of housing alongside the western edge of the Natatorium to screen the building and provide an active edge along the entry green.
20. The driveway along the western edge of the natatorium and the field house needs to be preserved to service those buildings.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Facility Design and Development Committee
Date	July 17, 2012
Time	1:30-3:00
Location	International Room, LSU Student Union

IMPROVING NICHOLSON DISCUSSION

1. How to deal with the hazard of chemical truck traffic?
2. River road expansion is impossible. The committee has been advocating for years.
3. Bump outs at parking are desirable.

DEVELOPMENT DISCUSSION

4. Like the stadium plaza to replace the west stadium lot.
5. Like the housing configuration of option 1.
6. Like maximizing the openness at north gate with no development in the northeast or northwest corner. The open space is valued for its aesthetic appeal rather than any functional purpose.
7. Like how the option 1 plaza opens to the stadium view.
8. Feel that the option 2 housing option feels isolated from the campus.
9. The Natatorium is a poor facility and could be replaced.
10. Despite the last campus master plan, Athletics will not relocate facilities to west campus for at least 2-3 decades.
11. Proposed student housing south of the greenway could introduce some retail space. This building would be built for sophomore, but initially house freshman. Sophomore housing might considered across the street if it was perceived to have strong connectivity with the rest of the campus, though it would be fairly distant from existing dining facilities.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Student Government and Resident Hall Association
Date	July 17, 2012
Time	3:00-4:30
Location	International Room, LSU Student Union

CANCELLED - No show.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Town Hall Meeting
Date	July 17, 2012
Time	5:00-6:00
Location	LSU Student Union

1. How will you ensure that there are local stores and not just national chains? Not yet addressed, too early in the process to address these specifics. Generally, larger national chains subsidize local stores.
2. How will you avoid making this development too much about sports? This development will be about sports, but will have everyday community attractions as well.
3. Who is really behind this effort? Where is the documentation for all these meetings? Why aren't they posted and publicly accessible? The university is behind the effort in order to make better use and improve the image of the corridor. Meeting documentation is available upon request.
4. What will the experience be like for students? How will it be different from what they have now? The experience will be improved with access to shopping, activities, parks, etc.
5. Why didn't you proposed rerouting Nicholson to the west along the tracks to improve connectivity between with the campus? The rerouting solution was carefully considered and rejected because of cost, reduced development potential, poor visibility to retail, and difficulty phasing.
6. Was tree moving considered? Yes but on a selective basis.
7. Will this development replace all of existing graduate housing on-site? Too early in the process to be sure.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	LA DOT (parish traffic was no show)
Date	July 17, 2012
Time	9:15-11:30
Location	International Room, LSU Student Union

1. Nicholson road carries 25,000-35,000 cars/day.
2. New pedestrian crossings can be justified if they carry 40 pedestrians/ hour. Less foot traffic causes drivers to assume the walk will not be used and to ignore the crosswalk.
3. How long will it take to transfer Nicholson to a local road? The decision will probably not happen till after the election.
4. Hawk signals at pedestrian crossings are not currently on the books but would be considered.
5. In general, try to separate pedestrian crossing at new drives to avoid conflicts.
6. Limit access to drives along Nicholson. Left in, right in, right out works, as most crashes happen with left out.
7. Since River Road is not a state route, it is up to the city/parish to improve River Road.
8. If the city were to take control of Nicholson, it could potentially remove the truck route designation.
9. Currently River Road is the preferred truck route for industries to the south to cross the river. These are shorter than the highway route.
10. New traffic signals at Aster and McKinley are currently under study. These would replace the light at Roosevelt.
11. There are plans to eliminate them median intersection break at Chimes.
12. There is currently not pedestrian crossing at Burbank and Chimes due because crossing the pavement would require too long a cycle for the walk signal.
13. A roundabout constructed at Burbank and Nicholson may be possible, but would be at near the limit of traffic capacity. A roundabout at the Nicholson Extension would be easier to accommodate. The roundabout construction could incorporate a pedestrian tunnel. Pedestrian traffic could also be diverted to a midblock location with a hawk signal. It is possible to have roundabouts at both Burbank and Nicholson Extension.
14. Aster is another potential location for a 2 lane roundabout, though it would require property acquisition which would require more time to implement.
15. Roundabouts are possible at North Stadium or Chimes but would consume too much space and present barriers to pedestrian traffic.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

16. Trees must be set back 2’ from the outside diameter of the tree to the back of curb.
17. There would need to be a left turn lane at North Stadium Dr. to allow for access to the development. Any left turn lane would require 370’ including a 165’ taper, 155’ deceleration zone, and 50’ queue.
18. There would be room for two hawk signalized pedestrians along the stretch of Nicholson between north gate and North Stadium, one at the planned greenway, and one approximate 600’ to the south.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Future BR Team, LSU System, Resident Life
Date	July 17, 2012
Time	3:30-4:30
Location	LSU Student Union

1. Consider adding a health club to the mixed use center like “Curves” or “Anytime Fitness”
2. Will computer infrastructure be provided with the student housing? Yes.
3. Like the student housing configuration of option 1 and the mixed use center configuration of option 3.
4. Concerned that a pedestrian tunnel (specifically at the proposed Burbank roundabout) would be perceived as unsafe.
5.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	City Chamber of Commerce (other invited elected officials- no show)
Date	July 18, 2012
Time	4:00-5:00
Location	LSU Student Union

1. Will the office space planned for the development be available for non-university tenants? Generally no, unless they can demonstrate some relationship with the university.
2. Corporate sponsors desiring space in the office building would be ok.
3. Overall development costs had been estimated at $450 million prior to the study.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Steering Committee
Date	July 19, 2012
Time	9:00-11:00
Location	International Room, LSU Student Union

1. General agreement on the preferred Nicholson Road arrangement including:
    a. From Northgate to North Stadium- Option 2, widened median, 4 lanes.
    b. From North Stadium to Stadium- Option 1, add on-street parking to support street fronting retail.
    c. Add 2 lane roundabouts at Burbank and Nicholson Extension
2. General agreement on preferred development arrangement based on:
    a. Option 1 housing configuration, open courtyards facing Nicholson, was preferred.
    b. Preserving open space around the north gate- no development in the northeast corner, though there could be a narrow band of development set back from the road that would mask the Natatorium.
    c. Add a band of housing development to one side of the proposed greenway (old tennis courts). This development would serve to produce a more comfortably scaled open space; bring active uses along the edges; create more connectivity between the east and west housing communities; and mask unsightly buildings.
    d. Natatorium should be considered for long term redevelopment (10+ years)
    e. Removing some surface parking along the Track Stadium to provide for a more generous landscape buffer along Nicholson. This parking would need to be replaced in a parking structure.
    f. Option 3 mixed use center layout was preferred.
3. Discussed merits of two visitor center locations. Option 1, at Burbank site would provide for a place for students to orient to the campus without being overwhelmed. Option 2, integrated into the mixed use district, would place visitors in the action and be more centrally located.
4. TIF District has potential as a financing mechanism.
5. Need more detail on the mixed income development. What are the assumed retail rents? More information will be available in the coming weeks.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

6. Need to describe long term land use recommendations for the corridor outside of zone 1 including:
    a. New commuter parking structure in the south stadium lot.
    b. Opportunity site for natural history museum or other use at Old Alex Box South Lot.
    c. Opportunity site for visitor center, retail, or other use at site immediately south of Nicholson and Burbank.
    d. Family Housing site in the area south of Nicholson Drive Extension.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 4

Subject	Senior Leadership
Date	July 19, 2012
Time	2:00-3:30
Location	

1. Was student housing required to be part of the mix? No, but it was considered to be one of the highest and best uses since market demand for other commercial components could be adequately accommodated on site.
2. Could the student housing be developed more densely? Could the buildings go higher? Current configuration at 4-5 stories maximizes the cost/revenue. Taller building
3. General agreement on preferred development arrangement based on:
    a. Option 1 housing configuration, open courtyards facing Nicholson.
    b. Preserving open space around the north gate- no development in the northeast corner, though there could be a narrow band of development set back from the road that would mask the Natatorium.
    c. Add a band of housing development to one side of the proposed greenway (old tennis courts). This development would serve to produce a more comfortably scaled open space; bring active uses along the edges; create more connectivity between the east and west housing communities; and mask unsightly buildings.
    d. Option 3 mixed use center layout.
4. Discussed merits of incorporating the proposed LSU Foundation office building into the mixed use development rather than on a separate site (South Alex Box Lot). The proposed building would be a stand-alone building in a signature location that would house the foundation offices along with multiple LSU tenants. It could feature a grand lobby on the ground floor and potentially have some ground floor retail.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Nicholson Working Group
Date	September 18, 2012
Time	8:00-9:30am
Location	International Room, LSU Student Union

RESPONSE TO DRAFT PLAN

1. Why not introduce taller buildings? Could multi-story residential buildings be located on top of the parking structure, capitalizing on views to the Mississippi River? Response: The anticipated residential demand does fits within the 4 story height limit. Also, according to current best practices, taller residential buildings are not conducive to creating “communities.”
2. The proposed plaza could be used as a plaza for the Arts with a coffee house, amphitheater and stage.
3. Concerned about cut through traffic on the North Stadium Drive extension. Will cut through traffic disrupt the character and connectivity of the mixed use center? Response: North Stadium Drive has been designed to minimize through traffic and has limited access. Some cut through traffic is desirable in order to provide visibility to the retail users. However the road will be designed to so slow traffic by providing relatively narrow traffic lanes and on street parking.
4. The development could include a Publix like at Georgia Tech.
5. Scale of proposed public spaces in the proposed plan seem to have a similar scale to the existing quad spaces in the core campus.
6. There was general support for the proposed plan.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	City and State Facility and Traffic Agencies
Date	September 18, 2012
Time	9:45-10:45 am
Location	International Room, LSU Student Union

RESPONSE TO DRAFT PLAN

1. Traffic Lanes on Nicholson Drive should be increased from 10.5' to 11' minimum.
2. Is the proposed plan consistent with the LSU 2003 Master Plan? Response: The plan is generally consistent with the overall Master Plan; however a number of circumstances had changed within the study area. Whereas the Master Plan had determined the best use for the Corridor was surface parking for commuters, the University had adopted a new vision for the corridor that take better advantage of the corridor to improve the campus image, accommodate new growth, serve the housing mission. This study was commissioned based on the new vision.
3. Concerned about cut through traffic on the North Stadium Drive extension. Will cut through traffic disrupt the character and connectivity of the mixed use center? Response: North Stadium Drive has been designed to minimize through traffic and has limited access. Some cut through traffic is desirable in order to provide visibility to the retail users. However the road will be designed to so slow traffic by providing relatively narrow traffic lanes and on street parking.
4. Provide multi-purpose pathways on both sides of Nicholson, consistent with the City of Baton Rouge plan.
5. The path down Nicholson Drive to Skip Bertman Drive and the levee pathway will be a primary route for higher speed bike traffic.
6. Consider relocating the rail road crossing between Skip Bertman Drive and the Nicholson Extension so that is will align with the proposed pedestrian crossing.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	FuturEBR Team
Date	September 18, 2012
Time	11:00-12:00 am
Location	International Room, LSU Student Union

RESPONSE TO DRAFT PLAN

1. Has there been a traffic study for the proposed traffic rotary at Burbank Drive? Response: Only at a planning level.
2. The proposed improvements of Nicholson Drive should coordinate with the EBR Great Streets study that is currently underway.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Facility Design and Development Committee
Date	September 18, 2012
Time	1:30-2:30 pm
Location	International Room, LSU Student Union

RESPONSE TO DRAFT PLAN

1. Consider adding another HAWK light south of the proposed Burbank Drive rotary to facilitate pedestrian crossings.
2. Concerned about busses navigating the proposed rotaries

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Facility Design and Development Committee
Date	September 18, 2012
Time	2:45-3:45 pm
Location	International Room, LSU Student Union

RESPONSE TO DRAFT PLAN

1. Bike path/pedestrian crossing is a concern.
2. There should be a phased plan for landscape improvements along the proposed east-west greenway (tennis court site).
3. Need to balance financial subsidies with returns.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Local Elected Officials
Date	September 18, 2012
Time	4:00-5:00 pm
Location	International Room, LSU Student Union

NO SHOW

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Financial Presentation
Date	September 19, 2012
Attendees	Steering Committee, Donna Torres, Bob Kuhn, Tony Lombardo
Time	8:30-10:30 pm
Location	International Room, LSU Student Union

FINANCIAL AND IMPLEMENTATION STRATEGY REVIEW

1. Potential for new market tax credits
2. University Partnerships need to balance revenue generation with development controls. For instance Penn State exercises a lot of control.
3. LSU will need to develop an RFP to attract top developers. There could potentially be a different developer for each phase.
4. LSU needs to develop a decision tree that determines the degree of university control, financial leverage, mission, debt, etc.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Steering Committee Wrap Up
Date	September 19, 2012
Time	10:45-11:45 pm
Location	Chancellors Conference Room, Thomas Boyd Hall

PLAN REVIEW

1. The committee needs time to digest the number and understand the theories.
2. Consider phasing scenarios

NEXT STEPS

1. Frame up a few plausible development scenarios including variables such as risk/reward, who pays for what, ownership, controls, etc. Include 10 year cash flow projection for each scenario.
2. Provide additional information to inform the decision.
3. Define key questions in the decision tree.
4. Define next steps in the development process.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

AECOM
303 East Wacker Dr.
Suite 900
Chicago, IL 60601
www.aecom.com/changingworld

312 373 6514 tel
312 373 6520 fax

Meeting Minutes- Visit 5

Subject	Senior Leadership Debrief
Date	September 19, 2012
Attendees	Chancellor Jenkins, Eric Monday, G. Lee Griffin, Steve Waller
Time	2:00-3:00 pm
Location	Chancellors Conference Room, Thomas Boyd Hall

PLAN REVIEW

1. A number of universities and foundations have served as master developers for projects similar to Nicholson Gateway including University of Kentucky, and University of Arizona.
2. Should all student housing be developed privately? No. Freshman housing is valuable as a long term revenue source. LSU's housing financials are very competitive with other state universities. However, upperclassmen housing including juniors and seniors may be better served with private sector housing.

This transmission is confidential and intended solely for the person or organization to whom it is addressed. It may contain privileged and confidential information. If you are not the intended recipient, you should not copy, distribute or take any action in reliance on it.

RECOMMENDATION TO APPROVE A GROUND LEASE FOR CONSTRUCTION OF THE LSU FOUNDATION BUILDING

TO: Members of the Board of Supervisors

Date: February 1, 2013

Pursuant to Article VII, Section 8, D.2(a) and (b) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter".

D.2(a)The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights of way, servitudes, or other immovable property owned or controlled by LSU.

D.2(b) Any contract or series of related contracts for the design, construction, repair, or renovation of any building or other structure involving a total of $500,000 or more.

1. Summary of Matter

Foundation Office Building, LLC ("Company"), a Louisiana limited liability company organized by its sole member, the LSU Property Foundation, requests approval to enter into a Ground Lease with LSU for construction of The LSU Foundation Building to be located on the Northwest corner of Nicholson Drive and Skip Bertman Drive on the LSU campus.

The proposed Ground Lease provides for an "Inspection Period" of approximately six months during which Company shall, at Company's sole expense, work in good faith with LSU to perform certain tasks including but not limited to: inspect the land, provide for boundary surveys and other site inspections, substantially complete design, finalize financing, confirm the site plan for the building and the terms upon which LSU will lease a portion of the building from Company. In the event that Company determines the property is not appropriate for its use or completion of the project is not feasible, Company may terminate the Ground Lease upon written notice to LSU prior to expiration of the Inspection Period.

In the event that Company wishes to proceed with the project, the Ground Lease will obligate Company to design and construct, at Company's sole expense, a new office building consisting of approximately 50,000 square feet, to be known as the "LSU Foundation Building". Construction will be in accordance with applicable LSU Design Standards and Plans and Specifications approved by the President of LSU or his designee. The schematic design will be presented to the Board for approval at the appropriate time in accordance with normal requirements.

The LSU Foundation Building will be used as the primary business office for the LSU Foundation and its affiliated entities (including Company) and as office space available for lease to certain LSU administrative units and/or third parties in accordance with the terms of leases approved by the President of LSU and/or the Board of Supervisors in accordance with the Board's Bylaws and all applicable laws, policies and procedures.

The term of the Ground Lease includes a primary term of 40 years with two separate and successive options to renew the Ground Lease, the first renewal term being for a period of 30 years and the second being for a period of 25 years. During the term of the Ground Lease, the leased land and all improvements constructed thereon will be operated and maintained by Company and at Company's expense and the Company will pay LSU annual rentals in the following amounts: during the primary term, $5,000 annually; during the first renewal term, $7,000 annually; and, during the second renewal term, $9,000 annually.

Pending completion of design and accomplishment of site inspections and other tasks to be undertaken during the Inspection Period, the current estimated cost for design and construction of all improvements (including both "hard" costs and "soft" costs) is Twenty Million Dollars ($20,000,000). Total costs and expenses shall be paid by the Company from sources including loans, tax credits, other financial arrangements and/or private contributions donated for the purpose of supporting the design, construction and related expenses associated with the project.

The Ground Lease proposes that the work on the site will commence on or before November 1, 2013, and the Company will make best efforts to achieve Substantial Completion of the work on or before December 31, 2014, but in any event to achieve Final Completion of the work on or before December 31, 2015. Construction shall not commence until the LSU Representative has given written notice to commence and his written approval to the plans and specifications.

2. Review of Business Plan

Company has or will obtain sufficient funds for payment of all expenses incurred by Company in connection with the design and construction of the proposed improvements. The terms of any financing arrangements associated with the project are subject to review and approval by the President of LSU during the Inspection Period and prior to the commencement of any work.

3. Fiscal Impact

Pursuant to the terms of the Ground Lease, the leased land and all improvements constructed thereon will be operated and maintained by Company, at Company's expense and the Company will pay LSU annual rentals in the following amounts: during the primary term, $5,000 annually; during the first renewal term, $7,000 annually; and, during the second renewal term, $9,000.

Pending completion of design and accomplishment of site inspections and other tasks to be undertaken during the Inspection Period, the current estimated cost for design and construction (including both "hard" costs and "soft" costs) of all improvements is Twenty Million Dollars ($20,000,000). The estimated amount may be increased by up to twenty percent with the written consent of Company and the LSU Representative. All costs and expenses shall be paid by Company from private funds.

4. Description of Competitive Process

Construction Contract(s) will be negotiated between Company and contractor(s) following Company's receipt of competitive bids and/or proposals.

5. Review of Legal Documents

Pursuant to the terms of the proposed Ground Lease, LSU will grant to Company and its contractors rights of access and use of LSU property in order to facilitate the construction. The proposed Ground Lease includes provisions requiring that: construction must be at Company's expense; Construction Contracts must be approved by the LSU Representative; Contractors must be licensed in Louisiana and provide labor and materials payment bonds for the full amount of the Construction Contract naming Company and the LSU Board of Supervisors as co-obligees; Contractors must provide specific insurance in certain minimum amounts naming the LSU Board of Supervisors as an additional insured; and, Plans and Specifications along with any addendums must be approved by the LSU Representative prior to commencement of Construction and any change orders after construction has commenced.

6. Parties of Interest

The LSU Foundation, the LSU Property Foundation and Company.

7. Related Transactions

Company will enter into written contracts for construction with Louisiana licensed contractors.

8. Conflicts of Interest

None

ATTACHMENTS:

- Letter from Vice Chancellor Monday
- Proposed Ground Lease with Company **(Available on LSU System website)**
- Foundation Building Site Plan

RECOMMENDATION

It is recommended that the Board adopt the following resolution:

"**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, interim President of the Louisiana State University System, or his designee, is authorized on behalf of and in the name of the Board of Supervisors to execute a Ground Lease between the Board of Supervisors and Foundation Office Building, LLC, for construction of The LSU Foundation Building and related improvements, and to include in the Ground Lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."

LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

To: William L. Jenkins
Interim President

Date: December 21, 2012

From: Eric N. Monday
Vice Chancellor for
Finance & Administrative Services and CFO

Subject: Board Submission of a Recommendation to Approve a Ground Lease for Construction of the LSU Foundation Building

The enclosed submission regarding a Recommendation to Approve a Ground Lease for Construction of the LSU Foundation Building is being provided for review and submittal to be placed on the agenda for the February 1, 2013 meeting of the Board of Supervisors.

Review by the FDDC is not required at this time because this is for approval only of a proposed ground lease, not for approval of the schematics for the building design.

Thank you for your assistance.

Institutional Approval- Eric N. Monday for William L. Jenkins:

ENCLOSURES

LEASE AGREEMENT FOR CONSTRUCTION OF

THE LSU FOUNDATION BUILDING

TABLE OF CONTENTS

Certain Terms Defined		3 - 8
Article I	**Lease of the Land**	8
Article II	**Term**	9
Article III	**Inspection Period**	9 - 11
3.1	Objectives During the Inspection Period	9 - 11
3.2	Termination Rights During the Inspection Period	11
Article IV	**Consideration**	11 - 12
Article V	**Agreement to Construct Improvements**	12 – 13
5.1	Construction Per Plans and Specifications and Cost	12
5.2	Compliance with Certain Statutes	12 - 13
Article VI	**Construction**	13 – 20
6.1	Guidelines for Construction	13 – 20
	A. Plans and Specifications / Change Orders	13 – 16
	B. Commencement and Completion	16
	C. Construction Contract	16 - 17
	D. Payment and Performance Bond	17 - 18
	E. Rights Concerning the Land During Construction	18
	F. Temporary Rights of Passage and Use During Construction	18
	G. LSU Rules and Regulations; Access During Construction	18 – 19
	H. Signage	19
	I. Acceptance of Construction	19
	J. Funds for Construction	19
	K. On Site Construction Inspector	19 - 20
	L. No Liens; Release of Recorded Liens	20

6.2	Protection of Trees and Utility Lines	20
Article VII	**Use, Maintenance and Repairs**	20 - 23
7.1	Use	20 - 21
7.2	Prohibited Uses	21
7.3	Utilities	21
7.4	Operating Expenses	21
7.5	Maintenance and Repairs	21
7.6	Alteration, Renovation or Remodeling Following Final Completion	22 - 23
7.7	Mineral Exploration and Production	23
7.8	Waiver and Disclaimer of Warranties	23
Article VIII	**Insurance**	23 - 28
8.1	Required Insurance	23 - 25
8.2	Additional Insurance Requirement During the Work	24 - 26
	A. Builder's Risk Insurance	25
	B. General Liability and Property Damage Insurance	25 - 26
	C. Architect's Design, Errors and Omissions	26
	D. Pollution Liability	26
8.3	Required Insurance Shall be Primary	26
8.4	Failure to Comply with Reporting Requirements	27
8.5	Application of Multiple Policies	27
8.6	No Release	27
8.7	No Recourse	27
8.8	Excess Insurance	27
8.9	Deductibles and SIRs	27

8.10	No Special Limitations	27
8.11	Occurrence Based Policies	27
8.12	Verification of Coverage	27 - 28
8.13	Additional Insureds	28
8.14	Additional Insurance	28
8.15	Blanket Policies	28
8.16	Limitation on Liability	28
Article IX	**Operating Rights Following Substantial Completion**	29 - 30
9.1	Normal Business Operations	29
9.2	Parking	29
9.3	Game Day Activities	29 - 30
Article X	**Disposition of Improvements Following Termination**	30
Article XI	**Indemnification**	30 - 31
11.1	Indemnification by Company	30 - 31
11.2	Indemnification by Board	31
Article X11	**Notices**	31 - 32
Article XIII	**Company Default**	32 - 35
13.1	Company Events of Default	32 – 34
13.2	Board Rights Upon Company Default	34 - 35
Article XIV	**Board Default**	35
Article XV	**Condemnation**	35 - 37
15.1	Condemnation of All Improvements	35 - 36
15.2	Partial Condemnation	36
15.3	Payment of Awards	36
15.4	Repair After Condemnation	36 - 37

Article XVI Miscellaneous 37 - 43

16.1 Relationship of the Parties 37

16.2 Attorney Fees 37

16.3 Louisiana Law to Apply 37

16.4 Non-Waiver 37 - 38

16.5 Severability 38

16.6 Authorization 38

16.7 Name, Logo, or Marks 38

16.8 Amendments 38

16.9 Assignment and Sub-Letting 38

16.10 Books, Records and Audit 38 - 39

16.11 Successors and Assigns 39

16.12 Notice of Lease 39

16.13 Entire Agreement 39

16.14 Change in Circumstances of the Land 39 - 40

16.15 Subordination 39 - 40

16.16 Acknowledgment of Naming Rights 40

16.17 Maintenance and Progress of Surrounding Areas 40

16.18 Company Property and Subordination of the Board's Privilege 40 - 41

16.19 Financing of Work and Prohibition Against Transfer 41 - 42

16.20 Leasehold Mortgage 42

16.21 Representations and Warranties of the Parties 42 - 43

16.22 Force Majeure 43 - 44

Signature Pages 45

Acknowledgment of LSU 46

Acknowledgment of Company 47

Exhibit “A” Ground Lease Area 48

Exhibit “B” Notice of Lease 49

LEASE AGREEMENT FOR CONSTRUCTION OF THE LSU FOUNDATION BUILDING

THIS LEASE AGREEMENT FOR CONSTRUCTION OF THE LSU FOUNDATION BUILDING ("Agreement") is entered into as of the dates indicated on the attached acknowledgments by and between,

> **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (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 William L. Jenkins, Interim President of LSU, duly authorized and empowered by resolution of the Board,
>
> **and**
>
> **FOUNDATION OFFICE BUILDING, LLC** ("Company"), a Louisiana limited liability company organized by its sole member, the LSU Property Foundation, and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, herein appearing through and represented by G. Lee Griffin, its duly authorized manager (hereinafter referred to as "Company"),

provides as follows:

WHEREAS, Board is the owner of those certain tracts of immovable property located in the Parish of East Baton Rouge on the campus of Louisiana State University and Agricultural and Mechanical College (the "University"), as more fully described on Exhibit "A";

WHEREAS, Louisiana Revised Statute 17:3361 expressly authorizes the Board to lease immovable property to a nonprofit entity such as Company for the purpose of constructing and renovating buildings, other structures, and improvements;

WHEREAS, the Company is a single-member limited liability company operated on a non-profit basis, disregarded for tax purposes only, and formed by the LSU Property Foundation (the "Foundation"), a nonprofit 501(c)(3) corporation whose tax exempt purpose is to support the mission and programs of the University, the Paul M. Hebert Law Center, the Louisiana State

University AgCenter and the Louisiana State University System (the University, the Law Center, the AgCenter and the System are referred to collectively as "LSU");

WHEREAS, the Company desires to design, construct, furnish, equip, operate and maintain a building, to be known as the "LSU Foundation Building," and related improvements on the Land, as hereinafter defined, which improvements are to be used as the primary business office for the LSU Foundation and its affiliated entities (including Foundation) and as space available for lease to certain LSU and/or University administrative units and/or third parties in accordance with the terms of Authorized Subleases, as hereinafter defined;

WHEREAS, designing, constructing, furnishing, equipping, operating and using the building and related improvements for the purposes indicated will promote the mission and tax-exempt purpose of the Foundation and its affiliates by: permitting the LSU Foundation and its affiliates to realize greater operating efficiency by consolidating all business operations in a single location; encouraging fund raising activities by promoting the LSU Foundation's brand as well as its status as the academic fundraising arm of LSU's academic programs; and providing new space available for lease by LSU and/or University administrative units;

WHEREAS, the Company will design, construct, furnish, equip, operate and maintain the building and related improvements on the Land, as hereinafter defined, at the Company's sole expense in accordance with approved plans and specifications and applicable Board and University design standards;

WHEREAS, the Board desires to grant to the Company a ground lease and certain rights of use and access in order to facilitate the design, construction, furnishing, equipping, operation and use of the building and related improvements for the purposes described herein; and,

WHEREAS, the buildings and improvements to be constructed by the Company pursuant to the terms of this Agreement will, at Board's option, be removed by the Company upon the expiration of and in accordance with the terms of this Agreement.

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

CERTAIN TERMS DEFINED

"**Applicable Laws**," refers to all laws, statutes, rules, regulations, ordinances, resolutions and orders of any Governmental Authority, including but not limited to applicable rules and regulations of Board, applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or any third parties.

"**Architect**," refers to any architect and other design professional, including their permitted successors and assigns, engaged by Company to perform architectural or design services with respect to any phase of the design and/or construction of the Improvements or any substitute or successor architect or other design professional engaged by Company.

"**Authorized Subleases**," refers to leases and subleases of the Improvements entered into by Company and approved by Board or the LSU Representative, including but not limited to leases and subleases of the Improvements to Board and Company Affiliates.

"**Award**," refers to 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.

"**Business Day**" refers to a day excluding Saturday, Sunday, and any Holiday.

"**Company Affiliates**," refers to the LSU Property Foundation, the LSU Foundation, their subsidiaries, including but not limited to single member limited liability companies formed by either.

"**Commencement Date**" refers to the first day of the Primary Term of the lease granted pursuant to the terms of this Agreement (the "Lease"), which unless extended as provided for in Section 3.1 of this Agreement shall be the earlier of November 1, 2013, or the first calendar day of the first month following the LSU Representative's receipt of written notice from the

Company that Company has satisfactorily completed all inspections and other activities that Company deems necessary and appropriate prior to commencement of the Primary Term.

"**Construction Contract**," refers to one or more agreements for the construction of the Improvements entered into by and between the Company and the Contractor, including all amendments, modifications, exhibits, schedules, supplements and change orders to all such agreements.

"**Contractor or Contractors**," refers to the contractor or contractors selected by Company to construct the Improvements and their permitted successors and assigns.

"**Debt**," refers to any indebtedness that is incurred by Company or Company Affiliates for the purpose of constructing the Improvements in accordance with this Agreement or for the purpose of maintaining, improving and/or enhancing the value of the Land and/or the Improvements and is approved in writing by the President of the LSU System in accordance with the requirements of Sections 16.19 and/or 16.20 of this Agreement.

"**Effective Date**," refers to May 1, 2013, or the date upon which all of the following have occurred, whichever is later: (a) this Agreement is executed and delivered by the parties hereto, and (b) all necessary approvals of this Agreement, as required by Applicable Laws, are obtained.

"**Final Completion**," refers to the date or dates on which (a) the Architect has certified to the Company and the LSU Representative that the Work (or any portion of the Work), which is the subject of the certification, has been completed in accordance with the Plans and Specifications and (b) either all Punch List items have been completed to the satisfaction of the LSU Representative or sufficient sums necessary for completion of the Punch List items have been placed in escrow or otherwise provided for, and (c) the delivery to the LSU Representative of either (i) a clear lien certificate as to the Work which is the subject of the certificate, which certificate has been obtained from the proper parish clerk's office or (ii) evidence is presented, satisfactory to the LSU Representative that there are no liens (evidenced by lien waivers from the

Contractor, subcontractors and suppliers) or if liens have been filed, that any liens against the Work have been adequately bonded.

"**Force Majeure**," refers to any (a) act of God, lightning, hurricane, tornado, and other extraordinarily adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance; (b) labor dispute, strike, work slow down or work stopped; and, (c) any other similar cause or similar event beyond the reasonable control of the Company.

"**Game Day**," refers to any calendar day on which University's football team plays a varsity football game in Tiger Stadium, including the spring intersquad scrimmage game, or a calendar day on which University holds an event in Tiger Stadium either related to or promoting its varsity football program or other event for which admission is charged.

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

"**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, or, for all purposes other than the calculation of Business Days in connection with Sections 6.1A or 6.1C of this Agreement, a day on which Board or University is closed.

"**Improvements**," refers to the proposed LSU Foundation Building and all related improvements required to be constructed by Company on the Land in accordance with the Plans and Specifications and the terms of this Agreement including, but not limited to, the following: a building containing approximately 50,000 square feet of usable space, including lobby, elevators, conference rooms, offices, parking and related improvements.

"**Inspection Period**," refers to that period of time prior to the Commencement Date during which the Company may perform such inspections and other activities that it deems necessary to achieve objectives set forth in Article III hereof.

"**Land,**" refers to the immovable property, together with any buildings, structures or improvements located thereon, and all rights, ways and privileges pertaining thereto, depicted on the diagram entitled "Ground Lease Area" and attached hereto as Exhibit "A". Exhibit "A" may be amended from time-to-time upon written agreement of the President of the LSU System and the Company.

"**Lease**," refers to the lease of the Land by Board to Company pursuant to this Agreement.

"**LSU**", as defined on page 2 of this Agreement, collectively refers to Louisiana State University and Agricultural and Mechanical College, the Paul M. Hebert Law Center, the Louisiana State University AgCenter and the Louisiana State University System.

"**LSU Foundation Building**" refers to the name of the building to be constructed by Company on the Land as part of the Improvements.

"**LSU Representative**," refers to one or more of the persons designated and authorized in writing by Board to represent Board in exercising Board's rights and performing Board's obligations under this Agreement. Commencing on the Effective Date and continuing through Final Completion of all Work, the LSU Representative shall be the President of the LSU System or his designees; thereafter, except as otherwise set forth herein, unless otherwise provided by the President of LSU, the LSU Representative shall be the University's chief administrative officer, which as of the date of execution of this Agreement is the Vice Chancellor for Finance and Administrative Services and CFO of the University, or his designees.

"**Payment and Performance Bonds**," refers to the payment and performance bonds required in connection with performance of the Work and described in Section 6.1D of this Agreement.

"**Permitted Uses**," refers to authorized uses of the Land and Improvements by Company, Company Affiliates and tenants under Authorized Subleases, contemplated by the Board in connection with its approval of this Agreement, which uses are limited to: (a) construction of the Improvements for use as the principal business office of the LSU Foundation; (b) occupancy of the Improvements by Company, Company Affiliates and tenants, including LSU, pursuant to the terms of Authorized Subleases; (c) all uses reasonably related thereto; and, (d) such other uses as may be agreed to from time to time in writing by Company and the LSU Representative.

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

"**Plans and Specifications**," refers to one or more sets of final plans and specifications, including a final site plan and any amendments thereto, for design of the Improvements, materials selection and method of construction for the construction of the Improvements and for all Work related thereto, which have been approved, in writing, by the LSU Representative.

"**Primary Term**," refers to the initial term of the Lease commencing as of the Commencement Date as described in Article II of this Agreement.

"**Punch List**," refers to a list prepared by the Architect and approved by the University Construction Monitor and the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion, prior to Final Completion.

"**Renewal Term**," refers to each of two separate and successive periods of time for which the Lease may be renewed as described in Article II of this Agreement.

"**Substantial Completion**," refers to the date or dates on which (a) the Architect has certified to Company that all Work (or, if approved by the University 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 University Construction Monitor and the LSU Representative have given written approval of the Architect's certificate, which approval shall not be unreasonably delayed,

withheld or conditioned, and (c) governmental certificates and approvals required to allow beneficial use and occupancy of the Improvements by the Company have been obtained, including, but not limited to, a Certificate of Occupancy (whether temporary or final) and State Fire Marshal approval.

"**Taking**," refers to 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.

"**Term,**" collectively refers to the Primary Term of the Lease together with any Renewal Terms to the extent exercised.

"**University Construction Monitor**," one or more University employees possessing appropriate qualifications, education and experience designated and authorized in writing from time to time by the President of the LSU System or his designee to monitor Company's construction progress during the construction phase of the Work. The initial University Construction Monitor shall be the University's Executive Director for Facility Services.

"**Work**," refers to all work and activities required to be undertaken by Company in order to construct the Improvements including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the construction of Improvements on the Land and all necessary utility placements, relocations, tie-ins and upgrades.

ARTICLE I
LEASE OF THE LAND

In consideration of the covenants, agreements, and conditions herein set forth, which the Company hereby agrees shall be kept and performed, the Board hereby leases the Land unto the Company, and the Company does hereby lease the Land from the Board.

ARTICLE II
TERM

The term of this Agreement shall begin on the Effective Date and continue through the date upon which the Lease is terminated. Unless sooner terminated as herein provided, the Primary Term of the Lease shall be and continue in full force and effect for an initial term of forty (40) years, beginning on the Commencement Date, with two (2) separate and successive options to renew the Lease, the first such Renewal Term being for a period of thirty (30) years and the second such Renewal Term being for a period of twenty-five (25) years (for a total possible Term of up to ninety-five (95) consecutive years). In the event and on each occasion that the Company desires to renew the Lease for a Renewal Term, provided the Company is not then in default, the Company at its sole option may exercise, and shall be deemed to have exercised, its right to renew the Lease for a Renewal Term unless at least ninety (90) days prior to the expiration of the then current term, Company provides the LSU Representative with written notice of its intent not to renew.

ARTICLE III
INSPECTION PERIOD

3.1 Objectives During the Inspection Period. The Inspection Period shall commence on the Effective Date of this Agreement and, unless this Agreement is terminated in accordance with the terms of this Article III, shall expire upon the earlier of the last calendar day of the month in which the LSU Representative receives notice from the Company that Company has satisfactorily completed all inspections and other activities that it deems necessary and appropriate prior to the Commencement Date, or 11:59 p.m., on October 31, 2013; provided, however, that the Inspection Period may be extended by a written request issued by the Company and approved in writing by the LSU Representative. During the Inspection Period, the parties to the extent provided for herein, shall work in good faith and take such action as may be reasonably necessary to accomplish the following objectives:

a) The Company shall, at its sole expense, inspect the Land, arrange for all necessary surveys, soil borings, and other site investigations, review title to the Land, and perform other studies and investigations deemed necessary by the Company.

b) The Company shall at its sole expense provide for the preparation of all design and supporting documentation for the construction of the Improvements, including but not limited to the plans and specifications for the Improvements and the exterior architectural and site plans for the Land and Improvements, and to obtain any necessary approvals for such plans, specifications, contracts and other documents as required by this Agreement.

c) The Company shall at its sole expense obtain any necessary permits, licenses, and other approvals from all Governmental Agencies necessary to commence the Work.

d) The Company shall at its sole expense enter into a Construction Contract for the Work and obtain the approval of the Construction Contract from the LSU Representative, all as defined and set forth herein below.

e) The Company shall secure funds from donations, financing approved in accordance with the requirements of Sections 16.19 and/or 16.20 of this Agreement, or other sufficient means (as determined by the Company in its reasonable discretion) to pay for design, construction and related expenses associated with the Work.

f) The Company shall determine if all necessary utilities are available at the Land and sufficient for the Company's use (as determined by the Company in its reasonable discretion) and whether any existing utilities must be relocated or otherwise modified.

g) The parties shall confirm that the acreage and configuration of the Land is sufficient to accommodate the Improvements.

h) The parties shall determine the amount, configuration and location of space that will be leased to Board by Company and the terms and conditions upon which such space shall be leased.

i) The parties shall satisfy all other conditions expressly provided for in this Agreement, which are to be satisfied during the Inspection Period, or they may mutually agree to waive any such conditions at their discretion.

3.2 Termination Rights During the Inspection Period. During the Inspection Period, the Company and the Board to the extent provided for herein shall work in good faith and take all actions reasonably necessary to accomplish the aforementioned objectives; however, during the Inspection Period, Company shall have the right to terminate this Agreement by providing notice to the LSU Representative in accordance with Article XII of this Agreement, in which event both parties shall be released from any further liability hereunder. If this Agreement is terminated during the Inspection Period, the Company shall deliver to the Board copies of all surveys, reports, studies, plans, specifications, and other written materials prepared by third-parties and directly pertaining to Company use and investigations of the Land.

ARTICLE IV
CONSIDERATION

In consideration of the Board leasing the Land to Company, and in addition to Company's agreement to construct a portion of the Improvements for use by Board in accordance with the terms of an Authorized Sublease, the Company agrees to pay the following scheduled amounts as annual rent: years 1-40 $5,000 annually; in the event that the Company exercises its option for the first Renewal Term, years 41-70, $7,000 annually; in the event that the Company exercises its option for the second Renewal Term, years 71-95, $9,000 annually. No rent shall be owed for the period covered by the Inspection Period, it being understood and

agreed that the Board is receiving other good and valuable consideration during the Inspection Period by the Company entering into this Agreement with the Board and undertaking at the Company's sole cost, certain tasks as provided for in this Agreement. The entirety of the first annual rental payment shall be due on the Commencement Date, and the entirety of each subsequent year's rent shall be due each subsequent year on the anniversary of the Commencement Date (or first Business Day thereafter if such anniversary is not a Business Day).

ARTICLE V
AGREEMENT TO CONSTRUCT IMROVEMENTS

5.1 Construction Per Plans and Specifications and Cost. Company agrees to construct the Improvements in accordance with the Plans and Specifications. It is estimated that the total cost of the Improvements, including both construction and design, will not exceed Twenty Million and 00/100 Dollars ($20,000,000.00), all of which cost and expense shall be paid by Company through financing arrangements and/or private contributions donated for the purpose of supporting the design, construction and related expenditures associated with the Improvements. The amount estimated for total cost of the Improvements may be increased by up to twenty (20%) percent with the written consent of Company and the LSU Representative, subject to the requirements of Subsections 6.1.A and 6.1.J hereof. Increases exceeding twenty (20%) percent of the amount provided for in this Section 5.1 shall require approval of the Board and Company.

5.2 Compliance with Certain Statutes. Section 3361, et seq. of Title 17 of the Louisiana Revised Statutes prescribes rules and regulations for leases of any portion of the campus by a college or university. By execution of this Agreement, Board 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 Improvements, including, without limitation:

A. The waiver by written consent of the formulation and adoption of rules, regulations and requirements by Board relative to the demolition, erection, development,

construction, performance and maintenance of the Improvements as referenced in Louisiana Revised Statutes 17:3362A, other than those set forth in this Agreement or specifically referenced in this Agreement;

B. The waiver by written consent of Board's right to require removal of the Improvements as referenced in Louisiana Revised Statutes 17:3362B, except as otherwise set forth in this Agreement, but Board reserves the right to enforce any and all other remedies allowed by this Agreement in the event of Company's failure or refusal to comply with this Agreement or any rules, regulations or requirements set forth herein; and

C. The waiver by written consent of Board's right to immediately terminate the Lease and cause removal of the Improvements for Company's failure to conform to rules and regulations as referenced in Louisiana Revised Statutes 17:3364, except as otherwise set forth in this Agreement, but Board reserves the right to enforce any and all other remedies allowed by this Agreement for such default.

ARTICLE VI
CONSTRUCTION

6.1 At its sole cost and expense, Company shall construct the Improvements in a good and workmanlike manner, in accordance with the following provisions:

A. Approval of Plans and Specifications and Changes to Plans and Specifications or Construction Contract

At least thirty (30) days prior to commencement of any construction, proposed final plans and specifications prepared in accordance with applicable Board and University design standards and approved by the University Construction Monitor shall be delivered to the LSU Representative for his review. The LSU Representative shall approve or disapprove such proposed final plans and specifications in writing as soon as possible, but at the latest, within thirty (30) days of receipt thereof. If the LSU Representative fails to respond within such thirty

(30) Business Day period, it shall be deemed that the LSU Representative does not approve the proposed final plans and specifications.

Proposed changes to the Plans and Specifications or the Construction Contract shall be approved by either the LSU Representative and/or the University Construction Monitor in accordance with the terms of this Section 6.1A.

The following procedures shall apply with respect to proposed material changes to the Plans and Specifications and proposed material changes to the Construction Contract:

(i) A proposed material change to the Plans and Specifications is a proposed change that either (a) materially alters the exterior appearance of any buildings or other structures forming part of the Improvements, or (b) materially alters the quality of materials utilized in the construction of any buildings or other structures forming part of the Improvements and costs more than Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00). A proposed material change to the Construction Contract is a proposed change that involves either (a) a monetary value of more than Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00), or (b) a substantial deviation from the terms of the Construction Contract as originally approved by the LSU Representative.

(ii) Company shall notify the University Construction Monitor in writing of any proposed material changes to the Plans and Specifications or the Construction Contract, and the University Construction Monitor shall either approve or disapprove any such proposed material changes within two (2) Business Days following receipt of such notice from the Company. If the University Construction Monitor fails to respond within such two (2) Business Day period, it shall be deemed that the University Construction Monitor approves such changes subject to review and approval by the LSU Representative. Notices of proposed material changes provided by Company to the University Construction Monitor

shall include copies of proposed changes and other information as may be required to permit the University Construction Monitor to make a determination as to whether the proposed material change should be recommended for approval by the LSU Representative.

(iii) Following approval of proposed material changes by the University Construction Monitor, copies of the proposed changes approved by the University Construction Monitor, shall be submitted to the LSU Representative who shall either approve or disapprove any such changes within five (5) Business Days after receipt by the LSU Representative of such notice from Company. If the LSU Representative fails to respond within such five (5) Business Day period, it shall be deemed that the LSU Representative approves such changes. Notification to the LSU Representative shall include copies of proposed material changes approved by the Contractor, the Architect, the Company and the University Construction Monitor, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such change.

Proposed changes to the Plans and Specifications or the Construction Contract not required to be submitted to the LSU Representative for approval by this section shall be submitted in writing to and received by the University Construction Monitor (unless such written submission is waived by the University Construction Monitor) who shall either approve or disapprove any such changes within two (2) Business Days after receipt of such request and copies of the proposed changes from Company. If the University Construction Monitor fails to respond within such two (2) Business Day period, it shall be deemed that he approves such changes. Complete copies of all final changes to the Plans and Specifications and the Construction Contract, whether material or otherwise, shall be provided to the LSU Representative promptly, and the University Construction Monitor shall in all cases endeavor to

provide all such final changes to the LSU Representative no later than the commencement of any work related to the approved changes, even if LSU Representative approval is not required.

B. Commencement and Completion of Work

Unless delayed by Force Majeure, at its own expense, Company agrees to: (1) commence the Work on or before November 1, 2013, or within thirty (30) days after the LSU Representative has given written approval to the notice to commence, whichever is later; and (2) make best reasonable efforts to achieve Substantial Completion of the Work on or before December 31, 2014, but in any event to achieve Final Completion on or before December 31, 2015. Work shall not commence until the LSU Representative has given written consent to the notice to proceed and written approval to the final proposed plans and specifications for all Work or an approved phase of the Work. The commencement and completion dates set forth herein may be extended by a written request issued by the Company and approved in writing by the LSU Representative.

C. Construction Contract

The Work shall be performed on behalf of Company pursuant to the terms of the Construction Contract. Company 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 Company. Where appropriate, the Construction Contract and Payment and Performance Bonds shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. Company shall include a liquidated damages clause acceptable to the LSU Representative in the proposed Construction Contract. Board and Company 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 is being performed solely and exclusively for Company.

(ii) Company is a separate legal entity from University and Board. Company is not acting as agent for University or Board, and Company has no authority to obligate University or Board to any extent whatsoever.

(iii) Neither Board, University 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 the Construction Contract or this Agreement.

(iv) Company has no ownership interest in the Land on which the Work will be performed, and the Work shall not give rise to any rights against the Land, University, Board or the State of Louisiana.

(v) It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the University Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with the Work. No party, including without limitation, the Company, Company Affiliates, the Architect, the Contractor and its subcontractors, 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 University 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 Bond

Company 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. The Payment and Performance Bonds shall be for the full amount of the Contract Sum or the Guaranteed Maximum Price as defined and established in the Construction Contract. Both Company and Board, in addition to any other parties reasonably

required by Company or its lenders to be designated as dual obliges, shall be obligees under the Payment and Performance Bonds.

E. Rights Concerning the Land During Construction

To the extent necessary, Company and the Contractor shall have the right to occupy and use the Land, with reasonable ingress to and egress from the Land, during the Term of the Lease and, with the prior written consent of the University Construction Monitor, shall fence or block off that area of the Land necessary to perform the Work in a safe and secure manner. Except for unknown, unforeseen and reasonably unforeseeable defects, Company assumes all responsibility for the condition of the Land during the Term of the Lease. Company and the Contractor shall maintain Land, the Improvements and the Work in a reasonably prudent manner at all times through Final Completion. Except to the extent provided in this Agreement or an Authorized Sublease, Board shall not be responsible for any maintenance or repairs to the Land or the Improvements during the Term of the Lease.

F. Temporary Rights of Passage and Use During Construction

Board hereby grants to Company temporary rights of passage and use over such areas including "lay down" and "staging" areas as may be reasonably required to perform the Work and to construct the Improvements, provided, however, that such temporary rights of passage and use are approved in writing by the University Construction Monitor. All temporary rights of passage and use granted pursuant to the terms of this subsection shall terminate upon Final Completion of the Work.

G. LSU Rules and Regulations; Access During Construction

Company agrees that it will comply with all applicable Board and University regulations, policies and mandates with regard to all Contractors and personnel entering the Land for purposes of construction, which rules and regulations will be addressed at the pre-construction conference, and that it will secure, at its own expense, all necessary permits and licenses from all Governmental Authorities. Company shall make these same requirements of the Contractor. At all times during construction, the University Construction Monitor, the LSU Representative and any other individuals authorized by the LSU Representative shall have the

right but not the obligation to enter the Land and review the Work to determine that it is being performed in compliance with the Plans and Specifications and in a good and workmanlike manner. The University Construction Monitor and the LSU Representative and any other individuals authorized by the LSU Representative shall at all times have access to the Land in order to exercise Board's rights as Landowner subject to the terms of this Agreement and any Authorized Subleases.

H. Signage

Before erecting or placing any sign upon the Land or the exterior of the Improvements, Company shall submit the design specifications of such sign to the LSU Representative for approval, which approval shall not be unreasonably withheld, conditioned or delayed.

I. Acceptance of Construction

Company and Board agree to work together to identify and facilitate completion of all warranty and Punch List items within the first year following Final Completion of the Work. Company will not acknowledge Substantial Completion or Final Completion of the Work without the written approval of the LSU Representative. The LSU Representative may refuse to approve the Work as being Substantially Complete unless monies equal to the value of the Punch List deficiencies are withheld by the Company and designated for payment to the Contractor only upon Final Completion. Final payment shall not be made to the Contractor until the LSU Representative agrees in writing that Final Completion of the Work has been achieved.

J. Funds for Construction

At the LSU Representative's request, prior to the commencement of Work, Company shall satisfy the LSU Representative that the total amount of money needed to complete the Work has been collected, acquired or is otherwise available to the Company and is dedicated to that use.

K. On Site Construction Inspector

If in the LSU Representative's sole reasonable discretion it becomes necessary, Company at Company's expense shall hire an on-site construction inspector or clerk of the

works for full time supervision of the Work.

L. No Liens; Release of Recorded Liens

Company shall not suffer or permit any liens to be enforced against the Land, University, Board or State of Louisiana by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to Company or to anyone through or under the Company. If any such liens shall be recorded against the Land, Company shall cause the same to be released of record, or in the alternative, if the Company in good faith desires to contest the same, Company shall be privileged to do so, but in such case, Company shall promptly deposit with the Recorder of Mortgages of East Baton Rouge Parish a bond guaranteeing payment of any such liens and hereby agrees to indemnify, defend with an attorney reasonably acceptable to the LSU Representative, 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.

6.2 Protection of Trees and Utility Lines. The Company and its Contractors will not remove or trim any trees located on or adjacent to the Land without the prior written consent of the LSU Representative, which consent shall not be unreasonably conditioned, withheld or delayed. During construction, the Company 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 Company 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 Company with the prior approval of the LSU Representative in order that the Improvements not be placed over any existing utility lines.

ARTICLE VII
USE, MAINTENANCE, AND REPAIRS

7.1 Use. Subject to the terms and provisions hereof, the Company shall use the Land and the Improvements solely for Permitted Uses. The Board represents and warrants that to the

best of its knowledge Applicable Laws do not prohibit the Company's use of the Land for Permitted Uses as provided for in this Agreement.

7.2 Prohibited Uses. The Company shall not make any use of the Land in violation of Applicable Laws and shall not permit any contamination or pollution on or about the Land or materially and unreasonably increase the fire or insurance hazard by any use thereof. Before beginning any work on the Land, the Company shall obtain any permits required by Governmental Authorities in connection with the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. The Company shall not install or otherwise place storage tanks in or on the Land without the LSU Representative's prior written consent, which, in addition to any other conditions required by the 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, overfill, or other release.

7.3 Utilities. The Company shall be solely responsible for payment of all utilities related to the 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 Company. The Company shall be allowed to tie into all current and future utilities installed in or otherwise available at or to the site at Company's discretion and at Company's sole cost.

7.4 Operating Expenses. Except as otherwise provided for in this Agreement or pursuant to the terms of Authorized Subleases, the Company shall pay all expenses, costs, premiums, and expenses of any nature whatsoever accrued or incurred in connection with Company's ownership, lease, management, operation, maintenance, repair and insurance of the Land and the Improvements .

7.5 Maintenance and Repairs. The Company shall maintain the Land and the Improvements in good condition and make all necessary repairs and upgrades to the Improvements reasonably required to maintain them in a condition consistent with other University buildings and improvements of a similar nature.

7.6 Alteration, Renovation, or Remodeling Following Final Completion. After Final Completion of the Work, at least thirty (30) days prior to undertaking any addition, alteration, renovation, or remodeling of the Improvements (excluding changes required by Applicable Laws or by an emergency) which either costs more than $250,000, or materially alters the exterior appearance of the Improvements, Company shall submit written plans for such addition, alteration, renovation or remodeling to the LSU Representative for prior approval, which approval shall not be unreasonably withheld, delayed or conditioned. Such plans shall not be submitted to the LSU Representative until they have received the written approval of the University Construction Monitor.

The LSU Representative shall either approve or disapprove any such plans within thirty (30) days after receipt from Company. If the LSU Representative fails to approve or disapprove such plans within such thirty (30) day period, it shall be deemed that the LSU Representative approves such plans; provided, however, that if, in the LSU Representative's sole and unfettered judgment, a decision with respect to the proposed alteration, renovation, or remodeling of the Improvements should be made by the Board at a regularly scheduled or special Board meeting, the LSU Representative shall present the matter to the Board for its consideration at a regularly scheduled or special Board meeting, and in such case no approval shall be deemed given unless and until the Board has approved the proposed alteration, renovation or remodeling.

Proposed additions, alterations, renovations or remodeling of the Improvements after Final Completion of the Work which are not required by this subsection to be submitted to the LSU Representative shall be submitted in writing to the University Construction Monitor for prior approval (unless the proposed changes are either required by Applicable Laws or by an emergency or written submittal is waived by the University Construction Monitor), which approval shall not be unreasonably withheld, delayed or conditioned. The University Construction Monitor shall either approve or disapprove such additions, alterations, renovations or remodeling within thirty (30) days after receipt of such plans. If the University Construction Monitor fails to approve or disapprove the proposed alteration, renovation or remodeling within

such thirty (30) day period, it shall be deemed that the University Construction Monitor approves the proposed additions, alterations, renovations or remodeling.

7.7 Mineral Exploration and Production. Notwithstanding any other provision of this Agreement, the Board expressly reserves all mineral rights regarding the Land, including but not 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 Land by directional drilling. Notwithstanding said reservation of rights, the Board agrees that it shall not conduct any surface operations on the Land. The Company shall allow the Board, its employees, agents, and contractors to access the Land 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 Land, it shall do so in a manner that does not interfere with the Company's Permitted Use of the Land.

7.8 Waiver and Disclaimer of Warranties. Subject to the Company's right to terminate this Agreement during the Inspection Period, the Company accepts the Land in its "as is" and existing condition, at the Company'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 Land or the fitness of same for the Company's purposes or for any other purpose whatsoever, except as may otherwise be specifically provided for herein. The Board warrants only that provided that an Event of Default has not occurred, Company shall be maintained in peaceable possession of the Land and Improvements, and all other warranties are expressly disclaimed by the Board and waived and renounced by the Company.

ARTICLE VIII
INSURANCE

8.1 Required Insurance. Unless otherwise approved in writing by the LSU Representative, during the Term of the Lease, the Company shall at all times maintain or cause to be maintained, with respect to the Land and the Improvements, insurance in the following types and amounts. Such insurance shall be placed with 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 A.M. Best Insurance Ratings Guide unless otherwise expressly authorized herein or approved in writing by the LSU Representative. 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 Company 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.

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 (A.M. Best Rating of A:VIII or better)	Limits as required by the Labor Code of the State of Louisiana and Employer's Liability coverage. Employer's liability limit is to be a minimum of $1,000,000.

Flood insurance, if applicable.	In amounts determined by the LSU Representative to be reasonable, but no more than the amount available under the National Flood Insurance Program.

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

A. Builder's Risk Insurance. The Company 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, flood, 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 including and all buildings and improvements located on the Land, 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 Company, the Contractor and its subcontractors and, if required by Company, Company's lenders as their interests may appear.

B. General Liability and Property Damage Insurance. The Company 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 Company's, the Board's, and the architect's legal liability (but not the architect's professional liability) arising out of the Work performed by the Company or 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 provided herein or agreed to in writing by the LSU Representative, 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 Company 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 Work, 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 Company shall provide to the Board evidence that the Architect has procured architect's design, errors and omissions insurance coverage for the Work in an amount acceptable to the Company and the LSU Representative.

D. Pollution Liability. Pollution Liability Insurance, including gradual release as well as sudden and accidental releases, shall be obtained by the Company 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.

8.3 Required Insurance Shall Be Primary. All insurance required hereby shall be primary as respects the Board and its members, officers, employees and authorized agents. Any insurance or self-insurance maintained by the Board, including but not limited to coverage maintained by the Louisiana Office of Risk Management for benefit of the Board, shall be excess and noncontributory of Company's or any Contractors' insurance.

8.4 Failure to Comply With Reporting Requirements. Any failure of the Company or its Contractors to comply with reporting requirements of a policy required hereby shall not affect coverage provided to the Board, its members, officers, employees and authorized agents.

8.5 Application of Multiple Policies. The Company'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.

8.6 No Release. Neither the acceptance of the completed Work nor the payment therefor, shall release the Company or any Contractor from the obligations of the insurance requirements or indemnification set forth in this Agreement.

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.

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

8.9 Deductibles and SIRs. The Company and/or its Contractors shall be responsible for all deductibles and self-insured retentions.

8.10 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 the Board, its members, officers, employees and authorized agents.

8.11 Occurrence Based Policies. All insurance required hereunder, with the exception of Architect's Design Errors and Omissions policies, shall provide occurrence based coverage. Except as specifically permitted herein, or as otherwise approved in writing by the LSU Representative, claims-made policies are not allowed.

8.12 Verification of Coverage. The Company shall furnish the LSU Representative with Certificates of Insurance reflecting proof of coverage required hereunder. The certificates for each insurance policy are to be signed by a Person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the LSU

Representative before Work commences and upon any contract renewal thereafter. The LSU Representative reserves the right to request complete certified copies of all required insurance policies at any time. Said certificates and policies shall to the extent allowed by law provide at least a twenty (20) day written notification to the LSU Representative prior to the cancellation thereof. Upon failure of the Company to furnish, deliver and maintain such insurance as provided herein, and expiration of the cure period in Article XIII of this Agreement, the Board may, but shall not shall be obligated to, obtain said insurance on behalf of the Company at the Company's commercially reasonable cost and expense. Failure of the Company to purchase and/or maintain, either itself or through its Contractors, any required insurance, shall not relieve the Company from any liability or indemnification hereunder.

8.13 Additional Insureds. The Company, the Board and its members, officers, employees, and authorized agents, in addition to any other parties required by Company and/or its lenders, shall each be named as additional insureds on all policies required hereby.

8.14 Additional Insurance. The LSU Representative may review Company'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. Company agrees to comply with any such reasonable request by the LSU Representative or to allow reasonable changes or reductions in coverages.

8.15 Blanket Policies. If any blanket general insurance policy of Company complies with the requirements of this Agreement, such insurance shall fulfill the requirements set forth herein.

8.16 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 in favor of Board.

ARTICLE IX
OPERATING RIGHTS FOLLOWING SUBSTANTIAL COMPLETION

9.1 Normal Business Operations. Following Substantial Completion of the Work, at all times during the Term of this Agreement, Company and any tenants leasing the Improvements pursuant to the terms of any Authorized Subleases, shall have the right to conduct their businesses on the Land and the Improvements without any restrictions other than those restrictions imposed by either Applicable Laws, or express restrictions set forth under the terms of this Agreement and any Authorized Subleases.

9.2 Parking. In addition to those areas designated as Company Parking on the Plans and Specifications, Company shall have the right to purchase for use by Company and its tenants (other than LSU employees) up to _____ parking passes in Lot __ and/or other areas mutually agreed to in writing by Company and University for use by employees of Company and its tenants. Such passes shall be made available to Company at the same cost and on the same terms at which parking passes in comparable locations are made available to LSU employees subject to the restriction that such parking passes are not issued for Game Day parking, which shall be governed by the provisions of Section 9.3 hereof.

9.3 Game Day Parking and Activities. Company, in association with Company Affiliates, shall have the exclusive and non-transferrable right to utilize those areas designated as Company Parking on the Plans and Specifications on Game Days for parking and other activities promoting the University and the LSU Foundation subject to the following limitations:

A. Company and Company Affiliates shall not offer parking or the right to conduct Game Day activities on the Land to the general public or other Persons, in exchange for the payment of fees, contributions or donations of any kind to any Person.

B. Company and Company Affiliates shall not offer parking or the right to conduct Game Day activities on the Land to the general public or other Persons on a season renewable basis, and Company and Company Affiliates shall limit Game Day parking on the Land to officers, directors, employees, and invitees of Company and Company Affiliates performing Game Day activities.

C. Game Day parking and activities conducted on the Land shall conform to all Applicable Laws and all applicable University rules, regulations and procedures.

D. Company shall reimburse the University for the cost of any parking passes and personnel required to provide for entry of authorized personnel onto the campus and the Land on Game Days.

E. University shall be responsible for normal Game Day clean-up of the Land, excluding the interior portions of any buildings forming a part of the Improvements.

ARTICLE X
DISPOSITION OF IMPROVEMENTS FOLLOWING TERMINATION

During the Term of the Lease, the Company shall own all Work and Improvements. The Work and Improvements shall constitute separate immovables owned by Company and not component parts of the Land, and the provisions of Article 495 of the Louisiana Civil Code shall not be applicable. Upon termination of the Lease, the Company shall, at University's option, remove the Improvements and restore the Land to the same condition that existed prior to the Commencement Date.

ARTICLE XI
INDEMNIFICATION

11.1 Indemnification by Company. Company, for itself and for its successors, assigns (including tenants under Authorized Subleases other than Board or University), 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 Company's agents, contractors, employees, invitees and licensees, to the extent such loss arises out of or is related to the Work or Company's use of the Land, except with respect to acts or omissions by Board's members, officers, employees and authorized agents unless said members, officers and employees are acting at the direction or request of the Company, and Company agrees to defend Board with an attorney reasonably acceptable to the LSU Representative in any legal action against it and pay in full and satisfy

any claims, demands or judgments made or rendered against Board, and to reimburse Board for any legal expenses, including attorney's fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder, but Company's costs and expenses incurred in fulfilling this indemnity and defense shall, to the extent allowed by Applicable Laws, be limited to insurance proceeds which are available for this purpose.

11.2 Indemnification by Board. To the extent allowed by Applicable Laws, Board, agrees to indemnify, defend and hold Company harmless against any loss for damages or injuries that may be suffered by Company or by any Person including but not limited to Board's agents, contractors, employees, invitees, and licensees, except if any of such persons are acting at the direction or request of the Company, 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, officers or authorized agents, and Board agrees to defend Company in any legal actions against it and, to the extent allowed by Applicable Laws, pay in full and satisfy any claims, demands or judgments made or rendered against Company, and to reimburse Company for any legal expenses, including attorneys fees and court costs, which may be incurred by it in defense of any claim or legal action arising thereunder; provided, however, that Board's costs and expenses incurred in fulfilling this indemnity and defense shall be limited to proceeds from the Office of Risk Management or other applicable insurance which are available for this purpose.

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 receiving party from the sending party, directed as follows:

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

With a copy to: Vice Chancellor for Finance and Administrative Services and CFO
Finance and Administrative Services
330 Thomas Boyd Hall
Baton Rouge, LA 70803

The Company: Foundation Office Building, LLC
Attention: G. Lee Griffin, Manager
3838 West Lakeshore Drive
Baton Rouge, LA 70808

With a copy to: Roedel, Parsons, Koch, Blache, Balhoff & McCollister
Attention: David H. Hardy
8440 Jefferson Highway, Suite 301
Baton Rouge, LA 70809

ARTICLE XIII
COMPANY DEFAULT

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

A. Failure of the Company to commence and complete the Work as set forth herein within three (3) years from the Commencement Date, including any extended time period which has been mutually agreed in writing by the LSU Representative and the Company, and which failure has continued for a period of sixty (60) days (or such additional reasonable time provided that the Company is diligently working to

cure the delay) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied;

B. A material deviation, unauthorized in writing by the LSU Representative, from the Plans and Specifications as approved by the LSU Representative or from the exterior 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 Company 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;

C. Failure of the Company 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 Company's obligations under Articles VI, VII 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 Company 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;

D. The taking by execution of the Work or the Improvements for the benefit of any Person other than the Board;

E. A court of proper jurisdiction entering an order for relief in any involuntary case commenced against the Company or Company Affiliates, 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

Company or Company Affiliates or any substantial part of the properties of the Company or Company Affiliates or ordering the winding up or liquidation of the affairs of the Company or Company Affiliates, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

F. The commencement by the Company or Company Affiliates of a voluntary case under the Federal Bankruptcy Code, as now or hereafter constituted, or the consent or acquiescence by the Company or Company Affiliates 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 Company or Company Affiliates or any substantial part of the properties of the Company or Company Affiliates; or,

G. The Company, after commencement of construction but prior to Substantial Completion of the Work, abandons construction (with no intent to continue) for a period of sixty (60) 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.

13.2 Rights of Board Upon Default by Company. Whenever any Company Event of Default referred to in this section shall have occurred and be continuing and Company refuses or fails to take the reasonable and necessary remedial action to cure such default within the time period specified therefor, in addition to any other remedies herein or by law provided, Board shall have the right, without any further demand or notice, to declare this Agreement terminated. In the event of the termination of this Agreement, Company expressly waives any notice to vacate. Furthermore, at Board's sole option and direction, in the event of the termination of this Agreement prior to Substantial Completion of the Work, Company shall transfer any Improvements constructed on the Land pursuant to the terms of this Agreement, its rights and obligations under this Agreement and, subject to applicable donor restrictions and the terms of

any valid and perfected liens, pledges, security agreements and similar agreements with or in favor of Company's lenders, any funds (other than funds loaned to Company by its lenders) Company has dedicated to complete the construction of the Improvements to another non-profit corporation or entity which meets the requirements of La. R.S. 17:3390 and which is acceptable to Board.

ARTICLE XIV
BOARD DEFAULT

The Company 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 sixty (60) days (or such additional reasonable time provided that Board is diligently working to cure such default) 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 Company shall have the right to select any one or more of the following remedies, without further demand or notice: (a) require the Board to correct the specific failure; or, (b) to declare this Agreement terminated; or (c) in the case of a default by Board involving actual or constructive eviction from the Land or Improvements occurring prior to Final Completion, to declare this Agreement terminated and, to the extent allowed by law, as liquidated damages, to be reimbursed the costs of all Work, including design costs, financing costs, legal fees and other expenses related to the Work; or (d) in the case of a default by Board involving actual or constructive eviction from the Land or Improvements occurring following Final Completion, to declare this Agreement terminated and, to the extent allowed by law, as liquidated damages, to be reimbursed the fair market value of the Improvements.

ARTICLE XV
CONDEMNATION

15.1 Condemnation of All Improvements. Upon the permanent Taking of all Improvements, this Agreement shall terminate and expire as of the date of such Taking, and both Company and Board shall thereupon be released from any liability thereafter accruing hereunder

except for accrued and unpaid rent, apportioned as of the date of the Taking or the last date of occupancy by Company, whichever is later. Company and Board shall each provide to the other notice of any proceedings relating to a Taking, and Board and Company shall each have the right to participate therein.

15.2 Partial Condemnation. Upon a temporary Taking or a Taking of less than all of the Improvements, Company, at its election, may terminate this Agreement by giving Board notice of its election to terminate at least sixty (60) days prior to the date of such termination if Company reasonably determines that the Improvements cannot be economically and feasibly used by Company for their intended purposes. Upon any such termination, the rent accrued and unpaid hereunder shall be apportioned to the date of termination.

15.3 Payment of Awards. Upon the Taking of all or any portion of the Improvements (a) provided any Debt has been paid in full, or legally defeased as applicable, Company shall be entitled (free of any claim by Board) to that portion of the award equal to the value of its interest in the Improvements and its rights under this Agreement and any Authorized Subleases and damages to any of its other property, together with any other compensation or benefits paid as a consequence of the interruption of Company business; and, (b) Board shall be entitled (free of any claim by Company) to the award for the value of Board's Interest in the Improvements, if any (such value to be determined as if this Agreement were in effect and continuing to encumber Board's interest). Notwithstanding the foregoing, any award for any Taking of all or any portion of the Improvements shall first be used to pay off the Debt then outstanding and any excess proceeds shall be disbursed as set forth above.

15.4 Repair After Condemnation. Should a Taking occur that does not result in termination as provided by Sections 15.1 or 15.2, Company, at its expense, shall commence and proceed with reasonable diligence to repair or reconstruct the Improvements in as good or better condition than before the Taking. Any and all such repairs or reconstruction shall be subject to prior reasonable approval of Board and the provisions of Article VI hereof. If the Debt has not been paid in full or legally defeased, all or any portion of the award payable to Company as a

consequence of a Taking affecting the Improvements shall be deposited in escrow pending the completion of the restoration of the Improvements and held and disbursed in accordance with the procedures agreed to by Company's lenders. Notwithstanding the foregoing provisions of this Section 15.4, if the award payable as a consequence of a Taking (after payment of all or any portion of such award toward payment of the Debt) is insufficient, in the reasonable judgment of Company and Board, to permit such restoration, then Company may terminate this Agreement by written notice to Board in which event, at the request of Board in its reasonable discretion, Company shall, within one hundred eighty (180) days after such request, demolish the Improvements, and restore the Land to substantially the same condition as it existed on the Commencement Date at Company's sole cost and expense. In the event of termination under this Section 15.4, this Agreement shall terminate ten (10) Business Days after the date of such notice with the same force and effect as if such date were the date herein fixed for the expiration of the Term, and the rent shall be apportioned and paid at the time of such termination.

ARTICLE XVI
MISCELLANEOUS

16.1 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 Company and Board.

16.2 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.

16.3 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.

16.4 Non-Waiver. No waiver by the Board or the Company 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 Company 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 Company 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.

16.5 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.

16.6 Authorization. By execution of this Agreement, the Company 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 individuals signing this Agreement on their behalf have due authorization to do so.

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

16.8 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.

16.9 Assignment and Sub-Letting. Company shall not assign or sublease this Agreement or any part hereof without the prior written consent of the LSU System President or his designee, which shall not be unreasonably withheld, conditioned or delayed, and any attempted assignment or sublease without such consent shall be null and void as to the Board.

16.10 Books, Records and Audit. The books, accounts and records of the Company which pertain directly to the Work shall be maintained at the principal office of the Company for a period of three (3) years following Substantial Completion. 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 Company and its Contractors to the extent necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to the Company'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 the Board, by independent auditors retained by the Board to conduct such audit, 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 Company. It is further agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Company which directly relate to this Agreement.

16.11 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.

16.12 Notice of Lease. The Company 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 substantially in accordance with the form attached hereto as Exhibit “B”. The cost of recording will be borne by the Company.

16.13 Entire Agreement. This Agreement, including any exhibits attached hereto, contains the final and entire agreement between the parties hereto with respect to the Lease, the Land and the Work, and contains all of the terms and conditions agreed upon with respect to the Lease, the Land and the Work, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement existing prior to the Effective Date 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.

16.14 Change in Ownership of the Land. In the event that the Board or any related entity, including but not limited to University, plans to no longer own the Land, then prior to any change of ownership, the Board shall, to the extent allowed by Applicable Laws, offer to

sell the Land to the Company at the then-fair market value of the Land (excluding the value of the Improvements and without taking into consideration the Term of this Agreement).

16.15 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 Land without first obtaining a written agreement from the mortgagee that the mortgagee shall not disturb the Company's possession nor deprive the Company of any rights or increase the Company's obligations under this Agreement, and that the mortgage/encumbrance shall be subordinate to the Company's rights hereunder.

16.16 Acknowledgement of Naming Rights. Subject to the requirements of Section 6.1H of this Agreement regarding the approval of exterior signage, Board acknowledges that the leasehold created pursuant to the terms of this Agreement and the Improvements shall be deemed private property during the Term of this Agreement; therefore, all naming rights with respect to the Improvements shall be vested in Company during the Term of this Agreement; provided, however, that the naming of any areas (excluding common areas) while leased to Board or University, shall be subject to approval by the LSU Representative, which approval shall not be unreasonably withheld, conditioned or delayed.

16.17 Maintenance and Use of Surrounding Areas. The Board shall at all times cause all adjoining land and improvements owned or constructed pursuant to authority granted by Board to be maintained and operated in a manner consistent with similar University areas and shall make available all common areas of such adjoining land and improvements for the non-exclusive use of the Company and its tenants. In the event that the Board shall fail to take necessary action to maintain surrounding areas to the standard established pursuant to the terms of this Section 16.17 within the cure period provided for in Article XIV of this Agreement, then in addition to remedies provided for in Article XIV, the Company shall be entitled to cure the Board's default at the Board's cost and expense.

16.18 Company Property And Subordination of the Board's Privilege. Any personal property, equipment (excluding HVAC or mechanical equipment), furniture, inventory, trademarked items, signs and other movable trade fixtures installed in or on the Land by the Company or Company Affiliates (the "Company's Property"), shall remain the property of the

Company or Company Affiliates and shall not be the property of the Board no matter how the same is affixed to the Land or used by the Company or Company Affiliates and regardless of whether same is subject to a valid perfected UCC security interest. The Board agrees that the Company and Company Affiliates shall have the right, at any time or from time to time, to remove the Company's Property from the Land, subject to the Company's obligation to continue using the Land for the Permitted Use, and provided that the Company shall not remove any of the HVAC or mechanical equipment without the prior written approval of the LSU Representative. The Company, at its expense, shall immediately repair any damage occasioned by the removal of the Company's Property. The Company shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon the Company's Property. From time to time, some or all of the Company'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 Company's Property and agrees, if confirmation of said subordination is requested by the Company, Company Affiliates, 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 Company's Property ("the Board's Subordination").

16.19 Financing of Work and Prohibition Against Transfer. The Company shall not agree to any financing arrangements with respect to the funding of the Work or other costs associated with the Work, or consent to any encumbrances on the Improvements or Company's leasehold estate without the prior written approval of the President of the LSU System, which approval may be withheld, with or without cause. The Company further agrees that Company shall not agree to any material modification to such approved financing arrangements without the prior written approval of the President of the LSU System, which approval shall not be unreasonably conditioned, withheld or delayed. Except for Authorized Subleases, the Company shall not sell, lease or otherwise transfer title to the Improvements or the Company's leasehold estate without the prior written approval of the President of the LSU System or, in

the event that the President of the LSU System in the exercise of his discretion deems it necessary, the Board.

16.20 Leasehold Mortgage, Collateral Assignment of Leases and Rents. Subject to the approval requirements of Section 16.19 of this Agreement, the Company may mortgage, collaterally assign, pledge or otherwise encumber any interest that Company has in this Agreement, the leasehold estate created by virtue of the Lease, Authorized Subleases, the Improvements and the rents and other revenues derived therefrom, as security for any indebtedness that is incurred for the purpose of constructing the Improvements in accordance with this Agreement or for the purpose of maintaining, improving and/or enhancing the value of the Land and/or the Improvements. The Company has no authority to and shall not attempt to mortgage or encumber the Board's interest in the Land. The Board shall reasonably cooperate with the Company regarding the Company's attempts to obtain financing for the Work, including the maintenance, operation, renovation, remodeling or improvement thereof, on commercially reasonable terms.

16.21 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 therefore 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 and all documents to be executed pursuant hereto by the parties are and shall be binding upon and enforceable against each party in accordance with their respective terms, and the transactions 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 is the owner of the Land free of any liens, claims or encumbrances other than those that would be disclosed based on a review of the East Baton Rouge Parish public records and an accurate survey of the Land.

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 Land or any part thereof (including disputes with lessees, mortgagees, governmental authorities, utility companies, contractors, 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 as of the date of execution of this Agreement, there are no violations of any Applicable Laws, ordinances, rules or regulations with respect to the Land, which have not been heretofore entirely corrected or disclosed to Company in writing.

D. To the best of the Board's knowledge, the Land is not subject to zoning requirements of the City or Parish of East Baton Rouge.

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

16.22 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 Company from the prompt payment of

any rental or other charges required of the Company in accordance with the terms of this Agreement.

[Signature Page to Lease Agreement for Construction of the LSU Foundation Building]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates indicated on the attached Acknowledgments.

WITNESSES:

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

_____

By:_____
William L. Jenkins, Interim President of LSU

_____

FOUNDATION OFFICE BUILDING, LLC

_____

By:_____
G. Lee Griffin, Manager

_____

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this _____ day of _____, 2013, 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 William L. Jenkins, appearing herein in his capacity as the Interim President of LSU, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its Board of Supervisors and that said instrument is the free act and deed of said corporation and was executed for the uses, purposes and benefits therein expressed.

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

WITNESSES:

_____ _____
William L. Jenkins, Interim President of LSU

_____

_____
NOTARY PUBLIC

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

ACKNOWLEDGMENT

BE IT KNOWN that on this _____ day of _____, 2013, 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 G. Lee Griffin, appearing herein in his capacity as Manager of Foundation Office Building, LLC, a private, non-profit Louisiana limited liability company, 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 sole member, 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:

_____ _____
G. Lee Griffin, Manager

_____

_____
NOTARY PUBLIC

EXHIBIT “A”
GROUND LEASE AREA

EXHIBIT "B"

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE R.S. 44:112

NOTICE OF LEASE

BE IT KNOWN, that as of the ___, day of _____, 2013, the undersigned parties made and entered into a "Lease Agreement for Construction of the LSU Foundation Building," pursuant to which Lessor, for good and valuable consideration, leased the immovable property described herein to Lessee.

LESSOR'S NAME: BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE

LESSEE'S NAME: FOUNDATION OFFICE BUILDING, LLC

LEASE TERM: An Inspection Period commencing on approximately May 1, 2013, and ending on approximately October 31, 2013, a Primary Term of forty-years commencing upon conclusion of the Inspection Period, and two Renewal Terms of thirty (30) years and twenty-five (25) years respectively, exercisable at Lessee's option, unless terminated earlier in accordance with applicable lease terms.

DESCRIPTION OF LEASED PROPERTY: Prior to Substantial Completion of all Work relating to the construction of Improvements on the Land, see, Exhibit A-1. Following Substantial Completion of all Work relating to the construction of Improvements on the Land, see Exhibit "A-2".

SIGNED, this ____ day of _____, 2013.

WITNESSES:

_____

_____

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

BY:_____
Name:
Title:

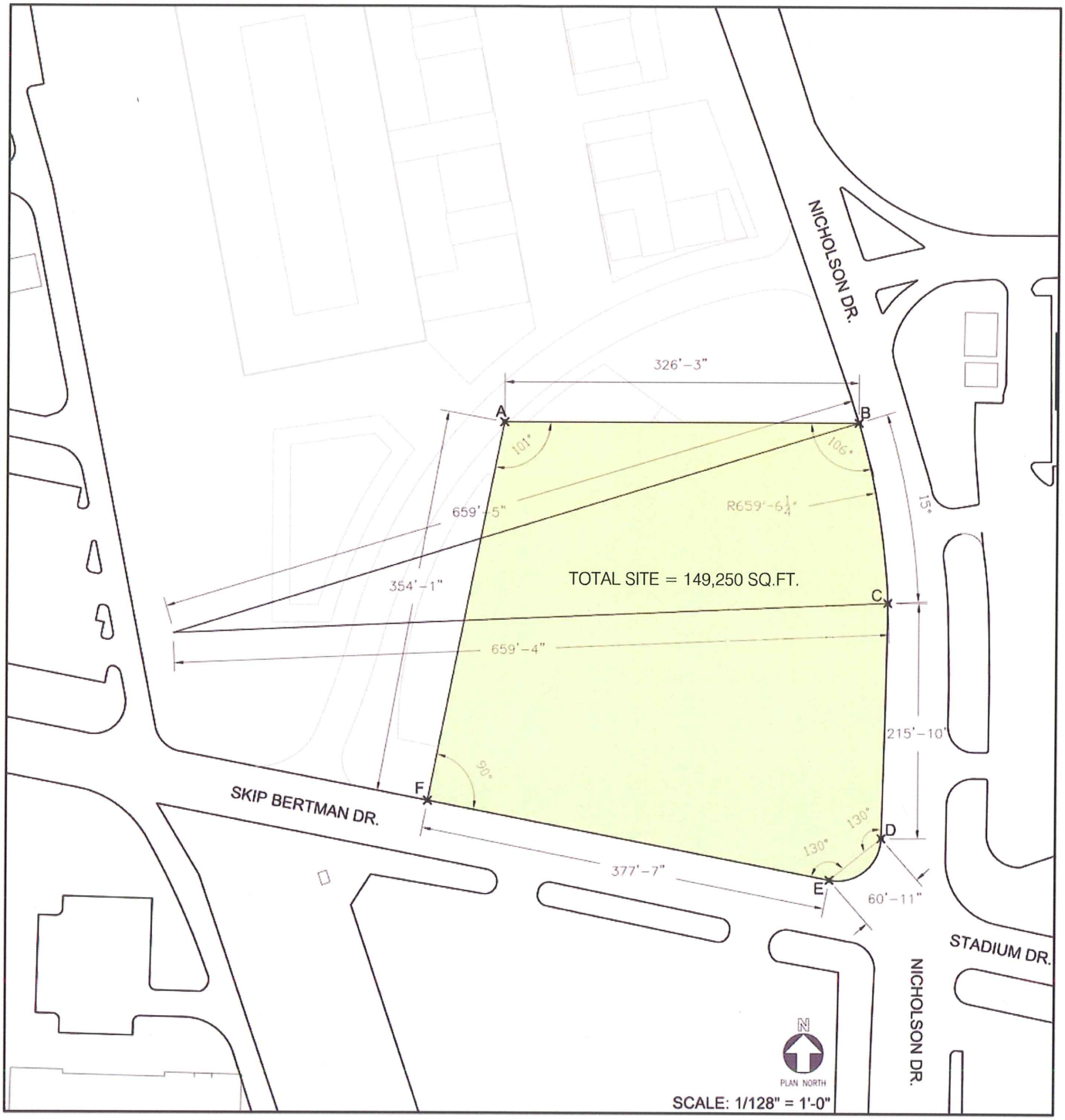
WITNESSES:

_____

_____

FOUNDATION OFFICE BUILDING, LLC

BY:_____
G. Lee Griffin, Manager



POINT DATA:

A = 30 degrees 24'44.85" N 91 degrees 11'15.47" W
B = 30 degrees 24'44.93" N 91 degrees 11'11.76" W
C = 30 degrees 24'43.31" N 91 degrees 11'11.44" W
D = 30 degrees 24'41.18" N 91 degrees 11'11.48" W
E = 30 degrees 24'40.68" N 91 degrees 11'11.88" W
F = 30 degrees 24'41.40" N 91 degrees 11'16.13" W

FOUNDATION BUILDING SITE

GROUND LEASE AREA

V. ATHLETIC COMMITTEE

Mr. Stanley J. Jacobs, Chair
Mr. Rolfe McCollister, Vice Chair
Mr. Scott Ballard
Mr. R. Blake Chatelain
Dr. John F. George
Mr. Raymond J. Lasseigne
Mr. Jack E. Lawton, Jr.
Mr. James W. Moore, Jr.
Mr. Robert "Bobby" Yarborough

AGENDA

1. Approval of amendments to Employment Agreement for Mr. Les Miles, Head Football Coach, Louisiana State University

Summary of Athletic Coaching Contract
Les Miles, Head Football Coach

		Current	***Proposed***	*Change*	*%*	*Notes*
Basic	Term Ends	12/31/2017	**12/31/2019**	Added 2 Yrs		a
	Base Salary	$ 300,000	**$ 300,000**	no change		a
	Supplemental Media Comp.	$ 2,901,000	**$ 3,450,000**	$ 549,000		a
	Supplement TAF & Equip.	$ 550,000	**$ 550,000**	no change		a
Incentive	Post-Season (max)	$ 500,000	**$ 500,000**	no change		b
	Academic (max)	$ 200,000	**$ 200,000**	no change		b
	Length of Service	$ -	**$ 150,000**	$ 150,000		b
Benefits	Automobile	$ 19,200	**$ 19,200**	no change		c
	Club Membership	Yes	**Yes**	no change		c
	Other:	0	**0**			
Total Certain Compensation		**$ 3,751,000**	**$ 4,300,000**	**$ 549,000**	**15%**	d

Notes

(a) Coach Miles has served as Head Football Coach since 2005. This amendment will extend Coach Miles' Employment Agreement with LSU for an additional 2 years. This amendment does not change the base salary or supplemental compensation Coach receives from the Tiger Athletic Foundation (TAF) or outside equipment providers. The amendment does increase the payment made for multi media requirements of Coach Miles.

(b) This amendment does not change any Post-Season incentives or Academic incentives based on specific goals and amounts set forth in Coach Miles's contract previously approved by the Board, which is available upon request. A new incentive, Length of Service, is part of this amendment that specifies $150,000 per year will be deposited into an account controlled by LSU or an affiliated foundation. Coach Miles will receive $750,000 from this account should he remain as Head Coach until after the 2017 football season and he will receive an additional $300,000 should he remain as Head Coach after the 2019 football season.

(c) This amendment does not include any changes to the Benefits section of Coach Miles's contract.

(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any incentive or fringe benefits although the Coach has received various amounts of compensation every year for post season competition.

This document summarizes the key terms of the proposed employment contract for the athletic coach named below. Unless noted otherwise, the contract is attached and is based on the standard template normally used by LSU for contracts of this type. The campus recommends approval by the Board.

Recommended

Joe Alleva
Vice Chancellor and Athletic Director

Reviewed, No Objections

Bob Kuhn, Interim Vice Chancellor for Finance and Administrative Services and CFO

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT ("Agreement") made and entered into this 1st day of January, 2013, by and between **BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE** (herein "UNIVERSITY"), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by William L. Jenkins, its duly authorized Interim President, and **Les Miles** (herein "COACH"):

WITNESSETH

THIS AGREEMENT acknowledges the existence of an employment agreement between the above parties dated July 1, 2006, and amendments thereto (along with a clarification memorandum of March 12, 2008). Section references below are to the Employment Agreement dated July 1, 2006:

1. Employment. [No Change]

2. Term. [Revised]

   The term (the "Term") of this Agreement shall be for a definite term, commencing on January 1, 2013, and ending on December 31, 2019, unless terminated sooner in accordance with Section 13 or extended by mutual written agreement of the parties. This Term replaces and supersedes any provisions in any prior agreements between the parties relating to term or extension of term, including but not limited to those set forth in Paragraph 3 of the "Memorandum" of March 12, 2008 from LSU System President John V. Lombardi to Head Football Coach Les Miles.

3. Salary. [No Change]

4. Retirement and Fringe Benefits. [No Change]

5. Sports Camps. [Revised by Prior Amendment and Incorporated Herein]

COACH, subject to state law, NCAA, UNIVERSITY and Athletic Department guidelines, rules and regulations, may operate or work at sports camps/clinics at the UNIVERSITY. The UNIVERSITY does not guarantee or provide any supplemental compensation from the operation of sports camps/clinics. The rights granted to COACH under this paragraph are personal to COACH and exist only during the term of this Agreement. COACH shall not be permitted to sell assign, lease, donate or otherwise transfer any ownership, assets or interests in such a camp or clinic to any other person or entity, without the prior written approval of the Chancellor of the UNIVERSITY.

6. Post-Season. [Revised by Prior Amendment and Incorporated Herein]

A. Beginning with the 2011 college football season, in the event the Team participates in post-season football game(s), UNIVERSITY agrees to pay COACH as additional compensation for the extra services required of COACH in the preparation for and his participation in post-season football games as follows:

	Post-Season Goal	***Amount***
(i)	Participation in SEC Championship Game	$100,000
(ii)	Win SEC Championship Game	$100,000
(iii)	Appear in Post-Season Bowl Game	$100,000
(iv)	Appear in BCS-sponsored Post-Season Bowl Game (including, but not limited to, appearance in the BCS National Championship game)	$200,000
(v)	Win BCS National Championship Game	$100,000

The additional sum or sums, if payable, shall be considered earned as of the date of each game at which a Post-Season Goal is attained and shall be paid within sixty (60) days following the final post-season football game in which the Team and COACH participates. More than one post-season game incentive may be earned by COACH during each intercollegiate football season; provided, however, Post-Season Goals (iii) and (iv) shall be mutually exclusive of each other [i.e., if UNIVERSITY appears in a bowl game that is not BCS-sponsored, $100,000 shall be payable for attainment of Post-Season Goal (iii), whereas if such appearance is in a BCS-sponsored bowl game (including the BCS National Championship Game) $200,000 shall

instead be payable for attainment of Post-Season Goal (iv) and no amount shall be payable relative to Post-Season Goal (iii)]. The total amount of additional compensation under this Section 6.A shall not exceed $500,000 [for items (i) through (v) above] during any one intercollegiate football season.

B. [No Change]

C. [No Change]

D. [Revised by Prior Amendment and Incorporated Herein]

In any given year after the 2011 football season and each football season thereafter, if the football team wins the National Championship (as recognized by the Bowl Championship Series), the total annual compensation shall be adjusted to be no less than the highest salary of public institutions within the SEC, plus $1,000.

For purposes of determining the comparative salaries in effect provided for in Section 6.B, 6.C, and 6.D, the *date* that will be used will be the date of the BCS National Championship game if it takes place in January (or if not, then January 1) for each of the referenced paragraphs.

Upon increase in total annual compensation pursuant to this Section 6, appropriate adjustments shall be made to increase compensation levels established pursuant to existing Sections 3, 7 and 9, as necessary and without the need for an amendment to this Agreement or approval by the Board of Supervisors.

7. Radio/Television/Internet Payments. [Revised]

In addition to the salary set forth above, COACH shall be entitled to receive the amount of Three Million Four Hundred and Fifty Thousand Dollars ($3,450,000) per year contingent on his appearing on or participating in, as requested, and making reasonable efforts to make successful UNIVERSITY sanctioned television, radio and internet programs (the "Programs") concerning the UNIVERSITY and the football program. The amount set forth above shall be payable in twelve (12) equal monthly installments each calendar year. Each installment shall be due on the last business day of the month commencing in January and ending in December.

The reasonable efforts required of COACH under this section shall be the due diligence and personal time customarily exerted by head football coaches in the promotion and production of similar radio, television and internet programs at other institutions of higher education with major football programs.

The UNIVERSITY shall own all rights to the Programs and shall be entitled, at its option, to produce and market the Programs or negotiate with third parties for the production and marketing of the Programs. The UNIVERSITY shall be entitled to retain all revenue generated by the Programs including but not limited to that received from Program sponsors for commercial endorsements used during the programs. "Program sponsors" shall include, but not be limited to, those persons or companies who make financial contributions supporting, or who pay a fee for, commercial announcements and endorsements used on the Programs.

COACH shall not appear without prior written approval of the Chancellor and the Athletic Director on, or in, any radio, television, or internet programs or other electronic medium other than those produced or sponsored by the UNIVERSITY, except routine news media interviews for which no compensation is received. COACH shall not appear in or make any commercial or commercial endorsement without the prior written approval of the Chancellor and the Athletic Director. Such approval shall not be unreasonably withheld.

8. Other Compensation. [Revised by Prior Amendment and Incorporated Herein]

Beginning with the 2011-2012 academic year, if one of the team academic achievements described below (Academic Performance Rate, Graduation Rate and GPA) is achieved in one academic year (defined as beginning with the summer semester and ending with the spring intersession the following year) during this Agreement, UNIVERSITY shall pay to COACH Two Hundred Thousand Dollars ($200,000) payable as one-time supplemental compensation to COACH, which compensation is hereby approved without further action by the Board of Supervisors.

A. Academic Performance Rate "APR" [as defined by the NCAA] for the football team is 960 or higher.

B. Graduation Rate [as defined by the NCAA] for the football team is 75% or higher.

C. GPA for the football team is 2.80 or higher.

The compensation under this Section 8, if payable, shall be paid to COACH within sixty (60) days of the end of the academic year.

9. Additional Revenue. [Revised by Prior Amendment and Incorporated Herein]

Subject to the limitations imposed by this section of the Agreement and compliance with applicable laws, NCAA and UNIVERSITY regulations, policies and procedures, including current NCAA Bylaw 11.2, et seq., COACH may earn or receive other revenue while employed by the UNIVERSITY provided, however, that COACH shall obtain prior written approval, which approval shall not be unreasonably withheld, from the Chancellor and Athletic Director before engaging in any commercial or private venture, including the use of COACH's name by any commercial, public or private entity. COACH shall report annually, in writing, in compliance with NCAA Bylaw 11.2, et seq., to the Chancellor through the Director of Athletics on or before August 1st all athletically-related income from sources outside the University.

UNIVERSITY guarantees that COACH will earn or receive Additional Revenue of at least Five Hundred Fifty Thousand and No/100 ($550,000.00) Dollars during each calendar year of this Agreement. "Additional Revenue" shall include: (a) any monetary benefits earned or received for services to the Tiger Athletic Foundation (TAF), which is currently calculated to be $500,000.00 during each calendar year of this Agreement; (b) any supplemental monetary benefits paid or funded by the TAF; (c) any monetary benefits earned or received from the UNIVERSITY's football team shoe and equipment provider or other UNIVERSITY vendor, which is currently calculated to be $50,000.00 for each calendar year of this Agreement; and (d) any income or benefits earned or received by COACH from the UNIVERSITY outside the sums paid under Sections 3, 4, 6, 7 and 8 of this Agreement.

In the event the amount of such Additional Revenue falls below the minimum guaranteed amount, then UNIVERSITY shall pay COACH the difference between the minimum guaranteed amount and the actual Additional Revenue within thirty (30) days of such determination. The UNIVERSITY shall have reasonable access to all applicable records of COACH that are necessary to verify the obligations contained in this Section.

In no event shall any outside income earned by COACH and approved by UNIVERSITY pursuant to PM-11 offset or reduce the amounts payable to COACH under this Section 9.

10. Assignment/Retirement Benefits. [No Change]

11. Supplemental Compensation Based on Length of Service. (Revised)

The parties acknowledge that developing and maintaining a program that can compete competitively in the SEC and on a national level requires a long-term commitment from both LSU and the COACH. As an incentive to the COACH to remain at LSU for the full term of this Agreement, the parties hereby agree that, in addition to the base salary and all other forms of compensation provided for by this Agreement, LSU or an affiliated foundation shall at the end of each contract year of this Agreement pay into an account owned and controlled by LSU or the affiliated foundation for the benefit of COACH the sum of $150,000.00 (up to $1,050,000.00 for the duration of this Agreement). COACH shall have no right to any of the funds in said account, except as follows:

1) If COACH remains employed as Head Football Coach at LSU until the last game of the regular season for the 2017 football season, $750,000.00 will be available for release and payment as directed by COACH at that time.

2) If COACH remains employed as Head Football Coach at LSU until the last game of the regular season for the 2019 football season, an additional $300,000.00 will be available for release and payment as directed by COACH at that time.

The amount deposited in the account shall be returned to the Athletic Department or affiliated foundation should neither condition listed above occur, and any interest, dividends, increases in value, or other funds of any nature held in the account and not owed to COACH under this Section 11 shall remain the property of LSU or the affiliated foundation that opened and controls the account.

12. Standards. [No Change]

13. Termination. [Revised]

This Agreement may be terminated by the parties as follows:

A. Termination by UNIVERSITY Without Cause.

i. UNIVERSITY shall have the right to terminate this Agreement without cause upon written notice to COACH. In such event, UNIVERSITY will pay COACH liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the event of termination by UNIVERSITY without cause, COACH's Base Salary and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and UNIVERSITY shall not thereafter be liable to COACH for any sums or damages other than the liquidated damages provided for herein and any compensation earned pursuant to this Agreement prior to the termination date. The termination date shall be the date on which notice of termination is given, or on such later date as may be set forth by UNIVERSITY in the notice of termination.

ii. Liquidated damages payable by UNIVERSITY under this Section 13.A will be determined based upon the "Contract Year" in which notice of termination is given. For purpose of this subsection, the first Contract Year will begin on January 1, 2013 and end on December 31, 2013. The second Contract Year will begin on January 1, 2014 and end on December 31, 2014, with each subsequent Contract Year beginning on January 1 and ending on December 31 of that calendar year. The amount of liquidated damages for each Contract Year is set out below:

Amount	***Contract Year (Dates)***
$15,000,000	First, Second, and Third (Prior to 12/31/2015)
$12,900,000	Fourth and Fifth (1/1/2016 to 12/31/2017)
$8,600,000	Sixth (1/1/2018 to 12/31/2018)
$4,300,000	Seventh (1/1/2019 to 12/31/2019)

iii. The obligation of UNIVERSITY to make the payments set forth in Section 13.A.ii shall be reduced and extinguished by and to the extent of any compensation COACH earns, receives, or is entitled to receive from any third party after the date of termination without cause. After termination, COACH has the good faith duty and obligation to seek to obtain similar or related employment and to collect sums due him in connection with such employment. In the event COACH obtains such other employment after being terminated by UNIVERSITY without cause, it shall be the duty and obligation of COACH to notify UNIVERSITY that he has obtained other employment and to provide any and all reasonable documentation requested by UNIVERSITY to determine the amount of compensation received by COACH and the amount of offset to which UNIVERSITY is entitled.

iv. Unless the parties mutually agree in writing to a different payment schedule, liquidated damages under this Section 13.A shall be paid in equal monthly installments over a period of time equal to twice the amount of time then remaining in the term of this Agreement, commencing on the last day of the month immediately following the month in which the termination date occurs and continuing on the last day of each succeeding month thereafter during the payment period. The monthly payments by UNIVERSITY shall be subject to an offset and reduction as set out in Section 13.A.iii, and shall be apportioned on a monthly basis. In addition, the total liquidated damages set forth in Section 13.A.ii and to be paid as scheduled under this Section 13.A.iv shall be reduced by the amount of compensation actually paid to COACH under this Agreement in the terminating Contract Year prior to termination, so that the sum of the total liquidated damages to be paid as scheduled under this Section 13.A.iv and the compensation actually paid during the terminating Contract Year prior to termination equals the "Amount" set forth for the applicable Contract Year in Section 13.A.ii. For purposes of the preceding sentence, "compensation actually paid during the terminating Contract Year" shall not include compensation paid during the terminating Contract Year that was due to Coach for a prior Contract Year.

v. The offsets, extinguishment and reductions pursuant to this Section 13, if applicable, are not intended to be deferred compensation, but rather a means to mitigate damages in accordance with Louisiana law, and UNIVERSITY will reasonably cooperate with COACH to establish this fact, if necessary.

B. Termination by COACH. [No Change]

C. Termination of COACH for Cause. [No Change]

D. Suspension or Other Disciplinary Action. [No Change]

E. Termination by Death or Disability. [No Change]

F. Waiver of Claims. [No Change]

14. Indemnification of UNIVERSITY. [No Change]

15. Entire Contract. [Revised]

The Agreement dated July 1, 2006, along with this Amendment shall constitute the entire agreement concerning the employment of COACH by the UNIVERSITY and shall upon the effective date hereof, supersede any other agreements (whether oral or written) between the parties. The parties agree that neither has made any representations with respect to the subject matter of this Agreement or any representations except as are specifically set forth herein. The execution of this Amendment shall not be deemed to ratify or confirm any prior action taken by the other party before the effective date of this Amendment. Each party acknowledges that each has relied solely on his and its own judgment in entering this agreement with full opportunity to seek advice of competent counsel, and that the Agreement will be interpreted without reference as to whom was the principal draftsman of any provision.

16. Severability. [No Change]

17. Amendments to Contract. [No Change]

18. No Waiver of Default. [No Change]

19. Retention of all Materials, Records, Credit Cards and Keys. [No Change]

20. Sovereign Immunity Not Waived. [No Change]

21. "Force Majeure" Clause. [No Change]

22. Governing Laws. [No Change]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day, month and year first above written in Baton Rouge, Louisiana.

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

By: _____
William L. Jenkins, Interim President
Louisiana State University System

_____
Les Miles, Head Football Coach
Louisiana State University and
Agricultural and Mechanical College

RECOMMENDED:

_____
Joseph L. Alleva, Vice Chancellor and
Director of Athletics
Louisiana State University and
Agricultural and Mechanical College

_____
Interim Vice Chancellor for Finance
and Administrative Services
Louisiana State University and
Agricultural and Mechanical College

PERSONNEL ACTIONS REQUIRING BOARD APPROVAL

February 1, 2013

TABLE OF CONTENTS

Personnel Actions Requiring Board Approval

February 1, 2013

A. Campus Personnel Actions

FILL A VACANCY – APPOINTMENT WITH TENURE 1
RAISES 2
PROMOTIONS/CLARIFICATION OF TITLE 3
APPOINTMENT/CONTINUATION OF DESIGNATED CHAIR OR PROFESSORSHIP 4-5
LEAVE WITHOUT PAY/EDUCATIONAL LEAVE/SPECIAL LEAVE 6
REQUESTS FOR EMERITUS TITLE 7
SUPPLEMENTAL COMPENSATION 8
ATTACHMENT ONE .....
ATTACHMENT TWO .....
SABBATICAL LEAVE 9
OTHER 10

FILL A VACANCY - APPOINTMENT WITH TENURE

	Campus	Name	Effective Date	Title	Salary	Proposed Source
1	HSC-NO	Sinha, Debasish	07/01/13	Professor with tenure Department of Ophthalmology	$210,000	State

RAISES

Campus		Name	Effective		Title	Old Salary	New Salary	Source	Pct Chg.
1	HSC-S	Hobgood, Marcus	02/04/13	Retention and Market Increase	Chief Information Officer–IT	$162,500	$186,468	State	15%
1	LSU A&M	Ausberry, II Verge S.	11/01/12	Equity Increase	Associate Director–Athletics	$165,000	$172,000	Aux	4%
2	LSU A&M	Bahnsen, David	11/01/12	Equity Increase	Associate Director–Athletics	$123,800	$135,000	Aux	9%
3	LSU A&M	Nunez, Eduardo J.	11/01/12	Additional Duties and Equity	Associate Director–Athletics	$110,000	$145,000	Aux	32%
4	LSU A&M	Segar, Miriam F.	11/01/12	Equity Increase	Associate Director–Athletics	$125,000	$150,000	Aux	20%

PROMOTIONS/CLARIFICATION OF TITLE

	Campus	Name	Effective	Title	Old Salary	New Salary	Difference	Source Pct Chg.
1	PBRC	Brantley, Phillip	02/01/13	Associate Executive Director for Education	$192,465	no change in salary		
2	PBRC	Cefalu, William	02/01/13	Associate Executive Director for Scientific Affairs and Chief Scientific Officer	$331,848	no change in salary		
3	PBRC	Katzmarzyk, Peter	02/01/13	Associate Executive Director for Population Science	$220,500	no change in salary		
4	PBRC	Ravussin, Eric	02/01/13	Associate Executive Director for Obesity and Diabetes	$307,770	no change in salary		
5	PBRC	Rood, Jennifer	02/01/13	Associate Executive Director for Cores/Resources	$175,700	no change in salary		
6	PBRC	Stephens, Jacqueline	02/01/13	Director of Basic Sciences	$133,895	no change in salary		

APPOINTMENT/CONTINUATION OF DESIGNATED CHAIR OR PROFESSORSHIP

	Campus	Name	Effective	Continue Remove/Add	Title	Salary	Compensation	Foundation
1	Ag-Center	Bengtson, Richard L.	08/13/12	Continue	Edward McLaughlin Endowed Professorship of Engineering for Excellence in Undergraduate Instruction	$114,776	$5,000	LSU A&M
2	Ag-Center	Sabliov, Christina	07/01/12	Add	Scott and Ruth Bergeron Professorship in Biological Engineering	$99,008	$5,000	LSU A&M
3	HSC-NO	Sinha, Debasish	07/01/13	Add	Prince Abulaziz Bin Ahmad Abulaziz Al-Saud Endowed Chair of Retina	-	-	-
4	LSU A&M	Baker, David G.	08/13/12	Continue	Paula and Milton W. Shepard Professorship	$150,750	-	LSU A&M
5	LSU A&M	Ceppos, Jerome M.	07/01/12	Add	William Dickinson Professorship of Journalism	$225,000	-	LSU A&M
6	LSU A&M	Dahmen, Nicole S.	07/01/12	Continue	John H. Bateman Professorship	$53,400	$2,500	LSU A&M
7	LSU A&M	Egea-Kuehne, Denise	08/13/12	Continue	L. M. "Pat" and Mildred Harrison Professorship in the College of Education	$82,454	$4,000	LSU A&M
8	LSU A&M	Henry, Darrell J.	08/13/12	Continue	Campanile Charities Professorship of Geology & Geophysics	$106,640	$10,000	LSU A&M
9	LSU A&M	Jeong, Yongick	07/01/12	Continue	Joe D. Smith/Hibernia Professorship in Media and Politics	$53,400	-	LSU A&M
10	LSU A&M	Justic, Dubravko	11/01/12	Add	Texaco Professorship	$98,935	$5,000	LSU A&M
11	LSU A&M	Lemieux, Catherine M.	08/13/12	Continue	Margaret Champagne Womack Professorship in Addictive Disorders	$95,783	$4,000	LSU A&M
12	LSU A&M	Mocan, H naci	09/01/12	Continue	Ourso Distinguished Chair in Economics	$212,800	$30,800	LSU A&M
13	LSU A&M	Moroney, James V.	01/08/13	Add	Dr. Richard Bruch Distinguished Professorship in Biological Sciences	$113,459	-	LSU A&M

	Campus	Name	Effective	Continue Remove/Add	Title	Salary	Compensation	Foundation
14	LSU A&M	Narayanan, Rajesh P.	08/13/12	Continue	C. Clifford Cameron Professorship #3	$175,000	–	LSU A&M
15	LSU A&M	Rau, A Ravi P.	08/13/12	Continue	Robert Stobaugh Alumni Professorship	$132,499	$6,200	LSU A&M
16	LSU A&M	Sarker, Bhaba R.	08/13/12	Continue	Elton Yates Distinguished Professorship 1 and 2	$109,496	$5,000	LSU A&M
17	LSU A&M	Tyagi, Mayank	08/13/12	Continue	Adolph G. Gueymard Professorship in Petroleum Engineering	$72,251	$4,200	LSU A&M
18	LSU A&M	Waltrich, Paulo	08/13/12	Add	Krause Professorship	$89,000	–	LSU A&M
19	LSU A&M	Wiley-Patton, Sonja	08/13/12	Continue	Donald and Ruby Phillips Professorship #2	$152,087	–	LSU A&M
				Remove	Donald and Ruby Phillips Professorship #1	–	–	–
20	LSU A&M	Willis, Elizabeth Lee	07/01/12	Continue	Elena and Albert LeBlanc Professorship in the College of Education	$86,531	$4,000	LSU A&M

LEAVE WITHOUT PAY/EDUCATIONAL LEAVE/SPECIAL LEAVE

	Campus	Name	Type of Leave	Effective Date
1	LSU A&M	Buchmann, Melanie S.	Educational	01/14/13 – 05/10/13 (with part pay)
2	LSU A&M	Liu, Min-Hsin	LWOP	01/01/13 – 12/31/13

REQUESTS FOR EMERITUS TITLE

	Campus	Name	Effective	Title
1	HSC-NO	Ferrante, William	1/1/2013	Professor Emeritus

SUPPLEMENTAL COMPENSATION

	Campus	Name	Effective	Title	Salary	Supplement	Foundation
1	HSC-NO	See Attached List of 2012 Research Day Award Recipients (Attachment One)					LSUHSC-NO
2	LSU A&M	See Attached Awards Report for February Board Meeting (Attachment Two)					LSU A&M

Attachment 1

LSU HEALTH SCIENCE CENTER NEW ORLEANS GRADUATE STUDIES RESEARCH DAY AWARDS

APPROVAL OF SUPPLEMENTAL PAYMENT REQUEST

SUPPLEMENTAL PAYMENTS FOR THE FOLLOWING INDIVIDUALS HAVE BEEN REVIEWED BY THE FOUNDATION FOR THE LSU HEALTH SCIENCES CENTER. ADEQUATE FUNDS ARE AVAILABLE IN ACCOUNT 634004 TO SUPPORT THE PROPOSED COMPENSATION FOR GRADUATE STUDIES RESEARCH DAY AWARDS:

Abhilash Ponnath (Fellow)	$400
Ji Won Park (Graduate Assistant-Research)	$400
Kavaljit Chhabra (Graduate Assistant-Research)	$250
Sherin Hashem (Graduate Assistant- Research)	$250
Monica Ertel (Graduate Assistant-Research)	$250
Anasheh Halabi (Graduate Assistant-Research)	$250
Juan Gao (Postdoctoral Researcher)	$250
Virginia Ronchi (~~Trainee-Fellow~~) Postdoc. Research TNV	$150
Felix Nau, Jr. (Graduate Assistant- Research)	$150
Annie Whitaker (Fellow)	$150
Daniel Edwards (Graduate Assistant-Research)	$100
Gin Chuang (Fellow)	$100
Kun Qian (Graduate Teaching Assistant 3)	$100
Sarah Mahne (Associate- Research)	$100

12/17/12

CHAD LEINGANG
PRESIDENT AND CEO
LSU HEALTH FOUNDATION

Attachment 2

LOUISIANA STATE UNIVERSITY BOARD OF SUPERVISORS AWARDS REPORT

Meeting Date: February 2013

Name	Title	Award	Regular Salary	Date	Award Amount
Michael Khonsari	Director	Dean's Scholarship Award (patent #8209133)	$235,651	10/19/2012	$750
Jennifer Ritchie	Instructor	Service-Learning Faculty Scholars Award	$42,500	11/8/2012	$1,000
Christy Arrazattee	Assistant Director	LSU Foundation Outstanding Award	$40,320	11/30/2012	$500
Igor Matkovic	Custodian Manager	LSU Foundation Outstanding Award	$35,433	11/30/2012	$500
Robert Benton	Manager	LSU Foundation Outstanding Award	$75,000	11/30/2012	$500
Jesse Downs	Associate Director	LSU Foundation Outstanding Award	$55,000	11/30/2012	$500
Courtney Edwards	Assistant Director	LSU Foundation Outstanding Award	$44,768	11/30/2012	$500
Derek Yush	Assistant Coach	LSU Foundation Outstanding Award	$60,000	11/30/2012	$500
Melissa Argrave	Coordinator	LSU Foundation Outstanding Award	$54,456	11/30/2012	$500
Edward Dodd	Director	LSU Foundation Outstanding Award	$76,000	11/30/2012	$500
Karen Soniat	Director	LSU Foundation Outstanding Award	$88,350	11/30/2012	$500

Recommended
for Board Action

Carolyn J. Haygood

1/25/13

SABBATICAL LEAVE

Campus	Name	Title	School/College	Effective Date	Pay Status
1	See Attached List				

2013 Sabbatical Request

Campus	Last Name	First Name	Title	Department	College	Start Date	End Date	Pay Status
HSC-New Orleans	Xu	Xiaoming	Professor	Comprehensive Dentistry and Biomaterials	School of Dentistry	7/1/2013	12/31/2013	FY
HSC-New Orleans	Diaz	James	Professor	Environmental / Occupational Health Sciences	School of Public Health	7/1/2013	12/31/2013	FY
Joint Ag Center and LSU	Boldor	Dorin	Associate Professor	Biological and Agricultural Engineering	Engineering	1/1/2014	5/15/2013	FY
Joint Ag Center and LSU	Sabliov	Cristina	Associate Professor	Biological and Agricultural Engineering	Engineering	1/1/2014	5/15/2014	FY
Ag Center	Villordon	Arthur	Professor	Sweet Potato Research Station N.E. Region	LA. Ag. Experiment Station	4/1/2013	7/31/2013	FY
Ag Center	Wu	Qinglin	Professor	School of Renewable Natural	LA. Ag. Experiment Station	7/1/2013	12/31/2013	FY
LSU	Ariaz	Jeremiah	Associate Professor	Art	Art & Design	8/19/2013	12/20/2013	AY
LSU	Desmond	J. Michael	Professor	Architecture	Art & Design	8/19/2013	12/20/2013	AY
LSU	Greckhamer	Thomas	Associate Professor	Management	Business Administration	8/19/2013	12/20/2013	AY
LSU	Mocan	H. Naci	Professor	Economics	Business Administration	1/9/2014	5/17/2014	AY
LSU	Unel	Bulent	Associate Professor	Economics	Business Administration	1/9/2014	5/17/2014	AY
LSU	D'Sa	Eurico	Associate Professor	Oceanography and Coastal Sciences	School of Coast & Environment	8/19/2013	12/20/2013	AY

LSU	White	John	Associate Professor	Oceanography and Coastal Sciences	School of Coast & Environment	8/19/2013	12/20/2013	AY
LSU	Carson	Russell	Associate Professor	School of Kinesiology	Human Sciences & Education	8/19/2013	12/20/2013	AY
LSU	Monroe	Pamela	Professor	Social Work	Human Sciences & Education	1/9/2014	5/17/2014	AY
LSU	Stauffer	Suzanne	Associate Professor	Library & Information Sciences	Human Sciences & Education	8/19/2013	12/20/2013	AY
LSU	Chen	Qin	Professor	Civil and Environmental Engineering	Engineering	8/19/2013	12/20/2013	AY
LSU	Zhang	Guoping	Associate Professor	Civil and Environmental Engineering	Engineering	8/19/2013	12/20/2013	AY
LSU	Ullmer	Brygg	Associate Professor	Electrical Engineering & Computer Sci	Engineering	1/9/2014	5/17/2014	AY
LSU	Hall	Rachel	Associate Professor	Communication Studies	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Shaffer	Tracy	Associate Professor	Communication Studies	Human & Social Sciences	1/9/2014	5/17/2014	AY
LSU	Berman	Jacob	Associate Professor	English	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Rastogi	Pallavi	Associate Professor	English	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Sandiford	Keith	Professor	English	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Weltman	Sharon	Professor	English	Human & Social Sciences	8/19/2013	5/17/2014	AY

LSU	* Fletcher	Kristopher	Assistant Professor	Foreign Language & Literature	Human & Social Sciences	1/9/2014	5/17/2014	AY
LSU	* Orozco	Rafael	Assistant Professor	Foreign Language & Literature	Human & Social Sciences	1/9/2014	5/17/2014	AY
LSU	* Peters	Rosemary	Assistant Professor	French Studies	Human & Social Sciences	1/9/2014	5/17/2014	AY
LSU	Colten	Craig	Professor	Geography & Anthropology	Humanities & Social Sciences	1/9/2014	5/17/2014	AY
LSU	Wang	Fahui	Professor	Geography & Anthropology	Humanities & Social Sciences	8/19/2013	12/20/2013	AY
LSU	* Wang	Lei	Assistant Professor	Geography & Anthropology	Humanities & Social Sciences	1/9/2014	5/17/2014	AY
LSU	Long	Alecia	Associate Professor	History	Humanities & Social Sciences	1/9/2014	5/17/2014	FY
LSU	Zanasi	Margherita	Associate Professor	History	Humanities & Social Sciences	1/9/2014	5/17/2014	FY
LSU	*Clare	Joseph	Assistant Professor	Political Science	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Stoner	James	Professor	Political Science	Human & Social Sciences	8/19/2013	5/17/2014	AY
LSU	Raffoul	Francois	Professor	Philosophy & Religious Studies	Human & Social Sciences	8/19/2013	5/17/2014	AY
LSU	Roland	Jeffrey	Associate Professor	Philosophy & Religious Studies	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	Beck	Melissa	Associate Professor	Psychology	Human & Social Sciences	8/19/2013	12/20/2013	AY

LSU	Cohen	Alex	Associate Professor	Psychology	Human & Social Sciences	8/19/2013	12/20/2013	AY
LSU	*Berkowitz	Dana	Assistant Professor	Sociology	Human & Social Sciences	1/9/2014	5/17/2014	AY
LSU	Lundy	Lisa	Associate Professor	Mass Communication	School of Mass Communication	1/9/2014	5/17/2014	AY
LSU	Bade	Lori	Professor	Music	Music and Dramatic Arts	8/19/2013	12/20/2013	AY
LSU	Dietz	Brett	Associate Professor	Music	Music and Dramatic Arts	8/19/2013	12/20/2013	AY
LSU	Austin	Christopher	Associate Professor	Biological Sciences	Science	1/9/2014	5/17/2014	AY
LSU	Christner	Brent	Associate Professor	Biological Sciences	Science	1/9/2014	5/17/2014	AY
LSU	Hand	Steven	Professor	Biological Sciences	Science	8/19/2013	12/20/2013	AY
LSU	Pettis	Gregg	Associate Professor	Biological Sciences	Science	8/19/2013	12/20/2013	AY
LSU	Maverick	Andrew	Professor	Chemistry	Science	8/19/2013	12/20/2013	AY
LSU	Taylor	Carol	Professor	Chemistry	Science	1/9/2014	5/17/2014	AY
LSU	Warner	Isiah	Professor	Chemistry	Science	8/19/2013	12/20/2013	AY
LSU	Hoffman	Jerome	Professor	Mathematics	Science	8/19/2013	12/20/2013	AY

2013 Sabbatical Request

LSU	Malisoff	Michael	Associate Professor	Mathematics	Science	8/19/2013	12/20/2013	AY
LSU	Stoltzfus	Neal	Professor	Mathematics	Science	8/19/2013	12/20/2013	AY
Law Center	Baier	Paul	Professor	Law Center	Law Center	1/13/2014	5/30/2014	AY

*Conditioned upon approval of Promotion and Tenure effective FY 2013 - 2014

Personnel Actions Requiring Board Approval
February 1, 2013

OTHER

CAMPUS	NAME	TITLE	ACTION	
LSU A&M	Chavis,Johnny J	Assistant Coach - Football	Extension of Athletic Contract Start Date: 1-Jan-12 End Date: 31-Dec-15	(No change in compensation)
LSUHSC-S	Mighty,Hugh	Vice Chancellor for Research/ Clinical Affairs and Professor of Obstetrics and Gynecology	Extension of Contract Start Date: 1-Jul-10 End Date: 30-Jun-16	(No change in compensation)

ADDENDUM

PERSONNEL ACTIONS REQUIRING BOARD APPROVAL

FEBRUARY 1, 2013

Personnel Actions Requesting Board Approval
February 1, 2013

RAISES

	Campus	Name	Effective		Title	Old Salary	New Salary	Source	Pct Chg.
1	LSU A&M	Ewing, Mark R.	11/01/12	Equity Adjustment	Associate Director of Athletics	$172,000	$180,000	Auxilary	5%

APPOINTMENT/CONTINUATION OF DESIGNATED CHAIR OR PROFESSORSHIP

	Campus	Name	Effective	Continue Remove/Add	Title	Salary
1	LSU A&M	Holmes, Robert	01/07/13 - 05/17/13	Add	Marie M. Bickham Endowed Chair in the School of Landscape Architecture	$38,000

LSU System Investments
Compliance Schedule
December 31, 2012

Highline Financial YTD September 30, 2012					Eligible Investment		Depository	University	
	Capital	Tier 1 Lev.	Eligibility	Total	May Not	May	Listed by	Investment	Complies
Banks	Category	Ratio	% of TD	Deposits	Exceed 5%	Exceed 5%	La. IEB	12/31/2012	PM-9
JP Morgan Chase Bank	1	5.97	5%	$1,186,729,000,000	$59,336,450,000		Yes	$212,532,943	Yes
Capital One Bk. (Hibernia)	1	11.25	5%	$42,427,772,000		$2,121,388,600	Yes	$25,326,317	Yes
Campus Federal CU	N/A	N/A	N/A	$0	$100,000/ acc't.		Yes	$100,000	Yes
St. Landry Bank & Trust	1	11.78	5%	$185,424,000		$9,271,200	Yes	$583,897	Yes
U.S. Bank	1	12.97	5%	$248,628,028,000		$12,431,401,400	Yes	$3,079	Yes
Regions Bank	1	10.09	5%	$95,604,495,000		$4,780,224,750	Yes	$135,189,071	Yes
								$373,735,307	

To be eligible for university investment a financial institution must be listed in Capital Category 1 or 2, have a tier one level ratio of at least 5, and be a depository authorized by the La. Interim Emergency Board.

To be eligible for university investment in excess of 5% of its total deposits the institution must have a tier one ratio of at least 10.

Core (Tier l) Capital Ratio (Core Capital/Adjusted Total Assets)
Core Capital as defined in the Highline Data rating service include: common stockholders' equity capital, plus non-cumulative, perpetual preferred stock and any related surplus, plus minority interests in equity capital accounts of consolidated subsidiaries, minus goodwill, minus other disallowed intangible assets, minus disallowed deferred tax assets, minus any other amounts that are deducted in determining Tier 1 (core) capital in accordance with capital standards issued by the reporting bank's primary Federal supervisory authority.

LSU SYSTEM
Deposit and Collateral Report
For the Quarter Ended December 31, 2012

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
LSU A & M and Health Sciences Ctr New Orleans				
Chase - LSU, Health Plan Premium	42,247,899		$42,247,899	93,291,503
Capital One CCD Program - LSU		20,000,000	$20,000,000	37,523,546
Chase-HSCNO	10,828,689	18,600	$10,847,289	22,032,946
Capital One - LSU-A	2,731,988		$2,731,988	5,466,058
St. Landry Bank - LSU-E	583,897		$583,897	1,004,576
Total	**$56,392,473**	**$20,018,600**	**$76,411,073**	**$159,318,629**
Health Sciences Center Shreveport				
US Bank	$3,079		$3,079	$250,000
J. P. Morgan Chase-Huey P. Long	1,344		$1,344	1,252,955
J. P. Morgan Chase-Shreveport	2,603		$2,603	508,337
Regions Bank-EA Conway	49,846,606		$49,846,606	50,838,539
Regions Bank-Huey P Long	30,254,455		$30,254,455	30,854,544
Regions Bank-Shreveport	40,777,380		$40,777,380	54,136,610
Regions Bank-Shreveport Endowment Fds	14,310,630		$14,310,630	
Total	**$135,196,097**	**$0**	**$135,196,097**	**$137,840,985**
LSUHSC HCSD				
JP Morgan Chase	154,302,910		$154,302,910	not required
J. P. Morgan Chase (MCLNO Trust Fund)	5,130,898		$5,130,898	10,107,052
Capital One (MCLNO Trust Fund)	1,609,626		$1,609,626	1,390,350
Total	**$161,043,434**		**$161,043,434**	**$11,497,402**
LSU - Shreveport				
Campus Federal Credit Union		$100,000	$100,000	
Regions Bank			$0	
Capital One (Hibernia National Bank)	984,703		$984,703	
Total	**$984,703**	**$100,000**	**$1,084,703**	**$0**
Total Requiring Collateral	**$353,616,707**	**$20,118,600**	**$373,735,307**	**$308,657,016**
Deposits In Trust or Federal Obligations Not Requiring Collateral				
Repo's (Bank of New York)	-	-	$0	
One Group US Treasury Securities (2)	-	-	$0	
Federated Money Markets	73,180,783	-	$73,180,783	
Federated Funds-Treas. Oblig. (2)	325,336	-	$325,336	
Total	**$73,506,119**	**$0**	**$73,506,119**	
Total Deposits	**$427,122,827**	**$20,118,600**	**$447,241,427**	

(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 is U.S. Treasury obligations.

LSU System
Investment Summary
For the Year Ended June 30, 2013

	As of 7/1/2012	As of 9/30/2012		As of 12/31/2012	
Fund Description	**Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
Current Funds					
Cash/Sweeps	$462,112,089	$400,894,124	$400,894,124	$332,192,333	$332,192,333
Money Market Accounts/Repos (A)	$3,587,414	$5,979,284	$5,979,284	$9,177,748	$9,177,748
Certificates of Deposit	$38,100,000	$30,100,000	$30,100,000	$20,100,000	$20,100,000
Treasury Notes	$10,456,950	$12,981,953	$13,587,155	$5,036,406	$5,173,590
CMO's	$14,661,264	$11,358,467	$11,884,131	$8,991,208	$9,426,811
Agency Securities (B)	$207,802,484	$201,900,414	$210,083,361	$205,101,157	$212,615,209
Mortgaged Backed Securities	$41,175,260	$37,209,358	$38,583,174	$36,619,846	$37,812,176
Bond Mutual Funds	$15,327,585	$32,683,068	$33,136,984	$46,697,531	$46,925,572
Municipal Bonds	$16,559,246	$50,983,837	$51,112,503	$57,155,320	$56,877,341
Corporate Bonds (D)	$154,693,269	$157,806,266	$166,831,672	$166,070,397	$174,466,853
US Gov Related Securities	$0	$0	$0	$0	$0
Total	**$964,476,856**	**$941,896,771**	**$962,193,746**	**$887,141,946**	**$904,768,935**
Endowment Funds					
Cash/Sweeps	$10,767,920	$13,008,743	$13,008,743	$14,360,073	$14,360,073
Money Market Accounts/Repos (A)	$55,918	$38,567	$38,567	$194,074	$194,074
Certificates of Deposit	$18,600	$18,600	$18,600	$18,600	$18,600
Agency Securities (B)	$12,504,829	$12,022,976	$12,366,684	$7,648,160	$12,780,362
Equity Securities (C)	$7,548,752	$6,589,522	$7,695,109	$6,386,592	$7,652,204
Bond Mutual Funds	$5,147,917	$5,200,000	$5,281,052	$5,200,000	$5,347,620
Municipal Bonds	$18,005,395	$13,285,414	$13,943,582	$14,317,627	$14,713,010
Corporate Bonds (D)	$21,723,526	$25,003,263	$25,964,262	$22,828,884	$23,601,548
US Gov Related Securities	$0	$0	$0	$0	$0
Total	**$75,772,857**	**$75,167,085**	**$78,316,599**	**$70,954,010**	**$78,667,491**
Other Funds					
Cash/Sweeps	$16,096,812	$15,179,864	$15,179,864	$15,125,307	$15,125,307
Money Market Accounts/Repos (A)	$87,924,662	$53,786,734	$53,786,734	$55,747,956	$55,747,956
Treasury Notes	$446,761	$446,761	$446,761	$446,761	$446,761
Agency Securities (B)	$8,425,974	$7,737,795	$8,583,459	$7,737,795	$8,550,012
Equity Securities (C)	$424,427	$453,592	$453,592	$429,288	$429,288
US Gov Related Securities	$361,840	$348,394	$348,394	$325,336	$325,336
Total	**$113,680,476**	**$77,953,140**	**$78,798,804**	**$79,812,443**	**$80,624,660**
Grand Total	**$1,153,930,189**	**$1,095,016,996**	**$1,119,309,149**	**$1,037,908,399**	**$1,064,061,086**
Deposits in Financial Institutions					
Total Cash/Sweeps/MMA/Repos	$580,544,815	$488,887,316	$488,887,316	$426,797,490	$426,797,490
Total Certificates of Deposit	$38,118,600	$30,118,600	$30,118,600	$20,118,600	$20,118,600
US Gov Related Securities	$361,840	$348,394	$348,394	$325,336	$325,336
Total Deposits	**$619,025,255**	**$519,354,310**	**$519,354,310**	**$447,241,427**	**$447,241,427**
Other Investments					
Treasury Notes	$10,903,711	$13,428,714	$14,033,916	$5,483,167	$5,620,351
CMO's	$14,661,264	$11,358,467	$11,884,131	$8,991,208	$9,426,811
Agency Securities (B)	$228,733,287	$221,661,185	$231,033,504	$220,487,112	$233,945,583
Mortgaged Backed Securities	$41,175,260	$37,209,358	$38,583,174	$36,619,846	$37,812,176
Equity Securities (C)	$7,974,474	$7,043,114	$8,150,059	$6,815,880	$8,082,794
Bond Mutual Funds	$20,475,502	$37,883,068	$38,418,036	$51,897,531	$52,273,192
Municipal Bonds	$34,564,641	$64,269,251	$65,056,085	$71,472,947	$71,590,351
Corporate Bonds (D)	$176,416,795	$182,809,529	$192,795,934	$188,899,281	$198,068,401
US Gov Related Securities	$0	$0	$0	$0	$0
Total Other	**$534,904,934**	**$575,662,686**	**$599,954,839**	**$590,666,972**	**$616,819,659**
Grand Total	**$1,153,930,189**	**$1,095,016,996**	**$1,119,309,149**	**$1,037,908,399**	**$1,064,061,086**

LSU System
Investment Summary
For the Year Ended June 30, 2013

	As of 7/1/2012	As of 9/30/2012		As of 12/31/2012	
Fund Description	**Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
LSU and Related Campuses					
Current Funds					
Cash/Sweeps	65,434,240	111,593,204	111,593,204	$56,392,473	$56,392,473
Money Market Accounts/Repos (A)	2,587,414	5,479,284	5,479,284	9,127,748	9,127,748
Certificates of Deposit	38,000,000	30,000,000	30,000,000	20,000,000	20,000,000
Treasury Bills					
Treasury Notes	10,456,950	12,981,953	13,587,155	5,036,406	5,173,590
CMO's	14,661,264	11,358,467	11,884,131	8,991,208	9,426,811
Agency Securities (B)	165,031,523	157,264,582	165,387,601	157,259,882	164,788,014
Mortgaged Backed Securities	41,175,260	37,209,358	38,583,174	36,619,846	37,812,176
Equity Securities (C)	1,295	-	1,358		1,302
Bond Mutual Funds	15,327,585	32,683,068	33,136,984	46,697,531	46,925,572
Municipal Bonds	11,506,171	42,515,923	42,632,747	47,496,718	47,200,472
Corporate Bonds (D)	129,168,532	125,699,380	134,377,689	126,690,880	134,731,728
US Gov Related Securities					
Total	**$493,350,234**	**$566,785,219**	**$586,663,327**	**$514,312,692**	**$531,579,886**
Endowment Funds					
Cash/Sweeps					
Money Market Accounts/Repos (A)	55,918	38,567	38,567	194,074	194,074
Certificates of Deposit	18,600	18,600	18,600	18,600	18,600
Agency Securities (B)	6,945,183	7,648,160	7,990,507	7,648,160	7,978,818
Equity Securities (C)	7,540,134	6,581,872	7,685,618	6,378,942	7,642,985
Corporate Bonds (D)	6,564,010	6,055,650	6,668,385	6,055,650	6,604,625
US Gov Related Securities					
Total	**$21,123,845**	**$20,342,849**	**$22,401,677**	**$20,295,426**	**$22,439,102**
Other Funds					
Cash/Sweeps					
Money Market Accounts/Repos (A)	87,924,662	53,786,734	53,786,734	55,747,956	55,747,956
Treasury Notes	446,761	446,761	446,761	446,761	446,761
Agency Securities (B)	8,425,974	7,737,795	8,583,459	7,737,795	8,550,012
Total	**$96,797,397**	**$61,971,290**	**$62,816,954**	**$63,932,512**	**$64,744,729**
Grand Total	**$611,271,476**	**$649,099,358**	**$671,881,958**	**$598,540,630**	**$618,763,717**
LSUHSC Shreveport					
Current Funds					
Cash/Sweeps S.	$97,256,842	$60,805,795	$60,805,795	$40,779,983	$40,779,983
Cash/Sweeps C.	$47,621,892	$42,292,965	$42,292,965	$49,846,606	$49,846,606
Cash/Sweeps H.	$28,215,710	$24,387,599	$24,387,599	$30,255,799	$30,255,799
Cash/Sweeps	**$173,094,444**	**$127,486,359**	**$127,486,359**	**$120,882,388**	**$120,882,388**
Agency Securities (B)	$42,770,961	$44,635,832	$44,695,760	$47,841,275	$47,827,195
Municipal Bonds	$5,053,075	$8,467,914	$8,479,756	$9,658,602	$9,676,869
Corporate Bonds (D)	$25,524,737	$32,106,886	$32,453,983	$39,379,517	$39,735,125
US Gov Related Securities					
Total	**$246,443,217**	**$212,696,991**	**$213,115,858**	**$217,761,782**	**$218,121,577**
Endowment Funds					
Cash/Sweeps	$10,718,592	$12,959,300	$12,959,300	$14,310,630	$14,310,630
Agency Securities (B)	$5,559,646	$4,374,816	$4,376,177	$0	$4,801,544
Mortgaged Backed Securities					
Equity Securities (C)	$8,618	$7,650	$9,491	$7,650	$9,219
Bond Mutual Funds	$5,147,917	$5,200,000	$5,281,052	$5,200,000	$5,347,620
Municipal Bonds	$18,005,395	$13,285,414	$13,943,582	$14,317,627	$14,713,010
Corporate Bonds (D)	$15,159,516	$18,947,613	$19,295,877	$16,773,234	$16,996,923
US Gov Related Securities					
Total	**$54,599,684**	**$54,774,793**	**$55,865,479**	**$50,609,141**	**$56,178,946**
Other Funds					
Cash/Sweeps	$5,793	$8,811	$8,811	$3,079	$3,079
US Gov Related Securities					
Total	**$5,793**	**$8,811**	**$8,811**	**$3,079**	**$3,079**
Grand Total	**$301,048,694**	**$267,480,595**	**$268,990,148**	**$268,374,002**	**$274,303,602**

LSU System
Investment Summary
For the Year Ended June 30, 2013

	As of 7/1/2012	As of 9/30/2012		As of 12/31/2012	
Fund Description	**Value**	**Cost**	**Market Value**	**Cost**	**Market Value**
LSUHCSD					
Current Funds					
Cash/Sweeps	$222,729,961	$160,051,332	$160,051,332	$154,302,910	$154,302,910
Money Market Accounts/Repos (A)					
Certificates of Deposit					
US Gov Related Securities					
Total	**$222,729,961**	**$160,051,332**	**$160,051,332**	**$154,302,910**	**$154,302,910**
Endowment Funds					
Cash/Sweeps					
Money Market Accounts/Repos (A)					
Certificates of Deposit					
US Gov Related Securities					
Total	**$0**	**$0**	**$0**	**$0**	**$0**
Other Funds					
Cash/Sweeps	$15,801,994	$14,896,040	$14,896,040	$14,851,530	$14,851,530
Money Market Accounts/Repos (A)					
Certificates of Deposit					
Equity Securities (C)	$424,427	$453,592	$453,592	$429,288	$429,288
US Gov Related Securities	$361,840	$348,394	$348,394	$325,336	$325,336
Total	**$16,588,261**	**$15,698,026**	**$15,698,026**	**$15,606,154**	**$15,606,154**
Grand Total	**$239,318,222**	**$175,749,358**	**$175,749,358**	**$169,909,064**	**$169,909,064**
LSU - Shreveport					
Current Funds					
Cash/Sweeps	$853,444	$1,763,229	$1,763,229	$614,562	$614,562
Money Market Accounts/Repos (A)	$1,000,000	$500,000	$500,000	$50,000	$50,000
Certificates of Deposit	$100,000	$100,000	$100,000	$100,000	$100,000
US Gov Related Securities					
Total	**$1,953,444**	**$2,363,229**	**$2,363,229**	**$764,562**	**$764,562**
Endowment Funds					
Cash/Sweeps	$49,328	$49,443	$49,443	$49,443	$49,443
US Gov Related Securities					
Total	**$49,328**	**$49,443**	**$49,443**	**$49,443**	**$49,443**
Other Funds					
Cash/Sweeps	$289,025	$275,013	$275,013	$270,698	$270,698
US Gov Related Securities					
Total	**$289,025**	**$275,013**	**$275,013**	**$270,698**	**$270,698**
Grand Total	**$2,291,797**	**$2,687,685**	**$2,687,685**	**$1,084,703**	**$1,084,703**
System Total	**$1,153,930,189**	**$1,095,016,996**	**$1,119,309,149**	**$1,037,908,399**	**$1,064,061,086**

LSUS has deposited $4,000,000 with LSU Baton Rouge Campus for investment purposes. The value at june 30 is $4,009,718 and will be listed as Due from LSU in the AFR

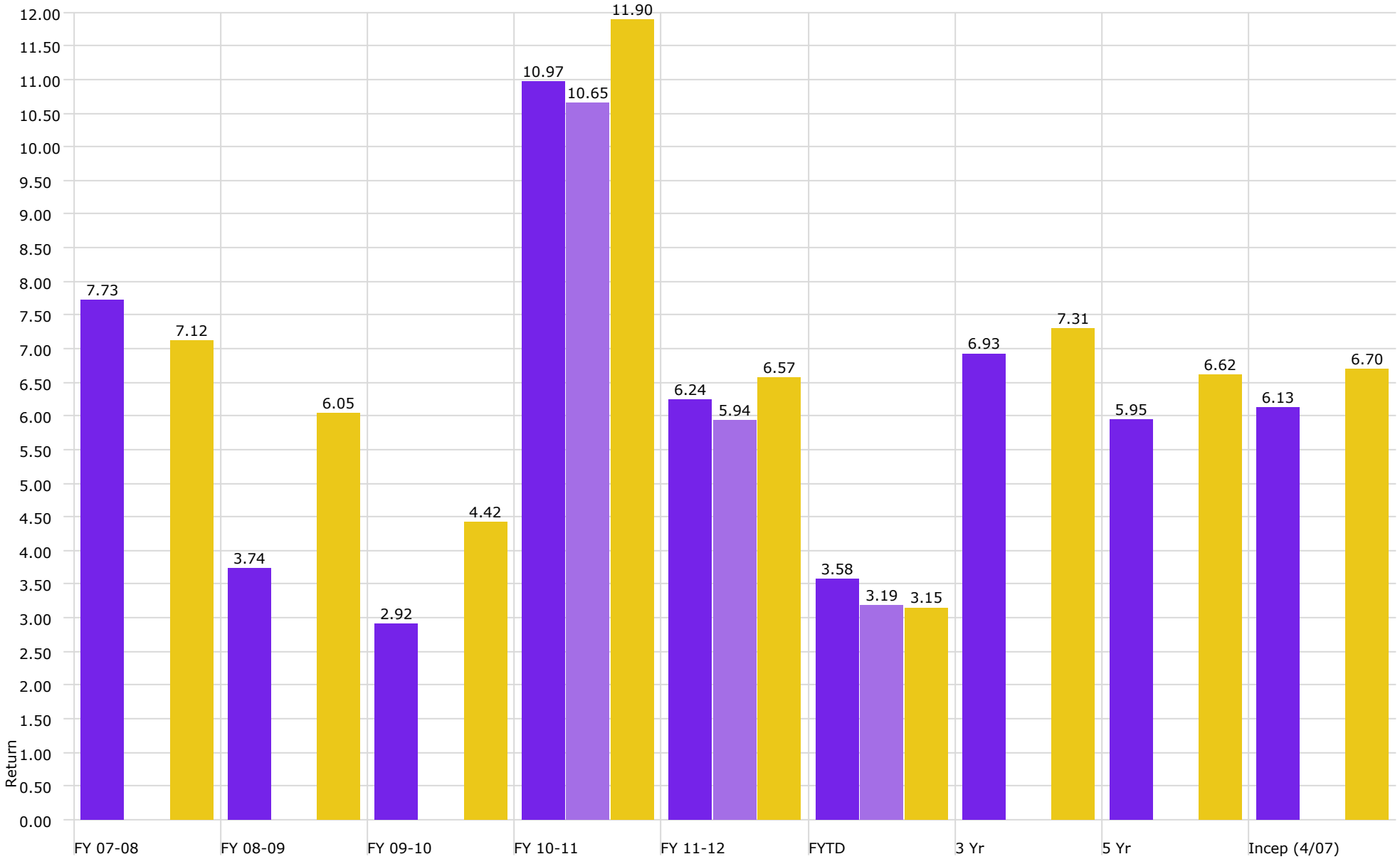
BENCHMARK NOTES (Example Only)
(A) Benchmarked against 90 day T-Bill
(B) Benchmarked against Barclay's US Agg Bond TR USD
(C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
(D) Benchmarked against XYZ
(E) Benchmarked against XYZ

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.

LOUISIANA STATE UNIVERSITY

Investment Management Program
Endowed Accounts
Total Return

As of 12/31/2012

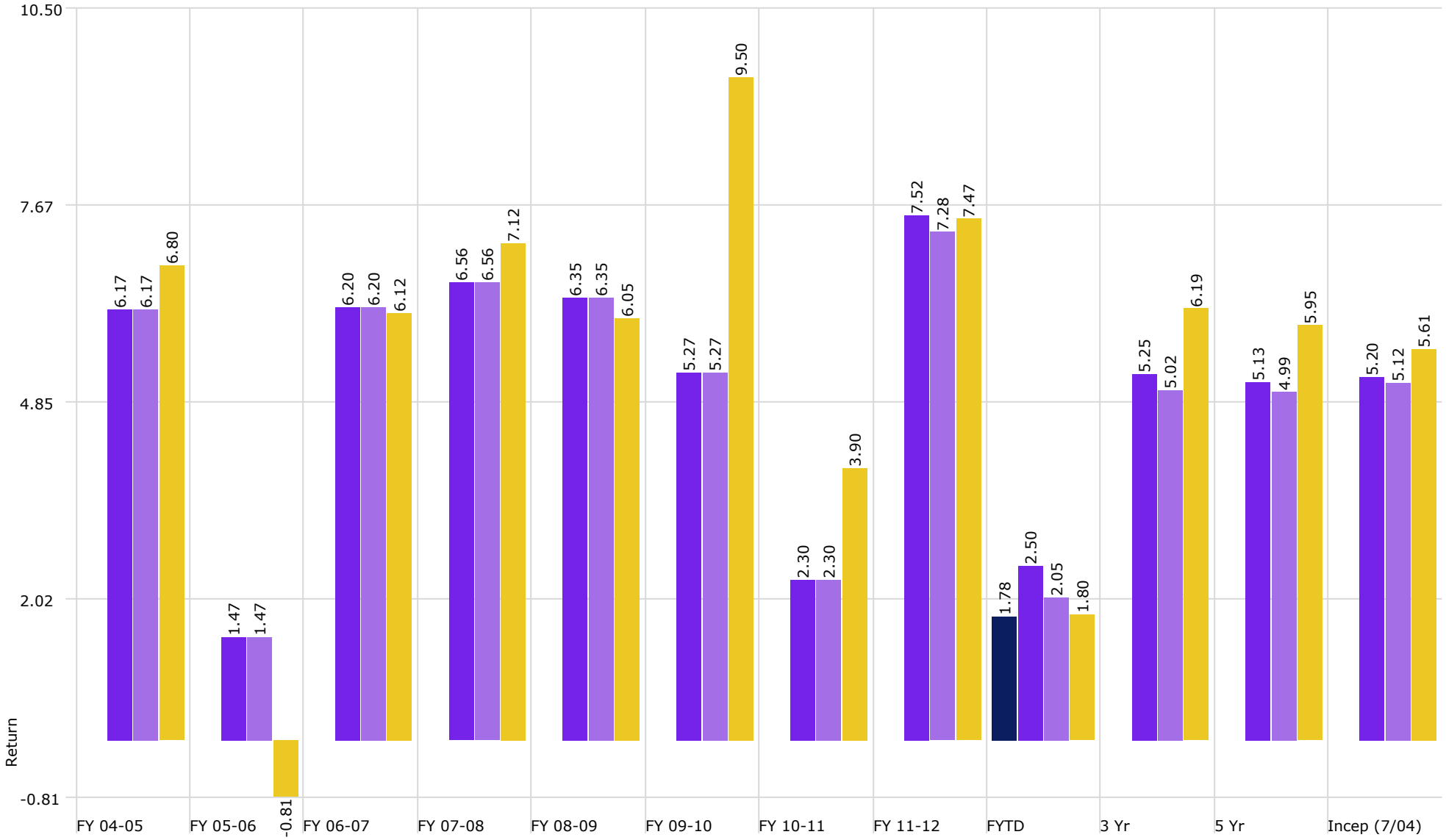


Source: Morningstar Direct

LOUISIANA STATE UNIVERSITY

Investment Management Program
Non Endowed Account (ex CDs)
Total Return

As of 12/31/2012



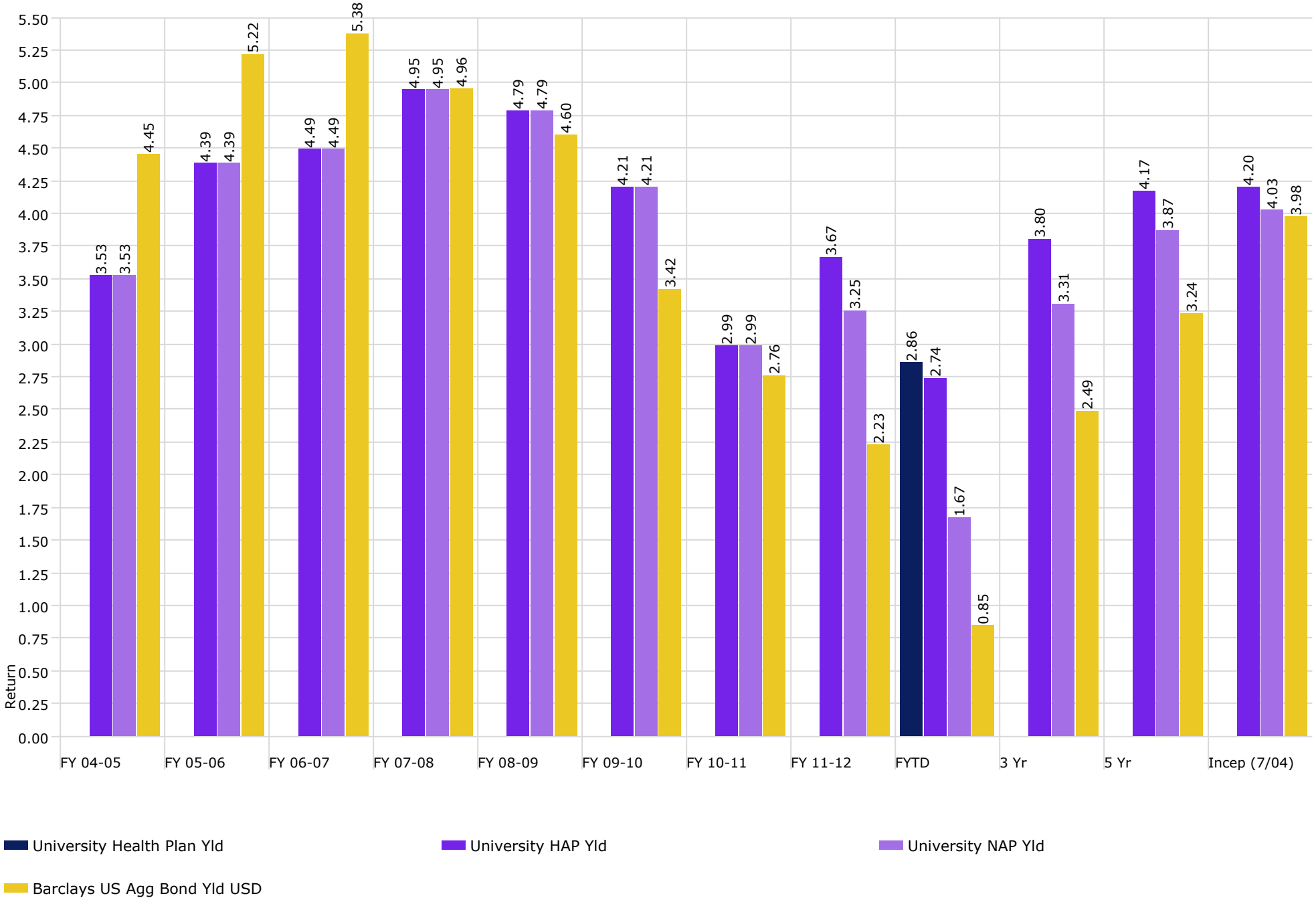
University Health Plan
University HAP
University NAP
Barclays US Agg Bond TR USD

Source: Morningstar Direct

LSU
LOUISIANA STATE UNIVERSITY

Investment Management Program
Non Endowed Account (ex CDs)
Realized Yield

As of 12/31/2012



Source: Morningstar Direct

Louisiana State University System

2012-2013 Second Quarter Operating Budget Report

Table of Contents

LSU and A & M College	1
Paul M. Hebert Law Center	10
Pennington Biomedical Research Center	18
LSU Agricultural Center	27
LSU in Shreveport	35
LSU at Alexandria	46
LSU at Eunice	54
LSU Health Sciences Center-New Orleans	62
LSU Health Sciences Center-Shreveport	74
E.A. Conway Medical Center	86
Huey P. Long Medical Center	93
Board and System Office	100
Health Care Services Division	108

Click on page number to go to the Institution's quarterly report

To: **Office of the President**
LSU System

Date: **January 25, 2013**

From: **William L. Jenkins**
LSU Interim Chancellor

Subject: **Second Quarter of FY 2012-13 Budget Report**

The second quarter report, for FY 2012-13, shows that LSU is on track to complete the fiscal year within its approved operating budget. The report contains narratives which help explain items that may appear abnormal.

The $3.4 million mid-year cut in state appropriations assigned to LSU is not reflected in the second quarter report. Documents detailing the cuts were submitted to the LSU System Office on December 21, 2012. Due to a larger than expected incoming freshmen class and an increase in overall enrollment, LSU will generate additional tuition and fees sufficient to cover this reduction in state general appropriations in FY 2012-2013. As is true with all cuts made during a fiscal year, temporary actions were taken since fall 2012 classes have been completed for approximately 29,500 students and classes have already been scheduled for the spring 2013 term. In addition, faculty have already made research obligations for this fiscal year. Had there been no reduction in state appropriations, LSU would have used the funds to provide services to the additional students by increasing class room support, reducing section sizes and providing counseling and tutoring hours. If this $3.4 million cut is made permanent for FY 2013-2014, LSU will be forced to make permanent reductions which may be very different from the temporary actions taken at this time.

My staff and I will be happy to answer any questions you may have concerning the data in the report.

Louisiana State University

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	132,464,883	44,525,323	33,393,992			77,919,315
Statutory Dedications	12,546,440	1,193,472	1,781,701			2,975,174
Interim Emergency Board	0	0	0			0
Interagency Transfers	6,688,242	1,677,700	1,678,389			3,356,089
Self Generated Revenues	293,689,234	158,822,176	98,475,826			257,298,002
Federal Funds	0	0	0			0
Total Revenues	**445,388,799**	**206,218,671**	**135,329,908**			**341,548,580**
Expenditures by Object:						
Personal Services	340,184,915	62,468,030	94,974,727			157,442,758
Operating Expenses	34,195,441	8,986,780	10,357,962			19,344,742
Other Charges	64,226,767	33,226,893	16,388,020			49,614,913
Acquisitions and Major Repairs	6,781,676	611,928	2,246,889			2,858,817
Total Expenditures	**445,388,799**	**105,293,631**	**123,967,598**			**229,261,229**
Expenditures by Function:						
Academic Expenditures	308,423,020	54,038,036	85,642,387			139,680,423
Non-Academic Expenditures	136,965,779	51,255,595	38,325,211			89,580,806
Total Expenditures	**445,388,799**	**105,293,632**	**123,967,598**			**229,261,230**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	12,261,617	16,763,549	17,810,148			
Sales and Services of Educational Activities	9,478,345	9,840,553	10,631,490			
Auxiliaries	20,784,288	69,950,024	62,787,355			
Endowment Income	13,212,805	13,098,910	12,944,133			
Grants and Contracts	3,697,775	13,374,176	12,135,197			
Indirect Cost Recovered	44,580,827	43,259,878	39,183,582			
Gifts	3,175,530	3,088,447	3,085,254			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	13,775,945	14,893,567	18,930,470			
TOTAL	**120,967,130**	**184,269,105**	**177,507,631**			

Overview and Analysis of Campus Operations

Operating Budget Development

Campus: **Louisiana State University**

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	132,464,883					132,464,883	0.0%
Statutory Dedications	12,546,440					12,546,440	0.0%
Interim Emergency Board	0					0	
Interagency Transfers	6,688,242					6,688,242	0.0%
Self Generated Revenues	293,689,234					293,689,234	0.0%
Federal Funds	0					0	
Total Revenues	**445,388,799**	**0**	**0**	**0**	**0**	**445,388,799**	**0.0%**
Expenditures by Object:							
Salaries	225,524,074	(117,892)	(1,313,118)			224,093,064	-0.6%
Other Compensation	26,032,829	(3,203)	(66,713)			25,962,913	-0.3%
Related Benefits	90,128,939					90,128,939	0.0%
Total Personal Services	**341,685,842**	**(121,095)**	**(1,379,832)**	**0**	**0**	**340,184,915**	**-0.4%**
Travel	2,411,385	0	(9,907)			2,401,478	-0.4%
Operating Services	18,570,730	131,585	1,301,075			20,003,391	7.7%
Supplies	11,695,826	(29,049)	123,796			11,790,573	0.8%
Total Operating Expenses	**32,677,941**	**102,536**	**1,414,964**	**0**	**0**	**34,195,441**	**4.6%**
Professional Services	1,857,516	(5,000)	(13,879)			1,838,637	-1.0%
Other Charges	51,461,991	7,500	5,495			51,474,986	0.0%
Debt Services	0	0	0			0	
Interagency Transfers	10,913,144	0	0			10,913,144	0.0%
Total Other Charges	**64,232,651**	**2,500**	**(8,384)**	**0**	**0**	**64,226,767**	**0.0%**
General Acquisitions	5,270,748	8,559	(29,248)			5,250,059	-0.4%
Library Acquisitions	1,521,617	7,500	2,500			1,531,617	0.7%
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**6,792,365**	**16,059**	**(26,748)**	**0**	**0**	**6,781,676**	**-0.2%**
Total Expenditures	**445,388,799**	**(0)**	**0**	**0**	**0**	**445,388,799**	**0.0%**
Expenditures by Function:							
Instruction	189,020,305	(420,329)	4,814,589			193,414,565	2.3%
Research	54,750,399	145,131	(1,902,052)			52,993,477	-3.2%
Public Service	4,991,664	15,395	(52,684)			4,954,375	-0.7%
Academic Support (Includes Library)	57,222,521	120,549	(282,468)			57,060,602	-0.3%
Academic Expenditures Subtotal	**305,984,889**	**(139,254)**	**2,577,385**	**0**	**0**	**308,423,020**	**0.8%**
Student Services	12,870,418	(3,051)	**(338,230)**			12,529,137	-2.7%
Institutional Support	21,770,156	22,808	(601,885)			21,191,079	-2.7%
Scholarships/Fellowships	55,456,600	7,500	10,000			55,474,100	0.0%
Plant Operations/Maintenance	54,811,683	111,997	(1,647,269)			53,276,411	-2.8%
Hospital	0	0	0			0	
Transfers out of agency	(5,504,947)	0	0			(5,504,947)	0.0%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**139,403,910**	**139,254**	**(2,577,385)**	**0**	**0**	**136,965,779**	
Total Expenditures	**445,388,799**	**0**	**(0)**	**0**	**0**	**445,388,799**	0.0%

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

The budget adjustments in the expenditure by function classifications are mostly attributable to unexpended salaries being "scooped" from vacant positions in colleges and administrative unit accounts to unexpended salary accounts which are located in the instruction function. These funds will be used in the current fiscal year for temporary expenditures such as adjunct teaching, research support, supplies and equipment. Also, budget adjustments were processed by individual colleges and departments in anticipation of future expenditures.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **Louisiana State University**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	132,464,883	44,525,323	33,393,992			77,919,315	58.8%
Statutory Dedications	12,546,440	1,193,472	1,781,701			2,975,174	23.7%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	6,688,242	1,677,700	1,678,389			3,356,089	50.2%
Self Generated Revenues	293,689,234	158,822,176	98,475,826			257,298,002	87.6%
Federal Funds	0	0	0			0	
TOTAL	**445,388,799**	**206,218,671**	**135,329,908**	**0**	**0**	**341,548,580**	76.7%
Expenditures by Category							
Salaries	224,093,064	42,634,768	60,615,003			103,249,771	**46.1%**
Other Compensation	25,962,913	5,169,534	8,222,089			13,391,623	**51.6%**
Related Benefits	90,128,939	14,663,729	26,137,636			40,801,364	**45.3%**
Total Personal Services	**340,184,915**	**62,468,030**	**94,974,727**	**0**	**0**	**157,442,758**	**46.3%**
Travel	2,401,478	338,465	502,453			840,918	**35.0%**
Operating Services	20,003,391	5,068,986	6,794,752			11,863,738	**59.3%**
Supplies	11,790,573	3,579,329	3,060,757			6,640,086	**56.3%**
Total Operating Expenses	**34,195,441**	**8,986,780**	**10,357,962**	**0**	**0**	**19,344,742**	**56.6%**
Professional Services	1,838,637	189,673	666,859			856,532	**46.6%**
Other Charges	51,474,986	31,733,216	15,727,775			47,460,991	**92.2%**
Debt Services	0	0	0			0	
Interagency Transfers	10,913,144	1,304,003	(6,614)			1,297,390	**11.9%**
Total Other Charges	**64,226,767**	**33,226,893**	**16,388,020**	**0**	**0**	**49,614,913**	**77.2%**
General Acquisitions	5,250,059	550,019	1,821,969			2,371,988	**45.2%**
Library Acquisitions	1,531,617	61,909	422,240			484,149	**31.6%**
Major Repairs	0	0	2,679			2,679	
Total Acquisitions and Major Repairs	**6,781,676**	**611,928**	**2,246,889**	**0**	**0**	**2,858,817**	**42.2%**
TOTAL	**445,388,799**	**105,293,631**	**123,967,598**	**0**	**0**	**229,261,229**	**51.5%**
by Function							
Instruction	193,414,565	32,143,405	53,622,069			85,765,474	44.3%
Research	52,993,477	8,303,538	13,768,177			22,071,715	41.6%
Public Service	4,954,375	1,076,872	1,275,123			2,351,995	47.5%
Academic Support (Includes Library)	57,060,602	12,514,221	16,977,018			29,491,240	51.7%
Academic Expenditures Subtotal	**308,423,020**	**54,038,036**	**85,642,387**	**0**	**0**	**139,680,423**	45.3%

Overview of Unrestricted Revenues and Expenditures

Campus: **Louisiana State University**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Student Services	12,529,137	3,140,639	3,438,225			6,578,865	52.5%
Institutional Support	21,191,079	5,704,869	7,051,782			12,756,651	60.2%
Scholarships/Fellowships	55,474,100	31,585,803	15,590,631			47,176,434	85.0%
Plant Operations/Maintenance	53,276,411	10,186,107	11,639,509			21,825,616	41.0%
Hospital	0	0	0			0	
Transfers out of agency	(5,504,947)	638,178	605,063			1,243,241	-22.6%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**136,965,779**	**51,255,595**	**38,325,211**	**0**	**0**	**89,580,806**	**65.4%**
TOTAL	**445,388,799**	**105,293,632**	**123,967,598**	**0**	**0**	**229,261,230**	**51.5%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Revenues

The self-generated revenues for the first quarter include tuition and fees collected for the summer, fall and a portion of the spring term. The percent of actual revenues collected compared to the operating budget for this quarter is on schedule with the self-generated revenues collected in previous fiscal years.

Expenditures

The large percentage for actual expenditures compared to the operating budget in the other charges expenditure category and the Scholarship/Fellowships function is attributable to the tuition and fee exemption expenditures for the summer, fall and a portion of the spring term. The exemption expenditures are projected to remain within the operating budgets established for these categories for this fiscal year.

The negative percentage for actual expenditures compared to the operating budget in the Transfers function is attributable to clearing/holding accounts that will be processed at the end of the fiscal year.

Overview of Restricted Funds

Campus: Louisiana State University

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
State Appropriations	0	0				0	
Restricted Fees	18,900,000	8,897,545	4,641,014			13,538,559	71.6%
Sales and Services of Educational Activities	9,000,000	3,102,074	2,155,767			5,257,842	58.4%
Auxiliaries (List)							
1 Athletic Department	96,200,000	42,749,107	11,607,951			54,357,058	56.5%
2 Golf Course	1,192,001	285,855	272,997			558,852	46.9%
3 Residential Life	38,464,865	19,247,480	14,124,442			33,371,922	86.8%
4 Lab School Cafeteria	480,000	374,567	35,347			409,914	85.4%
5 Copier Mgt & Mailing Services	1,849,386	294,987	549,587			844,574	45.7%
6 University Stores	7,603,474	1,830,331	2,049,983			3,880,314	51.0%
7 Parking, Traffic, & Transportation	14,261,137	6,826,902	2,933,696			9,760,598	68.4%
8 Student Health Center	10,229,908	5,022,257	3,386,988			8,409,245	82.2%
9 Student Media	1,880,988	674,427	526,301			1,200,728	63.8%
10 University Auxiliary Services	2,438,136	453,560	411,227			864,787	35.5%
11 LSU Union	10,822,742	5,150,789	3,642,735			8,793,524	81.3%
12 LSU Press	0	0	0			0	
Endowment Income	2,600,000	198,141	188,004			386,145	14.9%
Grants and Contracts							
Federal	110,000,000	26,896,834	18,643,834			45,540,668	41.4%
State and Local	41,000,000	13,120,574	7,061,490			20,182,063	49.2%
Private	18,200,000	12,048,681	4,189,489			16,238,170	89.2%
Indirect Cost Recovered	20,000,000	1,968,300	1,831,181			3,799,480	19.0%
Gifts	14,800,000	3,279,971	3,720,419			7,000,389	47.3%
Federal Funds	0	0	0			0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0			0	
Physician Practice Plans	0	0	0			0	
Medicare	0	0	0			0	
Medicaid	0	0	0			0	
Uncompensated Care Costs	0	0	0			0	
Sponsored Grants and Contracts	0	0	0			0	
Sales and Services Other	0	0	0			0	
All Other Sources	9,680,000	2,637,875	5,469,924			8,107,799	83.8%
TOTAL	**429,602,637**	**155,060,255**	**87,442,377**	**0**	**0**	**242,502,632**	56.4%

Overview of Restricted Funds

Campus: Louisiana State University

Report on Restricted Budget

Non-Auxiliary Funds

The figures included in the estimated column for non-auxiliary funds are based on the actual revenues collected from the previous fiscal year. Most of these funds are one-time or multiyear award funds that are not confined to fiscal year budgets.

Private Grants & Contracts - The private funds are 89.2% of the projected total revenues for the fiscal year due to private sponsors providing advance payments for projects. At fiscal year end, the portion of revenue not used to complete the project (earned) during the year is deferred into the next fiscal year.

All Other Sources - The revenues for other sources appear to be out of line with the budget due to the interest earnings for Auxiliaries not being distributed until end of the fiscal year.

Overview of Restricted Operations

Campus: Louisiana State University

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations	0	0	0	0	0		0	0		0	0		0
Restricted Fees	12,261,617	8,897,545	4,395,612	16,763,549	4,641,014	3,594,415	17,810,148	0		17,810,148	0		17,810,148
Sales & Svcs of Educ. Activ's	9,478,345	3,102,074	2,739,866	9,840,553	2,155,767	1,364,831	10,631,490	0		10,631,490	0		10,631,490
Auxiliaries (List)													
1 Athletic Department	6,330,421	42,749,107	21,385,871	27,693,657	11,607,951	20,912,319	18,389,289	0		18,389,289	0		18,389,289
2 Golf Course	1,206,847	285,855	266,182	1,226,520	272,997	317,770	1,181,747	0		1,181,747	0		1,181,747
3 Residential Life	5,907,649	19,247,480	4,156,908	20,998,221	14,124,442	13,481,269	21,641,395	0		21,641,395	0		21,641,395
4 Lab School Cafeteria	429,834	374,567	95,682	708,720	35,347	116,458	627,609	0		627,609	0		627,609
5 Copier Mgt & Mailing Services	664,303	294,987	260,952	698,337	549,587	242,612	1,005,313	0		1,005,313	0		1,005,313
6 University Stores	359,738	1,830,331	1,131,669	1,058,400	2,049,983	1,930,417	1,177,966	0		1,177,966	0		1,177,966
7 Parking, Traffic, & Transportation	2,080,880	6,826,902	2,630,035	6,277,747	2,933,696	3,503,698	5,707,745	0		5,707,745	0		5,707,745
8 Student Health Center	1,057,488	5,022,257	1,901,497	4,178,247	3,386,988	2,187,872	5,377,363	0		5,377,363	0		5,377,363
9 Student Media	897,540	674,427	360,240	1,211,728	526,301	434,695	1,303,334	0		1,303,334	0		1,303,334
10 University Auxiliary Services	63,994	453,560	468,151	49,402	411,227	576,876	(116,246)	0		(116,246)	0		(116,246)
11 LSU Union	2,259,566	5,150,789	1,087,339	6,323,016	3,642,735	2,999,939	6,965,813	0		6,965,813	0		6,965,813
12 LSU Press	(473,971)	0	0	(473,971)	0	0	(473,971)	0		(473,971)	0		(473,971)
Endowment Income	13,212,805	198,141	312,035	13,098,910	188,004	342,781	12,944,133	0		12,944,133	0		12,944,133
Grants and Contracts													
Federal	(382,999)	26,896,834	29,383,889	(2,870,054)	18,643,834	17,643,214	(1,869,434)	0		(1,869,434)	0		(1,869,434)
State and Local	2,656,890	13,120,574	8,665,349	7,112,115	7,061,490	9,035,408	5,138,197	0		5,138,197	0		5,138,197
Private	1,423,884	12,048,681	4,340,450	9,132,116	4,189,489	4,455,171	8,866,434	0		8,866,434	0		8,866,434
Indirect Cost Recovered	44,580,827	1,968,300	3,289,248	43,259,878	1,831,181	5,907,477	39,183,582	0		39,183,582	0		39,183,582
Gifts	3,175,530	3,279,971	3,367,053	3,088,447	3,720,419	3,723,612	3,085,254	0		3,085,254	0		3,085,254
Federal Funds	0	0	0	0	0	0	0	0		0	0		0
Hospitals	0	0	0	0	0	0	0						
All Other Sources	13,775,945	2,637,875	1,520,253	14,893,567	5,469,924	1,433,021	18,930,470	0		18,930,470	0		18,930,470
TOTAL	**120,967,130**	**155,060,255**	**91,758,280**	**184,269,105**	**87,442,377**	**94,203,852**	**177,507,631**	**0**	**0**	**177,507,631**	**0**	**0**	**177,507,631**

Report on Restricted Operations

LSU Press: As outlined in the FY 10-11 Auxiliary Report to the System Office, the campus phased out the restricted auxiliary component of the LSU Press and transferred it to a restricted sales and services academic support unit on July 1, 2010. Due to the current fiscal crisis at LSU, the Press' current negative fund balance will be eliminated by the end of this fiscal year.

Federal Grants: The University must incur the expenses and seek reimbursement. Revenue is recognized after the expenses are incurred.

State Grants: Board of Regents grants provide a large part of the funding in advance, which provides positive cash flow for state projects.

Indirect Cost Recovered: The fund balance is comprised of funds that are earmarked to be used as start-up funds for new faculty members, matching funds for grants, high cost maintenance expenses for research equipment or lab renovations, and other unexpected costs. The start-up costs can range from $100,000 for a researcher in Humanities and Social Sciences to $500,000 for researchers in Engineering to amounts in excess of $3 million for an internationally renowned researcher in the College of Science.

TO: Dr. William L. Jenkins
Interim President, LSU System

FROM: Jack M. Weiss
Chancellor

DATE: January 25, 2013

RE: LSU Paul M. Hebert Law Center
Executive Summary
FY 2012-2013 Quarterly Report on the Budget – 2nd Quarter Activities

The Law Center continues the careful management of its expenditures in fiscal year 2012-13.

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self- generated revenues and expenditures actual include Fall 2012 tuition and fees and a portion of Spring 13 tuition and fees and scholarships/waivers, respectively. Expenses for the research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that the rate of expenditures for library acquisitions will increase to fall in line with available budget over the next several quarters.

The restricted fees were associated with the collection of Student Tech and Student Bar association fees for Summer and Fall 2012. Revenues from sales and services of educational activities were realized through the sale of books and materials.

The Law Center's core academic mission remains intact. At the same time, in recent years, the Law Center has experienced a drastic reduction in state funding and a concomitant increase in the portion of our operations that are funded by tuition, now approaching 75%, and up from approximately 50% only four years ago. On the whole, the Law Center is taking a conservative approach to spending given the mid-year budget cut and the possibility of future reductions to be imposed before fiscal year end. The mid-year budget reduction of $143,063 should be recognized in the 3rd quarter.

LSU Paul M. Hebert Law Center — Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	5,546,234	1,855,483	1,391,612			3,247,095
Statutory Dedications	409,501	57,589	85,973			143,563
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	17,752,836	8,278,848	4,522,181			12,801,030
Federal Funds	0	0	0			0
Total Revenues	**23,708,571**	**10,191,921**	**5,999,767**			**16,191,687**
Expenditures by Object:						
Personal Services	13,078,147	2,416,983	3,598,065			6,015,048
Operating Expenses	4,609,915	345,887	1,166,366			1,512,253
Other Charges	5,734,009	2,251,814	1,138,559			3,390,372
Acquisitions and Major Repairs	286,500	7,978	44,815			52,793
Total Expenditures	**23,708,571**	**5,022,661**	**5,947,805**			**10,970,466**
Expenditures by Function:						
Academic Expenditures	10,780,976	1,892,458	3,403,504			5,295,961
Non-Academic Expenditures	12,927,595	3,130,203	2,544,301			5,674,505
Total Expenditures	**23,708,571**	**5,022,661**	**5,947,805**			**10,970,466**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0		
Restricted Fees	413,411	465,074	479,002		
Sales and Services of Educational Activities	890,678	917,525	872,791		
Auxiliaries	0	0	0		
Endowment Income	424,623	410,887	409,970		
Grants and Contracts	0	0	0		
Indirect Cost Recovered	142,205	142,205	142,205		
Gifts	67,560	54,126	39,776		
Federal Funds	0	0	0		
Hospitals	0	0	0		
All Other Sources	257,349	257,349	257,349		
TOTAL	**2,195,826**	**2,247,168**	**2,201,093**		

Overview and Analysis of Campus Operations

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self- generated revenues and expenditures actual include Fall, 2012 tuition and fees and a portion of Spring 13 tuition and fees and scholarships/waivers, respectively. Expenses for the research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that the rate of expenditures for library acquisitions will increase to fall in line with available budget over the next several quarters. On the whole, the Law Center is taking a conservative approach to spending given the mid-year budget cut and the possibility of future reductions to be imposed before fiscal year end.

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for summer and fall 2012.
Revenues from sales and services of educational activities were realized through the sale of books and materials.

Operating Budget Development

Campus: LSU Paul M. Hebert Law Center

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	5,546,234					5,546,234	0.0%
Statutory Dedications	409,501					409,501	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	17,752,836					17,752,836	0.0%
Federal Funds						0	
Total Revenues	**23,708,571**	**0**	**0**	**0**	**0**	**23,708,571**	**0.0%**
Expenditures by Object:							
Salaries	9,816,096					9,816,096	0.0%
Other Compensation	126,600					126,600	0.0%
Related Benefits	3,135,451					3,135,451	0.0%
Total Personal Services	**13,078,147**	**0**	**0**	**0**	**0**	**13,078,147**	**0.0%**
Travel	359,500					359,500	0.0%
Operating Services	4,005,565					4,005,565	0.0%
Supplies	244,850					244,850	0.0%
Total Operating Expenses	**4,609,915**	**0**	**0**	**0**	**0**	**4,609,915**	**0.0%**
Professional Services	183,600					183,600	0.0%
Other Charges	5,550,409					5,550,409	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**5,734,009**	**0**	**0**	**0**	**0**	**5,734,009**	**0.0%**
General Acquisitions	286,500					286,500	0.0%
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**286,500**	**0**	**0**	**0**	**0**	**286,500**	**0.0%**
Total Expenditures	**23,708,571**	**0**	**0**	**0**	**0**	**23,708,571**	**0.0%**
Expenditures by Function:							
Instruction	7,830,599					7,830,599	0.0%
Research	533,835					533,835	0.0%
Public Service	72,419					72,419	0.0%
Academic Support (Includes Library)	2,344,123					2,344,123	0.0%
Academic Expenditures Subtotal	**10,780,976**	**0**	**0**	**0**	**0**	**10,780,976**	**0.0%**
Student Services	1,219,256					1,219,256	0.0%
Institutional Support	5,393,543					5,393,543	0.0%
Scholarships/Fellowships	4,593,513					4,593,513	0.0%
Plant Operations/Maintenance	1,721,283					1,721,283	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**12,927,595**	**0**	**0**	**0**	**0**	**12,927,595**	
Total Expenditures	**23,708,571**	**0**	**0**	**0**	**0**	**23,708,571**	0.0%

Operating Budget Development

Campus: LSU Paul M. Hebert Law Center

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

The $143,063 mid-year budget reduction and associated BA-7 will be applied in the third quarter.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Paul M. Hebert Law Center**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	5,546,234	1,855,483	1,391,612			3,247,095	58.5%
Statutory Dedications	409,501	57,589	85,973			143,563	35.1%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	17,752,836	8,278,848	4,522,181			12,801,030	72.1%
Federal Funds	0					0	
TOTAL	**23,708,571**	**10,191,921**	**5,999,767**	**0**	**0**	**16,191,687**	68.3%
Expenditures by Category							
Salaries	9,816,096	1,802,836	2,587,494			4,390,330	**44.7%**
Other Compensation	126,600	60,854	60,523			121,377	**95.9%**
Related Benefits	3,135,451	553,293	950,049			1,503,341	**47.9%**
Total Personal Services	**13,078,147**	**2,416,983**	**3,598,065**	**0**	**0**	**6,015,048**	**46.0%**
Travel	359,500	33,560	52,759			86,319	**24.0%**
Operating Services	4,005,565	288,620	1,041,956			1,330,575	**33.2%**
Supplies	244,850	23,707	71,652			95,359	**38.9%**
Total Operating Expenses	**4,609,915**	**345,887**	**1,166,366**	**0**	**0**	**1,512,253**	**32.8%**
Professional Services	183,600	75,126	22,271			97,397	**53.0%**
Other Charges	5,550,409	2,176,688	1,116,287			3,292,975	**59.3%**
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**5,734,009**	**2,251,814**	**1,138,559**	**0**	**0**	**3,390,372**	**59.1%**
General Acquisitions	286,500	2,995	3,630			6,626	**2.3%**
Library Acquisitions	0	4,983	41,184			46,167	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**286,500**	**7,978**	**44,815**	**0**	**0**	**52,793**	**18.4%**
TOTAL	**23,708,571**	**5,022,661**	**5,947,805**	**0**	**0**	**10,970,466**	**46.3%**

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Paul M. Hebert Law Center**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	7,830,599	1,434,598	2,597,395			4,031,993	51.5%
Research	533,835	75,971	84,072			160,044	30.0%
Public Service	72,419	14,540	128			14,667	20.3%
Academic Support (Includes Library)	2,344,123	367,349	721,908			1,089,257	46.5%
Academic Expenditures Subtotal	**10,780,976**	**1,892,458**	**3,403,504**	**0**	**0**	**5,295,961**	49.1%
Student Services	1,219,256	288,462	303,774			592,237	48.6%
Institutional Support	5,393,543	558,975	633,204			1,192,178	22.1%
Scholarships/Fellowships	4,593,513	2,167,794	1,084,440			3,252,234	70.8%
Plant Operations/Maintenance	1,721,283	114,972	522,883			637,855	37.1%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**12,927,595**	**3,130,203**	**2,544,301**	**0**	**0**	**5,674,505**	**43.9%**
TOTAL	**23,708,571**	**5,022,661**	**5,947,805**	**0**	**0**	**10,970,466**	**46.3%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

In the aggregate, revenues collected and expenditures incurred to date are generally in line with available budget. Self- generated revenues and expenditures actual include Fall, 2012 tuition and fees and a portion of Spring 13 tuition and fees and scholarships/waivers, respectively. Expenses for the research and public services functions will fall in line with annual budget after summer research and conference/lecture expenditures have been recognized in our accounting system in the last quarter. It is anticipated that the rate of expenditures for library acquisitions will increase to fall in line with available budget over the next several quarters.

Overview of Restricted Funds

Campus: LSU Paul M. Hebert Law Center

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter					
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees	131,334	66,041	32,155			98,196	74.8%
Sales and Services of Educational Activities	172,097	51,678	23,843			75,520	43.9%
Auxiliaries (List)							
1						0	
Endowment Income	109,903	7,559	8,251			15,810	14.4%
Grants and Contracts							
Federal						0	
State and Local	86,635	0				0	0.0%
Private	28,201	0				0	0.0%
Indirect Cost Recovered	16	0				0	0.0%
Gifts	755,721	175,223	91,629			266,852	35.3%
Federal Funds						0	
Hospitals							
All Other Sources	39,679	0				0	0.0%
TOTAL	**1,323,586**	**300,501**	**155,877**	**0**	**0**	**456,378**	34.5%

Report on Restricted Budget

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for summer and fall 2012.
Revenues from sales and services of educational activities were realized through the sale of books and materials.

Overview of Restricted Operations

Campus: LSU Paul M. Hebert Law Center

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees	413,411	66,041	14,378	465,074	32,155	18,228	479,002	0		479,002	0		479,002
Sales & Svcs of Educ. Activ's	890,678	51,678	24,831	917,525	23,843	68,577	872,791	0		872,791	0		872,791
Auxiliaries (List)													
1		0		0	0		0	0		0	0		0
Endowment Income	424,623	7,559	21,294	410,887	8,251	9,169	409,970	0		409,970	0		409,970
Grants and Contracts													
Federal	0	0	0	0	0		0	0		0	0		0
State and Local	0	0	0	0	0		0	0		0	0		0
Private	0	0	0	0	0		0	0		0	0		0
Indirect Cost Recovered	142,205	0		142,205	0		142,205	0		142,205	0		142,205
Gifts	67,560	175,223	188,656	54,126	91,629	105,979	39,776	0		39,776	0		39,776
Federal Funds		0	0	0	0		0	0		0	0		0
Hospitals													
All Other Sources	257,349	0		257,349	0		257,349	0		257,349	0		257,349
TOTAL	**2,195,826**	**300,501**	**249,159**	**2,247,168**	**155,877**	**201,952**	**2,201,093**	**0**	**0**	**2,201,093**	**0**	**0**	**2,201,093**

Report on Restricted Operations

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for summer and fall 2012.
Revenues from sales and services of educational activities were realized through the sale of books and materials.

Pennington Biomedical Research Center

LOUISIANA STATE UNIVERSITY SYSTEM

Quarterly Budget Summary Narrative

For the Quarter Ending December 31, 2012

Budget

There were no budget adjustments in the second quarter. Budget adjustments for the mid-year reduction of state general fund appropriations will be reflected in the third quarter budget.

Revenues

Unrestricted Revenues are being received as anticipated. Restricted revenues in the form of gifts, grants and contracts are also at expected levels. State grants and contracts will exceed original expectations as a result of continuing work on the LSU-ICON project. Indirect Costs Recovered are returning at expected levels for mid-year.

The PBRC Stores Auxiliary revenues are at an acceptable level.

Expenditures

Unrestricted expenditures are in line with budget through the second quarter, with expenditures representing 50.7% of total budget. All Restricted funds, expenditures are within expected parameters.

Steven Heymsfield, M.D.
Executive Director

6400 Perkins Road, Baton Rouge, Louisiana 70808-4124 • Phone: (225) 763-2500, Fax: (225) 763-2525

Pennington Biomedical Research Center Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	12,684,571	4,232,336	3,174,253			7,406,589
Statutory Dedications	96,686	13,597	20,299			33,896
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	825,561	67,030	60,672			127,702
Federal Funds	0	0	0			0
Total Revenues	**13,606,818**	**4,312,963**	**3,255,224**			**7,568,187**
Expenditures by Object:						
Personal Services	9,354,570	1,831,747	2,847,022			4,678,769
Operating Expenses	4,181,248	1,318,576	832,955			2,151,531
Other Charges	71,000	6,600	19,357			25,957
Acquisitions and Major Repairs	0	6,059	35,309			41,368
Total Expenditures	**13,606,818**	**3,162,982**	**3,734,643**			**6,897,625**
Expenditures by Function:						
Academic Expenditures	7,189,912	1,447,198	2,197,908			3,645,107
Non-Academic Expenditures	6,416,906	1,715,784	1,536,735			3,252,519
Total Expenditures	**13,606,818**	**3,162,982**	**3,734,643**			**6,897,625**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	0	0	0			
Sales and Services of Educational Activities	3,061	3,061	3,061			
Auxiliaries	9,068	305,019	254,673			
Endowment Income	0	0	0			
Grants and Contracts	3,718,170	5,714,822	3,132,136			
Indirect Cost Recovered	3,103,612	3,304,334	3,431,235			
Gifts	1,091,961	638,132	1,168,203			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	166,676	53,082	470,271			
TOTAL	**8,092,547**	**10,018,450**	**8,459,578**			

Overview and Analysis of Campus Operations

(See Executive Director's Narrative)

Operating Budget Development

Campus: Pennington Biomedical Research Center

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	12,684,571					12,684,571	0.0%
Statutory Dedications	96,686					96,686	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	825,561					825,561	0.0%
Federal Funds						0	
Total Revenues	**13,606,818**	**0**	**0**	**0**	**0**	**13,606,818**	**0.0%**
Expenditures by Object:							
Salaries	6,681,492	108,820				6,790,312	1.6%
Other Compensation	191,020	(6,000)				185,020	-3.1%
Related Benefits	2,340,063	39,175				2,379,238	1.7%
Total Personal Services	**9,212,575**	**141,995**	**0**	**0**	**0**	**9,354,570**	**1.5%**
Travel	55,453	0				55,453	0.0%
Operating Services	3,185,710	(141,995)				3,043,715	-4.5%
Supplies	1,082,080	0				1,082,080	0.0%
Total Operating Expenses	**4,323,243**	**(141,995)**	**0**	**0**	**0**	**4,181,248**	**-3.3%**
Professional Services	68,000	0				68,000	0.0%
Other Charges	3,000	0				3,000	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**71,000**	**0**	**0**	**0**	**0**	**71,000**	**0.0%**
General Acquisitions						0	
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**0**	**0**	**0**	**0**	**0**	**0**	
Total Expenditures	**13,606,818**	**0**	**0**	**0**	**0**	**13,606,818**	**0.0%**
Expenditures by Function:							
Instruction						0	
Research	4,938,444	124,583				5,063,027	2.5%
Public Service	193,545	0				193,545	0.0%
Academic Support (Includes Library)	1,934,000	(660)				1,933,340	0.0%
Academic Expenditures Subtotal	**7,065,989**	**123,923**	**0**	**0**	**0**	**7,189,912**	**1.8%**
Student Services						0	
Institutional Support	1,598,408	(8,881)				1,589,527	-0.6%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	4,942,421	(115,042)				4,827,379	-2.3%
Hospital	0	0				0	
Transfers out of agency	0	0				0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**6,540,829**	**(123,923)**	**0**	**0**	**0**	**6,416,906**	
Total Expenditures	**13,606,818**	**0**	**0**	**0**	**0**	**13,606,818**	0.0%

Operating Budget Development **Campus:** **Pennington Biomedical Research Center**

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

No budget adjustments in the 2nd quarter. Adjustments for the mid-year reduction will appear in the 3rd quarter.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **Pennington Biomedical Research Center**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	12,684,571	4,232,336	3,174,253			7,406,589	58.4%
Statutory Dedications	96,686	13,597	20,299			33,896	35.1%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	825,561	67,030	60,672			127,702	15.5%
Federal Funds	0					0	
TOTAL	**13,606,818**	**4,312,963**	**3,255,224**	**0**	**0**	**7,568,187**	55.6%
Expenditures by Category							
Salaries	6,790,312	1,698,406	1,747,558			3,445,964	**50.7%**
Other Compensation	185,020	29,640	32,217			61,856	**33.4%**
Related Benefits	2,379,238	103,702	1,067,247			1,170,949	**49.2%**
Total Personal Services	**9,354,570**	**1,831,747**	**2,847,022**	**0**	**0**	**4,678,769**	**50.0%**
Travel	55,453	2,906	11,849			14,756	**26.6%**
Operating Services	3,043,715	1,152,235	511,065			1,663,300	**54.6%**
Supplies	1,082,080	163,435	310,040			473,475	**43.8%**
Total Operating Expenses	**4,181,248**	**1,318,576**	**832,955**	**0**	**0**	**2,151,531**	**51.5%**
Professional Services	68,000	6,275	14,355			20,630	**30.3%**
Other Charges	3,000	325	5,003			5,328	**177.6%**
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**71,000**	**6,600**	**19,357**	**0**	**0**	**25,957**	**36.6%**
General Acquisitions	0	6,059	35,309			41,368	
Library Acquisitions	0					0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**0**	**6,059**	**35,309**	**0**	**0**	**41,368**	
TOTAL	**13,606,818**	**3,162,982**	**3,734,643**	**0**	**0**	**6,897,625**	**50.7%**

Overview of Unrestricted Revenues and Expenditures

Campus: **Pennington Biomedical Research Center**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	0					0	
Research	5,063,027	880,679	1,586,688			2,467,366	48.7%
Public Service	193,545	24,161	52,845			77,006	39.8%
Academic Support (Includes Library)	1,933,340	542,359	558,376			1,100,735	56.9%
Academic Expenditures Subtotal	**7,189,912**	**1,447,198**	**2,197,908**	**0**	**0**	**3,645,107**	50.7%
Student Services	0					0	
Institutional Support	1,589,527	572,654	324,180			896,833	56.4%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	4,827,379	1,139,974	1,203,014			2,342,988	48.5%
Hospital	0					0	
Transfers out of agency	0	3,156	9,541			12,697	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**6,416,906**	**1,715,784**	**1,536,735**	**0**	**0**	**3,252,519**	**50.7%**
TOTAL	**13,606,818**	**3,162,982**	**3,734,643**	**0**	**0**	**6,897,625**	**50.7%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

There are no unexpected or material variances in relation to the budget. Overall, the Expenditure budget is in line with expected spending at mid-year.

Overview of Restricted Funds

Campus: Pennington Biomedical Research Center

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
1 PBRC - STORES	2,442,976	452,167	546,870			999,037	40.9%
2						0	
3						0	
4						0	
5						0	
Endowment Income	(1,660,604)	0				0	0.0%
Grants and Contracts							
Federal	20,491,152	7,259,210	3,676,812			10,936,022	53.4%
State and Local	2,669,015	1,190,367	1,481,438			2,671,805	100.1%
Private	10,153,186	2,012,783	1,750,882			3,763,665	37.1%
Indirect Cost Recovered	8,068,731	1,982,115	2,211,760			4,193,875	52.0%
Gifts	2,543,434	64,527	1,082,233			1,146,760	45.1%
Federal Funds						0	
Hospitals							
All Other Sources	520,042	7,918	323,667			331,584	63.8%
TOTAL	**45,227,933**	**12,969,086**	**11,073,662**	**0**	**0**	**24,042,749**	53.2%

Overview of Restricted Funds

Campus: Pennington Biomedical Research Center

Report on Restricted Budget

State Contracts is predominately the LSU-ICON project. The contract for this project expired October 31, and we had not budgeted beyond that for the year. Since the contract was extended to June 30, anticipated State Contract revenues will exceed 100% of the original budget. All other collections are within expected levels.

Overview of Restricted Operations

Campus: Pennington Biomedical Research Center

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees		0		0	0		0	0		0	0		0
Sales & Svcs of Educ. Activ's	3,061	0		3,061	0		3,061	0		3,061	0		3,061
Auxiliaries (List)													
1 PBRC - STORES	9,068	452,167	156,216	305,019	546,870	597,216	254,673	0		254,673	0		254,673
2		0		0	0		0	0		0	0		0
3		0		0	0		0	0		0	0		0
4		0		0	0		0	0		0	0		0
5		0		0	0		0	0		0	0		0
Endowment Income		0		0	0		0	0		0	0		0
Grants and Contracts													
Federal	(48,594)	7,259,210	4,937,399	2,273,217	3,676,812	5,150,952	799,077	0		799,077	0		799,077
State and Local	29,020	1,190,367	1,119,722	99,664	1,481,438	1,161,298	419,804	0		419,804	0		419,804
Private	3,737,744	2,012,783	2,408,587	3,341,940	1,750,882	3,179,568	1,913,254	0		1,913,254	0		1,913,254
Indirect Cost Recovered	3,103,612	1,982,115	1,781,393	3,304,334	2,211,760	2,084,859	3,431,235	0		3,431,235	0		3,431,235
Gifts	1,091,961	64,527	518,356	638,132	1,082,233	552,162	1,168,203	0		1,168,203	0		1,168,203
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	166,676	7,918	121,511	53,082	323,667	(93,522)	470,271	0		470,271	0		470,271
TOTAL	**8,092,547**	**12,969,086**	**11,043,183**	**10,018,450**	**11,073,662**	**12,632,534**	**8,459,578**	**0**	**0**	**8,459,578**	**0**	**0**	**8,459,578**

Report on Restricted Operations

Expenditures exceeding revenues in the first quarter for Private Grants and Contracts, Giftsare reflective of drawing down on uncommitted fund balances (one-time monies) as part of this fiscal year's budget strategy to maintain level operations.

Office of the Chancellor

101 J. Norman Efferson Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25203
Baton Rouge, LA 70894-5203
(225) 578-4161
Fax: (225) 578-4143

Accounting Services
(225) 578-4648
(225) 578-0735

Corporate Relations and
Public Service Activities
(225) 578-4238

Facilities Planning
(225) 578-8731
Fax: (225) 578-6032

Human Resource Management
(225) 578-2258
Fax: (225) 578-8284

Diversity
(225) 578-4640
Fax: (225) 578-8284

Sponsored Programs
104 J. Norman Efferson Hall
Baton Rouge, LA 70803
Post Office Box 25071
Baton Rouge, LA 70894-5071
(225) 578-6030
Fax: (225) 578-6032

Ag Leadership
102 M Efferson Hall - LSU
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-3659
Fax: (225) 578-4225

Communications
128 Knapp Hall - LSU
Baton Rouge, LA 70803
Post Office Box 25100
Baton Rouge, LA 70894-5100
(225) 578-2263
Fax: (225) 578-4524

Information Technology
118 Knapp Hall - LSU
Baton Rouge, LA 70803
(225) 578-4020
Fax: (225) 578-3629

International Programs
International Programs Bldg.
South Stadium Road
Baton Rouge, LA 70803
Post Office Box 16090
Baton Rouge, LA 70893
(225)578-6963
Fax: (225) 578-6775

Date: January 25, 2013

To: William Jenkins, Interim President
LSU System

Subject: Second Quarter Budget Report for FY 2012-2013

In the second quarter of FY 2012-13, the AgCenter continues to adjust to the loss of State funding when compared to the previous fiscal year: $3,407,501 for FY 2011-12 mid-year reduction of state appropriations; an additional base reduction of $1,455,763 in state appropriations (the AgCenter's share of a state-wide adjustment to restore funding to the Health Sciences Centers in New Orleans and Shreveport); a reduction in state appropriations of $428,355 for a preamble cut in our Group Benefits funding; and a shortfall of $182,769 in Self Statutory Dedications. In addition, a mid-year FY 2012-13 State General Funds reduction of $1,708,463 (to be reported in the 3rd quarter) has been assigned to the AgCenter. Our reduction plan has been submitted through the LSU System to the State Office of Planning and Budget and we await final approval of the budget reduction. Maintaining AgCenter programs vital to the public is becoming increasingly difficult. State funding has seen consistent yearly reductions since 2008, and recently, federal funding for special research grants was terminated while capacity funding for research and extension support being reduced.

Because the AgCenter is a nonstudent campus, increases in tuition and student fees are not available as a revenue source. Passage of the GRAD Act provided no relief for the AgCenter. Self-generated revenue is used to the extent possible, but a declining number of programs and employees create a negative effect. Competition for external sources of funding is acute, and granting agencies increasingly require matching funds or pledges of personnel effort at a time when these AgCenter resources are declining.

High priority programs are generally understaffed with significant gaps in coverage. Transfers have been used to balance staffing where possible, but opportunities are limited because of the technical nature of most positions. In making specific program decisions, key factors will include but not be limited to the program's relevance to the AgCenter mission, impact on the state, economic development potential, industry and clientele support, and extramural funding opportunities. The AgCenter will continue extensive consultation with all constituencies to help work through the budget challenges.

The process is a difficult one. Without a doubt, our ability to deliver the level and range of research and educational programs to which the public is accustomed will be affected. This also will undoubtedly have a negative effect on support for the undergraduate and graduate programs in the College of Agriculture.

The AgCenter continues to work with a developing business plan to reduce the scope of activities in their operations with an eye toward the inevitable budget situation facing the LSU AgCenter. Cost savings, productivity and importance to the core mission of the LSU AgCenter are the three criteria that are to be addressed. We intend to make every effort to maintain our most critical programs, to remain true to our core mission of improving the lives of Louisiana citizens and to provide the most we can for every dollar invested in the LSU AgCenter.

Sincerely,

William B. Richardson

William B. Richardson, Chancellor
and Chalkley Family Endowed Chair

c: Ann Coulon
Todd Barre

For the latest
research-based information
on just about anything,
visit our website:
www.LSUAgCenter.com

LSU Agricultural Center

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	66,233,086	22,220,480	16,665,360			38,885,840
Statutory Dedications	5,260,167	419,813	1,520,264			1,940,077
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	6,807,967	1,132,915	1,546,342			2,679,256
Federal Funds	13,018,275	3,357,245	2,872,997			6,230,242
Total Revenues	**91,319,495**	**27,130,453**	**22,604,963**			**49,735,415**
Expenditures by Object:						
Personal Services	70,343,167	19,150,652	18,899,727			38,050,379
Operating Expenses	19,835,879	2,409,026	4,048,801			6,457,827
Other Charges	873,652	119,257	136,265			255,522
Acquisitions and Major Repairs	266,797	166,820	60,453			227,273
Total Expenditures	**91,319,495**	**21,845,754**	**23,145,247**			**44,991,001**
Expenditures by Function:						
Academic Expenditures	53,807,705	18,545,214	18,910,327			37,455,541
Non-Academic Expenditures	37,511,790	3,300,539	4,234,920			7,535,459
Total Expenditures	**91,319,495**	**21,845,754**	**23,145,247**			**44,991,001**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	0	0	0			
Sales and Services of Educational Activities	1,329,193	1,325,414	1,476,746			
Auxiliaries	0	0	0			
Endowment Income	238,217	238,289	232,187			
Grants and Contracts	375,090	3,848,431	3,457,121			
Indirect Cost Recovered	7,345,609	7,455,330	7,593,155			
Gifts	5,221,907	5,714,010	5,795,529			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	6,878,518	6,540,640	8,814,918			
TOTAL	**21,388,534**	**25,122,115**	**27,369,655**			

Overview and Analysis of Campus Operations

We continue to evaluate all our operations to make most efficient use of resources with the continued budget reductions. Without a doubt, our ability to deliver the level and range of research and educational programs to which the public is accustomed will be affected. This also will undoubtedly have a negative effect on support for the undergraduate and graduate programs in the College of Agriculture. We intend to make every effort to maintain our most critical programs, to remain true to our core mission of improving the lives of Louisiana citizens and to provide the most we can for every dollar invested in the LSU AgCenter.

Operating Budget Development

Campus: LSU Agricultural Center

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	66,233,086					66,233,086	0.0%
Statutory Dedications	5,260,167					5,260,167	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	6,807,967					6,807,967	0.0%
Federal Funds	13,018,275					13,018,275	0.0%
Total Revenues	**91,319,495**	**0**	**0**	**0**	**0**	**91,319,495**	**0.0%**
Expenditures by Object:							
Salaries	43,605,634	(61,100)				43,544,534	-0.1%
Other Compensation	2,019,271	21,000	0			2,040,271	1.0%
Related Benefits	24,758,362	0				24,758,362	0.0%
Total Personal Services	**70,383,267**	**(40,100)**	**0**	**0**	**0**	**70,343,167**	**-0.1%**
Travel	1,590,570	0				1,590,570	0.0%
Operating Services	11,592,120	12,601				11,604,721	0.1%
Supplies	6,609,808	30,780	0			6,640,588	0.5%
Total Operating Expenses	**19,792,498**	**43,381**	**0**	**0**	**0**	**19,835,879**	**0.2%**
Professional Services	277,027	(9,356)				267,671	-3.4%
Other Charges	599,906	6,075				605,981	1.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**876,933**	**(3,281)**	**0**	**0**	**0**	**873,652**	**-0.4%**
General Acquisitions	266,797	0				266,797	0.0%
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**266,797**	**0**	**0**	**0**	**0**	**266,797**	**0.0%**
Total Expenditures	**91,319,495**	**0**	**0**	**0**	**0**	**91,319,495**	**0.0%**
Expenditures by Function:							
Instruction						0	
Research	27,954,487	81,781	73,798			28,110,065	0.6%
Public Service	23,249,065		93,184			23,342,249	0.4%
Academic Support (Includes Library)	2,355,390					2,355,390	0.0%
Academic Expenditures Subtotal	**53,558,942**	**81,781**	**166,982**	**0**	**0**	**53,807,705**	**0.5%**
Student Services						0	
Institutional Support	34,047,938	(81,781)	(166,982)			33,799,175	-0.7%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	3,712,615					3,712,615	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**37,760,553**	**(81,781)**	**(166,982)**	**0**	**0**	**37,511,790**	
Total Expenditures	**91,319,495**	**0**	**0**	**0**	**0**	**91,319,495**	0.0%

Use next page for Detailed Explanation

Operating Budget Development **Campus:** **LSU Agricultural Center**

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

1st quarter: Routine budget adjustments only. No operational funds from academic areas were moved to non-academic units. $81.7k in non-academic funds were moved to academic units to support graduate assistantships.

2nd quarter: Routine budget adjustments only. No operational funds from academic areas were moved to non-academic units. $166.9k in non-academic funds were moved to academic units to support graduate assistantships and match state grants.

Report on changes to Significant Funding Issues

1st Quarter: No significant funding issues.

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Agricultural Center

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	66,233,086	22,220,480	16,665,360			38,885,840	58.7%
Statutory Dedications	5,260,167	419,813	1,520,264			1,940,077	36.9%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	6,807,967	1,132,915	1,546,342			2,679,256	39.4%
Federal Funds	13,018,275	3,357,245	2,872,997			6,230,242	47.9%
TOTAL	**91,319,495**	**27,130,453**	**22,604,963**	**0**	**0**	**49,735,415**	54.5%
Expenditures by Category							
Salaries	43,544,534	11,640,369	11,562,729			23,203,098	**53.3%**
Other Compensation	2,040,271	547,257	481,531			1,028,789	**50.4%**
Related Benefits	24,758,362	6,963,025	6,855,467			13,818,492	**55.8%**
Total Personal Services	**70,343,167**	**19,150,652**	**18,899,727**	**0**	**0**	**38,050,379**	**54.1%**
Travel	1,590,570	267,838	268,190			536,029	**33.7%**
Operating Services	11,604,721	1,391,318	2,548,796			3,940,113	**34.0%**
Supplies	6,640,588	749,869	1,231,816			1,981,685	**29.8%**
Total Operating Expenses	**19,835,879**	**2,409,026**	**4,048,801**	**0**	**0**	**6,457,827**	**32.6%**
Professional Services	267,671	77,948	99,425			177,373	**66.3%**
Other Charges	605,981	41,309	36,840			78,149	**12.9%**
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**873,652**	**119,257**	**136,265**	**0**	**0**	**255,522**	**29.2%**
General Acquisitions	266,797	169,588	58,264			227,853	**85.4%**
Library Acquisitions	0	(2,768)	2,188			(580)	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**266,797**	**166,820**	**60,453**	**0**	**0**	**227,273**	**85.2%**
TOTAL	**91,319,495**	**21,845,754**	**23,145,247**	**0**	**0**	**44,991,001**	**49.3%**
by Function							
Instruction	0					0	
Research	28,110,065	9,628,851	10,165,880			19,794,731	70.4%
Public Service	23,342,249	8,008,056	7,778,722			15,786,778	67.6%
Academic Support (Includes Library)	2,355,390	908,308	965,725			1,874,032	79.6%
Academic Expenditures Subtotal	**53,807,705**	**18,545,214**	**18,910,327**	**0**	**0**	**37,455,541**	69.6%

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Agricultural Center**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Student Services	0					0	
Institutional Support	33,799,175	2,264,657	3,219,649			5,484,306	16.2%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	3,712,615	1,026,691	1,013,436			2,040,127	55.0%
Hospital	0					0	
Transfers out of agency	0	9,191	1,835			11,026	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**37,511,790**	**3,300,539**	**4,234,920**	**0**	**0**	**7,535,459**	**20.1%**
TOTAL	**91,319,495**	**21,845,754**	**23,145,247**	**0**	**0**	**44,991,001**	**49.3%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

1st: No significant variance noted. Expenditures are progressing as planned.

2nd: No significant variance noted. Expenditures are progressing as planned.

Overview of Restricted Funds

Campus: LSU Agricultural Center

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities	1,173,277	316,144	303,096			619,240	52.8%
Auxiliaries (List)							
Endowment Income	136,400	2,054	31,781			33,835	24.8%
Grants and Contracts							
Federal	10,124,617	745,824	2,099,349			2,845,172	28.1%
State and Local	12,255,097	6,131,782	2,985,659			9,117,441	74.4%
Private	5,339,763	2,560,491	1,265,882			3,826,373	71.7%
Indirect Cost Recovered	3,067,592	634,885	696,205			1,331,090	43.4%
Gifts	2,939,822	906,613	568,138			1,474,751	50.2%
Federal Funds						0	
Hospitals							
All Other Sources	9,180,485	151,598	6,350,637			6,502,235	70.8%
TOTAL	**44,217,054**	**11,449,390**	**14,300,748**	**0**	**0**	**25,750,137**	58.2%

Report on Restricted Budget

1St Quarter: Restricted revenues are being realized as anticipated.

2nd Quarter: Restricted revenues are being realized as anticipated.

Overview of Restricted Operations

Campus: LSU Agricultural Center

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees		0		0	0		0	0		0	0		0
Sales & Svcs of Educ. Activ's	1,329,193	316,144	319,923	1,325,414	303,096	151,764	1,476,746	0		1,476,746	0		1,476,746
Auxiliaries (List)													
Endowment Income	238,217	2,054	1,982	238,289	31,781	37,883	232,187	0		232,187	0		232,187
Grants and Contracts													
Federal	(30,501)	745,824	1,670,661	(955,338)	2,099,349	2,065,865	(921,854)	0		(921,854)	0		(921,854)
State and Local	(421,220)	6,131,782	3,078,499	2,632,063	2,985,659	3,104,591	2,513,131	0		2,513,131	0		2,513,131
Private	826,811	2,560,491	1,215,596	2,171,706	1,265,882	1,571,744	1,865,844	0		1,865,844	0		1,865,844
Indirect Cost Recovered	7,345,609	634,885	525,163	7,455,330	696,205	558,381	7,593,155	0		7,593,155	0		7,593,155
Gifts	5,221,907	906,613	414,510	5,714,010	568,138	486,620	5,795,529	0		5,795,529	0		5,795,529
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	6,878,518	151,598	489,475	6,540,640	6,350,637	4,076,360	8,814,918	0		8,814,918	0		8,814,918
TOTAL	**21,388,534**	**11,449,390**	**7,715,808**	**25,122,115**	**14,300,748**	**12,053,208**	**27,369,655**	**0**	**0**	**27,369,655**	**0**	**0**	**27,369,655**

Report on Restricted Operations

1st Quarter: No significant variances.

2nd Quarter: No significant variances.

LSU SHREVEPORT
OFFICE OF THE CHANCELLOR

January 15, 2013

Dr. William Jenkins
Interim President
Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, LA 70808

Dear Dr. Jenkins:

Subject: Budget Narrative Second Quarter FY 2012-13

LSU Shreveport, like other institutions of higher education in the state, has been severely impacted by ever dwindling state funding. While our campus has persevered through these times, it is increasingly difficult to maintain financial stability. However, campus unity has strengthened in the face of these challenges and faculty and staff have come together to meet them with innovation and commitment.

The most relevant challenges are:

1. Continued downturn in on-campus enrollment.
2. Loss of potential revenues from enrollment – specifically the Early Start program.
3. Changes in Admissions Requirements.
4. A mid-year budget cut of $247,554, which will be reflected in the third quarter financial report.
5. The inability to provide any salary increases for faculty, professional staff, and classified staff.
6.

While we have maintained our enrollment in comparison to the previous fiscal year, the downturn in on-campus enrollment continues to hurt us on the budget front. To help with our recruitment and enrollment of on-campus students, we revisited our scholarship program last fall and, within our approved scholarship framework, reworked, renamed, and marketed our scholarship program differently than in prior years. We instituted a "Guaranteed Scholarship" program which targeted high school graduates with specific GPA's and ACT scores. The response to our scholarship offer has been very positive, and our freshman class this year is one of the biggest we have had. However, the gains we made with freshmen were offset by a downturn in enrollment of new transfer students, a decrease due to mandated changes in admissions standards.

The Early Start program is booming with over 1,000 students enrolled in the program. We have increased the number of high schools and students in the area that are participating in the program. However, there are two problems with this program. The first is that state support for the program has dropped annually, from $500,000 in the first year to $250,000 in the second year, and now $62,500 this year. The second is the uncertainty regarding the program in FY13-14, which we anticipate will have a major negative effect on enrollment. As a result, our total enrollment numbers may take a significant hit next fall.

Our new LSU/LSUS collaborative academic program in Petroleum Engineering started this fall and we have 28 students majoring in this program, with 24 students enrolled in the first Petroleum Engineering course. This is all part of the LSU Shreveport Commitment Plan, which began with Petroleum Engineering and Construction Management but will include additional collaborative programs next year. All these new programs have been and will be heavily advertised to increase our student population.

Flexibility is a major problem within the budget, especially given the mid-year budget cut that was recently announced. Because of the loss of revenues from the downturn in enrollment and the mid-year budget cut, I am working with our Budget Crisis Committee to come up with a solution to our continuing financial shortfalls for the remainder of this fiscal year.

Like other institutions of higher education in Louisiana, we are feeling the effects of “brain drain”, with some faculty and professional staff leaving the University for positions in other states or other industries. To limit this trend as much as possible at LSUS, we make the effort to keep faculty and staff involved in the decision-making processes that address issues throughout the campus and to keep them informed as to what is happening on and off campus. This has helped to emphasize the fact that “we’re all in this together.” But with the continuation, for the foreseeable future, of no general salary increases for faculty and staff, we will see more and more faculty and staff leaving our institution for greener pastures elsewhere.

Sincerely,

Dr. Paul D. Sisson
Interim Chancellor

LSU Shreveport

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	9,597,094	3,220,184	2,415,138			5,635,322
Statutory Dedications	648,314	91,174	136,112			227,286
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	18,654,757	9,640,326	1,869,512			11,509,838
Federal Funds	0	0	0			0
Total Revenues	**28,900,165**	**12,951,684**	**4,420,762**			**17,372,446**
Expenditures by Object:						
Personal Services	20,382,281	4,969,251	5,398,873			10,368,124
Operating Expenses	3,020,576	1,012,286	452,274			1,464,560
Other Charges	5,320,008	2,964,717	79,009			3,043,726
Acquisitions and Major Repairs	177,300	17,904	217,714			235,618
Total Expenditures	**28,900,165**	**8,964,158**	**6,147,870**			**15,112,028**
Expenditures by Function:						
Academic Expenditures	15,799,905	3,882,450	4,404,331			8,286,781
Non-Academic Expenditures	13,100,260	5,081,708	1,743,539			6,825,247
Total Expenditures	**28,900,165**	**8,964,158**	**6,147,870**			**15,112,028**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	1,732,740	2,034,258	1,873,779			
Sales and Services of Educational Activities	0	0	0			
Auxiliaries	1,355,970	1,592,609	1,425,221			
Endowment Income	0	0	(3,909)			
Grants and Contracts	1,647,310	(131,366)	1,208,117			
Indirect Cost Recovered	850,340	850,290	850,107			
Gifts	171,129	162,417	164,247			
Federal Funds	0	(583,972)	(50,430)			
Hospitals	0	0	0			
All Other Sources	55,506	53,322	65,669			
TOTAL	**5,812,995**	**3,977,558**	**5,532,801**			

Overview and Analysis of Campus Operations

Operating Budget Development — Campus: LSU Shreveport

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	9,597,094					9,597,094	0.0%
Statutory Dedications	648,314					648,314	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	18,654,757					18,654,757	0.0%
Federal Funds						0	
Total Revenues	**28,900,165**	**0**	**0**	**0**	**0**	**28,900,165**	**0.0%**
Expenditures by Object:							
Salaries	13,988,526					13,988,526	0.0%
Other Compensation	547,014					547,014	0.0%
Related Benefits	5,846,741					5,846,741	0.0%
Total Personal Services	**20,382,281**	**0**	**0**	**0**	**0**	**20,382,281**	**0.0%**
Travel	81,937					81,937	0.0%
Operating Services	2,291,743					2,291,743	0.0%
Supplies	646,896					646,896	0.0%
Total Operating Expenses	**3,020,576**	**0**	**0**	**0**	**0**	**3,020,576**	**0.0%**
Professional Services	251,099					251,099	0.0%
Other Charges	5,068,909					5,068,909	0.0%
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**5,320,008**	**0**	**0**	**0**	**0**	**5,320,008**	**0.0%**
General Acquisitions	0					0	
Library Acquisitions	177,300					177,300	0.0%
Major Repairs						0	
Total Acquisitions and Major Repairs	**177,300**	**0**	**0**	**0**	**0**	**177,300**	**0.0%**
Total Expenditures	**28,900,165**	**0**	**0**	**0**	**0**	**28,900,165**	**0.0%**
Expenditures by Function:							
Instruction	12,765,917					12,765,917	0.0%
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	3,033,988					3,033,988	0.0%
Academic Expenditures Subtotal	**15,799,905**	**0**	**0**	**0**	**0**	**15,799,905**	**0.0%**
Student Services	1,996,928					1,996,928	0.0%
Institutional Support	3,982,498					3,982,498	0.0%
Scholarships/Fellowships	4,190,710					4,190,710	0.0%
Plant Operations/Maintenance	2,930,124					2,930,124	0.0%
Hospital						0	
Transfers out of agency	0					0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**13,100,260**	**0**	**0**	**0**	**0**	**13,100,260**	
Total Expenditures	**28,900,165**	**0**	**0**	**0**	**0**	**28,900,165**	0.0%

Operating Budget Development

Campus: LSU Shreveport

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Mid Year budget reduction of $247,554 will be refllected in Third Quarter Report.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Shreveport**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	9,597,094	3,220,184	2,415,138			5,635,322	58.7%
Statutory Dedications	648,314	91,174	136,112			227,286	35.1%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	18,654,757	9,640,326	1,869,512			11,509,838	61.7%
Federal Funds	0					0	
TOTAL	**28,900,165**	**12,951,684**	**4,420,762**	**0**	**0**	**17,372,446**	60.1%
Expenditures by Category							
Salaries	13,988,526	3,629,401	3,968,637			7,598,038	**54.3%**
Other Compensation	547,014	95,813	104,622			200,435	**36.6%**
Related Benefits	5,846,741	1,244,037	1,325,614			2,569,651	**44.0%**
Total Personal Services	**20,382,281**	**4,969,251**	**5,398,873**	**0**	**0**	**10,368,124**	**50.9%**
Travel	81,937	24,816	26,014			50,830	**62.0%**
Operating Services	2,291,743	785,593	397,608			1,183,201	**51.6%**
Supplies	646,896	201,877	28,652			230,529	**35.6%**
Total Operating Expenses	**3,020,576**	**1,012,286**	**452,274**	**0**	**0**	**1,464,560**	**48.5%**
Professional Services	251,099	30,713	53,939			84,652	**33.7%**
Other Charges	5,068,909	2,252,712	11,443			2,264,155	**44.7%**
Debt Services	0					0	
Interagency Transfers	0	681,292	13,627			694,919	
Total Other Charges	**5,320,008**	**2,964,717**	**79,009**	**0**	**0**	**3,043,726**	**57.2%**
General Acquisitions	0	7,925	127,175			135,100	
Library Acquisitions	177,300	9,979	90,539			100,518	**56.7%**
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**177,300**	**17,904**	**217,714**	**0**	**0**	**235,618**	**132.9%**
TOTAL	**28,900,165**	**8,964,158**	**6,147,870**	**0**	**0**	**15,112,028**	**52.3%**

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Shreveport**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	12,765,917	3,199,995	3,692,952			6,892,947	54.0%
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	3,033,988	682,455	711,379			1,393,834	45.9%
Academic Expenditures Subtotal	**15,799,905**	**3,882,450**	**4,404,331**	**0**	**0**	**8,286,781**	52.4%
Student Services	1,996,928	526,834	344,847			871,681	43.7%
Institutional Support	3,982,498	1,240,124	816,601			2,056,725	51.6%
Scholarships/Fellowships	4,190,710	2,252,447	11,248			2,263,695	54.0%
Plant Operations/Maintenance	2,930,124	1,062,303	570,843			1,633,146	55.7%
Hospital	0	0				0	
Transfers out of agency	0	0				0	
Athletics	0	0				0	
Other	0	0				0	
Non-Academic Expenditures Subtotal	**13,100,260**	**5,081,708**	**1,743,539**	**0**	**0**	**6,825,247**	**52.1%**
TOTAL	**28,900,165**	**8,964,158**	**6,147,870**	**0**	**0**	**15,112,028**	**52.3%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Overview of Restricted Funds

Campus: LSU Shreveport

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees	1,016,200	651,219	156,995			808,214	79.5%
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
1 - University Center - Student Fees	277,046	129,266	26,720			155,986	56.3%
2 - University Center - Self Generated	140,434	23,054	9,364			32,418	23.1%
3 - Food Service	339,543	69,452	66,324			135,776	40.0%
4 - Bookstore	1,548,060	457,352	163,011			620,363	40.1%
5 - University Court Apartments - Lease	1,000	1,000	11			1,011	101.1%
6 - Athletics - Self Generated	104,802	13,077	18,285			31,362	29.9%
7 - Athletics - Student Fees	1,198,771	603,215	124,824			728,039	60.7%
8 - Athletics - GF Transfer	0					0	
Endowment Income			65,179			65,179	
Grants and Contracts							
Federal	1,578,000	107,163	241,990			349,153	22.1%
State and Local	4,200,000	504,321	1,480,467			1,984,788	47.3%
Private	1,830,000	701,090	447,711			1,148,801	62.8%
Indirect Cost Recovered	60,000	0	0			0	0.0%
Gifts	170,000	67,265	3,045			70,310	41.4%
Federal Funds	6,000,000	2,163,281	593,737			2,757,018	46.0%
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans						0	
Medicare						0	
Medicaid						0	
Uncompensated Care Costs						0	
Sponsored Grants and Contracts						0	
Sales and Services Other						0	
All Other Sources	40,000	4,992	15,716			20,708	51.8%
TOTAL	**18,503,856**	**5,495,747**	**3,413,379**	**0**	**0**	**8,909,126**	48.1%

Overview of Restricted Funds

Campus: LSU Shreveport

Report on Restricted Budget

Overview of Restricted Operations

Campus: LSU Shreveport

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees	1,732,740	651,219	349,701	2,034,258	156,995	317,474	1,873,779	0		1,873,779	0		1,873,779
Sales & Svcs of Educ. Activ's		0		0	0		0	0		0	0		0
Auxiliaries (List)													
1 - University Center - Student Fees	0	129,266	72,006	57,260	26,720	81,571	2,409	0		2,409	0		2,409
2 - University Center - Self Generated	0	23,054	0	23,054	9,364	0	32,418	0		32,418	0		32,418
3 - Food Service	(279,407)	69,452	79,085	(289,040)	66,324	98,411	(321,127)	0		(321,127)	0		(321,127)
4 - Bookstore	1,514,683	457,352	494,986	1,477,049	163,011	163,535	1,476,525	0		1,476,525	0		1,476,525
5 - University Court Apartments - Lease	16,904	1,000	10	17,894	11	0	17,905	0		17,905	0		17,905
6 - Athletics - Self Generated	0	13,077	10,080	2,997	18,285	10,433	10,849	0		10,849	0		10,849
7 - Athletics - Student Fees	103,790	603,215	403,610	303,395	124,824	221,977	206,242	0		206,242	0		206,242
8 - Athletics - GF Transfer	0	0		0	0		0	0		0	0		0
Endowment Income		0		0	65,179	69,088	(3,909)	0		(3,909)	0		(3,909)
Grants and Contracts													
Federal	68,575	107,163	301,590	(125,852)	241,990	271,151	(155,013)	0		(155,013)	0		(155,013)
State and Local	184,357	504,321	2,005,085	(1,316,407)	1,480,467	(181,880)	345,940	0		345,940	0		345,940
Private	1,394,378	701,090	784,575	1,310,893	447,711	741,414	1,017,190	0		1,017,190	0		1,017,190
Indirect Cost Recovered	850,340	0	50	850,290	0	183	850,107	0		850,107	0		850,107
Gifts	171,129	67,265	75,977	162,417	3,045	1,215	164,247	0		164,247	0		164,247
Federal Funds	0	2,163,281	2,747,253	(583,972)	593,737	60,195	(50,430)	0		(50,430)	0		(50,430)
Hospitals													
All Other Sources	55,506	4,992	7,176	53,322	15,716	3,369	65,669	0		65,669	0		65,669
TOTAL	**5,812,995**	**5,495,747**	**7,331,184**	**3,977,558**	**3,413,379**	**1,858,136**	**5,532,801**	**0**	**0**	**5,532,801**	**0**	**0**	**5,532,801**

Overview of Restricted Operations

Campus: LSU Shreveport

Report on Restricted Operations

Food Service deficit is absorbed by Bookstore
Deficits for Endowment Income, Federal Grants and Federal Funds are temporary accounts receivable as the University is awaiting payment from various organizations.

Louisiana State University at Alexandria

2nd quarter budget report narrative

Overview and Analysis of Campus Operations:

Campus operations are occurring as anticipated. The unrestricted and restricted operating budgets were budgeted at steady-state enrollment. Summer enrollment was higher than anticipated, while fall enrollment was lower than anticipated. All operational expenses are as anticipated. Some unexpected property expenditures from Hurricane Isaac were reimbursed by ORM; personnel overtime and direct administrative cost reimbursement is anticipated from FEMA. The mid-year expense reduction was submitted for review.

Budget Adjustments Narrative:

Variance Analysis and Program Adjustments.

No budget adjustments occurred in the second quarter of FY 2012-2013. No funds moved from academic to non-academic categories. It is anticipated that several budget adjustments in categories of salaries, related benefits, travel, operating services, and supplies will occur in the fourth quarter as the academic and non-academic needs are analyzed and adjustments made accordingly.

Report on Changes to Significant Funding Issues:

A mid-year expense reduction was announced in the second quarter of FY 2012-2013.

Unrestricted Operations:

Self-generated revenues are at 80% of budget and include some spring tuition/fees. Expenditures by Category and Expenditure by Function are as anticipated for summer and fall semester combined activity.

Revenues collected include summer, fall, and spring semester tuition and fees and state general fund support. Budgeted revenues include anticipated funding of about $522,000 from the Board of Regents for Learning Center operations. The revenue received has been posted to a restricted account per LSU System request. Salaries budgeted include $246,019 in unallotted expenditures for unrealized increased enrollment. The budget for general acquisitions includes $35,000 budgeted for Library Books.

Report on Restricted Budget:

Second quarter restricted revenues for LSUA auxiliary services include mandatory student fee receipts for summer, fall, and spring registration. The remainder of fees will not be collected until the third quarter. The bookstore revenue is collected from the bookstore vendor, Follette, on a monthly basis. The child care center receives parent paid tuition on a weekly basis. Campus card operation revenue, endowment income, and indirect costs recovered are not posted until the fourth quarter.

Report on Restricted Operations:

Second quarter restricted operations are as anticipated. No significant variances are anticipated.

Louisiana State University Alexandria — Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	6,512,969	2,207,428	1,655,571			3,862,999
Statutory Dedications	275,446	38,737	57,829			96,566
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	9,680,501	4,646,292	3,106,149			7,752,441
Federal Funds	0	0	0			0
Total Revenues	**16,468,916**	**6,892,456**	**4,819,549**			**11,712,005**
Expenditures by Object:						
Personal Services	12,799,542	2,578,482	3,275,249			5,853,731
Operating Expenses	2,717,974	572,525	945,744			1,518,270
Other Charges	916,400	327,110	65,591			392,701
Acquisitions and Major Repairs	35,000	2,561	9,798			12,359
Total Expenditures	**16,468,916**	**3,480,678**	**4,296,383**			**7,777,061**
Expenditures by Function:						
Academic Expenditures	6,849,463	1,621,383	2,523,751			4,145,134
Non-Academic Expenditures	9,619,453	1,859,296	1,772,631			3,631,927
Total Expenditures	**16,468,916**	**3,480,678**	**4,296,383**			**7,777,061**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	1,006,614	1,053,356	889,284			
Sales and Services of Educational Activities	52,841	59,877	105,481			
Auxiliaries	1,824,822	2,172,432	2,164,956			
Endowment Income	191,747	191,788	192,058			
Grants and Contracts	(34,961)	(16,678)	(74,313)			
Indirect Cost Recovered	100,740	101,379	101,609			
Gifts	68,801	194,117	173,946			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	215,377	215,377	215,377			
TOTAL	**3,425,980**	**3,971,649**	**3,768,398**			

Overview and Analysis of Campus Operations

Campus operations are occurring as anticipated. The unrestricted and restricted operating budgets were budgeted at steady-state enrollment. Summer enrollment was higher than anticipated, while fall enrollment was lower than anticipated. All operational expenses are as anticipated. Some unexpected property expenditures from Hurricane Isaac were reimbursed by ORM; personnel overtime and direct administrative cost reimbursement is anticipated from FEMA. The mid-year expense reduction was submitted for review.

Operating Budget Development

Campus: Louisiana State University Alexandria

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	6,512,969					6,512,969	0.0%
Statutory Dedications	275,446					275,446	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	9,680,501					9,680,501	0.0%
Federal Funds						0	
Total Revenues	**16,468,916**	**0**	**0**	**0**	**0**	**16,468,916**	**0.0%**
Expenditures by Object:							
Salaries	8,528,715					8,528,715	0.0%
Other Compensation	168,662					168,662	0.0%
Related Benefits	4,102,165					4,102,165	0.0%
Total Personal Services	**12,799,542**	**0**	**0**	**0**	**0**	**12,799,542**	**0.0%**
Travel	33,000					33,000	0.0%
Operating Services	2,263,374					2,263,374	0.0%
Supplies	421,600					421,600	0.0%
Total Operating Expenses	**2,717,974**	**0**	**0**	**0**	**0**	**2,717,974**	**0.0%**
Professional Services	85,100					85,100	0.0%
Other Charges	831,300					831,300	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**916,400**	**0**	**0**	**0**	**0**	**916,400**	**0.0%**
General Acquisitions	35,000					35,000	0.0%
Library Acquisitions	0					0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**35,000**	**0**	**0**	**0**	**0**	**35,000**	**0.0%**
Total Expenditures	**16,468,916**	**0**	**0**	**0**	**0**	**16,468,916**	**0.0%**
Expenditures by Function:							
Instruction	5,702,313					5,702,313	0.0%
Research						0	
Public Service						0	
Academic Support (Includes Library)	1,147,150					1,147,150	0.0%
Academic Expenditures Subtotal	**6,849,463**	**0**	**0**	**0**	**0**	**6,849,463**	**0.0%**
Student Services	704,083					704,083	0.0%
Institutional Support	5,797,852					5,797,852	0.0%
Scholarships/Fellowships	642,000					642,000	0.0%
Plant Operations/Maintenance	2,475,518					2,475,518	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**9,619,453**	**0**	**0**	**0**	**0**	**9,619,453**	
Total Expenditures	**16,468,916**	**0**	**0**	**0**	**0**	**16,468,916**	0.0%

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

No budget adjustments occurred in the second quarter of FY 2012-2013. No funds moved from academic to non-academic categories. It is anticipated that several budget adjustments in categories of salaries, related benefits, travel, operating services, and supplies will occur in the fourth quarter as the academic and non-academic needs are analyzed and adjustments made accordingly.

Report on changes to Significant Funding Issues

A mid-year expense reduction was announced in the second quarter of FY 2012-2013.

Overview of Unrestricted Revenues and Expenditures

Campus: **Louisiana State University Alexandria**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	6,512,969	2,207,428	1,655,571.00			3,862,999	59.3%
Statutory Dedications	275,446	38,737	57,829.01			96,566	35.1%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	9,680,501	4,646,292	3,106,148.89			7,752,441	80.1%
Federal Funds	0					0	
TOTAL	**16,468,916**	**6,892,456**	**4,819,549**	**0**	**0**	**11,712,005**	71.1%
Expenditures by Category							
Salaries	8,528,715	1,823,228	2,096,184.71			3,919,413	**46.0%**
Other Compensation	168,662	25,487	27,989.50			53,476	**31.7%**
Related Benefits	4,102,165	729,767	1,151,074.59			1,880,841	**45.8%**
Total Personal Services	**12,799,542**	**2,578,482**	**3,275,249**	**0**	**0**	**5,853,731**	**45.7%**
Travel	33,000	2,691	10,389.73			13,081	**39.6%**
Operating Services	2,263,374	398,348	852,843.64			1,251,191	**55.3%**
Supplies	421,600	171,487	82,511.11			253,998	**60.2%**
Total Operating Expenses	**2,717,974**	**572,525**	**945,744**	**0**	**0**	**1,518,270**	**55.9%**
Professional Services	85,100	38,006	32,501.44			70,508	**82.9%**
Other Charges	831,300	289,104	33,089.56			322,194	**38.8%**
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**916,400**	**327,110**	**65,591**	**0**	**0**	**392,701**	**42.9%**
General Acquisitions	35,000	1,310	0			1,310	**3.7%**
Library Acquisitions	0	1,251	9,798.34			11,049	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**35,000**	**2,561**	**9,798**	**0**	**0**	**12,359**	**35.3%**
TOTAL	**16,468,916**	**3,480,678**	**4,296,383**	**0**	**0**	**7,777,061**	**47.2%**
by Function							
Instruction	5,702,313	1,306,033	2,336,659.15			3,642,692	63.9%
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	1,147,150	315,350	187,092.06			502,442	43.8%
Academic Expenditures Subtotal	**6,849,463**	**1,621,383**	**2,523,751**	**0**	**0**	**4,145,134**	60.5%
Student Services	704,083	260,819	244,814.33			505,633	71.8%

Overview of Unrestricted Revenues and Expenditures

Campus: **Louisiana State University Alexandria**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Institutional Support	5,797,852	604,577	362,891.66			967,468	16.7%
Scholarships/Fellowships	642,000	271,272	12,303.27			283,575	44.2%
Plant Operations/Maintenance	2,475,518	722,629	1,152,622.15			1,875,251	75.8%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**9,619,453**	**1,859,296**	**1,772,631**	**0**	**0**	**3,631,927**	**37.8%**
TOTAL	**16,468,916**	**3,480,678**	**4,296,383**	**0**	**0**	**7,777,061**	**47.2%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Self-generated revenues are at 80% of budget and include some spring tuition/fees. Expenditures by Category and Expenditure by Function are as anticipated for summer and fall semester combined activity.
Revenues collected include summer, fall, and spring semester tuition and fees and state general fund support. Budgeted revenues include anticipated funding of about $522,000 from the Board of Regents for Learning Center operations. The revenue received has been posted to a restricted account per LSU System request. Salaries budgeted include $246,019 in unallotted expenditures for unrealized increased enrollment. The budget for general acquisitions includes $35,000 budgeted for Library Books.

Overview of Restricted Funds

Campus: Louisiana State University Alexandria

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees	641,503	309,181	252,240			561,421	87.5%
Sales and Services of Educational Activities	35,143	13,766	48,393			62,159	176.9%
Auxiliaries (List)			0				
1. LSUA Athletic Dept	165,760	93,341	65,710			159,051	96.0%
2. LSUA Bookstore	175,000	29,647	29,487			59,133	33.8%
3. LSUA Child Care Center	162,000	52,471	42,261			94,732	58.5%
4. LSUA Campus Housing	50,000	9,804	75,133			84,937	169.9%
5. LSUA Campus Card Operations	13,500	1,680	(1,680)			0	0.0%
6. LSUA Duplications & Copy	124,000	23,668	38,281			61,949	50.0%
7. LSUA Golf Course	148,000	42,896	23,924			66,820	45.1%
8. LSUA Museum	317,488	60,000	70,000			130,000	40.9%
9. LSUA Newspaper	4,370	2,326	1,533			3,859	88.3%
10. LSUA Parking, Street & Safety	158,700	104,900	58,097			162,997	102.7%
11. LSUA Union	742,914	306,348	195,215			501,562	67.5%
12. LSUA Yearbook	11,200	6,202	3,424			9,626	85.9%
Endowment Income	59,169	5,232	10,965			16,196	27.4%
Grants and Contracts							
Federal	4,290,761	1,637,842	435,680			2,073,522	48.3%
State and Local	535,473	166,501	209,425			375,926	70.2%
Private	65,698	348	3,200			3,548	5.4%
Indirect Cost Recovered	3,926	640	229			869	22.1%
Gifts	292,025	213,088	140,543			353,631	121.1%
Federal Funds			0			0	
Hospitals			0				
All Other Sources	16,898	0	0			0	0.0%
TOTAL	**8,013,527**	**3,079,880**	**1,702,057**	**0**	**0**	**4,781,937**	59.7%

Report on Restricted Budget

Second quarter restricted revenues for LSUA auxiliary services include mandatory student fee receipts for summer, fall, and spring registration. The remainder of fees will not be collected until the third quarter. The bookstore revenue is collected from the bookstore vendor, Follette, on a monthly basis. The child care center receives parent paid tuition on a weekly basis. Campus card operation revenue, endowment income, and indirect costs recovered are not posted until the fourth quarter.

Overview of Restricted Operations

Campus: Louisiana State University Alexandria

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations				0			0	0		0	0		0
Restricted Fees	1,006,614	309,181	262,439	1,053,356	252,240	416,312	889,284	0		889,284	0		889,284
Sales & Svcs of Educ. Activ's	52,841	13,766	6,730	59,877	48,393	2,789	105,481	0		105,481	0		105,481
Auxiliaries (List)													
1. LSUA Athletic Dept	51,315	93,341	39,729	104,928	65,710	58,484	112,153	0		112,153	0		112,153
2. LSUA Bookstore	761,786	29,647	9,139	782,294	29,487	7,516	804,264	0		804,264	0		804,264
3. LSUA Child Care Center	129,275	52,471	36,752	144,993	42,261	45,013	142,241	0		142,241	0		142,241
4. LSUA Campus Housing	10,713	9,804	68,584	(48,067)	75,133	39,926	(12,861)	0		(12,861)	0		(12,861)
5. LSUA Campus Card Operations	2,635	1,680	21,271	(16,956)	(1,680)	7,644	(26,280)	0		(26,280)	0		(26,280)
6. LSUA Duplications & Copy	276,473	23,668	20,576	279,564	38,281	26,656	291,189	0		291,189	0		291,189
7. LSUA Golf Course	213,521	42,896	32,425	223,991	23,924	34,104	213,812	0		213,812	0		213,812
8. LSUA Museum	17,722	60,000	55,043	22,679	70,000	78,447	14,232	0		14,232	0		14,232
9. LSUA Newspaper	114,586	2,326	1,994	114,918	1,533	8,271	108,180	0		108,180	0		108,180
10. LSUA Parking, Street & Safety	(153,517)	104,900	7,175	(55,792)	58,097	0	2,305	0		2,305	0		2,305
11. LSUA Union	352,578	306,348	92,790	566,136	195,215	301,321	460,029	0		460,029	0		460,029
12. LSUA Yearbook	47,735	6,202	193	53,744	3,424	1,478	55,691	0		55,691	0		55,691
Endowment Income	191,747	5,232	5,191	191,788	10,965	10,694	192,058	0		192,058	0		192,058
Grants and Contracts													
Federal	(58,750)	1,637,842	1,692,172	(113,080)	435,680	432,016	(109,417)	0		(109,417)	0		(109,417)
State and Local	4,847	166,501	86,239	85,110	209,425	269,136	25,399	0		25,399	0		25,399
Private	18,942	348	7,997	11,292	3,200	4,788	9,704	0		9,704	0		9,704
Indirect Cost Recovered	100,740	640	0	101,379	229	0	101,609	0		101,609	0		101,609
Gifts	68,801	213,088	87,772	194,117	140,543	160,713	173,946	0		173,946	0		173,946
Federal Funds	0	0		0	0	0	0	0		0	0		0
Hospitals						0							
All Other Sources	215,377	0		215,377	0	0	215,377	0		215,377	0		215,377
TOTAL	**3,425,980**	**3,079,880**	**2,534,211**	**3,971,649**	**1,702,057**	**1,905,308**	**3,768,398**	**0**	**0**	**3,768,398**	**0**	**0**	**3,768,398**

Report on Restricted Operations

Second quarter restricted operations are as anticipated. No significant variances are anticipated.

LSU EUNICE
FY 2012-13 QUARTERLY BUDGET NARRATIVE
FOR THE QUARTER ENDING DECEMBER 31, 2012

As communicated in the "LSU Eunice FY 2012-13 Chancellor's Budget Narrative;" and, as communicated to the Joint Legislative Budget Committee (JLBC) this past Fall, the state's budgetary allocation to LSUE has been cut from $9,044,837 in FY 2007-08 to $5,181,990 for FY 2012-13. Hence, self-generated student revenue (primarily student tuition and fees) is now generating about 60% of the campus' operating budget this fiscal year, as compared to the state's 40% contribution.

For the 2nd Quarter with a state allocation of $1,236,408, a statutory dedication of $53,825 and a self-generated revenue of $2,329,471, total revenues for the 2nd Quarter were $3,619,704. The $2,329,471 self-generated revenue primarily represented receipts for Spring 2013 and accounts for nearly 30.9% of the projected Self-Generated Revenue for FY 2012-13. Moreover, this 2nd Quarter revenue, together with the 1st Quarter's receipts of $3,382,817 (45%), accounts, accumulatively, for 75.9% or $5,712,288 of the projected self-generated revenue estimated for the campus' FY 2012-13 budget. NB. Cumulatively, by the end of the 2nd Quarter of FY 2011-12, only 72% of the fiscal year's revenue had been collected, as compared to the 75.9% for FY 2012-13.

Therefore, from this total revenue accrued to date ($8,439,840), with Total Personnel Costs of $4,769,896, and Total Operating Expenses of $1,209,056 along with other charges ($241,002), and acquisitions and major repairs and costs of $17,422, the revenue over-expenditures remaining at this mid-year budgetary point is $2,202,463. However, it needs to be noted that in order to accommodate the sizeable state budget cut the campus received for FY 2012-13 (i.e., $1,050,610); along with the state carry-over adjustment ($766,415); the unfunded mandates ($253,722); and, the GRAD Act penalty ($184,711) for a total shortfall of ($2,255,458), it is expected that additional budgetary cuts, along with the use of campus reserves ($529,620) and auxiliary funds (≅ $316,425), will have to be made; and, therefore, have already been incorporated into the Campus' FY 2012-13 budget's development. Hence, to date, the state's collective cuts of LSUE's budget since FY 2008-09, have resulted in 16.0 FTE Faculty/Staff positions being eliminated; and, for FY 2012-13, 25.5 employees have been transferred to other funds which are non-reoccurring. Additionally, a recent, FY 2012-13, executive, mid-year cut of $127,055, requiring the elimination of 6.1 FTE in adjunct positions, has also been made, and has made an already difficult, fiscal year even more tentative—expressly, since the campus lost its ability to assign a 10% increase in its cost of tuition for 2012-13 fiscal year. However, of particular concern, in this latter regard, is the fact that, over the past four years, while state to student revenue mix has reversed itself from 60% state and 40% student in 2008-09, to 40% state and 60% student in 2012-13, the student demand for financial aid has grown from 63% of the LSUE student body seeking aid in 2008-09 to that of 68% in 2012-13. However, more importantly, is the fact that, over this 2008-2012 time-frame, student financial aid packages have grown from an average Pell/Stafford award of $6,330 in 2008-09, to that of $10,052 in 2012-13—an increase of 59% with the bulk of this increase coming from the Stafford loan source—thereby, reflecting an increase in our students' indebtedness as an end-result of the state's removal of its funding support to the operational cost of not only LSU Eunice, but all state, public, higher education campuses.

Louisiana State University Eunice — Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	4,925,617	1,401,264	1,236,408			2,637,672
Statutory Dedications	256,373	36,054	53,825			89,879
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	7,529,837	3,382,817	2,329,471			5,712,288
Federal Funds	0	0	0			0
Total Revenues	**12,711,827**	**4,820,136**	**3,619,704**			**8,439,840**
Expenditures by Object:						
Personal Services	10,728,232	1,980,638	2,789,258			4,769,896
Operating Expenses	1,475,399	872,613	336,443			1,209,056
Other Charges	460,196	(260,647)	501,649			241,002
Acquisitions and Major Repairs	48,000	14,603	2,819			17,422
Total Expenditures	**12,711,827**	**2,607,208**	**3,630,169**			**6,237,377**
Expenditures by Function:						
Academic Expenditures	5,100,544	1,205,186	2,054,097			3,259,283
Non-Academic Expenditures	7,611,283	1,402,022	1,576,072			2,978,094
Total Expenditures	**12,711,827**	**2,607,208**	**3,630,169**			**6,237,377**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	386,791	620,256	743,800			
Sales and Services of Educational Activities	4,146	4,146	0			
Auxiliaries	4,151,470	4,424,787	4,173,771			
Endowment Income	73,300	73,050	73,050			
Grants and Contracts	(78,005)	(1,983,877)	180,974			
Indirect Cost Recovered	335,589	335,589	337,110			
Gifts	12,763	16,208	45,903			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	2,964	2,964	2,964			
TOTAL	**4,889,019**	**3,493,123**	**5,557,572**			

Overview and Analysis of Campus Operations

Operating Budget Development

Campus: Louisiana State University Eunice

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	4,925,617					4,925,617	0.0%
Statutory Dedications	256,373					256,373	0.0%
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues	7,529,837					7,529,837	0.0%
Federal Funds						0	
Total Revenues	**12,711,827**	**0**	**0**	**0**	**0**	**12,711,827**	**0.0%**
Expenditures by Object:							
Salaries	7,243,000					7,243,000	0.0%
Other Compensation	82,394					82,394	0.0%
Related Benefits	3,402,838					3,402,838	0.0%
Total Personal Services	**10,728,232**	**0**	**0**	**0**	**0**	**10,728,232**	**0.0%**
Travel	65,376					65,376	0.0%
Operating Services	1,010,786					1,010,786	0.0%
Supplies	399,237					399,237	0.0%
Total Operating Expenses	**1,475,399**	**0**	**0**	**0**	**0**	**1,475,399**	**0.0%**
Professional Services	59,925					59,925	0.0%
Other Charges	400,271					400,271	0.0%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**460,196**	**0**	**0**	**0**	**0**	**460,196**	**0.0%**
General Acquisitions	48,000					48,000	0.0%
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**48,000**	**0**	**0**	**0**	**0**	**48,000**	**0.0%**
Total Expenditures	**12,711,827**	**0**	**0**	**0**	**0**	**12,711,827**	**0.0%**
Expenditures by Function:							
Instruction	4,655,178					4,655,178	0.0%
Research						0	
Public Service						0	
Academic Support (Includes Library)	445,366					445,366	0.0%
Academic Expenditures Subtotal	**5,100,544**	**0**	**0**	**0**	**0**	**5,100,544**	**0.0%**
Student Services	721,290					721,290	0.0%
Institutional Support	5,174,094					5,174,094	0.0%
Scholarships/Fellowships	347,466					347,466	0.0%
Plant Operations/Maintenance	1,368,433					1,368,433	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**7,611,283**	**0**	**0**	**0**	**0**	**7,611,283**	
Total Expenditures	**12,711,827**	**0**	**0**	**0**	**0**	**12,711,827**	0.0%

Operating Budget Development

Campus: Louisiana State University Eunice

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Report on changes to Significant Funding Issues

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Eunice

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	4,925,617	1,401,264	1,236,408			2,637,672	53.6%
Statutory Dedications	256,373	36,054	53,825			89,879	35.1%
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	7,529,837	3,382,817	2,329,471			5,712,288	75.9%
Federal Funds	0					0	
TOTAL	**12,711,827**	**4,820,136**	**3,619,704**	**0**	**0**	**8,439,840**	66.4%
Expenditures by Category							
Salaries	7,243,000	1,345,647	1,881,049			3,226,696	**44.5%**
Other Compensation	82,394	13,776	28,121			41,897	**50.8%**
Related Benefits	3,402,838	621,215	880,088			1,501,303	**44.1%**
Total Personal Services	**10,728,232**	**1,980,638**	**2,789,258**	**0**	**0**	**4,769,896**	**44.5%**
Travel	65,376	2,730	8,537			11,267	**17.2%**
Operating Services	1,010,786	625,649	268,029			893,678	**88.4%**
Supplies	399,237	244,234	59,877			304,111	**76.2%**
Total Operating Expenses	**1,475,399**	**872,613**	**336,443**	**0**	**0**	**1,209,056**	**81.9%**
Professional Services	59,925	2,749	6,070			8,819	**14.7%**
Other Charges	400,271	(263,396)	495,579			232,183	**58.0%**
Debt Services	0					0	
Interagency Transfers	0					0	
Total Other Charges	**460,196**	**(260,647)**	**501,649**	**0**	**0**	**241,002**	**52.4%**
General Acquisitions	48,000	14,512	2,358			16,870	**35.1%**
Library Acquisitions	0	91	461			552	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**48,000**	**14,603**	**2,819**	**0**	**0**	**17,422**	**36.3%**
TOTAL	**12,711,827**	**2,607,208**	**3,630,169**	**0**	**0**	**6,237,377**	**49.1%**

Overview of Unrestricted Revenues and Expenditures

Campus: Louisiana State University Eunice

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	4,655,178	1,111,955	1,907,994			3,019,949	64.9%
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	445,366	93,231	146,103			239,334	53.7%
Academic Expenditures Subtotal	**5,100,544**	**1,205,186**	**2,054,097**	**0**	**0**	**3,259,283**	63.9%
Student Services	721,290	230,601	220,066			450,667	62.5%
Institutional Support	5,174,094	819,080	402,433			1,221,513	23.6%
Scholarships/Fellowships	347,466	(266,670)	489,842			223,172	64.2%
Plant Operations/Maintenance	1,368,433	619,010	463,731			1,082,741	79.1%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**7,611,283**	**1,402,022**	**1,576,072**	**0**	**0**	**2,978,094**	**39.1%**
TOTAL	**12,711,827**	**2,607,208**	**3,630,169**	**0**	**0**	**6,237,377**	**49.1%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

The negative amount of Scholarships/Other Charges is due to TOPS revenue being received before the expenditures were recorded.

Overview of Restricted Funds

Campus: Louisiana State University Eunice

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees	566,740	310,901	171,697			482,598	85.2%
Sales and Services of Educational Activities	1,106	0	(4,146)			(4,146)	-374.9%
Auxiliaries (List)							
1 Athletics	511,799	277,033	200,069			477,102	93.2%
2 Bookstore	1,840,934	906,489	36,929			943,418	51.2%
3 Newspaper	9,600	4,868	3,037			7,905	82.3%
4 Union	146,832	111,868	75,040			186,908	127.3%
Endowment Income	14,966	2,742	844			3,586	24.0%
Grants and Contracts							
Federal	5,766,655	134,318	2,556,910			2,691,228	46.7%
State and Local	629,005	342,030	195,034			537,064	85.4%
Private	64,340	3,400	3,356			6,756	10.5%
Indirect Cost Recovered	(105,684)	0	1,521			1,521	-1.4%
Gifts	157,159	49,529	57,373			106,902	68.0%
Federal Funds						0	
Hospitals							
All Other Sources	132,964	0				0	0.0%
TOTAL	**9,736,415**	**2,143,178**	**3,297,664**	**0**	**0**	**5,440,842**	55.9%

Report on Restricted Budget

Overview of Restricted Operations

Campus: Louisiana State University Eunice

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees	386,791	310,901	77,436	620,256	171,697	48,153	743,800	0		743,800	0		743,800
Sales & Svcs of Educ. Activ's	4,146	0	0	4,146	(4,146)		0	0		0	0		0
Auxiliaries (List)													
1 Athletics	(55,054)	277,033	100,535	121,445	200,069	126,426	195,088	0		195,088	0		195,088
2 Bookstore	3,426,992	906,489	717,743	3,615,737	36,929	335,776	3,316,890	0		3,316,890	0		3,316,890
3 Newspaper	119,729	4,868	1,204	123,393	3,037	10,360	116,070	0		116,070	0		116,070
4 Union	659,803	111,868	207,460	564,211	75,040	93,529	545,722	0		545,722	0		545,722
Endowment Income	73,300	2,742	2,992	73,050	844	844	73,050	0		73,050	0		73,050
Grants and Contracts													
Federal	(115,846)	134,318	2,342,677	(2,324,205)	2,556,910	410,068	(177,363)	0		(177,363)	0		(177,363)
State and Local	2,047	342,030	41,731	302,346	195,034	176,119	321,261	0		321,261	0		321,261
Private	35,795	3,400	1,212	37,982	3,356	4,262	37,076	0		37,076	0		37,076
Indirect Cost Recovered	335,589	0	0	335,589	1,521		337,110	0		337,110	0		337,110
Gifts	12,763	49,529	46,084	16,208	57,373	27,678	45,903	0		45,903	0		45,903
Federal Funds		0	0	0	0		0	0		0	0		0
Hospitals													
All Other Sources	2,964	0	0	2,964	0		2,964	0		2,964	0		2,964
TOTAL	**4,889,019**	**2,143,178**	**3,539,073**	**3,493,123**	**3,297,664**	**1,233,215**	**5,557,572**	**0**	**0**	**5,557,572**	**0**	**0**	**5,557,572**

Report on Restricted Operations

LSU Health Sciences Center New Orleans
Executive Summary
FY 2012-2013 Quarterly Report on the Budget – 2nd Quarter Activities

The Fiscal Year 2012-2013 appropriation for the LSU Health Sciences Center in New Orleans Campus is $170,446,263, $11.1 million less than our original operating budget in FY 2011-2012. This does include $16.8 million in unfunded mandates for employer contributions to health insurance, retirement and other costs that have been absorbed since FY 2008-2009 for all sources of funds.

As a result of a projected shortfall in state general funds, Governor Jindal issued executive order BJ12-24. Executive order BJ12-24 provides for a reduction of $22 million in state general funds for higher education. Our campus's share of the reduction is $1,972,657. We will achieve those savings through the existing hiring freeze.

We continue to monitor and evaluate actions we took to manage funding reductions that were outlined in the Chancellor's Narrative for the 2012-2013 Operating Budget:

Threats

- Reductions to the Health Care Services Division (HCSD) operating budget as a result of the reduction in federal matching funds for Medicaid. Those reductions impact contracts we have with the HCSD for graduate medical education, medical direction and clinical services. The exact amount of these reductions is not known at this time. It is known that the timetable for transitioning services from Earl K. Long Medical Center to Our Lady of the Lake has been accelerated.
- We are encouraged by the approval of the Board of Supervisors of initial agreements to allow private nonprofit hospitals to take over public hospitals in New Orleans, Houma and Lafayette.
- Automatic reductions at the federal level in research support, Medicaid and Medicare. Those issues will be decided by Congress and the President in the next couple of months.

Mechanisms for Coping with Threats

- Revenue Generation
    - Emphasis on creating and enhancing alternative sources of funding by generating funds from sponsored research, patient care services, additional overhead support from private patient care contracts, and billing and collection efficiencies. Of necessity, we are seeking expanded relationships and affiliations with private and not for profit health care entities.

- Cost Containment

    - As was the case in previous fiscal years, salary increases, with faculty promotions in rank being the notable exception, are not generally being granted.
    - New hires are limited to critical needs, particularly in the areas of direct patient care and sponsored research, where external funding from grants and contracts is available.
    - We continue to limit expenditures for travel, professional services and acquisitions as much as possible.
    - We are placing increased emphasis on identifying opportunities to improve and reduce costs for “back office” functions and processes.

LSUHSC New Orleans

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	76,475,289	19,233,243	19,233,244			38,466,487
Statutory Dedications	20,746,106	296,930	5,125,873			5,422,803
Interim Emergency Board	0	0	0			0
Interagency Transfers	38,169,464	227,562	12,568,934			12,796,496
Interagency Transfers - Federal Stimulus	0	0	0			0
Self Generated Revenues	35,055,404	28,079,229	68,276			28,147,505
Federal Funds	0	0	0			0
Total Revenues	**170,446,263**	**47,836,965**	**36,996,326**			**84,833,291**
Expenditures by Object:						
Personal Services	121,414,655	29,047,513	28,477,000			57,524,513
Operating Expenses	16,107,326	3,368,016	4,191,136			7,559,152
Other Charges	30,745,998	3,659,626	7,215,086			10,874,712
Acquisitions and Major Repairs	2,178,284	422,431	1,406,750			1,829,181
Total Expenditures	**170,446,263**	**36,497,586**	**41,285,972**			**0**
Expenditures by Function:						
Academic Expenditures	126,368,100	24,648,640	30,842,770			55,491,410
Non-Academic Expenditures	44,078,163	11,848,946	10,447,202			22,296,148
Total Expenditures	**170,446,263**	**36,497,586**	**41,285,972**			**77,783,558**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	2,761,253	3,577,826	3,037,611			
Sales and Services of Educational Activities	2,805,313	1,908,490	1,411,670			
Auxiliaries	2,552,177	4,085,000	3,200,731			
Endowment Income	1,443,648	1,263,660	1,334,278			
Grants and Contracts	51,686,927	19,635,136	22,374,672			
Indirect Cost Recovered	16,001,787	13,306,651	12,654,293			
Gifts	283,107	(986,475)	159,280			
Federal Funds	0	0	0			
Hospitals	20,500,611	21,168,642	20,893,180			
All Other Sources	10,914,671	9,590,632	8,436,964			
TOTAL	**108,949,494**	**73,549,562**	**73,502,678**			

Overview and Analysis of Campus Operations

Operating Budget Development

Campus: LSUHSC New Orleans

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	76,475,289					76,475,289	0.0%
Statutory Dedications	20,746,106					20,746,106	0.0%
Interim Emergency Board						0	
Interagency Transfers	38,169,464					38,169,464	0.0%
Interagency Transfers - Federal Stimulus						0	
Self Generated Revenues	35,055,404					35,055,404	0.0%
Federal Funds						0	
Total Revenues	**170,446,263**	**0**	**0**	**0**	**0**	**170,446,263**	0.0%
Expenditures by Object:							
Salaries	94,168,242		(2,316,000)			91,852,242	-2.5%
Other Compensation	1,195,228		213,000			1,408,228	17.8%
Related Benefits	26,051,185		2,103,000			28,154,185	8.1%
Total Personal Services	**121,414,655**	**0**	**0**	**0**	**0**	**121,414,655**	0.0%
Travel	178,549		25,000			203,549	14.0%
Operating Services	12,408,197		(25,000)			12,383,197	-0.2%
Supplies	3,520,580					3,520,580	0.0%
Total Operating Expenses	**16,107,326**	**0**	**0**	**0**	**0**	**16,107,326**	0.0%
Professional Services	1,244,407					1,244,407	0.0%
Other Charges	22,088,219					22,088,219	0.0%
Debt Services	260,812					260,812	0.0%
Interagency Transfers	7,152,560					7,152,560	0.0%
Total Other Charges	**30,745,998**	**0**	**0**	**0**	**0**	**30,745,998**	0.0%
General Acquisitions	305,789					305,789	0.0%
Library Acquisitions	1,872,495					1,872,495	0.0%
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**2,178,284**	**0**	**0**	**0**	**0**	**2,178,284**	0.0%
Total Expenditures	**170,446,263**	**0**	**0**	**0**	**0**	**170,446,263**	0.0%
Expenditures by Function:							
Instruction	91,359,610					91,359,610	0.0%
Research	16,349,924					16,349,924	0.0%
Public Service	6,694,101					6,694,101	0.0%
Academic Support (Includes Library)	11,964,465					11,964,465	0.0%
Academic Expenditures Subtotal	**126,368,100**	**0**	**0**	**0**	**0**	**126,368,100**	
Student Services	2,338,140					2,338,140	0.0%
Institutional Support	14,833,317					14,833,317	0.0%
Scholarships/Fellowships	3,803,681					3,803,681	0.0%
Plant Operations/Maintenance	22,842,213					22,842,213	0.0%
Hospital						0	
Transfers out of agency	260,812					260,812	0.0%
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**44,078,163**	**0**	**0**	**0**	**0**	**44,078,163**	
Total Expenditures	**170,446,263**	**0**	**0**	**0**	**0**	**170,446,263**	0.0%

Operating Budget Development — Campus: LSUHSC New Orleans

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

No adjustments were made during the first quarter. Adjustments were made in the personal services and operating expense categories in the second quarter to reflect actual experience. The third quarter will reflect the mid-year reduction of almost $2 million in State General Funds.

Report on changes to Significant Funding Issues

Please see the executive summary. We do not have the full details yet regarding the impact of the closure of beds, services and reductions of residency slots at HCSD hospitals. We continue to monitor spending closely to help us in coping with the changes in the HCSD hospitals and the mid-year reduction in state general funds.

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC New Orleans**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	76,475,289	19,233,243	19,233,244			38,466,487	50.3%
Statutory Dedications	20,746,106	296,930	5,125,873			5,422,803	26.1%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	38,169,464	227,562	12,568,934			12,796,496	33.5%
Interagency Transfers - Federal Stimulus	0	0	0			0	
Self Generated Revenues	35,055,404	28,079,229	68,276			28,147,505	80.3%
Federal Funds	0					0	
TOTAL	**170,446,263**	**47,836,965**	**36,996,326**	**0**	**0**	**84,833,291**	49.8%
Expenditures by Category							
Salaries	91,852,242	21,141,869	21,601,886			42,743,755	**46.5%**
Other Compensation	1,408,228	358,794	341,024			699,819	**49.7%**
Related Benefits	28,154,185	7,546,850	6,530,090			14,076,940	**50.0%**
Total Personal Services	**121,414,655**	**29,047,513**	**28,477,000**	**0**	**0**	**57,524,513**	**47.4%**
Travel	203,549	34,818	71,871			106,688	**52.4%**
Operating Services	12,383,197	2,621,437	3,138,818			5,760,255	**46.5%**
Supplies	3,520,580	711,762	980,447			1,692,209	**48.1%**
Total Operating Expenses	**16,107,326**	**3,368,016**	**4,191,136**	**0**	**0**	**7,559,152**	**46.9%**
Professional Services	1,244,407	292,157	301,332			593,489	**47.7%**
Other Charges	22,088,219	1,357,558	5,205,749			6,563,307	**29.7%**
Debt Services	260,812	0	130,405			130,405	**50.0%**
Interagency Transfers	7,152,560	2,009,911	1,577,601			3,587,512	**50.2%**
Total Other Charges	**30,745,998**	**3,659,626**	**7,215,086**	**0**	**0**	**10,874,712**	**35.4%**
General Acquisitions	305,789	28,351	37,762			66,113	**21.6%**
Library Acquisitions	1,872,495	326,670	1,346,543			1,673,213	**89.4%**
Major Repairs	0	67,410	22,445			89,855	
Total Acquisitions and Major Repairs	**2,178,284**	**422,431**	**1,406,750**	**0**	**0**	**1,829,181**	**84.0%**
TOTAL	**170,446,263**	**36,497,586**	**41,285,972**	**0**	**0**	**77,783,558**	**45.6%**

Overview of Unrestricted Revenues and Expenditures

Campus: LSUHSC New Orleans

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	91,359,610	20,661,770	21,567,672			42,229,442	46.2%
Research	16,349,924	1,241,671	3,742,111			4,983,781	30.5%
Public Service	6,694,101	0	1,707,365			1,707,365	25.5%
Academic Support (Includes Library)	11,964,465	2,745,199	3,821,623			6,566,822	54.9%
Academic Expenditures Subtotal	**126,368,100**	**24,648,640**	**30,842,770**	**0**	**0**	**55,491,410**	43.9%
Student Services	2,338,140	566,677	556,138			1,122,815	48.0%
Institutional Support	14,833,317	5,078,617	3,482,103			8,560,720	57.7%
Scholarships/Fellowships	3,803,681	1,308,923	487,390			1,796,313	47.2%
Plant Operations/Maintenance	22,842,213	4,894,729	5,791,166			10,685,895	46.8%
Hospital	0	0	0			0	
Transfers out of agency	260,812	0	130,405			130,405	50.0%
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**44,078,163**	**11,848,946**	**10,447,202**	**0**	**0**	**22,296,148**	**50.6%**
TOTAL	**170,446,263**	**36,497,586**	**41,285,972**	**0**	**0**	**77,783,558**	**45.6%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Instances of unrestricted expenditures and revenues with Actual to Budget being notably more or less than 50% for the second quarter are due to a number of factors:

• Statutory Dedications Revenue- Statutory Dedications Revenues are derived from tobacco taxes dedicated to the Louisiana Cancer Consortium for research and smoking cessation and the SELF fund for past faculty pay plans. There is always a lag in when these revenues are realized during the fiscal year.

• Interagency Transfers Revenue- The Interagency Transfers means of financing reflects intraagency agreements our campus has with the Health Care Services Division for medical direction and residency supervision at Earl K. Long Medical Center, University Medical Center and LSU Interim Hospital. There is a lag of one month between expenditures and revenues. Catch up is not made until the final accounting period of June. Contract amounts are impacted by the transition of those hospitals to managment by not for profit entities.

• Self-Generated Revenue- Most of these revenues are front-loaded from tuition and fees collected for the late summer 2012 semester, fall 2012 semester and for M.D. and D.D.S. students who are assessed tuition and fees on an annual basis.

• Research Expenditures and Public Service Expenditures (Other Charges)- A significant portion of expenditures budgeted in these two functions are for pass-through's to the Cancer Consortium for research and smoking cessation. About 26% of the appropriation has been collected to date. This also impacts the expenditure category of Other Charges, where these pass-through's are classified.

• Library Aquisitions- A significant portion of library acquisitions are for upfront renewals of subscriptions to journals and databases.

Overview of Unrestricted Revenues and Expenditures

Campus: LSUHSC New Orleans

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13

• Institutional Support- Interagency Transfer expenditures for the Legislative Auditor, Civil Service and CPTP are all front loaded in the fiscal year.

• Scholarships/Fellowships Expenditure-For the same reasons as noted in Self-Generated Revenue regarding tuition and fee collection, most scholarship/fellowship expenses occur in the first quarter.

• Plant Operations/Maintenance-Utiltity and other operating services expenditures have lagged to date.

Overview of Restricted Funds

Campus: LSUHSC New Orleans

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations	0					0	
Restricted Fees	1,319,952	1,051,887	(2,963)			1,048,923	79.5%
Sales and Services of Educational Activities	5,116,648	708,724	1,561,353			2,270,077	44.4%
Auxiliaries (List)							
1 Bookstore	5,783,000	2,711,507	696,738			3,408,245	58.9%
2 Cafeteria	36,000	6,135	10,988			17,123	47.6%
3 Student Housing	2,301,600	527,971	496,688			1,024,659	44.5%
4 Parking	1,435,500	477,660	270,559			748,219	52.1%
5 HSC Stores	6,030,000	1,089,641	1,736,079			2,825,720	46.9%
6 Duplicating and Printing	690,000	123,988	108,142			232,130	33.6%
7						0	
8						0	
9						0	
10						0	
11						0	
12						0	
13						0	
14						0	
15						0	
Endowment Income	559,909	4,877	271,779			276,656	49.4%
Grants and Contracts							
Federal	42,489,604	20,605	14,042,022			14,062,627	33.1%
State and Local	69,445,215	6,271,459	20,713,386			26,984,845	38.9%
Private	116,554,929	15,079,377	23,623,240			38,702,617	33.2%
Indirect Cost Recovered	18,177,309	2,988,161	3,607,685			6,595,846	36.3%
Gifts	1,130,348	2,022	1,550,826			1,552,848	137.4%
Federal Funds						0	
Hospitals							
Hospital - Commercial/Self-Pay						0	
Physician Practice Plans	7,447,818	922,094	1,765,272			2,687,366	36.1%
Medicare						0	
Medicaid						0	
Uncompensated Care Costs (UCC)						0	
All Other Sources	1,967,122	12,445	35,969			48,414	2.5%
TOTAL	**280,484,954**	**31,998,551**	**70,487,762**	**0**	**0**	**102,486,314**	36.5%

Overview of Restricted Funds

Campus: LSUHSC New Orleans

Report on Restricted Budget

No adjustments have been made to the restricted budget during the first quarter.

Overview of Restricted Operations

Campus: LSUHSC New Orleans

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0		0	0		0
Restricted Fees	2,761,253	1,051,887	235,314	3,577,826	(2,963)	537,252	3,037,611	0		3,037,611	0		3,037,611
Sales & Svcs of Educ. Activ's	2,805,313	708,724	1,605,547	1,908,490	1,561,353	2,058,173	1,411,670	0		1,411,670	0		1,411,670
Auxiliaries (List)													
1 Bookstore	(1,044,357)	2,711,507	2,095,800	(428,651)	696,738	1,213,793	(945,706)	0		(945,706)	0		(945,706)
2 Cafeteria	101,706	6,135	(2,365)	110,206	10,988	9,037	112,157	0		112,157	0		112,157
3 Student Housing	235,405	527,971	293,949	469,427	496,688	654,858	311,257	0		311,257	0		311,257
4 Parking	2,516,465	477,660	171,479	2,822,646	270,559	342,674	2,750,530	0		2,750,530	0		2,750,530
5 HSC Stores	1,013,474	1,089,641	717,661	1,385,454	1,736,079	1,847,809	1,273,724	0		1,273,724	0		1,273,724
6 Duplicating and Printing	(270,515)	123,988	127,554	(274,082)	108,142	135,292	(301,232)	0		(301,232)	0		(301,232)
7	0	0	0	0	0	0	0	0		0	0		0
8	0	0	0	0	0	0	0	0		0	0		0
9	0	0	0	0	0	0	0	0		0	0		0
10	0	0	0	0	0	0	0	0		0	0		0
11	0	0	0	0	0	0	0	0		0	0		0
12	0	0	0	0	0	0	0	0		0	0		0
13	0	0	0	0	0	0	0	0		0	0		0
14	0	0	0	0	0	0	0	0		0	0		0
15	0	0	0	0	0	0	0	0		0	0		0
Endowment Income	1,443,648	4,877	184,865	1,263,660	271,779	201,161	1,334,278	0		1,334,278	0		1,334,278
Grants and Contracts													
Federal	876,080	20,605	8,367,558	(7,470,873)	14,042,022	8,280,276	(1,709,128)	0		(1,709,128)	0		(1,709,128)
State and Local	17,199,457	6,271,459	17,732,119	5,738,797	20,713,386	18,897,564	7,554,619	0		7,554,619	0		7,554,619
Private	33,611,391	15,079,377	27,323,556	21,367,212	23,623,240	28,461,272	16,529,180	0		16,529,180	0		16,529,180
Indirect Cost Recovered	16,001,787	2,988,161	5,683,298	13,306,651	3,607,685	4,260,042	12,654,293	0		12,654,293	0		12,654,293
Gifts	283,107	2,022	1,271,604	(986,475)	1,550,826	405,072	159,280	0		159,280	0		159,280
Federal Funds	0	0	0	0	0	0	0	0		0	0		0
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0		0	0		0
Physician Practice Plans	20,500,611	922,094	254,063	21,168,642	1,765,272	2,040,734	20,893,180	0		20,893,180	0		20,893,180
Medicare	0	0	0	0	0	0	0	0		0	0		0
Medicaid	0	0	0	0	0	0	0	0		0	0		0
Uncompensated Care Costs	0	0	0	0	0	0	0	0		0	0		0
All Other Sources	10,914,671	12,445	1,336,484	9,590,632	35,969	1,189,636	8,436,964	0		8,436,964	0		8,436,964
TOTAL	**108,949,494**	**31,998,551**	**67,398,484**	**73,549,562**	**70,487,762**	**70,534,646**	**73,502,678**	**0**	**0**	**73,502,678**	**0**	**0**	**73,502,678**

Overview of Restricted Operations

Campus: LSUHSC New Orleans

Report on Restricted Operations

Current balances by source are adequate for cash flow and operations.

Historically, there has been a significant lag between expenditures and revenues until the fourth quarter of the fiscal year. This is due to a number of factors:

• The quarterly report excludes projects we maintain on behalf of the HCSD and FEMA/ORM related activity for project worksheets and contents replacement.
• For cost reimbursable grants and contracts, which are the majority of our sponsored project universe, there is a lag of one month between expenditures and revenues. For example, billing for grant and contract revenues in relation to December expenditures are not posted until January. Catch up is not made until the final accounting period of June.
•A few contracts have not yet been executed and, as a result, are not generating revenue at this time.
•As was the case with unrestricted tuition and fees, restricted student fees are front -loaded. It comprises fees collected for the late summer 2011 semester, fall 2011 semester and for M.D., and D.D.S. students who are assessed tuition and fees on an annual basis.
•Some revenue sources are not posted until later in the fiscal year, such as interest earnings.
•There was an unusually large expenditure for equipment for the Neuroscience Center from a gift type account in the first quarter. This amount was reimbursed by our foundation during the second quarter.
•Total actual unrestricted and restricted revenues for the second quarter are $187.3 million. With estimated accruals, second quarter revenue is $223.5 million.
•Total actual unrestricted and restricted expenditures, transfers and indirect cost recoveries for the second quarter are $215.7 million. With estimated accruals, second quarter expenditures, transfers and indirect cost recoveries are $225.5 million. The gap between accrued revenue and expenses; and the gap between revenues and expenses reported on an actual basis, is significantly less.

LSUHSC-S Operating Budget
HSC-S, EACMC, and HPLMC
Quarterly Financial Reporting Narrative
FY 2012-2013 as of December 31, 2012

LSU Health Sciences Center Shreveport, E.A. Conway Medical Center, and Huey P. Long Medical Center began FY 2012-2013 with appropriated operating budgets that did not take into account the reduction in Federal Medicaid Assistance Percentages (FMAP) announced by the Department of Health and Hospitals (DHH) in July 2012. The effect of this rate reduction can be seen in the first two quarters of FY 2012-2013. Each facility is developing and implementing strategies to deal with the impact of the rate reduction, which will be further discussed in the narrative below for each campus.

Other significant events have also had an impact on the operations at each campus. Health Sciences Center- Shreveport implemented the Electronic Health Records System [EPIC] effective November 6, 2011, and the institution achieved meaningful use during the first quarter of FY 2012-2013. The implementation at EACMC and HPLMC occurred in November 2012. Additionally, the State's move to transform Medicaid to a Community Care Network, Bayou Health, continues to impact all three campuses. LSUHSC-Shreveport, E.A. Conway Medical Center, and Huey P. Long Medical Center began serving Bayou Health enrollees on June 1, 2012.

The following by campus reflects the impact of the DHH reductions, and campus efforts to deal with the long-term effects of the reduction. The guiding principle in developing the plan to force reductions in each of the three separate budgets was preservation of the educational, patient care and research core missions.

LSU Health Sciences Center at Shreveport

The FY 2012-2013 operating budget appropriation of $423,285,852 is an increase of $9,348,4865 from the ending FY 2011-2012 appropriation. This increase is primarily the result of an increase in a one-time statutory dedication and an increase in self-generated revenue spending authority. This increase does not take into account the reduction in FMAP rates announce by DHH in July 2012. The FMAP reduction along with other potential revenue earnings decreases will result in a significant operational shortfall in FY 2012-2013 and beyond.

In order to deal with this significant anticipated reduction in revenues, the campus has deleted over 224 vacant positions and is seeking to reduce additional positions through the consolidation of support services. Furthermore, merit increases have been withheld for the past four years and will continue for a fifth year. Additional efficiencies are being sought to reduce expenses of surgical implants, medical supplies, and pharmacy drugs. Various contracts have been revised and the environmental services function has been outsourced, resulting in long-term savings. These expense reductions, along with the use of one-time funds and the deferring of maintenance and renovation projects will help achieve the current year reduction. The campus is moving forward with seeking a public/private partnership, to enhance the campus' mission of education, research, and patient care.

The State announced a mid-year budget reduction to State General Funds (SGF) in December 2012, which will become effective in the 3rd quarter of FY2013. The mid-year SGF reduction for LSUHSC-S is $1,232,598.

E.A. Conway Medical Center in Monroe

The FY 2012-2013 operating budget appropriation of $74,512,257 is a decrease of $1.7 million from the ending FY 2011-2012 appropriation. This is a decrease of $16.5 million from FY 2008-2009. The budgetary decreases are due to the combination of reduced appropriations for higher education and healthcare, the dual funding streams for this campus. The reduction in FMAP rates announced by DHH in July 2012, along with other potential revenue earnings decreases will result in a significant shortfall in FY 2012-2013.

Funding was allocated to EACMC via the DHH/CMS approved DSH/UPL Funding Swap Program starting FY 2010-2011. The DSH funding at EACMC was used as matching funds to draw additional federal dollars which in turn were allocated among all LSU hospitals. This continued in FY 2011-2012 and continues into FY 2012-2013.

Another DHH/CMS approved plan is the Low Income Needy Care Collaboration Agreement or LINCCA. In this program, private, non-state hospitals who desire to support care for the low-income uninsured patients in Louisiana memorialize this through an agreement with LSU hospitals. As part of the LINCCA agreement, private hospitals assume the responsibility for funding certain non-allowable cost portions of professional services at LSU hospitals. EACMC participated and had one contract in this program in FY 2011-2012 for the period July through June. The DSH/CMS LINCCA program continues into FY 2012-2013.

Past budget reductions in spending authority were achieved through re-negotiating contracts, withholding merits for all classified and unclassified employees,

freezing vacant positions and the delayed filling of newly vacated FTEs while working to minimize the impact on operations.

In order to deal with the shortfall due to reduced FMAP rates, E.A. Conway Medical Center has reduced the number of beds in the Emergency department by 25 percent. An additional reduction of twelve Medical/Surgical beds and intensive care beds has occurred as well. These bed closures along with not filling newly vacated positions and the elimination of ancillary positions will result in the elimination of 100 positions. Additionally, various professional and service related contracts have been cancelled or re-negotiated, which will result in eliminating or decreasing Pediatrics, Orthopedics, Urology, and Neurology services. In addition to these cost saving measures, the campus is moving forward with seeking a public/private partnership, to enhance the campus' mission of graduate medical education and patient care.

The State announced a mid-year budget reduction to State General Funds (SGF) in December 2012, which will become effective in the 3rd quarter of FY2013. The mid-year SGF reduction for E.A. Conway Medical Center is $226,848.

Huey P. Long Medical Center

The FY 2012-2013 operating budget appropriation of $53,380,026 is a decrease of $104,936 from the ending FY 2011-2012 appropriation. This is a decrease of over $7 million since the beginning of FY 2008-2009. The budgetary decreases are due to the combination of reduced appropriations for higher education and healthcare, the dual funding streams for this campus. The reduction in FMAP rates announced by DHH in July 2012, along with other potential revenue earnings decreases will result in a significant shortfall in FY 2012-2013.

Past budget reductions in spending authority were achieved by delaying capital equipment purchases. Additionally, the facility was able to reduce HIV prisoner drug expenditures without impacting prisoner care. Provided the demand for drugs for HIV prisoners does not increase, the hospital should be able to operate at current levels. Additionally, HPLMC withheld merit increases for classified and unclassified positions for the past four years. HPLMC delayed opening the Mental Health Emergency Room Expansion (M-HERE), which included not filling 10 positions, along with maintaining the freeze on 19 positions as a result of the FY 2009-2010 mid-year budget reductions. In January 2011, the Women's, Infant & Child (WIC) program was closed, and in March 2011 OB services were closed. The FMAP rate reduction will result in more drastic measures being taken.

In order to deal with the anticipated shortfall due to reduced FMAP rates, Huey P. Long Medical Center has closed its inpatient pediatric unit, while maintaining adult

inpatient, outpatient, and emergency services. A consolidation of inpatient and outpatient services has occurred at the Pineville campus. Additionally, various contracts have been either cancelled or re-negotiated resulting in the reduction or elimination of some services, such as Orthopedics, Urology, and Pulmonary. In addition to these cost saving measures, the campus is moving forward with seeking a public/private partnership, to help enhance the campus' mission of patient care.

The State announced a mid-year budget reduction to State General Funds (SGF) in December 2012, which will become effective in the 3rd quarter of FY2013. The mid-year SGF reduction for Huey P. Long Medical Center is $248,533.

Conclusion

All three hospitals continue to face the potential loss and/or reduction of revenues through the CMS Quality Improvement Initiatives [audits] to include RACs [Recovery Audit Contractors], MICs [Medicaid Integrity Contractor], and ZPICs [Zone Program Integrity Contractors].

The changes on the federal and state levels related to implementation of Bayou Health, UPL Program, FMAP changes, and healthcare reform, overlaid on Louisiana's declines in state revenues complicate budgetary issues and fiscal planning.

Improvements and enhancements will continue to be implemented in order to continue meeting infrastructure needs critical to maintaining the core institutional mission requirements for academics and patient care.

LSUHSC - Shreveport

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	47,784,922	16,218,596	12,163,949			28,382,545
Statutory Dedications	14,176,493	340,229	3,466,126			3,806,355
Interim Emergency Board	0	0	0			0
Interagency Transfers	226,310,713	4,825,535	58,648,522			63,474,057
Self Generated Revenues	76,289,564	59,440,960	26,336,344			85,777,304
Federal Funds	58,724,160	17,390,195	15,373,281			32,763,476
Total Revenues	**423,285,852**	**98,215,515**	**115,988,222**			**214,203,737**
Expenditures by Object:						
Personal Services	284,513,863	66,575,555	74,179,442			140,754,997
Operating Expenses	117,484,016	24,976,755	26,051,796			51,028,551
Other Charges	17,372,903	1,338,288	4,551,446			5,889,734
Acquisitions and Major Repairs	3,915,070	274,433	485,604			760,037
Total Expenditures	**423,285,852**	**93,165,031**	**105,268,288**			**198,433,319**
Expenditures by Function:						
Academic Expenditures	62,783,331	17,203,253	17,304,715			34,507,968
Non-Academic Expenditures	360,502,521	75,961,778	87,963,573			163,925,351
Total Expenditures	**423,285,852**	**93,165,031**	**105,268,288**			**198,433,319**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	781,214	931,426	946,471			
Sales and Services of Educational Activities	49,487,905	53,588,022	65,932,465			
Auxiliaries	12,280,253	12,776,987	12,605,189			
Endowment Income	14,474,405	15,374,774	15,791,872			
Grants and Contracts	13,503,918	7,049,155	8,431,162			
Indirect Cost Recovered	15,277,098	15,283,268	9,178,419			
Gifts	12,482	44,897	75,023			
Federal Funds	0	0	0			
Hospitals	82,220,612	79,209,864	70,948,553			
All Other Sources	988,059	990,863	975,090			
TOTAL	**189,025,946**	**185,249,256**	**184,884,244**			

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes

Self-generated revenue includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.

Does not include HIED $1,232,598 state general fund mid year budget reduction or the DHH reductions.

Decrease in Indirect Cost Recovered revenue can largely be attributed to the following: support for projected FY 2013 operating budget shortfall and departmental level research support

Decrease in Hospital-Sales and Services Other revenue can largely be attributed to support for improvements in areas related to patient care and the Electronic Health Records

Operating Budget Development

Campus: LSUHSC-Shreveport

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	47,784,922	0	0			47,784,922	0.0%
Statutory Dedications	14,176,493	0	0			14,176,493	0.0%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	226,310,713	0	0			226,310,713	0.0%
Self Generated Revenues	76,289,564	0	0			76,289,564	0.0%
Federal Funds	58,724,160	0	0			58,724,160	0.0%
Total Revenues	**423,285,852**	**0**	**0**	**0**	**0**	**423,285,852**	**0.0%**
Expenditures by Object:							
Salaries	194,302,029	0	0			194,302,029	0.0%
Other Compensation	23,783,308	0	0			23,783,308	0.0%
Related Benefits	66,428,526	0	0			66,428,526	0.0%
Total Personal Services	**284,513,863**	**0**	**0**	**0**	**0**	**284,513,863**	**0.0%**
Travel	543,745	0	0			543,745	0.0%
Operating Services	33,416,565	0	0			33,416,565	0.0%
Supplies	83,523,706	0	0			83,523,706	0.0%
Total Operating Expenses	**117,484,016**	**0**	**0**	**0**	**0**	**117,484,016**	**0.0%**
Professional Services	4,667,736	0	0			4,667,736	0.0%
Other Charges	1,422,941	0	0			1,422,941	0.0%
Debt Services	0	0	0			0	
Interagency Transfers	11,282,226	0	0			11,282,226	0.0%
Total Other Charges	**17,372,903**	**0**	**0**	**0**	**0**	**17,372,903**	**0.0%**
General Acquisitions	3,870,070	0	0			3,870,070	0.0%
Library Acquisitions	45,000	0	0			45,000	0.0%
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**3,915,070**	**0**	**0**	**0**	**0**	**3,915,070**	**0.0%**
Total Expenditures	**423,285,852**	**0**	**0**	**0**	**0**	**423,285,852**	**0.0%**
Expenditures by Function:							
Instruction	34,366,677	(105,621)	(23,000)			34,238,056	-0.4%
Research	19,155,473	(14,000)	0			19,141,473	-0.1%
Public Service	2,210,353	0	0			2,210,353	0.0%
Academic Support (Includes Library)	7,204,449	(11,000)	0			7,193,449	-0.2%
Academic Expenditures Subtotal	**62,936,952**	**(130,621)**	**(23,000)**	**0**	**0**	**62,783,331**	**-0.2%**
Student Services	1,151,967	0	0			1,151,967	0.0%
Institutional Support	21,210,615	(10,000)	(977)			21,199,638	-0.1%
Scholarships/Fellowships	1,137,402	0	0			1,137,402	0.0%
Plant Operations/Maintenance	5,055,733	0	0			5,055,733	0.0%
Hospital	331,778,183	(52,275)	0			331,725,908	0.0%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	15,000	192,896	23,977			231,873	1445.8%
Non-Academic Expenditures Subtotal	**360,348,900**	**130,621**	**23,000**	**0**	**0**	**360,502,521**	
Total Expenditures	**423,285,852**	**0**	**0**	**0**	**0**	**423,285,852**	0.0%

Operating Budget Development

Campus: **LSUHSC-Shreveport**

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1: Adjustments reflect physical plant funding activity for the quarter.
Quarter 2: Adjustments reflect physical plant funding activity for the quarter; does not include HIED $1,232,598 state general fund mid year budget reduction or a budget adjustment due to DHH reductions.

Report on changes to Significant Funding Issues

Quarter 1: No adjustments
Quarter 2: No adjustments

Overview of Unrestricted Revenues and Expenditures

Campus: **LSUHSC-Shreveport**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	47,784,922	16,218,596	12,163,949			28,382,545	59.4%
Statutory Dedications	14,176,493	340,229	3,466,126			3,806,355	26.8%
Interim Emergency Board	0	0	0			0	
Interagency Transfers	226,310,713	4,825,535	58,648,522			63,474,057	28.0%
Self Generated Revenues	76,289,564	59,440,960	26,336,344			85,777,304	112.4%
Federal Funds	58,724,160	17,390,195	15,373,281			32,763,476	55.8%
TOTAL	**423,285,852**	**98,215,515**	**115,988,222**	**0**	**0**	**214,203,737**	50.6%
Expenditures by Category							
Salaries	194,302,029	44,968,429	50,302,934			95,271,363	**49.0%**
Other Compensation	23,783,308	5,388,525	6,218,187			11,606,712	**48.8%**
Related Benefits	66,428,526	16,218,601	17,658,321			33,876,922	**51.0%**
Total Personal Services	**284,513,863**	**66,575,555**	**74,179,442**	**0**	**0**	**140,754,997**	**49.5%**
Travel	543,745	8,567	22,440			31,007	**5.7%**
Operating Services	33,416,565	7,364,079	8,383,857			15,747,936	**47.1%**
Supplies	83,523,706	17,604,109	17,645,499			35,249,608	**42.2%**
Total Operating Expenses	**117,484,016**	**24,976,755**	**26,051,796**	**0**	**0**	**51,028,551**	**43.4%**
Professional Services	4,667,736	211,426	1,124,037			1,335,463	**28.6%**
Other Charges	1,422,941	290,460	100,430			390,890	**27.5%**
Debt Services	0	0	0			0	
Interagency Transfers	11,282,226	836,402	3,326,979			4,163,381	**36.9%**
Total Other Charges	**17,372,903**	**1,338,288**	**4,551,446**	**0**	**0**	**5,889,734**	**33.9%**
General Acquisitions	3,870,070	273,542	485,026			758,568	**19.6%**
Library Acquisitions	45,000	891	578			1,469	**3.3%**
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**3,915,070**	**274,433**	**485,604**	**0**	**0**	**760,037**	**19.4%**
TOTAL	**423,285,852**	**93,165,031**	**105,268,288**	**0**	**0**	**198,433,319**	**46.9%**

Overview of Unrestricted Revenues and Expenditures

Campus: LSUHSC-Shreveport

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	34,238,056	9,605,708	9,797,100			19,402,808	56.7%
Research	19,141,473	5,249,049	5,023,812			10,272,861	53.7%
Public Service	2,210,353	464,234	369,068			833,302	37.7%
Academic Support (Includes Library)	7,193,449	1,884,262	2,114,735			3,998,997	55.6%
Academic Expenditures Subtotal	**62,783,331**	**17,203,253**	**17,304,715**	**0**	**0**	**34,507,968**	55.0%
Student Services	1,151,967	328,993	284,601			613,594	53.3%
Institutional Support	21,199,638	3,920,198	5,075,025			8,995,223	42.4%
Scholarships/Fellowships	1,137,402	275,953	77,398			353,351	31.1%
Plant Operations/Maintenance	5,055,733	956,793	1,544,503			2,501,296	49.5%
Hospital	331,725,908	70,286,945	80,953,870			151,240,815	45.6%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	231,873	192,896	28,176			221,072	95.3%
Non-Academic Expenditures Subtotal	**360,502,521**	**75,961,778**	**87,963,573**	**0**	**0**	**163,925,351**	**45.5%**
TOTAL	**423,285,852**	**93,165,031**	**105,268,288**	**0**	**0**	**198,433,319**	**46.9%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1:
Revenue: Self-generated revenue includes system generated contractual allowances ,but does not include year end adjustments that are reflected at June 30.
Quarter 2:
Revenue: Interagency Transfers revenue includes UCC payment of $50,055,626; Self-generated revenue includes system generated contractual allowances , but does not include year end adjustments that are reflected at June 30.
Expenditures by Category: Personal expenditures increased due to seven biweekly pay periods reflected in the 2nd quarter as opposed to six biweekly pay periods in the 1st quarter; the increase in Professional Services is the result of out sourcing the Environmental Service / Housekeeping function; the increase in Other Charges-IAT is due to the timing of payments.
Expenditures by Function: The increase in Institutional Support is due to the timing of IAT payments. The increase in Hospital is largely due to seven biweekly pay periods in the 2nd quarter vs. six biweekly pay periods in the 1st quarter.

Overview of Restricted Funds

Campus: LSUHSC-Shreveport

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations	0	0	0			0	
Restricted Fees	237,453	186,683	72,799			259,482	109.3%
Sales and Services of Educational Activities	77,421,171	30,446,974	39,338,636			69,785,610	90.1%
Auxiliaries							
Bookstores	1,710,578	653,197	40,505			693,702	40.6%
Cafeterias	3,838,000	1,047,061	814,321			1,861,382	48.5%
Computer Networking	600,000	188,212	181,945			370,157	61.7%
General Service Store	3,877,000	654,241	514,462			1,168,703	30.1%
Gift Shop	93,000	17,845	22,080			39,925	42.9%
Linwood Properties	0	750	1,806			2,556	
Microcomputers	599,422	81,011	338,881			419,892	70.0%
Parking	760,000	(292,678)	183,184			(109,494)	-14.4%
Printing	475,000	119,784	92,152			211,936	44.6%
Rental Property	95,000	92,916	1,669			94,585	99.6%
Student Union	50,000	81,754	19,918			101,672	203.3%
Telcommunications	2,550,000	670,705	645,416			1,316,121	51.6%
Endowment Income	2,335,103	1,163,153	994,544			2,157,697	92.4%
Grants and Contracts							
Federal	16,132,137	365,761	4,270,449			4,636,210	28.7%
State and Local	20,983,649	3,067,988	5,323,365			8,391,353	40.0%
Private	19,170,427	2,662,070	4,731,266			7,393,336	38.6%
Indirect Cost Recovered	4,472,104	1,000,520	(5,120,536)			(4,120,016)	-92.1%
Gifts	0	32,415	65,804			98,219	
Federal Funds	0	0	0			0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0			0	
Physician Practice Plans	0	0	0			0	
Medicare	0	0	0			0	
Medicaid	0	0	0			0	
Uncompensated Care Costs	0	0	0			0	
Sponsored Grants and Contracts	3,250,000	512,920	591,141			1,104,061	34.0%
Sales and Services Physicians & CRNAs	0	0	0			0	
Sales and Services Other	1,360,569	(2,640,870)	(7,700,002)			(10,340,872)	-760.0%
All Other Sources	0	5,787	(11,751)			(5,964)	
TOTAL	**160,010,613**	**40,118,199**	**45,412,054**	**0**	**0**	**85,530,253**	53.5%

Overview of Restricted Funds

Campus: LSUHSC-Shreveport

Report on Restricted Budget

Quarter 1:
Self-generated revenue includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.
Parking and Hospital-Sales and Services Other revenue decreases is due to support for improvements related to patient care activities.
Quarter 2:
Self-generated revenue includes system generated contractual allowances , but does not include year end adjustments that are reflected at June 30.
The $5.1M net decrease in Indirect Cost Recovered revenue can largely be attributed to the following: $5M decrease for support of the projected FY 2013 operating budget shortfall, $1.1M decrease
for support of departmental research activities, and approximately $1.0M increase in income related to IDC activity; Hospital-Sales and Services Other revenue decrease includes $4.9M for improvements to patient care related activities and $2.9M support for the Electronic Health Records system.

Overview of Restricted Operations

Campus: LSUHSC-Shreveport

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0		0	0		0
Restricted Fees	781,214	186,683	36,471	931,426	72,799	57,754	946,471	0		946,471	0		946,471
Sales & Svcs of Educ. Activ's	49,487,905	30,446,974	26,346,857	53,588,022	39,338,636	26,994,193	65,932,465	0		65,932,465	0		65,932,465
Auxiliaries													
Bookstores	2,197,505	653,197	413,762	2,436,940	40,505	280,675	2,196,770	0		2,196,770	0		2,196,770
Cafeterias	3,573,118	1,047,061	672,914	3,947,265	814,321	898,902	3,862,684	0		3,862,684	0		3,862,684
Computer Networking	189,075	188,212	80,306	296,981	181,945	24,768	454,158	0		454,158	0		454,158
General Service Store	348,474	654,241	686,839	315,876	514,462	711,728	118,610	0		118,610	0		118,610
Gift Shop	27,516	17,845	25,681	19,680	22,080	23,201	18,559	0		18,559	0		18,559
Linwood Properties	985,331	750	0	986,081	1,806	0	987,887	0		987,887	0		987,887
Microsystems	(433,746)	81,011	211,927	(564,662)	338,881	138,238	(364,019)	0		(364,019)	0		(364,019)
Parking	727,972	(292,678)	150,019	285,275	183,184	194,746	273,713	0		273,713	0		273,713
Printing	725,272	119,784	68,476	776,580	92,152	75,350	793,382	0		793,382	0		793,382
Rental Property	553,344	92,916	10,586	635,674	1,669	6,677	630,666	0		630,666	0		630,666
Student Union	460,373	81,754	2,969	539,158	19,918	2,180	556,896	0		556,896	0		556,896
Telcommunications	2,926,019	670,705	494,585	3,102,139	645,416	671,672	3,075,883	0		3,075,883	0		3,075,883
Endowment Income	14,474,405	1,163,153	262,784	15,374,774	994,544	577,446	15,791,872	0		15,791,872	0		15,791,872
Grants and Contracts													
Federal	1,347,609	365,761	3,499,350	(1,785,980)	4,270,449	3,090,898	(606,429)	0		(606,429)	0		(606,429)
State and Local	(2,343,845)	3,067,988	5,066,464	(4,342,321)	5,323,365	4,982,107	(4,001,063)	0		(4,001,063)	0		(4,001,063)
Private	14,500,154	2,662,070	3,984,768	13,177,456	4,731,266	4,870,068	13,038,654	0		13,038,654	0		13,038,654
Indirect Cost Recovered	15,277,098	1,000,520	994,350	15,283,268	(5,120,536)	984,313	9,178,419	0		9,178,419	0		9,178,419
Gifts	12,482	32,415	0	44,897	65,804	35,678	75,023	0		75,023	0		75,023
Federal Funds	0	0	0	0	0	0	0	0		0	0		0
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0		0	0		0
Physician Practice Plans	0	0	0	0	0	0	0	0		0	0		0
Medicare	0	0	0	0	0	0	0	0		0	0		0
Medicaid	0	0	0	0	0	0	0	0		0	0		0
Uncompensated Care Costs	0	0	0	0	0	0	0	0		0	0		0
Sponsored Grants and Contracts	1,303,543	512,920	621,515	1,194,948	591,141	815,174	970,915	0		970,915	0		970,915
Sales and Services Physicians & CRNAs	0	0	0	0	0	0	0	0		0	0		0
Sales and Services Other	80,917,069	(2,640,870)	261,283	78,014,916	(7,700,002)	337,276	69,977,638	0		69,977,638	0		69,977,638
All Other Sources	988,059	5,787	2,983	990,863	(11,751)	4,022	975,090	0		975,090	0		975,090
TOTAL	**189,025,946**	**40,118,199**	**43,894,889**	**185,249,256**	**45,412,054**	**45,777,066**	**184,884,244**	**0**	**0**	**184,884,244**	**0**	**0**	**184,884,244**

Quarter 1:
Self-generated revenue includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.
Parking and Hospital-Sales and Services Other revenue decrease includes support for improvements to patient care areas.
The beginning Acct/Fund balance is different from the 2011-2012 4th quarter ending balance by $68,926 due to the posting of additional entries after the 4th quarter submission.
Quarter 2:
Self-generated revenue includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.
The $5.1M net decrease in Indirect Cost Recovered revenue can largely be attributed to the following: $5M decrease for support of the projected FY 2013 operating budget shortfall, $1.1M decrease for support of departmental research activities, and approximately $1.0M increase in income related to IDC activity; Hospital-Sales and Services Other revenue includes $4.9M support for improvements to patient care areas and $2.9M support for the Electronic Health Records system.

E. A. Conway

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	8,794,375	2,245,668	2,245,668			4,491,336
Statutory Dedications	0	0	0			0
Interim Emergency Board	0	0	0			0
Interagency Transfers	79,263,491	18,478,806	21,611,183			40,089,989
Self Generated Revenues	8,750,286	16,481	10,292,821			10,309,302
Federal Funds	8,058,474	0	3,920,523			3,920,523
Total Revenues	**104,866,626**	**20,740,955**	**38,070,195**			**58,811,150**
Expenditures by Object:						
Personal Services	44,544,447	10,585,716	12,307,853			22,893,569
Operating Expenses	14,790,690	3,519,845	3,305,807			6,825,652
Other Charges	45,531,489	320,804	3,933,306			4,254,110
Acquisitions and Major Repairs	0	0	0			0
Total Expenditures	**104,866,626**	**14,426,365**	**19,546,966**			**33,973,331**
Expenditures by Function:						
Academic Expenditures	0	0	0			0
Non-Academic Expenditures	104,866,626	14,426,365	19,546,966			33,973,331
Total Expenditures	**104,866,626**	**14,426,365**	**19,546,966**			**33,973,331**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	0	0	0			
Sales and Services of Educational Activities	0	0	0			
Auxiliaries	0	0	0			
Endowment Income	0	0	0			
Grants and Contracts	0	0	0			
Indirect Cost Recovered	0	0	0			
Gifts	0	0	0			
Federal Funds	0	0	0			
Hospitals	22,375,174	21,738,421	22,217,712			
All Other Sources	0	0	0			
TOTAL	**22,375,174**	**21,738,421**	**22,217,712**			

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes
The activity above does not include HIED $226,848 state general fund mid year budget reduction or a budget adjustment due to DHH reductions.
In November 2012, EACMC implemented the electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue activity currently includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.

Operating Budget Development

Campus: E. A. Conway

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	8,794,375	0	0			8,794,375	0.0%
Statutory Dedications	0	0	0			0	
Interim Emergency Board	0	0	0			0	
Interagency Transfers	79,263,491	0	0			79,263,491	0.0%
Self Generated Revenues	8,750,286	0	0			8,750,286	0.0%
Federal Funds	8,058,474	0	0			8,058,474	0.0%
Total Revenues	**104,866,626**	**0**	**0**	**0**	**0**	**104,866,626**	**0.0%**
Expenditures by Object:							
Salaries	32,355,849	0	0			32,355,849	0.0%
Other Compensation	1,612,209	0	0			1,612,209	0.0%
Related Benefits	10,576,389	0	0			10,576,389	0.0%
Total Personal Services	**44,544,447**	**0**	**0**	**0**	**0**	**44,544,447**	**0.0%**
Travel	20,000	0	0			20,000	0.0%
Operating Services	6,587,849	0	0			6,587,849	0.0%
Supplies	8,182,841	0	0			8,182,841	0.0%
Total Operating Expenses	**14,790,690**	**0**	**0**	**0**	**0**	**14,790,690**	**0.0%**
Professional Services	1,432,848	0	0			1,432,848	0.0%
Other Charges	30,354,369	0	0			30,354,369	0.0%
Debt Services	0	0	0			0	
Interagency Transfers	13,744,272		0			13,744,272	0.0%
Total Other Charges	**45,531,489**	**0**	**0**	**0**	**0**	**45,531,489**	**0.0%**
General Acquisitions	0	0	0			0	
Library Acquisitions	0	0	0			0	
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**0**	**0**	**0**	**0**	**0**	**0**	
Total Expenditures	**104,866,626**	**0**	**0**	**0**	**0**	**104,866,626**	**0.0%**
Expenditures by Function:							
Instruction	0	0	0			0	
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	0	0	0			0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services	0	0	0			0	
Institutional Support	0	0	0			0	
Scholarships/Fellowships	0	0	0			0	
Plant Operations/Maintenance	0	0	0			0	
Hospital	104,866,626	0	0			104,866,626	0.0%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**104,866,626**	**0**	**0**	**0**	**0**	**104,866,626**	
Total Expenditures	**104,866,626**	**0**	**0**	**0**	**0**	**104,866,626**	0.0%

Operating Budget Development

Campus: **E. A. Conway**

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1: No Adjustments
Quarter 2: No Adjustments
The activity above does not include HIED $226,848 state general fund mid year budget reduction or budget adjustment due to DHH reductions.

Report on changes to Significant Funding Issues

Quarter1: No Adjustments
Quarter 2: No Adjustments

Overview of Unrestricted Revenues and Expenditures

Campus: **E. A. Conway**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	8,794,375	2,245,668	2,245,668			4,491,336	51.1%
Statutory Dedications	0	0	0			0	
Interim Emergency Board	0	0	0			0	
Interagency Transfers	79,263,491	18,478,806	21,611,183			40,089,989	50.6%
Self Generated Revenues	8,750,286	16,481	10,292,821			10,309,302	117.8%
Federal Funds	8,058,474	0	3,920,523			3,920,523	48.7%
TOTAL	**104,866,626**	**20,740,955**	**38,070,195**	**0**	**0**	**58,811,150**	56.1%
Expenditures by Category							
Salaries	32,355,849	7,212,833	8,677,462			15,890,295	**49.1%**
Other Compensation	1,612,209	400,074	434,895			834,969	**51.8%**
Related Benefits	10,576,389	2,972,809	3,195,496			6,168,305	**58.3%**
Total Personal Services	**44,544,447**	**10,585,716**	**12,307,853**	**0**	**0**	**22,893,569**	**51.4%**
Travel	20,000	1,903	1,162			3,065	**15.3%**
Operating Services	6,587,849	1,092,679	1,466,395			2,559,074	**38.8%**
Supplies	8,182,841	2,425,263	1,838,250			4,263,513	**52.1%**
Total Operating Expenses	**14,790,690**	**3,519,845**	**3,305,807**	**0**	**0**	**6,825,652**	**46.1%**
Professional Services	1,432,848	217,400	276,169			493,569	**34.4%**
Other Charges	30,354,369	0	0			0	**0.0%**
Debt Services	0	0	0			0	
Interagency Transfers	13,744,272	103,404	3,657,137			3,760,541	**27.4%**
Total Other Charges	**45,531,489**	**320,804**	**3,933,306**	**0**	**0**	**4,254,110**	**9.3%**
General Acquisitions	0	0	0			0	
Library Acquisitions	0	0	0			0	
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**0**	**0**	**0**	**0**	**0**	**0**	
TOTAL	**104,866,626**	**14,426,365**	**19,546,966**	**0**	**0**	**33,973,331**	**32.4%**
by Function							
Instruction	0	0	0			0	
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	0	0	0			0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	

Overview of Unrestricted Revenues and Expenditures

Campus: **E. A. Conway**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Student Services	0	0	0			0	
Institutional Support	0	0	0			0	
Scholarships/Fellowships	0	0	0			0	
Plant Operations/Maintenance	0	0	0			0	
Hospital	104,866,626	14,426,365	19,546,966			33,973,331	32.4%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**104,866,626**	**14,426,365**	**19,546,966**	**0**	**0**	**33,973,331**	**32.4%**
TOTAL	**104,866,626**	**14,426,365**	**19,546,966**	**0**	**0**	**33,973,331**	**32.4%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1: EXPENSES: Other Charges UPL Transfers to HCSD and Interagency (payment) Transfers will not begin until the second quarter.

Quarter 2: REVENUE: The Self Generated revenue includes 2nd Quarter UPL program payment yet to be distributed.

EXPENSES: Personal Services: The month of November 2012 had three biweekly pay periods which caused the amounts to be more than the first quarter.

Interagency Transfers: Receipt and payment of Interagency invoices began in the second quarter.

In November 2012, EACMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue includes system generated contractual allowances, but does not include year end adjustments that are reflected at June 30.

Overview of Restricted Funds

Campus: E. A. Conway

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations	0	0	0			0	
Restricted Fees	0	0	0			0	
Sales and Services of Educational Activities	0	0	0			0	
Auxiliaries	0	0	0				
Endowment Income	0	0	0			0	
Grants and Contracts							
Federal	0	0	0			0	
State and Local	0	0	0			0	
Private	0	0	0			0	
Indirect Cost Recovered	0	0	0			0	
Gifts	0	0	0			0	
Federal Funds	0	0	0			0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0			0	
Physician Practice Plans	0	0	0			0	
Medicare	0	0	0			0	
Medicaid	0	0	0			0	
Uncompensated Care Costs	0	0	0			0	
Sponsored Grants and Contracts	601,737	160,707	265,473			426,180	70.8%
Sales and Services Physicians & CRNAs	755,566	577	668,298			668,875	88.5%
Sales and Services Other	446,736	(9,841)	234,967			225,126	50.4%
All Other Sources	0	0	0			0	
TOTAL	**1,804,039**	**151,443**	**1,168,738**	**0**	**0**	**1,320,181**	73.2%

Report on Restricted Budget

Quarter 1: No report.

Quarter 2: In November 2012, EACMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue includes system generated contractual allowances ,but does not include year end adjustments that will be reflected at June 30.

Overview of Restricted Operations

Campus: E. A. Conway

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0		0	0		0
Restricted Fees	0	0	0	0	0	0	0	0		0	0		0
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0	0		0	0		0
Auxiliaries	0	0	0	0	0	0	0	0		0	0		0
Endowment Income	0	0	0	0	0	0	0	0		0	0		0
Grants and Contracts													
Federal	0	0	0	0	0	0	0	0		0	0		0
State and Local	0	0	0	0	0	0	0	0		0	0		0
Private	0	0	0	0	0	0	0	0		0	0		0
Indirect Cost Recovered	0	0	0	0	0	0	0	0		0	0		0
Gifts	0	0	0	0	0	0	0	0		0	0		0
Federal Funds	0	0	0	0	0	0	0	0		0	0		0
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0		0	0		0
Physician Practice Plans	0	0	0	0	0	0	0	0		0	0		0
Medicare	0	0	0	0	0	0	0	0		0	0		0
Medicaid	0	0	0	0	0	0	0	0		0	0		0
Uncompensated Care Costs	0	0	0	0	0	0	0	0		0	0		0
Sponsored Grants and Contracts	0	160,707	273,067	(112,360)	265,473	303,608	(150,495)	0		(150,495)	0		(150,495)
Sales and Services Physicians & CRNAs	2,239,419	577	165,045	2,074,951	668,298	81,462	2,661,787	0		2,661,787	0		2,661,787
Sales and Services Other	20,135,755	(9,841)	350,084	19,775,830	234,967	304,377	19,706,420	0		19,706,420	0		19,706,420
All Other Sources	0	0	0	0	0	0	0	0		0	0		0
TOTAL	**22,375,174**	**151,443**	**788,196**	**21,738,421**	**1,168,738**	**689,447**	**22,217,712**	**0**	**0**	**22,217,712**	**0**	**0**	**22,217,712**

Report on Restricted Operations

Quarter 1: No Report
Quarter 2: No Report
In November 2012, EACMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue includes system generated contractual allowances, but does not include year end adjustments that will be reflected at June 30.

Huey P. Long

Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	9,635,049	3,244,376	2,433,284	0	0	5,677,660
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
Interagency Transfers	35,399,042	(130,303)	11,785,362	0	0	11,655,059
Self Generated Revenues	4,563,703	2,198	5,924,633	0	0	5,926,831
Federal Funds	3,782,232	0	2,340,113	0	0	2,340,113
Total Revenues	**53,380,026**	**3,116,271**	**22,483,392**	**0**	**0**	**25,599,663**
Expenditures by Object:						
Personal Services	29,670,457	6,035,373	7,149,949	0	0	13,185,322
Operating Expenses	13,918,406	2,713,534	3,208,481	0	0	5,922,015
Other Charges	9,464,351	601,290	1,418,208	0	0	2,019,498
Acquisitions and Major Repairs	326,812	3,551	42,562	0	0	46,113
Total Expenditures	**53,380,026**	**9,353,748**	**11,819,200**	**0**	**0**	**21,172,948**
Expenditures by Function:						
Academic Expenditures	0	0	0	0	0	0
Non-Academic Expenditures	53,830,026	9,353,748	11,819,200	0	0	21,172,948
Total Expenditures	**53,830,026**	**9,353,748**	**11,819,200**	**0**	**0**	**21,172,948**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance
State Appropriations	0	0	0	0	0
Restricted Fees	0	0	0	0	0
Sales and Services of Educational Activities	0	0	0	0	0
Auxiliaries	0	0	0	0	0
Endowment Income	0	0	0	0	0
Grants and Contracts	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0
Gifts	0	0	0	0	0
Federal Funds	0	0	0	0	0
Hospitals	21,057,578	21,352,910	22,576,165	0	0
All Other Sources	0	0	0	0	0
TOTAL	**21,057,578**	**21,352,910**	**22,576,165**	**0**	**0**

Overview and Analysis of Campus Operations

See detail spreadsheets for additional notes
The activity above does not include HIED $248,533 state general fund mid year budget reduction or a budget adjustment due to DHH reductions.
In November 2012, HPLMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue activity

Operating Budget Development

Campus: **Huey P. Long**

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	9,635,049	0	0			9,635,049	0.0%
Statutory Dedications	0	0	0			0	
Interim Emergency Board	0	0	0			0	
Interagency Transfers	35,399,042	0	0			35,399,042	0.0%
Self Generated Revenues	4,563,703	0	0			4,563,703	0.0%
Federal Funds	3,782,232	0	0			3,782,232	0.0%
Total Revenues	**53,380,026**	**0**	**0**	**0**	**0**	**53,380,026**	**0.0%**
Expenditures by Object:							
Salaries	20,810,395	0	0			20,810,395	0.0%
Other Compensation	625,612	0	0			625,612	0.0%
Related Benefits	8,234,450	0	0			8,234,450	0.0%
Total Personal Services	**29,670,457**	**0**	**0**	**0**	**0**	**29,670,457**	**0.0%**
Travel	12,901	0	0			12,901	0.0%
Operating Services	6,377,385	0	0			6,377,385	0.0%
Supplies	7,528,120	0	0			7,528,120	0.0%
Total Operating Expenses	**13,918,406**	**0**	**0**	**0**	**0**	**13,918,406**	**0.0%**
Professional Services	7,250,347	0	0			7,250,347	0.0%
Other Charges	227,226	0	0			227,226	0.0%
Debt Services	0	0	0			0	
Interagency Transfers	1,986,778	0	0			1,986,778	0.0%
Total Other Charges	**9,464,351**	**0**	**0**	**0**	**0**	**9,464,351**	**0.0%**
General Acquisitions	326,812	0	0			326,812	0.0%
Library Acquisitions	0	0	0			0	
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**326,812**	**0**	**0**	**0**	**0**	**326,812**	**0.0%**
Total Expenditures	**53,380,026**	**0**	**0**	**0**	**0**	**53,380,026**	**0.0%**
Expenditures by Function:							
Instruction	0	0	0			0	
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	0	0	0			0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services	0	0	0			0	
Institutional Support	0	0	0			0	
Scholarships/Fellowships	0	0	0			0	
Plant Operations/Maintenance	0	0	0			0	
Hospital	53,830,026	0	0			53,830,026	0.0%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**53,830,026**	**0**	**0**	**0**	**0**	**53,830,026**	
Total Expenditures	**53,830,026**	**0**	**0**	**0**	**0**	**53,830,026**	0.0%

Operating Budget Development

Campus: **Huey P. Long**

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Quarter 1: No adjustments.
Quarter 2: No adjustments. The activity above does not include HIED $248,533 state general fund mid year budget reduction or a budget adjustment due to DHH reductions.

Report on changes to Significant Funding Issues

Quarter 1: No adjustments
Quarter 2: No adjustments. The activity above does not include HIED $248,533 state general fund mid year budget reduction or a budget adjustment due to DHH reductions.

Overview of Unrestricted Revenues and Expenditures

Campus: **Huey P. Long**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	9,635,049	3,244,376	2,433,284			5,677,660	58.9%
Statutory Dedications	0	0	0			0	
Interim Emergency Board	0	0	0			0	
Interagency Transfers	35,399,042	(130,303)	11,785,362			11,655,059	32.9%
Self Generated Revenues	4,563,703	2,198	5,924,633			5,926,831	129.9%
Federal Funds	3,782,232	0	2,340,113			2,340,113	61.9%
TOTAL	**53,380,026**	**3,116,271**	**22,483,392**	**0**	**0**	**25,599,663**	48.0%
Expenditures by Category							
Salaries	20,810,395	4,203,361	4,889,068			9,092,429	**43.7%**
Other Compensation	625,612	146,668	178,692			325,360	**52.0%**
Related Benefits	8,234,450	1,685,344	2,082,189			3,767,533	**45.8%**
Total Personal Services	**29,670,457**	**6,035,373**	**7,149,949**	**0**	**0**	**13,185,322**	**44.4%**
Travel	12,901	477	3,716			4,193	**32.5%**
Operating Services	6,377,385	1,130,172	1,359,726			2,489,898	**39.0%**
Supplies	7,528,120	1,582,885	1,845,039			3,427,924	**45.5%**
Total Operating Expenses	**13,918,406**	**2,713,534**	**3,208,481**	**0**	**0**	**5,922,015**	**42.5%**
Professional Services	7,250,347	462,511	972,910			1,435,421	**19.8%**
Other Charges	227,226	57,270	3,627			60,897	**26.8%**
Debt Services	0	0	0			0	
Interagency Transfers	1,986,778	81,509	441,671			523,180	**26.3%**
Total Other Charges	**9,464,351**	**601,290**	**1,418,208**	**0**	**0**	**2,019,498**	**21.3%**
General Acquisitions	326,812	3,551	42,562			46,113	**14.1%**
Library Acquisitions	0	0	0			0	
Major Repairs	0	0	0			0	
Total Acquisitions and Major Repairs	**326,812**	**3,551**	**42,562**	**0**	**0**	**46,113**	**14.1%**
TOTAL	**53,380,026**	**9,353,748**	**11,819,200**	**0**	**0**	**21,172,948**	**39.7%**

Overview of Unrestricted Revenues and Expenditures

Campus: **Huey P. Long**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	0	0	0			0	
Research	0	0	0			0	
Public Service	0	0	0			0	
Academic Support (Includes Library)	0	0	0			0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services	0	0	0			0	
Institutional Support	0	0	0			0	
Scholarships/Fellowships	0	0	0			0	
Plant Operations/Maintenance	0	0	0			0	
Hospital	53,830,026	9,353,748	11,819,200			21,172,948	39.3%
Transfers out of agency	0	0	0			0	
Athletics	0	0	0			0	
Other	0	0	0			0	
Non-Academic Expenditures Subtotal	**53,830,026**	**9,353,748**	**11,819,200**	**0**	**0**	**21,172,948**	**39.3%**
TOTAL	**53,830,026**	**9,353,748**	**11,819,200**	**0**	**0**	**21,172,948**	**39.3%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Quarter 1: No report.

Quarter 2: The Interagency Transfers revenue includes UCC payment of $8,888,823.

In November 2012, HPLMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue includes system generated contractual allowances, but does not include year end adjustments that will be reflected at June 30.

Overview of Restricted Funds

Campus: Huey P. Long

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations	0	0	0			0	
Restricted Fees	0	0	0			0	
Sales and Services of Educational Activities	0	0	0			0	
Auxiliaries	0	0	0				
Endowment Income	0	0	0			0	
Grants and Contracts							
Federal	0	0	0			0	
State and Local	0	0	0			0	
Private	0	0	0			0	
Indirect Cost Recovered	0	0	0			0	
Gifts	0	0	0			0	
Federal Funds	0	0	0			0	
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0			0	
Physician Practice Plans	0	0	0			0	
Medicare	0	0	0			0	
Medicaid	0	0	0			0	
Uncompensated Care Costs	0	0	0			0	
Sponsored Grants and Contracts	1,129,649	29,043	340,228			369,271	32.7%
Sales and Services Physicians & CRNAs	1,021,556	247	837,653			837,900	82.0%
Pharmacy	1,999,276	508,962	397,744			906,706	45.4%
Sales and Services Other	192,600	21,494	19,196			40,690	21.1%
All Other Sources	0	0	0			0	
TOTAL	**4,343,081**	**559,746**	**1,594,821**	**0**	**0**	**2,154,567**	49.6%

Report on Restricted Budget

Quarter 1: No report.

Quarter 2: In November 2012, HPLMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports. The revenue includes system generated contractual allowances, but does not include year end adjustments that will be reflected at June 30.

Overview of Restricted Operations

Campus: Huey P. Long

Show Expenditures As Positive	Acct/Fund Balance 2012-13	1st Quarter Revenues 2012-13	1st Quarter Expenses, Transfers, & ICR 2012-13	1st Quarter Fund Balance 2012-13	2nd Quarter Revenues 2012-13	2nd Quarter Expenses, Transfers, & ICR 2012-13	2nd Quarter Fund Balance 2012-13	3rd Quarter Revenues 2012-13	3rd Quarter Expenses, Transfers, & ICR 2012-13	3rd Quarter Fund Balance 2012-13	4th Quarter Revenues 2012-13	4th Quarter Expenses, Transfers, & ICR 2012-13	4th Quarter Fund Balance 2012-13
		Actual Amount for each Quarter											
Revenues													
Restricted State Appropriations	0	0	0	0	0	0	0	0		0	0		0
Restricted Fees	0	0	0	0	0	0	0	0		0	0		0
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0	0		0	0		0
Auxiliaries	0	0	0	0	0	0	0	0		0	0		0
Endowment Income	0	0	0	0	0	0	0	0		0	0		0
Grants and Contracts													
Federal	0	0	0	0	0	0	0	0		0	0		0
State and Local	0	0	0	0	0	0	0	0		0	0		0
Private	0	0	0	0	0	0	0	0		0	0		0
Indirect Cost Recovered	0	0	0	0	0	0	0	0		0	0		0
Gifts	0	0	0	0	0	0	0	0		0	0		0
Federal Funds	0	0	0	0	0	0	0	0		0	0		0
Hospitals													
Hospital - Commercial/Self-Pay	0	0	0	0	0	0	0	0		0	0		0
Physician Practice Plans	0	0	0	0	0	0	0	0		0	0		0
Medicare	0	0	0	0	0	0	0	0		0	0		0
Medicaid	0	0	0	0	0	0	0	0		0	0		0
Uncompensated Care Costs	0	0	0	0	0	0	0	0		0	0		0
Sponsored Grants and Contracts	1,736,323	29,043	140,706	1,624,660	340,228	191,626	1,773,262	0		1,773,262	0		1,773,262
Sales and Services Physicians & CRNAs	2,397,104	247	9,397	2,387,954	837,653	1,503	3,224,104	0		3,224,104	0		3,224,104
Pharmacy	4,045,285	508,962	242	4,554,005	397,744	337	4,951,412	0		4,951,412	0		4,951,412
Sales and Services Other	12,878,866	21,494	114,069	12,786,291	19,196	178,100	12,627,387	0		12,627,387	0		12,627,387
All Other Sources	0	0	0	0	0	0	0	0		0	0		0
TOTAL	**21,057,578**	**559,746**	**264,414**	**21,352,910**	**1,594,821**	**371,566**	**22,576,165**	**0**	**0**	**22,576,165**	**0**	**0**	**22,576,165**

Report on Restricted Operations

Quarter 1: No report.
Quarter 2: In November 2012, HPLMC implemented an electronic health records system. With the implementation of the new health records system, the revenue cycle processes are being continuously monitored and validated and any necessary adjustments will be reflected in the future quarterly reports.
The revenue includes system generated contractual allowances, but does not include year end adjustments that will be reflected at June 30.

Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Chief Financial Officer

225 / 578-2264
225 / 578-7987 fax

January 31, 2013

TO: Interim President William Jenkins

FROM: Wendy C. Simoneaux

RE: LSU System FY2012-13 2nd Quarter Financial Report

The LSU Board of Supervisors approved the System Office's 2012-2013 operating budget on September 7, 2012. The LSU System's operating budget includes $3,587,595 of state general fund; a 14.7% reduction from last year's beginning operating budget. Since the beginning 2008-09 Budget, the LSU System Office has been reduced over seven million dollars, or 66%.

It should be noted that the System Office's appropriation does include the Audubon Center for Research of Endangered Species pass-through (ACRES-$633,484). This pass-through will be transferred out of our budget as the recipient campus or entity submits invoices for expenses incurred. This report reflects these transfers as expenditures on the LSU System Office's budget. In addition, the System Office has not cut ACRES since FY 2011.

Executive Order BJ 2012-24 reduced Louisiana Postsecondary Education by $22 million based on the Revenue Estimating Conference on December 13, 2012 where $10 million is from an offset of tuition and $12 million is from the hiring freeze that was implemented in July. The Board of Regents then pro-rata distributed $9,911,399 to the LSU System based on the current general fund amounts in higher education exclusive of the TOPS program. The Board of Supervisors and System Office share of this cut was $92,541, but this will be shown on the third quarter report since the BA-7 has not been officially approved.

On the Overview of Restricted Funds form, the largest portion of revenues received in the first quarter is associated with premiums for the LSU Health Plan.

On the Overview of Restricted Operations form, the All Other Sources fund balance includes monies for (1) System Technology Transfer activity, (2) the operation of the System Human Resource Benefits Office, (3) royalty income from System mineral leases, and (4) the LSU System Health Plan.

LSU Board of Supervisors and System Office Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	3,587,595	1,444,813	836,580			2,281,393
Statutory Dedications	0	0	0			0
Interim Emergency Board	0	0	0			0
Interagency Transfers	0	0	0			0
Self Generated Revenues	0	0	0			0
Federal Funds	0	0	0			0
Total Revenues	**3,587,595**	**1,444,813**	**836,580**			**2,281,393**
Expenditures by Object:						
Personal Services	1,806,899	707,510	221,959			929,469
Operating Expenses	261,142	40,556	71,748			112,305
Other Charges	1,519,554	881,290	1,456			882,746
Acquisitions and Major Repairs	0	0	0			0
Total Expenditures	**3,587,595**	**1,629,357**	**295,163**			**1,924,520**
Expenditures by Function:						
Academic Expenditures	0	0	0			0
Non-Academic Expenditures	3,587,595	1,629,357	295,163			1,924,520
Total Expenditures	**3,587,595**	**1,629,357**	**295,163**			**1,924,520**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
State Appropriations	0	0	0			
Restricted Fees	0	0	0			
Sales and Services of Educational Activities	0	0	0			
Auxiliaries	0	0	0			
Endowment Income	0	0	0			
Grants and Contracts	0	(17,255)	(17,255)			
Indirect Cost Recovered	0	0	0			
Gifts	10,106	40,857	12,312			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	48,831,338	63,542,990	42,891,115			
TOTAL	**48,841,445**	**63,566,592**	**42,886,172**			

Overview and Analysis of Campus Operations

The LSU Board of Supervisors and System Office did not have any budget adjustments during the first and second quarters. Expenses were normal during both quarters, and the large amount of other charges were due to mandates such as the Legislative Auditor and Civil Service Fees being paid. All other expenses are in line with its budget.
All other restricted operations are accounted for and the large variation in restricted operations is predominantly due to the LSU First health plan.

Operating Budget Development

Campus: LSU Board of Supervisors and System Office

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	3,587,595					3,587,595	0.0%
Statutory Dedications						0	
Interim Emergency Board						0	
Interagency Transfers						0	
Self Generated Revenues						0	
Federal Funds						0	
Total Revenues	**3,587,595**	**0**	**0**	**0**	**0**	**3,587,595**	**0.0%**
Expenditures by Object:							
Salaries	1,257,175					1,257,175	0.0%
Other Compensation	90,350					90,350	0.0%
Related Benefits	459,374					459,374	0.0%
Total Personal Services	**1,806,899**	**0**	**0**	**0**	**0**	**1,806,899**	**0.0%**
Travel	67,700					67,700	0.0%
Operating Services	175,196					175,196	0.0%
Supplies	18,246					18,246	0.0%
Total Operating Expenses	**261,142**	**0**	**0**	**0**	**0**	**261,142**	**0.0%**
Professional Services	633,484					633,484	0.0%
Other Charges	2,600					2,600	0.0%
Debt Services						0	
Interagency Transfers	883,470					883,470	0.0%
Total Other Charges	**1,519,554**	**0**	**0**	**0**	**0**	**1,519,554**	**0.0%**
General Acquisitions						0	
Library Acquisitions						0	
Major Repairs						0	
Total Acquisitions and Major Repairs	**0**	**0**	**0**	**0**	**0**	**0**	
Total Expenditures	**3,587,595**	**0**	**0**	**0**	**0**	**3,587,595**	**0.0%**
Expenditures by Function:							
Instruction						0	
Research						0	
Public Service						0	
Academic Support (Includes Library)						0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services						0	
Institutional Support	3,484,295					3,484,295	0.0%
Scholarships/Fellowships						0	
Plant Operations/Maintenance	103,300					103,300	0.0%
Hospital						0	
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**3,587,595**	**0**	**0**	**0**	**0**	**3,587,595**	
Total Expenditures	**3,587,595**	**0**	**0**	**0**	**0**	**3,587,595**	0.0%

Operating Budget Development **Campus:** **LSU Board of Supervisors and System Office**

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

There were not any budget adjustments during the first and second quarter.

Report on changes to Significant Funding Issues

There were not any budget adjustments during the first quarter.

Overview of Unrestricted Revenues and Expenditures

Campus: LSU Board of Supervisors and System Office

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	3,587,595	1,444,813	836,580			2,281,393	63.6%
Statutory Dedications	0					0	
Interim Emergency Board	0					0	
Interagency Transfers	0					0	
Self Generated Revenues	0					0	
Federal Funds	0					0	
TOTAL	**3,587,595**	**1,444,813**	**836,580**	**0**	**0**	**2,281,393**	63.6%
Expenditures by Category							
Salaries	1,257,175	306,052	234,468			540,520	**43.0%**
Other Compensation	90,350	11,759	21,545			33,304	**36.9%**
Related Benefits	459,374	389,699	(34,054)			355,645	**77.4%**
Total Personal Services	**1,806,899**	**707,510**	**221,959**	**0**	**0**	**929,469**	**51.4%**
Travel	67,700	11,027	9,756			20,783	**30.7%**
Operating Services	175,196	24,898	55,865			80,763	**46.1%**
Supplies	18,246	4,631	6,127			10,758	**59.0%**
Total Operating Expenses	**261,142**	**40,556**	**71,748**	**0**	**0**	**112,305**	**43.0%**
Professional Services	633,484	0	0			0	**0.0%**
Other Charges	2,600	613	1,456			2,069	**79.6%**
Debt Services	0					0	
Interagency Transfers	883,470	880,677				880,677	**99.7%**
Total Other Charges	**1,519,554**	**881,290**	**1,456**	**0**	**0**	**882,746**	**58.1%**
General Acquisitions	0					0	
Library Acquisitions	0					0	
Major Repairs	0					0	
Total Acquisitions and Major Repairs	**0**	**0**	**0**	**0**	**0**	**0**	
TOTAL	**3,587,595**	**1,629,357**	**295,163**	**0**	**0**	**1,924,520**	**53.6%**

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU Board of Supervisors and System Office**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	0					0	
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	0					0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services	0					0	
Institutional Support	3,484,295	1,593,419	264,657			1,858,076	53.3%
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	103,300	35,937	30,506			66,444	64.3%
Hospital	0					0	
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**3,587,595**	**1,629,357**	**295,163**	**0**	**0**	**1,924,520**	**53.6%**
TOTAL	**3,587,595**	**1,629,357**	**295,163**	**0**	**0**	**1,924,520**	**53.6%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

The related benefits expenditure object is greater than the anticipated budget due to all of System Office employees' related benefits being charged to the unrestricted related benefit account (whether or not the employee is paid from unrestricted or restricted funds). The negative amount in the second quarter is this adjustment for five months.
Other Charges include mandates (such as Legislative Auditor and Civil Service fees) that have been paid in the first quarter.
All other expenses have been accounted for and are in line with their budget.

Overview of Restricted Funds

Campus: LSU Board of Supervisors and System Office

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter					
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Revenues & Transfers	% Collected
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
Endowment Income						0	
Grants and Contracts							
Federal						0	
State and Local	155,000		132,790			132,790	85.7%
Private		34,510	51,765			86,276	
Indirect Cost Recovered						0	
Gifts	210,650	105,396				105,396	50.0%
Federal Funds						0	
Hospitals							
All Other Sources	147,442,757	32,471,291	33,367,665			65,838,956	44.7%
TOTAL	**147,808,407**	**32,611,197**	**33,552,220**	**0**	**0**	**66,163,417**	44.8%

Report on Restricted Budget

On the Overview of Restricted Funds form, first quarter revenue is as anticipated, with the largest portion of the revenues associated with premiums for the LSU Health Plan. The estimated state and local grant is a 'pass-through' grant from the Board of Regents for Dual enrollment. This grant is will be shown as a revenue and expenditure at the System Office and at the Campuses, but will be shown as an elimination on the year-end financial statements to avoid duplication. The private grant is from the LSU System Research and Technology Foundation to reimburse System support to the foundation.

All Other Revenues during the first quarter:

Tech Transfer	$27,144
Cigna	$32,244,444
Mineral Revenues	$2,274
Benefit Plan	$197,430

All Other Revenues during the second quarter:

Tech Transfer	$728,439
Cigna	$32,570,346
Mineral Revenues	$2,875
Benefit Plan	$66,005

Overview of Restricted Operations

Campus: LSU Board of Supervisors and System Office

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees		0		0	0		0	0		0	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0	0		0	0		0
Auxiliaries (List)													
Endowment Income		0		0	0		0	0		0	0		0
Grants and Contracts													
Federal		0		0	0		0	0		0	0		0
State and Local		0		0	132,790	132,790	0	0		0	0		0
Private		34,510	51,765	(17,255)	51,765	51,765	(17,255)	0		(17,255)	0		(17,255)
Indirect Cost Recovered		0		0	0		0	0		0	0		0
Gifts	10,106	105,396	74,646	40,857	0	28,544	12,312	0		12,312	0		12,312
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	48,831,338	32,471,291	17,759,639	63,542,990	33,367,665	54,019,540	42,891,115	0		42,891,115	0		42,891,115
TOTAL	**48,841,445**	**32,611,197**	**17,886,050**	**63,566,592**	**33,552,220**	**54,232,639**	**42,886,172**	**0**	**0**	**42,886,172**	**0**	**0**	**42,886,172**

Report on Restricted Operations

On the Overview of Restricted Operations form, the all other sources account/fund balance includes funds for (1) the appropriated Electronic Medical Record program including interest earned, (2) the System Technology Transfer activity, (3) associated with the operation of the System Human Resource Benefits Office, (4) royalty income from System mineral leases, (5) the LSU System Health Plan, and (6) other operational balances.

WWW.LSUHOSPITALS.ORG

• BOGALUSA MEDICAL CENTER – INDEPENDENCE
• EARL K. LONG MEDICAL CENTER - BATON ROUGE
• LALLIE KEMP REGIONAL MEDICAL CENTER - INDEPENDENCE
• LEONARD J. CHABERT MEDICAL CENTER - HOUMA
• MEDICAL CENTER OF LOUISIANA - NEW ORLEANS
• UNIVERSITY MEDICAL CENTER - LAFAYETTE
• W.O. MOSS REGIONAL MEDICAL CENTER - LAKE CHARLES

TO: Dr. William Jenkins
Interim President
LSU System

FROM: Tanesha Morgan
Budget Director
LSU Health Care Services Division

DATE: January 30, 2013

RE: Quarterly Budget Report
For Quarter Ended December 31, 2012

We have compiled the Quarterly Budget Report for the Quarter Ended December 31, 2012 for the LSU Health Care Services Division.

Major developments during this quarter included:

Budget: Congress passed the RESTORE act that allows millions in BP Oil Spill settlements to come to the Gulf Coast. This act is being funded in part through the elimination of the favorable federal match Louisiana was to enjoy through Sen. Landrieu's amendment to ACA. The state's disaster-recovery Federal Medical Assistance Percentage (FMAP) rate was cut from 71.92 percent to a projected 65.51 percent. For Fiscal Year 2013, the decrease equates to a total impact of approximately $859.2 million, which equates to approximately $287.1 million in state general funds (SGF). Of that, the LSU Health System is responsible for eliminating $126.9 million SGF from its budget, which amounts to a total reduction of $329.2 million when federal funds are considered. HCSD identified funds that can be used of offset the need for state funds for DHH that can be used to draw federal matching funds. In October the LSU Board of Supervisors adopted a plan for the LSU health system to deal with the budget cuts required by DHH. HCSD is in the process of establishing partnership agreement with private hospitals that will help offset some of the cuts that are occurring at the hospitals.

Restricted Operations: HCSD received $4.4M in grants and sponsored projects and $326,000 in FEMA revenue and spent $3.4 M in Other Charges and $1.3M in Supplies and $1.5M in Operating Services.

cc: Dr. Frank Opelka
Dr. Michael Kaiser
Lanette Buie

LSU - Health Care Services Division Quarterly Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each Quarter in 2012-13				
	Adjusted Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Cumulative Total
Revenues						
General Fund	29,261,831	29,261,831	0			29,261,831
Statutory Dedications	35,000,000	0	0			0
Interim Emergency Board	0	0	0			0
Interagency Transfers	548,393,931	14,579,097	146,471,915			161,051,012
Interagency Transfers - Federal Stimulus	0	0	0			0
Self Generated Revenues	128,516,746	119,790,699	29,552,359			149,343,058
Federal Funds	84,347,612	15,945,847	21,030,744			36,976,591
Total Revenues	**825,520,120**	**179,577,474**	**197,055,018**			**376,632,492**
Expenditures by Object:						
Personal Services	401,233,460	93,795,305	110,763,459			204,558,764
Operating Expenses	183,622,554	39,543,798	45,618,775			85,162,573
Other Charges	238,954,145	8,474,450	36,596,435			45,070,885
Acquisitions and Major Repairs	1,709,961	56,291	108,176			164,467
Total Expenditures	**825,520,120**	**141,869,844**	**193,086,845**			**0**
Expenditures by Function:						
Academic Expenditures	0	0	0			0
Non-Academic Expenditures	825,520,120	141,869,844	193,086,845			334,956,689
Total Expenditures	**825,520,120**	**141,869,844**	**193,086,845**			**334,956,689**

Restricted Operations

	Acct/Fund Balance	1st Quarter Fund Balance	2nd Quarter Fund Balance	3rd Quarter Fund Balance	4th Quarter Fund Balance	
Sales and Services of Educational Activities	0	0	0			
Auxiliaries	0	0	0			
Federal Funds	0	0	0			
Hospitals	0	0	0			
All Other Sources	122,076,083	118,919,558	116,838,744			
TOTAL	**122,076,083**	**118,919,558**	**116,838,744**			

Overview and Analysis of Campus Operations

2nd quarter:
Budget: Congress passed the RESTORE act that allows millions in BP Oil Spill settlements to come to the Gulf Coast. This act is being funded in part through the elimination of the favorable federal match Louisiana was to enjoy through Sen. Landrieu's amendment to ACA. The state's disaster-recovery Federal Medical Assistance Percentage (FMAP) rate was cut from 71.92 percent to a projected 65.51 percent. For Fiscal Year 2013, the decrease equates to a total impact of approximately $859.2 million, which equates to approximately $287.1 million in state general funds (SGF). Of that, the LSU Health System is responsible for eliminating $126.9 million SGF from its budget, which amounts to a total reduction of $329.2 million when federal funds are considered. HCSD identified funds that can be used of offset the need for state funds for DHH that can be used to draw federal matching funds. In October the LSU Board of Supervisors adopted a plan for the LSU health system to deal with the budget cuts required by DHH. HCSD is in the process of establishing partnership agreement with private hospitals that will help offset some of the cuts that are occurring at the hospitals.
Restricted: : HCSD received $4.4M in grants and sponsored projects and $326,000 in FEMA revenue and spent $3.4 M in Other Charges adn $1.3M in Supplies and $1.5M in Operating Services

Operating Budget Development

Campus: LSU - Health Care Services Division

Budget Adjustments

	Beginning Operating Budget	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Adjusted Operating Budget	% change to Beg Budget
Revenues							
General Fund	29,261,831	0				29,261,831	0.0%
Statutory Dedications	35,000,000					35,000,000	0.0%
Interim Emergency Board	0					0	
Interagency Transfers	548,393,931					548,393,931	0.0%
Interagency Transfers - Federal Stimulus	0					0	
Self Generated Revenues	128,516,746					128,516,746	0.0%
Federal Funds	84,347,612					84,347,612	0.0%
Total Revenues	**825,520,120**	**0**	**0**	**0**	**0**	**825,520,120**	0.0%
Expenditures by Object:							
Salaries	317,182,528	(31,337,129)				285,845,399	-9.9%
Other Compensation						0	
Related Benefits	122,060,245	(6,672,184)				115,388,061	-5.5%
Total Personal Services	**439,242,773**	**(38,009,313)**	**0**	**0**	**0**	**401,233,460**	-8.7%
Travel	265,048	(57,912)				207,136	-21.8%
Operating Services	85,616,248	(6,783,211)				78,833,037	-7.9%
Supplies	138,369,805	(33,787,424)				104,582,381	-24.4%
Total Operating Expenses	**224,251,101**	**(40,628,547)**	**0**	**0**	**0**	**183,622,554**	-18.1%
Professional Services	46,450,781	(1,160,104)				45,290,677	-2.5%
Other Charges	113,368,849	80,294,619				193,663,468	70.8%
Debt Services						0	
Interagency Transfers						0	
Total Other Charges	**159,819,630**	**79,134,515**	**0**	**0**	**0**	**238,954,145**	49.5%
General Acquisitions	1,956,616	(496,655)				1,459,961	-25.4%
Library Acquisitions						0	
Major Repairs	250,000					250,000	0.0%
Total Acquisitions and Major Repairs	**2,206,616**	**(496,655)**	**0**	**0**	**0**	**1,709,961**	-22.5%
Total Expenditures	**825,520,120**	**0**	**0**	**0**	**0**	**825,520,120**	0.0%
Expenditures by Function:							
Instruction						0	
Research						0	
Public Service						0	
Academic Support (Includes Library)						0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services						0	
Institutional Support						0	
Scholarships/Fellowships						0	
Plant Operations/Maintenance						0	
Hospital	825,520,120					825,520,120	0.0%
Transfers out of agency						0	
Athletics						0	
Other						0	
Non-Academic Expenditures Subtotal	**825,520,120**	**0**	**0**	**0**	**0**	**825,520,120**	
Total Expenditures	**825,520,120**	**0**	**0**	**0**	**0**	**825,520,120**	0.0%

Operating Budget Development

Campus: LSU - Health Care Services Division

Use next page for Detailed Explanation

Budget Adjustments Narrative

Variance Analysis and Program Adjustments. Explain any funds moving from academic to non-academic.

Report on changes to Significant Funding Issues

Congress passed the RESTORE act that allows millions in BP Oil Spill settlements to come to the Gulf Coast. This act is being funded in part through the elimination of the favorable federal match Louisiana was to enjoy through Sen. Landrieu's amendment to ACA. The state's disaster-recovery Federal Medical Assistance Percentage (FMAP) rate was cut from 71.92 percent to a projected 65.51 percent. For Fiscal Year 2013, the decrease equates to a total impact of approximately $859.2 million, which equates to approximately $287.1 million in state general funds (SGF). Of that, the LSU Health System is responsible for eliminating $126.9 million SGF from its budget, which amounts to a total reduction of $329.2 million when federal funds are considered. HCSD identified funds that can be used of offset the need for state funds for DHH that can be used to draw federal matching funds. In October the LSU Board of Supervisors adopted a plan for the LSU health system to deal with the budget cuts required by DHH. HCSD is in the process of establishing partnership agreement with private hospitals that will help offset some of the cuts that are occurring at the hospitals.

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU - Health Care Services Division**

	Operating Budget 2012-13	Actual Amount for each Quarter: 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
Revenues							
General Fund	29,261,831	29,261,831	0			29,261,831	100.0%
Statutory Dedications	35,000,000		0			0	0.0%
Interim Emergency Board	0					0	
Interagency Transfers	548,393,931	14,579,097	146,471,915			161,051,012	29.4%
Interagency Transfers - Federal Stimulus	0		0			0	
Self Generated Revenues	128,516,746	119,790,699	29,552,359			149,343,058	116.2%
Federal Funds	84,347,612	15,945,847	21,030,744			36,976,591	43.8%
TOTAL	**825,520,120**	**179,577,474**	**197,055,018**	**0**	**0**	**376,632,492**	45.6%
Expenditures by Category							
Salaries	285,845,399	67,742,012	72,972,265			140,714,277	**49.2%**
Other Compensation	0	0	8,788,988			8,788,988	
Related Benefits	115,388,061	26,053,293	29,002,206			55,055,499	**47.7%**
Total Personal Services	**401,233,460**	**93,795,305**	**110,763,459**	**0**	**0**	**204,558,764**	**51.0%**
Travel	207,136	27,726	37,398			65,124	**31.4%**
Operating Services	78,833,037	13,895,532	15,497,395			29,392,927	**37.3%**
Supplies	104,582,381	25,620,540	30,083,982			55,704,522	**53.3%**
Total Operating Expenses	**183,622,554**	**39,543,798**	**45,618,775**	**0**	**0**	**85,162,573**	**46.4%**
Professional Services	45,290,677	4,009,597	10,527,043			14,536,640	**32.1%**
Other Charges	193,663,468	4,464,853	26,069,392			30,534,245	**15.8%**
Debt Services	0	0				0	
Interagency Transfers	0	0				0	
Total Other Charges	**238,954,145**	**8,474,450**	**36,596,435**	**0**	**0**	**45,070,885**	**18.9%**
General Acquisitions	1,459,961	56,291	108,176			164,467	**11.3%**
Library Acquisitions	0					0	
Major Repairs	250,000					0	**0.0%**
Total Acquisitions and Major Repairs	**1,709,961**	**56,291**	**108,176**	**0**	**0**	**164,467**	**9.6%**
TOTAL	**825,520,120**	**141,869,844**	**193,086,845**	**0**	**0**	**334,956,689**	**40.6%**

Overview of Unrestricted Revenues and Expenditures

Campus: **LSU - Health Care Services Division**

	Operating Budget 2012-13	Actual Amount for each Quarter 1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	Cumulative Total 2012-13	% Actual to Budget 2012-13
by Function							
Instruction	0					0	
Research	0					0	
Public Service	0					0	
Academic Support (Includes Library)	0					0	
Academic Expenditures Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	
Student Services	0					0	
Institutional Support	0					0	
Scholarships/Fellowships	0					0	
Plant Operations/Maintenance	0					0	
Hospital	825,520,120	141,869,844	193,086,845			334,956,689	40.6%
Transfers out of agency	0					0	
Athletics	0					0	
Other	0					0	
Non-Academic Expenditures Subtotal	**825,520,120**	**141,869,844**	**193,086,845**	**0**	**0**	**334,956,689**	**40.6%**
TOTAL	**825,520,120**	**141,869,844**	**193,086,845**	**0**	**0**	**334,956,689**	**40.6%**

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

Overview of Restricted Funds

Campus: LSU - Health Care Services Division

	Estimated Revenues & Transfers	Actual Revenues/Transfers for each Quarter				Cumulative Revenues & Transfers	% Collected
	2012-13	1st Quarter 2012-13	2nd Quarter 2012-13	3rd Quarter 2012-13	4th Quarter 2012-13	2012-13	2012-13
State Appropriations						0	
Restricted Fees						0	
Sales and Services of Educational Activities						0	
Auxiliaries (List)							
1						0	
Endowment Income						0	
Grants and Contracts							
Federal						0	
State and Local						0	
Private						0	
Indirect Cost Recovered						0	
Gifts						0	
Federal Funds						0	
Hospitals							
All Other Sources	95,000,000	586,680	4,138,654			4,725,334	5.0%
TOTAL	**95,000,000**	**586,680**	**4,138,654**	**0**	**0**	**4,725,334**	5.0%

Report on Restricted Budget

HCSD received $4.4M in grants and sponsored projects and $326,000 in FEMA revenue.

Overview of Restricted Operations

Campus: LSU - Health Care Services Division

Show Expenditures As Positive		Actual Amount for each Quarter											
		1st Quarter			2nd Quarter			3rd Quarter			4th Quarter		
	Acct/Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13	Revenues 2012-13	Expenses, Transfers, & ICR 2012-13	Fund Balance 2012-13
Revenues													
Restricted State Appropriations		0		0	0		0	0		0	0		0
Restricted Fees		0		0	0		0	0		0	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0	0		0	0		0
Auxiliaries (List)													
Endowment Income		0		0	0		0	0		0	0		0
Grants and Contracts													
Federal		0		0	0		0	0		0	0		0
State and Local		0		0	0		0	0		0	0		0
Private		0		0	0		0	0		0	0		0
Indirect Cost Recovered		0		0	0		0	0		0	0		0
Gifts		0		0	0		0	0		0	0		0
Federal Funds		0		0	0		0	0		0	0		0
Hospitals													
All Other Sources	122,076,083	586,680	3,743,205	118,919,558	4,138,654	6,219,468	116,838,744	0		116,838,744	0		116,838,744
TOTAL	**122,076,083**	**586,680**	**3,743,205**	**118,919,558**	**4,138,654**	**6,219,468**	**116,838,744**	**0**	**0**	**116,838,744**	**0**	**0**	**116,838,744**

Report on Restricted Operations

2nd quarter: HCSD received $4.4M in grants and sponsored projects and $326,000 in FEMA revenue and spent $3.4 M in Other Charges and $1.3M in Supplies and $1.5M in Operating Services.

Attachment I - February 1, 2013 Meeting

System: Louisiana State University System
Initial Approved By the Interim President - Subject to BOR Approval
January 2012

Proposed Additional GRAD Act Measures and Year 3-6 Targets

Element Reference				Measure		Baseline Year/Term Data to include	Year 3 Benchmark	Year 4 Benchmark	Year 5 Benchmark	Year 6 Target
1. Student Success										
a.	i.b.	**LSU Eunice**	Targeted	1st to 2nd Year Retention Rate (all degree seeking)		Fall 08 to Fall 09	**47.3%**	**47.5%**	**47.7%**	**47.9%**
					Actual Baseline Data:	# in Fall 08 cohort				
						# retained to Fall 09				
a.	vii.	**LSU A&M**	Targeted	Statewide Graduation Rate		Fall 2002 Cohort	**67.5%**	**68.0%**	**68.5%**	**69.0%**
					Actual Baseline Data:	# of Fall 02 FTF (cohort)				
						completers <=150% of time				
d.	i.b.	**LSU S**	Targeted	Passage rate on licensure exam in Education		2007-08 AY	**100.0%**	**100.0%**	**100.0%**	**100.0%**
					Actual Baseline Data:	# of students taking PRAXIS				
						# who met standards for passage				
d.	i.b.	**LSU A**	Targeted	Passage rate on licensure exam in Education		2007-08 AY	**100.0%**	**100.0%**	**100.0%**	**100.0%**
					Actual Baseline Data:	# of students taking PRAXIS				
						# who met standards for passage				
d.	i.d.	**LSU Eunice**	Targeted	Passage rate on licensure exam in Nursing (RN)		2008 Calendar YR	**91.2%**	**91.2%**	**91.2%**	**91.2%**
					Actual Baseline Data:	# of students taking NCLEX				
						# who met standards for passage				
2. Articulation & Transfer										
a.	i.a.	**LSU A&M**	Targeted	1st to 2nd Year Retention Rate of Transfer Students		2008-09 AY to Fall 09	**80.1%**	**80.3%**	**80.5%**	**81.0%**
					Actual Baseline Data:	# in AY 08-09 Cohort				
						# retained to Fall 09				
a.	i.a.	**LSU A**	Targeted	1st to 2nd Year Retention Rate of Transfer Students		2008-09 AY to Fall 09	**55.6%**	**55.6%**	**55.8%**	**56.0%**
					Actual Baseline Data:	# in AY 08-09 Cohort				
						# retained to Fall 09				
a.	1.b.	**LSU S**	Targeted	1st to 2nd Year Retention Rate of Transfer Students (full time, bacc, soph)		2008-09 AY to Fall 09	**64.0%**	**64.2%**	**64.5%**	**65.0%**
					Actual Baseline Data:	# in AY 08-09 Cohort				
						# retained to Fall 09				
d.	i.	**LSU E**	Targeted	Number if students enrolled in a transfer degree program		2008-09 AY	**48**	**50**	**52**	**54**
3. Workforce & Economic Development										
b.	ii.	**LSU E**	Targeted	# of students enrolled in courses w/ 50% -99% distance ed		2008-09 AY	**0**	**0**	**0**	**0**
			Targeted	# of students enrolled in courses w/ 100% distance ed		2008-09 AY	**2,087**	**2,100**	**2,125**	**2,150**
b	ii.	**LSU A&M**	Targeted	# of students enrolled in courses w/ 50% -99% distance ed		2008-09 AY	**480**	**500**	**525**	**550**
			Targeted	# of students enrolled in courses w/ 100% distance ed		2008-09 AY	**3,088**	**3,100**	**3,125**	**3,160**
b	ii.	**LSU A**	Targeted	# of students enrolled in courses w/ 50% -99% distance ed		2008-09 AY	**1,080**	**1,100**	**1,115**	**1,130**
			Targeted	# of students enrolled in courses w/ 100% distance ed		2008-09 AY	**1,180**	**1,210**	**1,225**	**1,240**
b.	iii.	**LSU S**	Targeted	# of programs offered through 100% distance education		January 1, 2013	**2**	**2**	**3**	**3**
c.	iii. b.	**LSU A&M**	Targeted	Dollar amt research & development expenditures per research faculty		2004-2009 FYs	**131,000**	**132,000**	**133,000**	**131,000**
c.	vi.	**HSC S**	Targeted	Direct federal research grants and contracts (recorded)		Percentile of ranking within peer group	**50th**	**50th**	**50th**	**50th**
c.	vi.	**HSC NO**	Targeted	Direct federal research grants and contracts (recorded)		Percentile of ranking within peer group	**33rd**	**33rd**	**33rd**	**33rd**
4. Institutional Efficiency & Accountability										
d.	i.	**LSU E**	Targeted	Percent of eligible programs that are discipline accredited		January 1, 2013	**57.0%**	**57.0%**	**57.0%**	**57.0%**
					Actual Baseline Data:	# programs				
						# discipline accredited				
d	i.	**LSU A&M**	Targeted	Percent of eligible programs that are discipline accredited		January 1, 2013	**89.0%**	**89.0%**	**90.0%**	**90.0%**
					Actual Baseline Data:	# programs				
						# discipline accredited				
d	i.	**LSU A**	Targeted	Percent of eligible programs that are discipline accredited		January 1, 2013	**60.0%**	**60.0%**	**70.0%**	**80.0%**
					Actual Baseline Data:	# programs				
						# discipline accredited				
d.	i.	**LSU S**	Targeted	Percent of eligible programs that are discipline accredited		January 1, 2013	**76.0%**	**76.0%**	**76.0%**	**76.0%**
					Actual Baseline Data:	# programs				
						# discipline accredited				

**** A margin of error will be allowed for annual benchmarks and 6-year targets in the Annual Review**

Consent Agenda for Academic and Student Affairs
Achievement and Distinction Committee
February 1, 2013

1. Request approval of a Letter of Intent for a Master of Arts in History at LSU Shreveport

2. Request approval of an Inter-Institutional and License Agreement for Intellectual Property Management between LSU A&M and Portland State University

Office of Academic Affairs Consent Agenda

REQUEST APPROVAL OF A LETTER OF INTENT FOR A MASTER OF ARTS IN HISTORY AT LSU SHREVEPORT

1. Significant Board Matter

This matter is a significant board matter pursuant to the following provisions of Article VII, Section 8 of the Bylaws:

D.1. 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.

2. Summary of Matter

LSU Shreveport is requesting approval of a Letter of Intent for a Master of Arts in History. The primary objective of this program is to provide graduate education in history to those individuals in the Ark-La-Tex region who desire a graduate degree but who cannot participate in a program that requires significant travel. The proposed program will incorporate traditional topics on the history of America, Europe, the military and the region, as well as foreign relations, institutional and social history.

Need. The establishment of a MA in History at LSUS will target three primary underserved populations: (a) place-bound students wishing to pursue Master of Arts-level training and/or to enroll eventually in doctoral programs; (b) teachers in the Caddo, Bossier, and surrounding parish school districts desiring the opportunity to pursue a research-based Master of Arts degree; and (c) resident professionals needing a highly-skilled Master of Arts degree for public fields like the military, local, regional, and state employees; as well as workers in the fields of Homeland Security and disaster preparedness.

The MA in History will fill a crucial regional need for a career-enhancing program for military and civilian personnel at Barksdale Air Force Base and the Cyber Innovations Center. The military's keen emphasis on education in graduate studies for advancement of rank and promotion, particularly beyond the rank of major, makes it imperative that the officers who serve at Barksdale have an opportunity to continue their education. Since most officers have a three-year rotation before being transferred from Barksdale, the MA in History degree will be designed for completion in two years.

Classes will be offered at multiple times and through multiple avenues: at night and in the morning, on weekends and intersession between semesters, and online. The online component of the program will contain sufficient flexibility to allow personnel to complete the degree if they are redeployed to another location.

Students will be recruited from teachers in local and area school systems needing masters-level education to enhance teaching credentials; persons working in business and governmental agencies desiring graduate training to attain higher level administrative and management

positions; and recent graduates especially in history, education, political science, sociology, and general studies desiring graduate training.

The Bachelor in Arts in History at LSUS has traditionally been a popular degree. During the Fall Semester of 2012, the Department of History and Social Sciences recorded 66 students pursuing either a history major or a double major that included history. Of these, there were 32 seniors. Over the past ten years, the department averaged nine graduates per year. The student population over the past three academic years has increased above this average. Table 1 details the graduates from LSUS for the last three years from the disciplines most likely to contribute students to the Master of Arts in History program.

Table 1.

	2010-11	2009-10	2008-09
History	16	11	14
Social Studies Education	4	5	4
General Studies	99	87	94
Political Science	4	9	8
Sociology	9	6	7
Total	132	127	118

History majors and social science education majors from LSUS will form the core of students in the MA in History program. Table 1 illustrates that these two disciplines will provide between 16 and 20 students each year. In addition, history and social science secondary education majors graduating from neighboring universities will also be likely candidates. The two largest pools of potential candidates come from regional school systems, particularly Caddo Parish and Bossier Parish school systems, and military and civilian personnel from Barksdale Air Force Base and Global Strike Command, both located in adjacent Bossier Parish.

LSUS has also partnered with the Louisiana Endowment of the Humanities (LEH) to host National Endowment of the Humanities Teaching American History (TAH) grants for several years. The fifth term of these summer institutes was offered in June 2012. The professors, Dr. William Pederson and Dr. Gary Joiner, polled their respective groups of certified history teachers from the Caddo Parish and Bossier Parish school systems to determine interest in participating in a Master of Arts in History program at LSU in Shreveport. The responses were positive in nine of 21 (42.8%) in Dr. Pederson's class and nine of 22 (40.9%) in Dr. Joiner's class. This highly motivated cohort in a setting which approximates the Master of Arts in History program provides validation supporting this proposed offering.

A conservative estimate of the enrollment and graduates is provided in the table below.

Table 2. Projected enrollment and number of graduates in the proposed program for the first five years.

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Enrollment	10	12	14	14	14
Graduates	0	0	8	8	10

3. Fiscal Note
LSUS affirms that the current funding of the Department of History and Social Sciences is adequate to support the projected growth rate in the MA program for the first three years. The Department of History and Social Sciences currently employs four full-time historians in its survey sections. For graduate students needing financial assistance, graduate assistantships will be available to some of the students, and grant support from research grants obtained by departmental faculty will be used to support others. The cost of new laboratory equipment and supplies will be met from research and equipment grants, and contracts with private industries and State and Federal agencies. Library holdings and subscriptions will be enhanced by using allotted Department of History and Social Sciences and College of Arts and Sciences library funds.

4. Review of Documents
The Letter of Intent for the MA in History has been reviewed and approved by appropriate campus faculty and administrative offices and the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. paragraph C, Article VII, Section 8.
Appropriate certifications were provided by the Chancellor.

Recommendation
It is recommended that the LSU Board of Supervisors adopt the following resolution:

"**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the Letter of Intent for a Master of Arts in History at LSU Shreveport, subject to approval by the Board of Regents."

Office of Academic Affairs Consent Agenda

REQUEST APPROVAL OF AN INTER-INSTITUTIONAL AND LICENSE AGREEMENT FOR INTELLECTUAL PROPERTY MANAGEMENT BETWEEN LSU A&M AND PORTLAND STATE UNIVERSITY

To: Members of the Board of Supervisors

Date: February 22, 2013

Re: Inter-Institutional and License Agreement and Intellectual Property Management Agreement between Portland State University and LSU A&M

1. Significant Board Matter
Pursuant to Article VII, Section 8, D.3 (a) and (b), this matter is a Significant Board Matter.

D.3 (a) Final agreements relating to the purchase, sale, assignment, or licensing of any intellectual property rights, including patents, copyrights, and trademarks.

D.3 (b) Final agreements relating to the joint venture, use, purchase, sale, assignment or licensing of any invention, device, formula, system, process or such similar things, as well as any agreements relating to the granting of royalties or profit participation to any current or past employee.

2. Summary of Matter
During their LSU employment, Dr. Robert Strongin and Jorge Escobedo-Cordova invented certain methods and reagents for rapid and inexpensive detection of homocysteine and cysteine in the blood. High levels of homocysteine have been implicated as increased risk factors for Alzheimer's and cardiovascular disease. Cysteine deficiency has been associated with conditions such as slow growth, hair depigmentation, edema, lethargy, liver damage, and muscle and fat loss. LSU filed and owns patent rights covering these discoveries.

Dr. Strongin and Jorge Escobedo-Cordova left LSU and are now employees of Portland State University (PSU). They have invented new, related technologies which are owned solely by PSU and which have been licensed by PSU to a commercial partner to develop diagnostic tests and assays. PSU desires to amend its license to include the LSU owned technology to allow for commercialization of the complete suite of patents.

Under the proposed Inter-Institutional and License Agreement, LSU will grant PSU the right to sublicense LSU's technology and in return, PSU will share revenue with LSU and reimburse LSU's out of pocket patent expenses. Any sublicensee will indemnify LSU and name LSU as an additional insured.

3. Review of Business Plan
Not applicable.

4. Review of Related Documents
A complete packet of documents, including the license and the proposed amendment, is on file in the Office of Academic Affairs.

5. Certification of campus (or equivalent) re: Article VII, Section 8, paragraph E.8
The campuses have certified they are not aware of any potential conflicts of interest pertaining to this transaction.

RECOMMENDATION:
It is recommended that the LSU Board of Supervisors adopt the following recommendation:

"**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Interim President William L. Jenkins, or his designee, to execute all documents necessary to perfect the Inter-Institutional and License Agreement and Intellectual Property Management Agreement with Portland State University granting Portland State University an exclusive license to use the patents, the license agreement to contain such terms and conditions as the Interim President deems to be in the best interests of the University, in a form approved by the Board's General Counsel.

BE IT FURTHER RESOLVED that the Interim President of the LSU System is authorized by the Board to enter into any related or ancillary agreements, contemporaneously or subsequently, that the Interim President deems to be in the best interests of the University after review by appropriate System staff.