

REVISED

AGENDA

LSU BOARD OF SUPERVISORS MEETING

1:00pm

THURSDAY, JANUARY 29, 2015

Board Development Meeting

LSU Ag Center, Red River Research Station
Bossier City, Louisiana

Friday, January 30, 2015

LSU Health Sciences Center Shreveport
Zadeck Conference Center (Room G-221)
Shreveport, Louisiana

9:00 A.M.

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/>

A. ATHLETIC COMMITTEE

Mr. Blake Chatelain, Chairman

1. Request by LSU A&M to approve the following athletic contracts:
 - a. Robert K. Steele, Football Defensive Coordinator
 - b. Edward J. Orgeron, Jr., Football Assistant Coach

**B. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT
AND DISTINCTION COMMITTEE**

Mr. James Moore, Chairman

1. Progress on LSU Shreveport Commitment Plan
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**C. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Scott Ballard, Chairman

1. Request from LSU A&M to (i) authorize the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") to proceed with the issuance of its auxiliary revenue and refunding bonds in an amount not exceeding \$175,000,000 in one or more series (the "bonds") on behalf of Louisiana State University and Agricultural and Mechanical College ("LSU A&M" or the "University") and to (ii) authorize LSU A&M, on behalf of the Board, to make application to the Louisiana State Bond Commission for approval of the issuance of the bonds.
 2. Request from LSU A&M to authorize the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") to enter into a Cooperative Endeavor Agreement between the Board and Shorelight Education, LLC and Shorelight-Tiger, LLC on behalf of LSU A&M for the purposes of expanding international recruiting.
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C. AUDIT COMMITTEE

Mr. Stanley Jacobs, Chairman

The Audit Committee will meet in the Room 1-209, Chancellor's Conference Room in the LSU Health Sciences Center Shreveport School of Medicine 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

Friday, January 30, 2015
Following Committee Meetings

Ms. Ann Duplessis, Chair

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 12, 2014
4. Personnel Actions Requiring Board Approval
5. Reports from the Council of Faculty Advisors
6. President's Report
7. Reports to the Board
 - A. FY 2015 1st Quarter Audit Summary
 - B. FY 2014-2015 2nd Quarter Consolidated Investment Report (Written Report Only)-Available on LSU System Website
 - C. FY 2014-2015 Semi-Annual Consolidated Financial Report (Written Report Only)-Available on LSU System Website
 - D. FY 2014-2015 2nd Quarter LSU First Financial Report (Written Report Only)
8. Approval of Consent Agenda Items
 - A. Recommendation to Approve Assignment of Undivided Working Interests by Pennington Oil & Gas Interests, L.L.C. to ten Assignees
 - B. Request approval from LSUHSC-NO for the reauthorization of the Stanley S. Scott Cancer Center of Excellence
 - C. Request approval to establish the Charles V. Sanders, M.D., Endowed Chair of Medicine at the LSU Health Sciences Center School of Medicine in New Orleans based on a donation of \$600,000

- D. Request approval from LSUHSC-NO to establish the following Endowed Professorships:
- Based on donations of \$60,000:
1. The Dominick D. and Wilhelmina L. Aiena Professorship in Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans
 2. The Viola M. and Charles L. Lacoste, Sr. Professorship in Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans
 3. The Donald Edward Texada, M.D. Professorship of Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans
- Based on donation of \$120,000:
4. The Emeril J. Lagasse, III Professorship for Child and Adolescent Psychiatry at the LSU Health Sciences Center School of Medicine in New Orleans
- E. Request approval from the Paul M. Hebert Law Center to establish the Ben R. Miller, Jr. (Memorial) Endowed Professorship based on a donation of \$100,000
- F. Request conditional approval from LSU A&M to establish the Transformational Technologies and Cyber Research Center
- G. Request approval from LSU A&M to establish a Graduate Certificate in Fisheries Science and Assessment
- H. Request approval from LSU A&M to establish a Graduate Certificate in Geographic Information Science
- I. Request approval from LSU A&M to establish a Graduate Certificate in School Librarianship
- J. Request approval from LSU A&M to establish a Graduate Certificate in Workforce Development

9. Committee Reports

A. ATHLETIC COMMITTEE

Mr. Blake Chatelain, Chairman

B. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE

Mr. James Moore, Chairman

C. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE

Mr. Scott Ballard, Chairman

10. Recommendation to approve Honorary Doctorate Degree
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MINUTES

REGULAR BOARD MEETING

December 12, 2014

1. Call to Order and Roll Call

Mrs. Ann D. Duplessis, Chair, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the University Administration Building, Baton Rouge, Louisiana, on December 12, 2014 at 1:30 pm.

The secretary called the roll.

PRESENT

Mrs. Ann D. Duplessis Chair	Mr. Raymond J. Lasseigne Chairman-Elect
Mr. Ronnie R. Anderson	Mr. Scott Angelle
Mr. R. Blake Chatelain	Mr. Garret "Hank" Danos
Mr. Stanley J. Jacobs	Mr. Jack E. Lawton, Jr.
Mr. Rolfe McCollister	Mr. Jim McCreery
Mr. James W. Moore, Jr.	Mr. Stephen Perry
Mr. Robert "Bobby" Yarborough	Mr. Brandon Crain

ABSENT

Mr. Scott Ballard	Mr. Lee Mallett
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Also present for the meeting were the following: Dr. F. King Alexander, President and Chancellor; LSU System, Mr. Shelby McKenzie, Lead Counsel, LSU System officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comments

There were no public comments at the Board Meeting.

2. Invocation and Pledge of Allegiance

Chair Duplessis recognized Dr. Will Cefalu, Executive Director Pennington Biomedical Research whose campus was represented at the meeting. Dr. Cefalu introduced two junior faculty members who will address the board.

Dr. Ursula White gave the invocation and the Pledge of Allegiance was led by Dr. Amanda Staiano.

3. Approval of the Minutes of the Board Meeting held on October 24, 2014

Upon motion of Mr. Chatelain, seconded by Mr. Danos the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on October 24, 2014, in Baton Rouge, Louisiana.

4. President's Report

Dr. F. King Alexander, President, LSU System recognized:

Dr. Alkis Tsolakis, Dean LSU Art and Design College;

Dr. Stuart Bell, Executive Vice Chancellor and Provost LSU A&M;

Dr. Jack Weiss, Chancellor LSU Paul Hebert Law Center;

Dr. Larry Clark, Chancellor LSU Shreveport;

Dr. Bob Barish, Chancellor LSU Health Sciences Center Shreveport;

Dr. Frank Opelka, Executive Vice President for Health Care & Medical Education Redesign;

Mr. Cliff Vannoy, President and CEO LSU Alumni Association;

Dr. Will Cefalu, Executive Director Pennington Biomedical Research Center;

Each provided recent activities, awards and contributions regarding their respective campuses.

Dr. Alexander called on Board Member, Mr. Stephen Perry to read a resolution to the Board on Dr. George Bray's upcoming retirement from Pennington Biomedical Research Center.

NOW, THEREFORE, BE IT RESOLVED that on this 12th day of December, 2014, the Board of Supervisors of the Louisiana State University System, is pleased to commend Dr. George A. Bray for all of his accomplishments, congratulate him on his upcoming retirement, and thank him for his numerous contributions to Pennington Biomedical Research Center, Louisiana State University System, and the field of nutrition and obesity research as a whole.

On behalf of the University, Mr. Perry offers this resolution to the board for adoption. Upon a motion by Mr. McCollister, seconded by Mr. Lasseigne, the Board voted to unanimously to approve the resolution. **(Copy of the Resolution is on file in the office of the LSU Board of Supervisors)**

5. Personnel Actions Requiring Board Approval

Mr. Shelby McKenzie, Lead Counsel, LSU System, advised that Board action is requested for approval of the Personal Actions. Mr. McKenzie stated the executive staff has reviewed these actions and recommends Board approval.

Upon motion of Mr. Chatelain, seconded by Mr. Yarborough, the Board voted unanimously to approve the Personnel Actions as presented. **(Copy of Personnel Actions on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

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

Dr. Kevin Cope, President of the LSU Faculty Senate and Mrs. Gena Doucet, Council of Staff Advisors furnished informational reports.

7. Reports to the Board

Upon motion by Mr. Lasseigne, and seconded by Mr. Chatelain, the Board voted unanimously to accept the following reports.

7A. FY 2014 4th Quarter Audit Summary

7B. FY 2014 Office of Internal Audit Annual Report

8. Approval of Consent Agenda Items

Chair Duplessis offered the following recommendation:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the Consent Agenda items as submitted.

A motion was made by Mr. Chatelain and seconded by Mr. Anderson to approve the Consent Agenda as well as the committee resolutions which were unanimously approved by the committees. The Board voted unanimously to approve the Consent Agenda and all committee resolutions.

8A. Request approval of degrees to be conferred at the Fall 2014 commencement exercises

Resolution for approval of degrees to be conferred on candidates meeting degree requirements for graduation at commencement exercises on campuses of the LSU System (December 18, 19, 21, 2014).

LSU	December 19, 2014 (Diploma Ceremonies List Attached)
LSU at Alexandria	December 18, 2014 10:00 am Alexandria Riverfront Center
LSU at Eunice	December 19, 2014 3:00 p.m. Health and Physical Education Building
LSU Health Sciences Center in New Orleans.....	Conferring of Degrees Only, No Ceremony
LSU Health Sciences Center in Shreveport	No Commencement
LSU in Shreveport	December 21, 2014 2:00 p.m. CenturyLink Center

LSU School of Veterinary Medicine	December 19, 2014 (Diploma Ceremonies List Attached)
Paul M. Hebert Law Center.....	Conferring of Degrees Only, No Ceremony

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the degrees to be conferred on candidates meeting degree requirements for graduation at commencement exercises on campuses of the LSU System on (December 18, 19, 21, 2014).

- 8B. Request approval from LSU A&M to name the LSU Honors College the “Roger Hadfield Ogden Honors College”

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to name the LSU Honors College the "Roger Hadfield Ogden Honors College.

- 8C. Request from LSU A&M for full approval of the Institute for Advanced Materials

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M for full approval of the Institute for Advanced Materials, subject to approval by the Louisiana Board of Regents.

- 8D. Request approval from LSU A&M to establish the Master of Digital Media Arts & Engineering

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the Master of Digital Media Arts and Engineering at LSU A&M, subject to approval by the Board of Regents.

- 8E. Request approval from LSU Health Sciences Center in New Orleans for reauthorization of the Neuroscience Center of Excellence

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College recommends reauthorization of the Neuroscience Center of Excellence at Louisiana State University Health Sciences Center in New Orleans for an additional five-year period, subject to approval by the Louisiana Board of Regents.

- 8F. Request approval from LSU A&M to establish a Graduate Certificate Program in Behavior and Health

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M for the establishment of a Graduate Certificate Program in Behavior and Health, subject to approval by the Board of Regents.

8G. Request approval from LSU A&M to establish a Graduate Certificate in Life Span Studies

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M to establish a Graduate Certificate in Life Span Studies, subject to approval by the Board of Regents.

8H. Request approval from LSU A&M to establish a Graduate Certificate Program in Mathematics for Advanced Secondary Instruction

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M to establish a Graduate Certificate Program in Mathematics for Advanced Secondary Instruction, subject to approval by the Board of Regents.

8I. Request approval from LSU A&M to establish a Graduate Certificate Program in Econometrics

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M for the establishment of a Graduate Certificate Program in Econometrics, subject to approval by the Board of Regents.

8J. Request approval from LSU A&M to establish the Freeport-McMoRan Endowed Chair in Economics #2 in the E. J. Ourso College of Business based on a donation of \$600,000

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the Freeport-McMoRan Endowed Chair in Economics #2 in the E. J. Ourso College of Business at Louisiana State University A&M, and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Chair.

8K. Request approval from LSUA to establish the Howard and Eloise Mulder Endowed Chair in the Arts, Department of Arts, English and Humanities based on a donation of \$600,000

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the Howard and Eloise Mulder Endowed Chair in the Arts, Department of Arts, English and Humanities at Louisiana State University in Alexandria, and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Chair.

8L. Request approval from LSUA to establish the following Endowed Professorships based on donations of \$60,000:

- Capital One Endowed Professorship in Business
- Howard and Eloise Mulder Endowed Professorship #2
- Howard and Eloise Mulder Endowed Professorship #3

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the above named professorships at LSU Alexandria, and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Professorships.

8M. Request approval from LSUA to establish the following Scholarships based on donations of \$60,000:

- Howard and Eloise Mulder Endowed Scholarship #1 for First Generation College Students
- Howard and Eloise Mulder Endowed Scholarship #2 for First Generation College Students
- Howard and Eloise Mulder Endowed Scholarship #3 for First Generation College Students
- Howard and Eloise Mulder Endowed Scholarship #4 for First Generation College Students
- Howard and Eloise Mulder Endowed Scholarship #5 for First Generation College Students

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the above mentioned Scholarships for First Generation College Students at LSU Alexandria; and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named endowed scholarships.

8N. Request from LSU A&M to approve a Revised Servitude Agreement with John and Frances Monroe

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, or his designee, to execute a Bridge Agreement and Ratification of Servitude of Passage with John and Frances Monroe, containing such terms and conditions as he deems to be in the best interests of LSU.

80. Authorization for the LSU President and Chancellor to approve football post- season additional compensation in accordance with existing Board Policy or Coaches' Contracts

WHEREAS, the LSU President and Chancellor recommends that the Board authorize the President to approve additional compensation for Athletics Department personnel in accordance with the Provisions for Additional Compensation for Coaches and Athletics Department Staff that was approved by the Board on March 16, 2012 or contract provisions included in the head coach and assistant coaches contracts.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes Dr. F. King Alexander, LSU President and Chancellor, or his designee, to approve the applicable additional compensation for the post season football game in accordance with the Provisions for Additional Compensation for Coaches and Athletics Department Staff previously approved by the Board on March 16, 2012 or contract provisions included in the head coach and assistant coaches contracts (**Copy of the policy and contracts are on file in the Board of Supervisors Office**).

9. Committee Reports

9A. Athletic Committee

Mr. Chatelain, Chairman of the Athletic Committee, reported that the Committee received one (1) recommendation for consideration for Board approval and one (1) report. It is the recommendation of the Committee that the recommendation receive Board approval.

9A1. Request by LSU A&M to amend Schedule B-2 of the LSU Athletics Ticket, Parking, and Tradition Fund Policy

WHEREAS, Louisiana State University maintains a comprehensive policy for tickets, parking, and the tradition fund for athletic events, known as the Athletics Ticket, Parking, and Tradition Fund Policy, also included is the;

WHEREAS, the President & Chancellor has recommended this alteration to the Athletics Ticket, Parking, and Tradition Fund Policy;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that it hereby approves to amend this schedule included in the Athletics Ticket, Parking, and Tradition Fund Policy.

9A2. Report on NCAA litigation

NOTICE: The LSU Board of Supervisors and its Athletic Committee may go into executive session pursuant to La. R.S.42:17(A)(2) to discuss the following matters that are currently in litigation involving or having the potential to impact LSU:

1. O'Bannon v. NCAA, et al., No. C09-3329CW (N.D. Cal.)
2. Keller v. NCAA, et al., No. 09-cv-1967 CW (N.D. Cal.)
3. Jenkins v. NCAA, et al., No. 14-cv-02758-CW (N.D. Cal.)
4. Northwestern University (Employer) and College Athletes Players Association (Petitioner), Case 13-RC-121359 (NLRB Region 13)
5. Sackos v. NCAA, et al., No. 1:14-cv-01710-WTL-MJD (S.D. Ind.)
6. In Re NCAA Student-Athlete Concussion Injury Litigation, MDL No. 2492, No. 1:13-cv-09116
7. Minnis v. Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, et al., No. 3:13-cv-00005 (M.D. La.)

Mr. Chatelain given proper notice asked for a motion to go into executive session to consider the legal nature of the lawsuits listed above with LSU's legal attorney. All board members were asked to attend.

A motion was made by Mr. Moore, seconded by Mr. Lasseigne to go into Executive Session in the President's conference room.

After the Executive Session, Mr. Chatelain said that concluded the business of the Athletic Committee.

9B. Research and Economic Development Committee

Mr. McCrery, Chairman of the Research and Economic Development Committee, reported that the Committee received one (1) recommendation for consideration for Board approval and one (1) report. It is the recommendation of the Committee that the recommendation receive Board approval.

9B1. Presentation on Commercialization & Technology Transfer Activities at LSU Campuses and Recommendation to provide additional support for the LSU LIFT2 fund

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the immediate transfer of funds from the restricted account within the Office of the President entitled "Technology Transfer - President's Office" to the restricted account within the Office of the President entitled "LSU Leveraging Innovation for Technology Transfer Fund" (known as the LIFT2 Fund) in the amount of \$2 million dollars, to further support proof-of-concept grants which assist in the commercial development and licensing of inventions developed at all LSU institutions.

9C. Property and Facilities Committee

Mr. McCollister, Chairman of the Property and Facilities Committee, reported that the Committee received five (5) recommendation for consideration for Board approval and one (1) report. It is the recommendation of the Committee that the recommendation receive Board approval.

9C1. Recommendation to Approve the Schematic Design for the LSU Kappa Sigma Fraternity House

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the LSU Kappa Sigma Fraternity House is in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the University Architect, or his designee.

9C2. Recommendation to Approve the Schematic Design of the LSU Tiger Athletic Nutrition Center

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the Tiger Athletic Nutrition Center is in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the University Architect or his designee.

9C3. Recommendation to Approve the Lease Agreement for Construction of the LSU Tiger Athletic Nutrition Center

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, to execute a Lease Agreement between the Board and Tiger Athletic Foundation, for construction of the proposed LSU Athletics Nutrition Center and any additional related agreements as may be reasonably necessary to facilitate the design and construction of this project;

BE IT FURTHER RESOLVED that the Board, pursuant to the Uniform Affiliation Agreement between it and the Tiger Athletic Foundation, finds an acceptable University purpose for Tiger Athletic Foundation to enter into this Lease Agreement, and any related or ancillary contracts and agreements reasonably necessary for the design and construction of the LSU Athletics Nutrition Center; and

BE IT FURTHER RESOLVED that F. King Alexander, in his capacity as President of LSU, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, to include in the Lease Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

- 9C4. Recommendation to amend the 2015 Capital Outlay Budget Request to include projects at the Louisiana State University Agricultural Center
- AgCenter, Food Innovation Center
 - AgCenter, Plant Pathology Teaching Laboratory Renovations

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College that the 2015-2016 Capital Outlay 5-Year Plan and First Year Prioritized Categories for the Louisiana State University System be amended to include the below listed projects:

LSU Agricultural Center
FY 15-16 Food Innovation Center- Phase 1 Category- Self Generated I Revenue Bond Projects
\$3,500,000 - Revenue Bonds

LSU Agricultural Center
Plant Pathology Teaching Laboratory Renovation
Category- New Projects
\$332,000 - General Obligation Bonds and Fees/Self-Gen. Revenue

- 9C5. Recommendation to approve Pipeline Right of Way and Surface Easement for LSU A&M with Texas Edwards d/b/a Kriti TE Energy in Terrebonne Parish

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that F. King Alexander, President of the LSU System, or his designee, is authorized and empowered for and on behalf of the Board of Supervisors to execute the Pipeline Right-of-Way and Surface Easement with Texas Edwards, Inc. d/b/a Kriti TE Energy, Inc. to construct a pipeline for the purpose of transporting hydrocarbon products produced from Barrilleaux No. 1 Well.

BE IT FURTHER RESOLVED that F. King Alexander, President of the LSU System, or his designee, be and he is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in the Pipeline Right of Way and Surface Easement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors

- 9C6. Status Report on LSU Housing, Parking, and Energy Management Initiatives

Dr. Dan Layzell gave an updated report.

- 9D. Finance, Infrastructure, and Core Development Committee

Mr. Anderson, Vice Chair of the Finance, Infrastructure, and Core Development Committee, reported that the Committee received three (3) recommendations for consideration for Board approval. It is the recommendation of the Committee that the recommendations receive Board approval. Item 9D2. was amended in committee to include a two (2) year sunset provision and quarterly reporting requirement.

- 9D1. Request from LSU A&M for delegation of Board authority to the President to approve an agreement for the College of Engineering Program in Jakarta, Indonesia

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, or his designee, to execute a Program Agreement with the Universitas Siswa Bangsa Internasional (USBI) and any related articulation or other agreements with USBI or LoneStar Community College, with all such agreements and any amendments thereto to contain the terms and conditions, including price, that the President deems to be in the best interests of LSU; and

BE IT FURTHER RESOLVED that the Board ratifies any actions and agreements the President may have previously executed relating to this program, and the President or his designee is authorized to approve and execute any amendments to any agreements related to this program, including as to price, as he deems to be in the best interest of LSU; and

BE IT FURTHER RESOLVED that the Board does hereby approve establishing a restricted account for the funds generated by this program. The funds are to be used exclusively for the operation and expansion of the program, including associated direct and indirect administrative costs associated with the program; provided that the Institutional Share of the funds may be used for other purposes to benefit LSU at the discretion of the President or his designee, who shall be the Provost unless the President names another designee.

- 9D2. Recommendation to amend the Bylaws and Regulations of the Board, Related to Rights, Duties, and Responsibilities of Principal Administrative Officers of the University System and the Uniform Personnel Policy, and other related matters

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby amends the Bylaws and Regulations of the Board as provided in Attachment A as it relates to delegated authority to execute personnel actions, effective as of this date, & hereby authorizes the Office of the General Counsel to make any technical amendments that is deemed necessary. In December 2016, the authority granted to the President in regards to Principal Administrative Officers of the University System, the Uniform Personnel Policy, and other related matters at the Board's December 12, 2014 meeting shall sunset and a request shall be brought back to the Board to continue such authority. In addition, the Board of Supervisors directs the President to develop and submit to the Board of Supervisors quarterly reports providing necessary information required to fulfill the Board's fiduciary and oversight responsibilities.

A copy of Attachment A is on file in the office of the LSU Board of Supervisors.

9D3. Request from Paul M. Hebert Law Center for authorization to implement a retirement incentive plan

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes the implementation of the LSU Paul M. Hebert Law Center 2014 Faculty Retirement Incentive Plan as outlined in Attachment A.

A copy of Attachment A is on file in the office of the LSU Board of Supervisors.

9E. Audit Committee

Mr. Jacobs, Chairman of the Audit Committee, reported that the Committee had one (1) presentation.

9E1. Presentation of FY 2015 1st Quarter Audit Summary

The Committee may go into Executive Session to discuss pending investigations.

10. Request consent for President F. King Alexander to recommend the reappointment of Mr. Henry A. Miller to the University Medical Center Management Corporation Board of Directors

Motion to approve consent for President F. King Alexander to recommend the reappointment of Mr. Henry A. Miller as the LSU appointee to the University Medical Center Management Corporation Board of Directors

A motion was made by Mr. Jacobs, and seconded by Mr. Chatelain. The board voted to approve the recommendation. Mr. Yarborough noted that he abstained from the vote.

11. Recommendation to approve Honorary Doctorate Degree

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the nomination to award a Doctor of Medicine, honoris causa, to Dr. C. Ronald Kahn at the May 2015 Commencement Ceremony of the LSU Health Sciences Center at New Orleans.

The Board voted unanimously to approve the recommendation.

12. Chairman's Report

Chair Duplessis gave recognition and read a resolution honoring Shelby McKenzie for his service to LSU.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby express its appreciation to Mr. W. Shelby McKenzie for his leadership, his service and his many contributions to the advancement of LSU.

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Mr. McKenzie as an expression of gratitude from this Board and that this resolution be entered into the permanent record of the LSU Board of Supervisors.

A copy of the Resolution is on file in the office of the LSU Board of Supervisors.

The next Board Meeting will be in Shreveport on January 30, 2015.

Also, a Board Development meeting will be on January 29, 2015 in Shreveport. More details will follow as we get closer to the date.

The Audit Meeting will be held following the adjournment of this meeting.

13. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 3:00 pm.

Kay Miller
Administrative Secretary to the Board
LSU Board of Supervisors

**PERSONNEL ACTIONS REQUIRING
BOARD APPROVAL UNDER REVISED
PM 69**

JANUARY 30, 2015

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**Personnel Actions Requiring Board Approval
Under Revised PM 69**

January 30, 2015

A. Personnel Actions

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PROMOTIONS / CHANGE IN TITLE

PROMOTIONS

LSU HEALTH SCIENCES CENTER - NEW ORLEANS

<u>Name</u>	<u>Effective</u>	<u>Title</u>	<u>Salary</u>	<u>Salary</u>	<u>Difference</u>	<u>Source</u>	<u>PerCent</u>
Eggerstedt, Jane	1/1/2015	Senior Associate Dean for Academic Affairs	197,600	235,000	37,400	State	19%

CHANGE IN TITLE

LSU A&M

Bell, Stuart	1/5/2015	Executive Vice President and Provost	No change in salary				
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Personnel Actions Requiring Board Approval Under Revised PM 69
January 30, 2015

RAISES

LSU AGRICULTURAL CENTER

<u>Name</u>	<u>Effective</u>	<u>Reason</u>	<u>Title</u>	<u>Old Salary</u>	<u>New Salary</u>	<u>Source</u>
Richardson, William	1/1/2015		Vice President for Agriculture & Dean of College of Agriculture; Chancellor of the LSU Agricultural Center	279,117 Base 12,000 Car <u>25,000 Housing</u> 316,117 Total	316,117 0 <u>0</u> 316,117 State	

Personnel Actions Requiring Board Approval Under Revised PM 69
January 30, 2015

CHANGES TO COACHES CONTRACTS

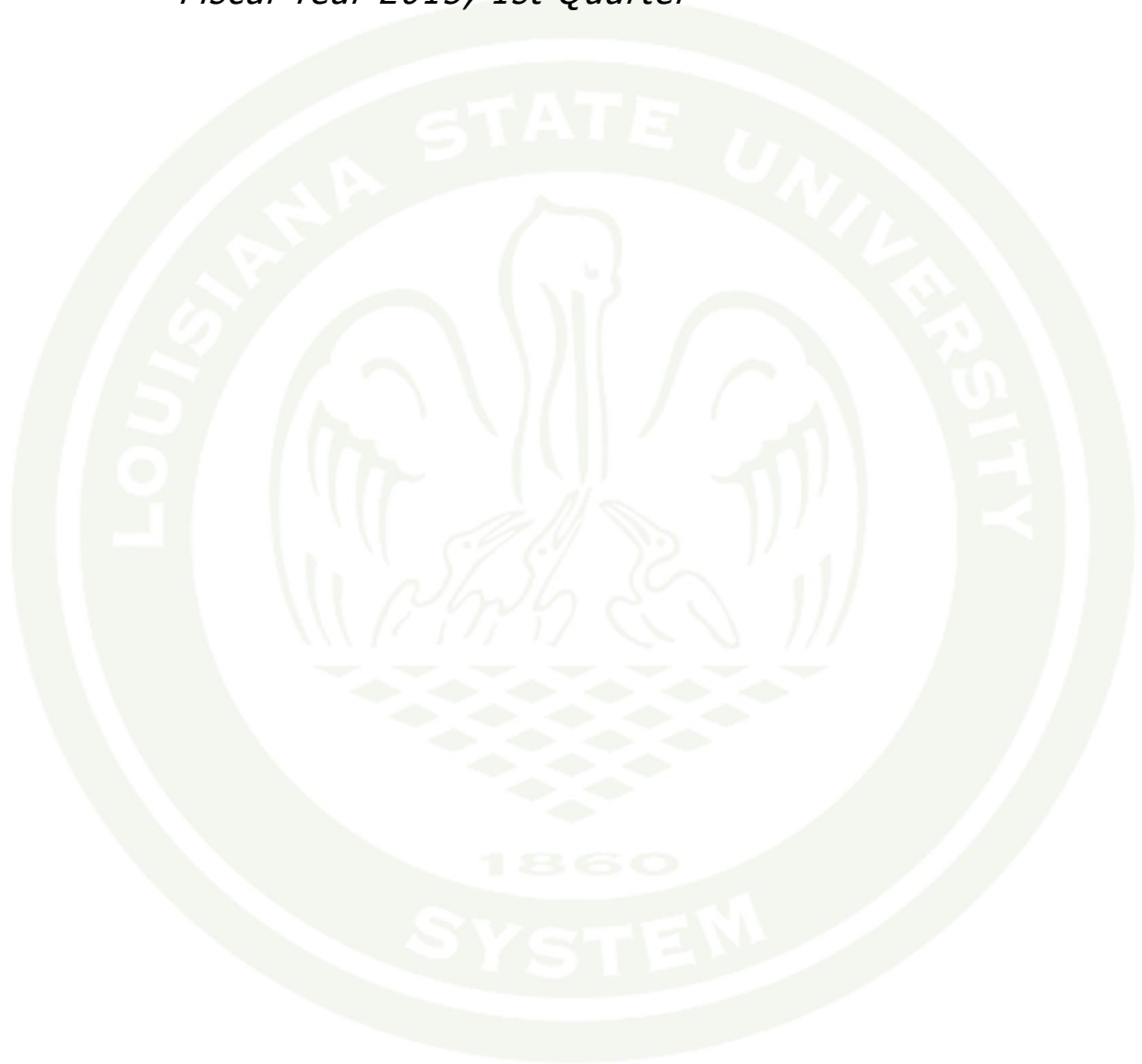
LSU A&M

<u>Name</u>	<u>Title</u>	<u>Action</u>	<u>Salary Changes</u>	<u>Percent</u>
Wilson, Frank, III	Associate Head Coach - Football	Extension of Athletic Contract and increase supplemental compensation Current End Date: 3/31/2015 Proposed End Date: 3/31/2018	650,000 660,000	2%
Ensminger, Steven	Assistant Coach - Football	Extension of Athletic Contract Current End Date: 3/31/2015 Proposed End Date: 3/31/2017	300,000 No change in compensation	
Henry, Adam	Assistant Coach - Football	Extension of Athletic Contract and Salary increase Current End Date: 3/31/2015 Proposed End Date: 3/31/2017	320,000 375,000	17%
Raymond, Corey	Assistant Coach - Football	Extension of Athletic Contract and Salary increase Current End Date: 3/31/2015 Proposed End Date: 3/31/2017	300,000 310,000	3%

Louisiana State University
Office of Internal Audit

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

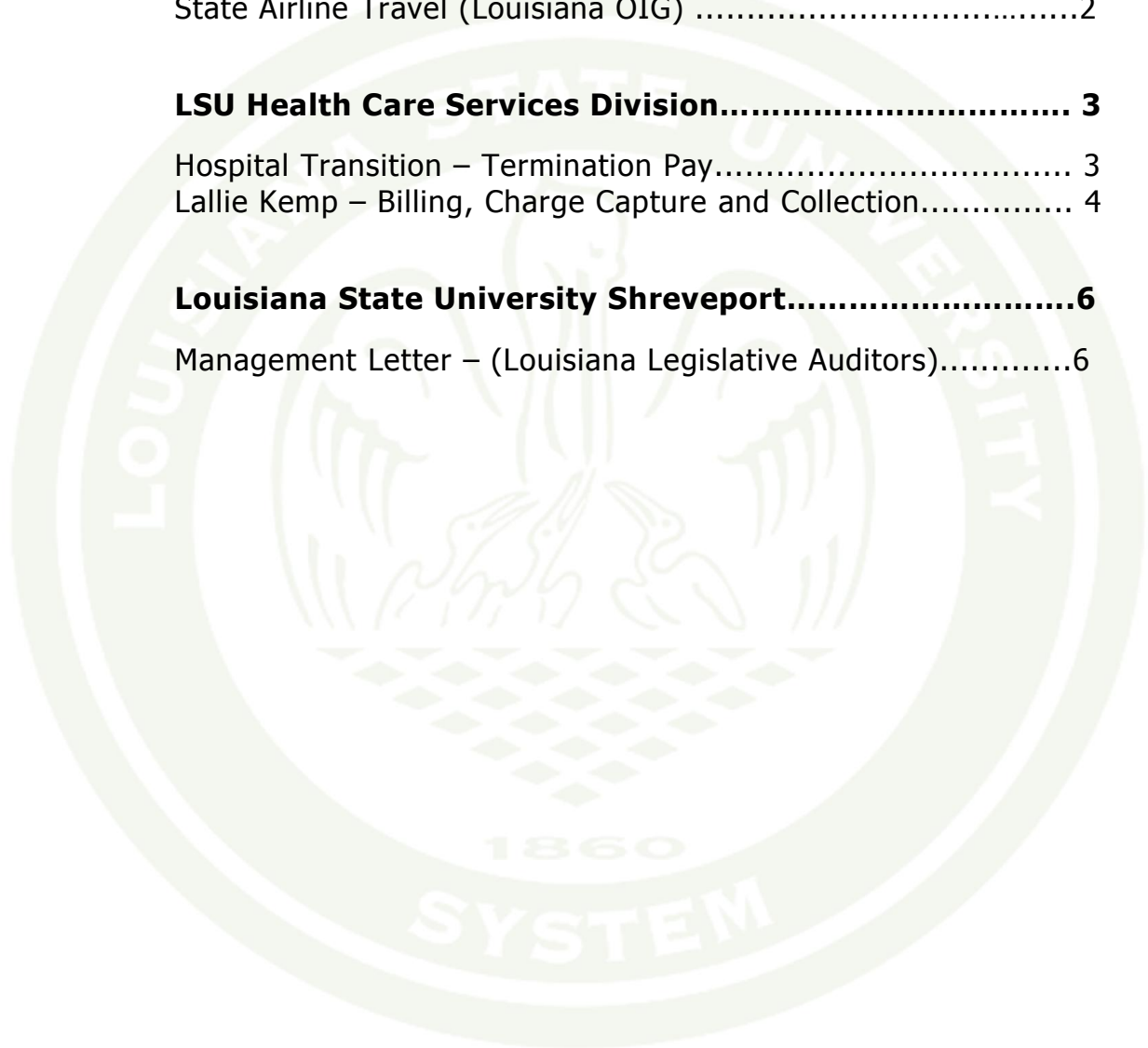


Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

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Lallie Kemp – Billing, Charge Capture and Collection.....	4
Louisiana State University Shreveport.....	6
Management Letter – (Louisiana Legislative Auditors).....	6



Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

Mobile Device Data Security

Audit Initiation:

This audit originated from the Board-approved Fiscal Year 2014 Audit Plan

Audit Scope and Objectives:

This was a consulting engagement related to the ongoing development and adaptation of mobile device management by the university. It included a review of standards and best practices for the purpose of developing recommendations for the creation of, or amendment to, policies and procedures relating of the management of mobile devices.

The objectives of this consulting engagement were:

1. To evaluate the processes currently in place for the accessing and storing of data by mobile devices
2. To review and recommend best practices for consideration in future policies and procedures to be implemented in order to secure data, including email, accessed by mobile devices and stored on them
3. To review and recommend best practices for consideration in future policies and procedures to be implemented in order to identify and track university-owned mobile devices

Audit Findings:

Best practices and recommendations resulting from our review were presented to management for each of the following areas:

- Enterprise Resource Planning (ERP)
- Policies and Procedures
- University-owned Devices
- User Education/Training

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

Management's Response and Corrective Action Plan:

Management concurred with the report and will evaluate the feasibility of the recommendations.

School of Veterinary Medicine

Audit Initiation:

This limited scope review originated at the request of LSU Veterinary Teaching Hospital (VTH) management.

Audit Scope and Objectives:

Our objective was to determine whether there were revenue improvement opportunities in the areas of veterinary billing and pharmacy inventory. The scope of our review included transactions that occurred in fiscal year 2014.

Audit Findings:

Observations and opportunities for improvement were identified in the following areas:

- General
- Admissions
- Billing and Charge Capture
- Collections
- Pharmacy

Management's Response and Corrective Action Plan:

Management concurred with the recommendations and provided their corrective action plans.

State Airline Travel (Office of Inspector General)

Audit Initiation:

The State OIG conducted a follow-up review of its 2010 report concerning the expiration of non-refundable airline tickets by state agencies.

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

Audit Scope and Objectives:

- The objective of the audit was to determine the disposition of additional unused airline tickets purchased with public funds.
- The scope of The State OIG's review covered July 1, 2011 through December 31, 2013.

Audit Findings:

- A review of Shorts travel data by the State OIG identified \$544,648 in expired airfare characterized as 'possible waste of state purchased airline tickets'.
- Approximately \$239,000 was related to LSU entities.

Management's Response and Corrective Action Plan:

Management provided the State OIG with monitoring steps being performed to reduce the amount of expired airline tickets.

Louisiana State University Health Care Services Division (HCSD)

HCSD - Hospital Transition Issues – Termination Pay

Audit Initiation:

This audit originated from the Board-approved Fiscal Year 2014 Audit Plan.

Audit Scope and Objectives:

The primary objective of the audit was to determine if termination pay and associated benefits were calculated properly during the period of transitioning the LSU public hospitals to private/public entities, and to ensure that payments

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

are not being remitted to terminated employees. The scope of the audit included the testing of termination pay and associated benefits for the employees that were terminated during the period of April 2013 through March 2014.

Audit Findings:

1. HCSD did not follow its leave policy requiring that compensatory leave earned be taken prior to annual leave. This may have led to overpayments to terminated employees.
2. Terminated employee personnel files sent to HCSD administration from the transitioning hospitals were incomplete.

Management's Response and Corrective Action Plan:

In a letter dated October 2, 2014, management provided a response to our recommendations presented in this report.

Lallie Kemp Regional Medical Center (Lallie Kemp) - Billing, Charge Capture and Collections

Audit Initiation:

This audit originated from the Board-approved Fiscal Year 2014 Audit Plan.

Audit Scope and Objectives:

The primary objectives of the audit were to determine if controls and procedures are adequate to ensure that:

- Encounters for prisoner care are billed to the correct payor
- Infusions and injections are entered correctly into the Pelican system
- Encounters are closed and billed timely

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

- Outside service providers enter all required authorizations for ancillary services in the Pelican system
- Physicians and nurses enter all procedures, supplies, and medication for a patient encounter into the Pelican system

The scope focused on the operational procedures and transactions processed through PELICAN to capture patient charges, bill and collect the money for services rendered to hospital patients. The test period was from May 12, 2013 – May 31, 2014.

Audit Findings:

Lallie Kemp did not close medical records (encounters) in accordance with its written policies and procedures which resulted in late billing and possible loss of revenue.

Management's Response and Corrective Action Plan:

In a letter dated September 16, 2014, management concurred with the finding and provided a corrective action plan.

Louisiana State University Shreveport

Management Letter – (Louisiana Legislative Auditors)

Audit Initiation:

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

Audit Scope and Objectives:

As a part of the LLA's audit of the Louisiana State University System (System) financial statements, the Single Audit of the State of Louisiana, and the process for re-accreditation required by the Southern Association of Colleges and Schools for the year ended June 30, 2014, procedures were performed at Louisiana State University - Shreveport (University) to provide assurances on financial information

Quarterly Audit Summary

Fiscal Year 2015, 1st Quarter

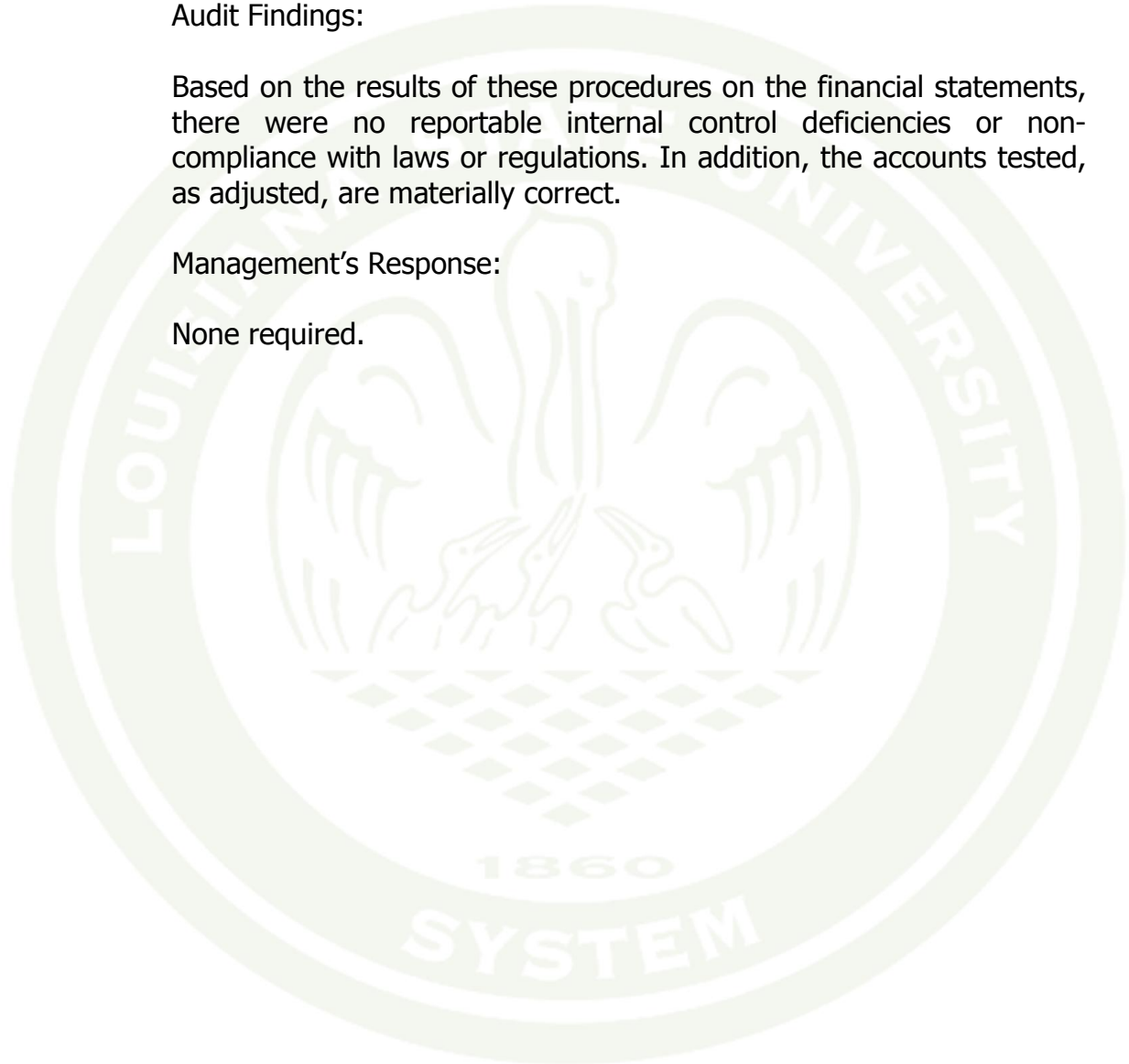
that is significant to the System's financial statements, evaluate the effectiveness of the University's internal controls over financial reporting and compliance, and determine whether the University complied with applicable laws and regulations.

Audit Findings:

Based on the results of these procedures on the financial statements, there were no reportable internal control deficiencies or non-compliance with laws or regulations. In addition, the accounts tested, as adjusted, are materially correct.

Management's Response:

None required.



LSU SYSTEM
Deposit and Collateral Report
For the Quarter Ended December 31, 2014

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
LSU A & M and LSUHSC New Orleans				
Chase - LSU, Health Plan Premium	\$ 46,891,428		\$ 46,891,428	\$ 74,251,455
Capital One CCD Program - LSU		\$ 8,000,000	8,000,000	18,182,126
Chase-HSCNO	20,266,864	18,600	20,285,464	28,106,712
Capital One - LSU-A	3,510,109		3,510,109	8,109,411
St. Landry Bank - LSU-E	681,547		681,547	500,658
Total	\$ 71,349,948	\$ 8,018,600	\$ 79,368,548	\$ 129,150,362
LSUHSC Shreveport				
US Bank	\$ 8,097		\$ 8,097	\$ 250,000
Raymond James	1,577,498		1,577,498	-
Regions Bank-EA Conway	2,703,079		2,703,079	2,752,140
Regions Bank-Huey P Long	3,382,338		3,382,338	3,444,985
Regions Bank-Shreveport	64,653,980		64,653,980	70,627,431
Regions Bank-Shreveport Endowment Fds	2,599,323		2,599,323	-
Total	\$ 74,924,315	\$ -	\$ 74,924,315	\$ 77,074,556
LSU HCSD				
JP Morgan Chase (HCSD) & Capital One (WSTMC)	\$ 99,419,575		\$ 99,419,575	not required
J. P. Morgan Chase (MCLNO Trust Fund)	5,140,703		5,140,703	\$ 5,111,575
Capital One (MCLNO Trust Fund)	2,380,221		2,380,221	2,156,322
Total	\$ 106,940,499		\$ 106,940,499	\$ 7,267,897
LSU - Shreveport				
Campus Federal Credit Union		\$ 100,000	\$ 100,000	\$ 250,000
Capital One (Hibernia National Bank)	2,044,387		2,044,387	6,999,893
Total	\$ 2,044,387	\$ 100,000	\$ 2,144,387	\$ 7,249,893
Total Requiring Collateral	\$ 255,259,149	\$ 8,118,600	\$ 263,377,749	\$ 220,742,708
Deposits In Trust or Federal Obligations Not Requiring Collateral				
Federated Money Markets	\$ 82,744,528		\$ 82,744,528	
Federated Funds-Treas. Oblig. (2)	51,373		51,373	
Total	\$ 82,795,901	\$ -	\$ 82,795,901	
Total Deposits	\$ 338,055,050	\$ 8,118,600	\$ 346,173,650	

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

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

LSU System
Investment Summary
For the Quarter Ended December 31, 2014

Fund Description	As of 7/1/2014	As of 9/30/2014		As of 12/31/2014		As of 3/31/2015		As of 06/30/2015	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
Current Funds									
Cash/Sweeps	\$255,081,416	\$238,148,609	\$238,148,609	\$244,809,732	\$244,809,732	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$275,903	\$795,078	\$795,078	\$6,961,703	\$6,961,703	\$0	\$0	\$0	\$0
Certificates of Deposit	\$12,100,000	\$8,100,000	\$8,100,000	\$8,100,000	\$8,100,000	\$0	\$0	\$0	\$0
CMO's	\$4,397,354	\$3,812,071	\$3,931,562	\$3,379,427	\$3,463,838	\$0	\$0	\$0	\$0
Agency Securities (B)	\$158,851,455	\$185,722,415	\$185,518,960	\$171,746,653	\$173,716,389	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$24,290,792	\$25,402,855	\$25,715,176	\$26,907,513	\$27,387,527	\$0	\$0	\$0	\$0
Equity Securities (C)	\$63	\$0	\$82,308	\$0	\$82,875	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$44,587,216	\$46,697,531	\$43,315,615	\$46,697,531	\$43,292,425	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$44,260,206	\$46,586,756	\$44,284,729	\$48,350,607	\$46,854,360	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$150,982,057	\$167,247,843	\$168,853,093	\$164,489,438	\$165,791,287	\$0	\$0	\$0	\$0
US Gov Related Securities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$703,768,087	\$733,452,272	\$729,662,560	\$727,411,667	\$726,482,016	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$2,643,389	\$2,647,306	\$2,647,306	\$2,650,656	\$2,650,656	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$48,094	\$232,322	\$232,322	\$191,935	\$191,935	\$0	\$0	\$0	\$0
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$0	\$0	\$0	\$0
Agency Securities (B)	\$9,167,668	\$8,138,160	\$8,153,670	\$8,716,494	\$8,780,188	\$0	\$0	\$0	\$0
Equity Securities (C)	\$10,027,207	\$6,591,396	\$9,994,604	\$6,591,396	\$10,411,134	\$0	\$0	\$0	\$0
Mutual Funds	\$56,394,208	\$53,056,172	\$55,530,957	\$53,256,516	\$55,972,851	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$6,373,365	\$7,063,835	\$7,320,340	\$7,063,835	\$7,310,390	\$0	\$0	\$0	\$0
Total	\$84,672,531	\$77,747,791	\$83,897,799	\$78,489,432	\$85,335,754	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$7,472,995	\$7,667,764	\$7,667,764	\$7,798,761	\$7,798,761	\$0	\$0	\$0	\$0
Money Market Accounts/Repos (A)	\$77,691,185	\$62,531,824	\$62,531,824	\$75,590,890	\$75,590,890	\$0	\$0	\$0	\$0
Treasury Notes	\$51,852,207	\$39,098,113	\$39,120,088	\$26,804,650	\$26,818,923	\$0	\$0	\$0	\$0
Agency Securities (B)	\$21,366,224	\$21,153,983	\$21,390,885	\$21,153,983	\$21,499,389	\$0	\$0	\$0	\$0
Equity Securities (C)	\$499,373	\$0	\$466,488	\$0	\$458,552	\$0	\$0	\$0	\$0
US Gov Related Securities	\$63,308	\$56,307	\$56,307	\$51,373	\$51,373	\$0	\$0	\$0	\$0
Total	\$158,945,292	\$130,507,991	\$131,233,356	\$131,399,657	\$132,217,888	\$0	\$0	\$0	\$0
Grand Total	\$947,385,910	\$941,708,054	\$944,793,715	\$937,300,756	\$944,035,658	\$0	\$0	\$0	\$0
Deposits in Financial Institutions									
Total Cash/Sweeps/MMA/Repos	\$343,212,982	\$312,022,903	\$312,022,903	\$338,003,677	\$338,003,677	\$2	\$2	\$0	\$0
Total Certificates of Deposit	\$12,118,600	\$8,118,600	\$8,118,600	\$8,118,600	\$8,118,600	\$0	\$0	\$0	\$0
US Gov Related Securities	\$63,308	\$56,307	\$56,307	\$51,373	\$51,373	\$0	\$0	\$0	\$0
Total Deposits	\$355,394,890	\$320,197,810	\$320,197,810	\$346,173,650	\$346,173,650	\$2	\$2	\$0	\$0
Other Investments									
Treasury Notes	\$60,793,832	\$50,037,227	\$50,037,518	\$32,773,713	\$32,840,803	\$0	\$0	\$0	\$0
CMO's	\$4,397,354	\$3,812,071	\$3,931,562	\$3,379,427	\$3,463,838	\$0	\$0	\$0	\$0
Agency Securities (B)	\$189,385,347	\$215,014,558	\$215,063,515	\$201,617,130	\$203,995,966	\$0	\$0	\$0	\$0
Mortgaged Backed Securities	\$24,290,792	\$25,402,855	\$25,715,176	\$26,907,513	\$27,387,527	\$0	\$0	\$0	\$0
Equity Securities (C)	\$10,526,643	\$6,591,396	\$10,543,400	\$6,591,396	\$10,952,561	\$0	\$0	\$0	\$0
Bond Mutual Funds	\$44,587,216	\$46,697,531	\$43,315,615	\$46,697,531	\$43,292,425	\$0	\$0	\$0	\$0
Mutual Funds	\$56,394,208	\$53,056,172	\$55,530,957	\$101,607,123	\$102,827,211	\$0	\$0	\$0	\$0
Municipal Bonds (E)	\$44,260,206	\$46,586,756	\$44,284,729	\$48,350,607	\$46,854,360	\$0	\$0	\$0	\$0
Corporate Bonds (D)	\$157,355,422	\$174,311,678	\$176,173,433	\$171,553,273	\$173,101,677	\$0	\$0	\$0	\$0
Total Other	\$591,991,020	\$621,510,244	\$624,595,905	\$639,477,713	\$644,716,368	\$0	\$0	\$0	\$0
Grand Total	\$947,385,910	\$941,708,054	\$944,793,715	\$985,651,363	\$990,890,018	\$2	\$2	\$0	\$0
LSU and Related Campuses									
Current Funds									
Cash/Sweeps	\$69,854,093	\$60,064,286	\$60,064,286	\$71,349,948	\$71,349,948				
Money Market Accounts/Repos (A)	\$265,852	\$785,018	\$785,018	6,951,634	6,951,634				
Certificates of Deposit	\$12,000,000	\$8,000,000	\$8,000,000	8,000,000	8,000,000				
Treasury Notes	\$5,952,180	\$7,947,969	\$7,935,320	5,969,063	6,021,880				
CMO's	\$4,397,354	\$3,812,071	\$3,931,562	3,379,427	3,463,838				
Agency Securities (B)	\$141,403,590	\$177,723,642	\$177,666,575	158,620,667	160,639,379				
Mortgaged Backed Securities	\$24,290,792	\$22,862,624	\$23,166,153	22,421,222	22,908,244				
Equity Securities (C)	\$63	\$0	\$82,308	0	82,875				
Bond Mutual Funds	\$44,587,216	\$46,697,531	\$43,315,615	46,697,531	43,292,425				
Municipal Bonds (E)	\$43,290,244	\$45,598,524	\$43,314,546	45,546,081	44,066,827				
Corporate Bonds (D)	\$146,096,367	\$157,929,049	\$159,609,600	154,456,363	155,844,196				
Total	\$492,137,751	\$531,420,714	\$527,870,983	\$523,391,936	\$522,621,246	\$0	\$0	\$0	\$0
Endowment Funds									
Money Market Accounts/Repos (A)	\$48,094	\$232,322	\$232,322	191,935	191,935				
Certificates of Deposit	\$18,600	\$18,600	\$18,600	18,600	18,600				
Agency Securities (B)	\$9,167,668	\$8,138,160	\$8,153,670	8,716,494	8,780,188				
Equity Securities (C)	\$10,015,161	\$6,583,746	\$9,983,327	6,583,746	10,398,018				
Corporate Bonds (D)	\$6,373,365	\$7,063,835	\$7,320,340	7,063,835	7,310,390				
Total	\$25,622,888	\$22,036,663	\$25,708,259	\$22,574,610	\$26,699,131	\$0	\$0	\$0	\$0
Other Funds									
Money Market Accounts/Repos (A)	\$69,299,252	\$54,129,726	\$54,129,726	67,180,317	67,180,317				
Treasury Notes	\$51,852,207	\$39,098,113	\$39,120,088	26,804,650	26,818,923				
Agency Securities (B)	\$21,366,224	\$21,153,983	\$21,390,885	21,153,983	21,499,389				
Total	\$142,517,683	\$114,381,822	\$114,640,699	\$115,138,950	\$115,498,629	\$0	\$0	\$0	\$0
Grand Total	\$660,278,322	\$667,839,199	\$668,219,941	\$661,105,496	\$664,819,006	\$0	\$0	\$0	\$0

LSU System
Investment Summary
For the Quarter Ended December 31, 2014

Fund Description	As of 7/1/2014	As of 9/30/2014		As of 12/31/2014		As of 3/31/2015		As of 06/30/2015	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
LSUHSC Shreveport									
Current Funds									
Cash/Sweeps S.	\$76,506,844	\$69,267,534	\$69,267,534	\$66,239,575	\$66,239,575				
Cash/Sweeps C.	\$2,698,625	\$4,884,656	\$4,884,656	\$2,703,079	\$2,703,079				
Cash/Sweeps H.	\$7,537,281	\$5,714,259	\$5,714,259	\$3,382,338	\$3,382,338				
Cash/Sweeps	\$86,742,750	\$79,866,449	\$79,866,449	\$72,324,992	\$72,324,992	\$0	\$0	\$0	\$0
Treasury Notes	\$2,989,445	\$2,991,145	\$2,982,110	\$0	\$0				
Agency Securities (B)	\$17,447,865	\$7,998,773	\$7,852,385	\$13,125,986	\$13,077,010				
Mortgaged Backed Securities	\$0	\$2,540,231	\$2,549,023	\$4,486,291	\$4,479,283				
Municipal Bonds (E)	\$969,962	\$988,232	\$970,183	\$2,804,526	\$2,787,533				
Corporate Bonds (D)	\$4,885,690	\$9,318,794	\$9,243,493	\$10,033,075	\$9,947,091				
Total	\$113,035,712	\$103,703,624	\$103,463,643	\$102,774,870	\$102,615,909	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$2,592,560	\$2,595,973	\$2,595,973	\$2,599,323	\$2,599,323				
Equity Securities (C)	\$12,046	\$7,650	\$11,277	\$7,650	\$13,116				
Mutual Funds	\$56,394,208	\$53,056,172	\$55,530,957	\$53,256,516	\$55,972,851				
Total	\$58,998,814	\$55,659,795	\$58,138,207	\$55,863,489	\$58,585,290	\$0	\$0	\$0	\$0
Other Funds									
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$172,034,526	\$159,363,419	\$161,601,850	\$158,638,359	\$161,201,199	\$0	\$0	\$0	\$0
LSU HCSD									
Current Funds									
Cash/Sweeps	\$97,080,549	\$95,277,300	\$95,277,300	\$99,419,575	\$99,419,575				
Total	\$97,080,549	\$95,277,300	\$95,277,300	\$99,419,575	\$99,419,575	\$0	\$0	\$0	\$0
Endowment Funds									
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$7,197,883	\$7,389,927	\$7,389,927	\$7,520,924	\$7,520,924				
Money Market Accounts/Repos (A)	\$8,391,933	\$8,402,098	\$8,402,098	\$8,410,573	\$8,410,573				
Equity Securities (C)	\$499,373		\$466,488		\$458,552				
US Gov Related Securities	\$63,308	\$56,307	\$56,307	\$51,373	\$51,373				
Total	\$16,152,497	\$15,848,332	\$16,314,820	\$15,982,870	\$16,441,422	\$0	\$0	\$0	\$0
Grand Total	\$113,233,046	\$111,125,632	\$111,592,120	\$115,402,445	\$115,860,997	\$0	\$0	\$0	\$0
LSU - Shreveport									
Current Funds *									
Cash/Sweeps	\$1,404,024	\$2,940,574	\$2,940,574	\$1,715,217	\$1,715,217				
Money Market Accounts/Repos (A)	\$10,051	\$10,060	\$10,060	\$10,069	\$10,069				
Certificates of Deposit	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000				
Total	\$1,514,075	\$3,050,634	\$3,050,634	\$1,825,286	\$1,825,286	\$0	\$0	\$0	\$0
Endowment Funds									
Cash/Sweeps	\$50,829	\$51,333	\$51,333	\$51,333	\$51,333				
Total	\$50,829	\$51,333	\$51,333	\$51,333	\$51,333	\$0	\$0	\$0	\$0
Other Funds									
Cash/Sweeps	\$275,112	\$277,837	\$277,837	\$277,837	\$277,837				
Total	\$275,112	\$277,837	\$277,837	\$277,837	\$277,837	\$0	\$0	\$0	\$0
Grand Total	\$1,840,016	\$3,379,804	\$3,379,804	\$2,154,456	\$2,154,456	\$0	\$0	\$0	\$0
System Total	\$947,385,910	\$941,708,054	\$944,793,715	\$937,300,756	\$944,035,658	\$0	\$0	\$0	\$0

* LSUS has deposited \$1,221,942 with LSU Baton Rouge Campus for investment purposes

BENCHMARK NOTES (Example Only)

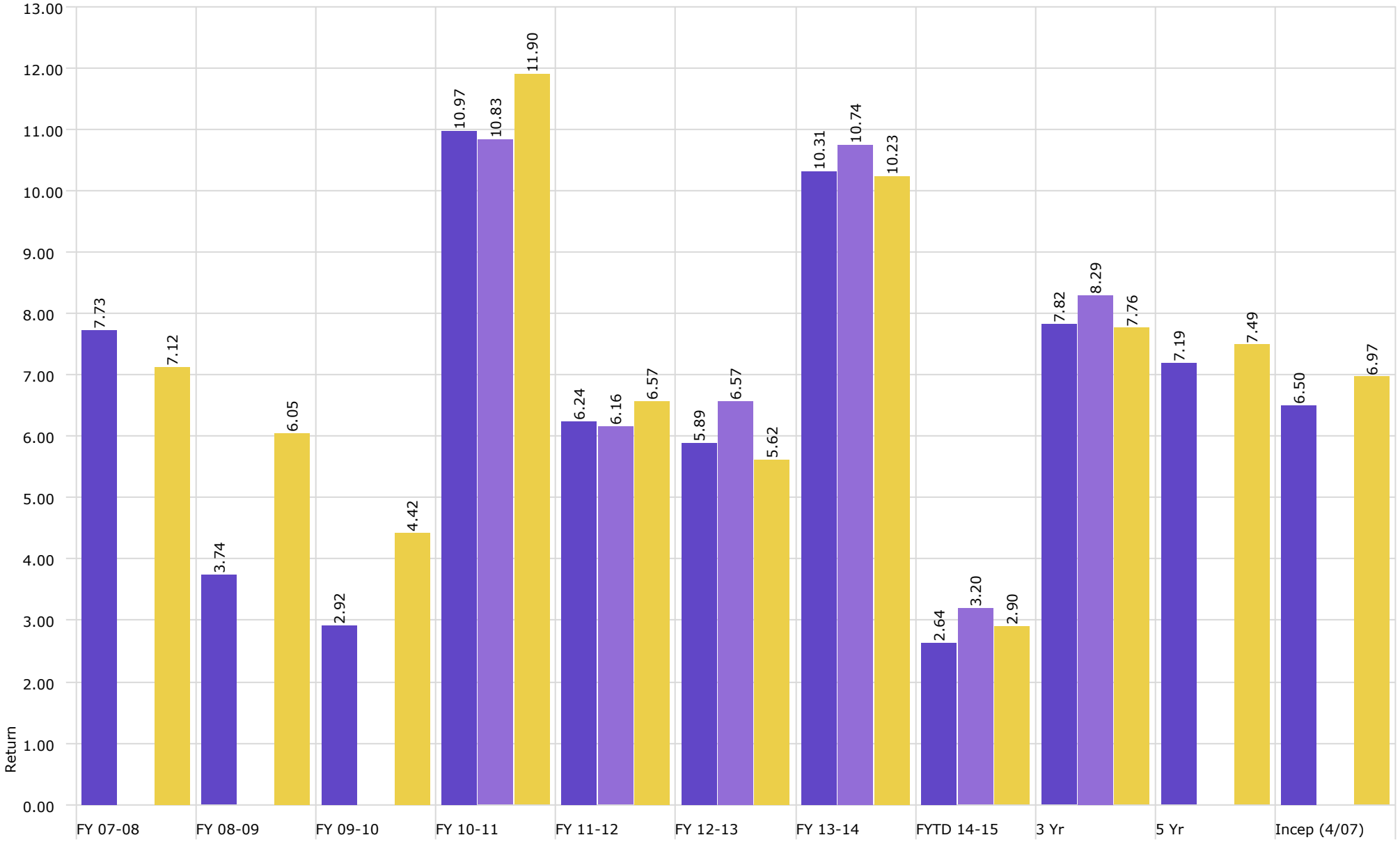
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USC
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging market
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

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



Investment Management Program Endowed Accounts Total Return

As of 12/31/2014



■ University Endowment

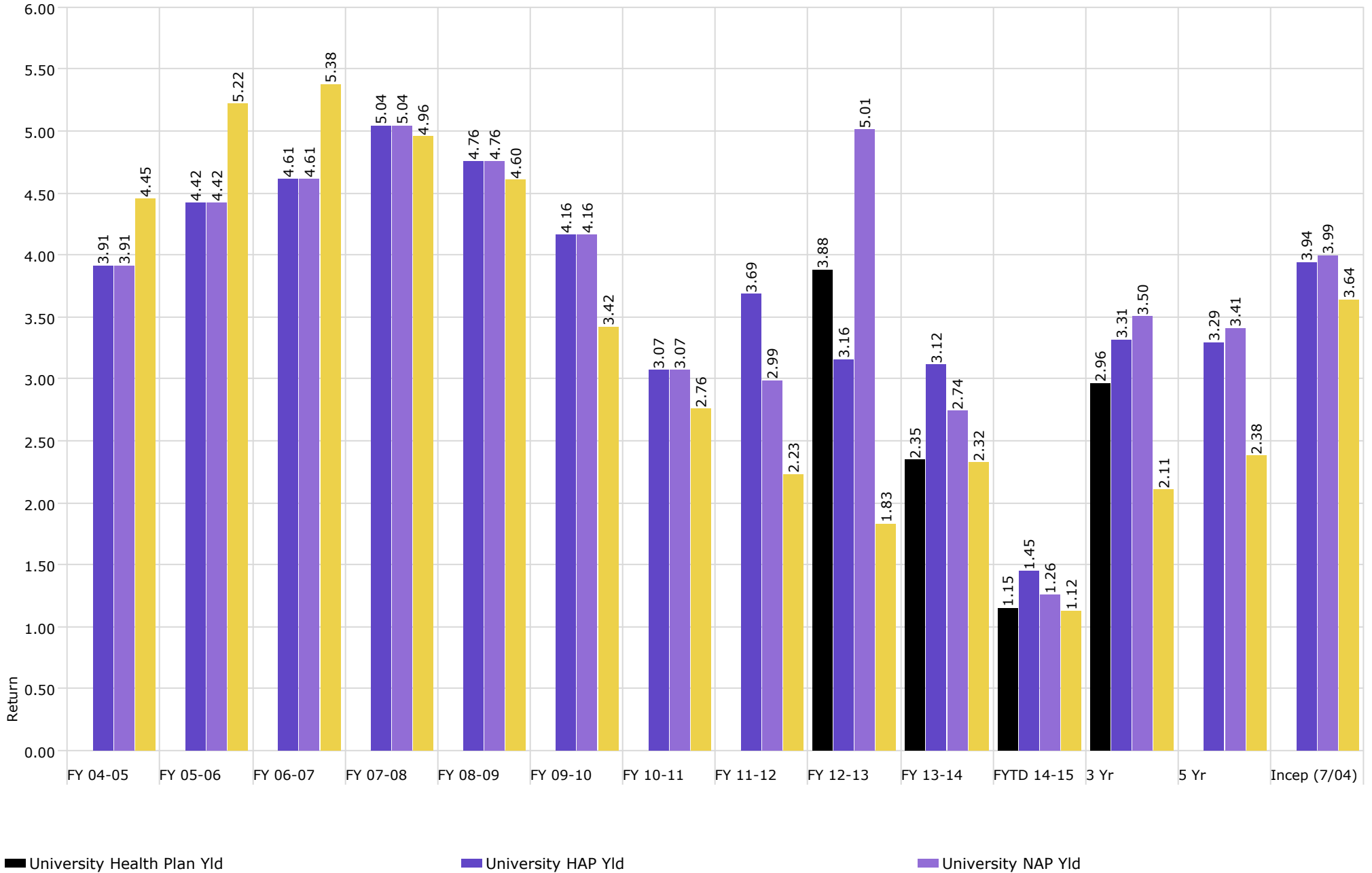
■ University Osher Endowment

■ University Endowed Benchmark



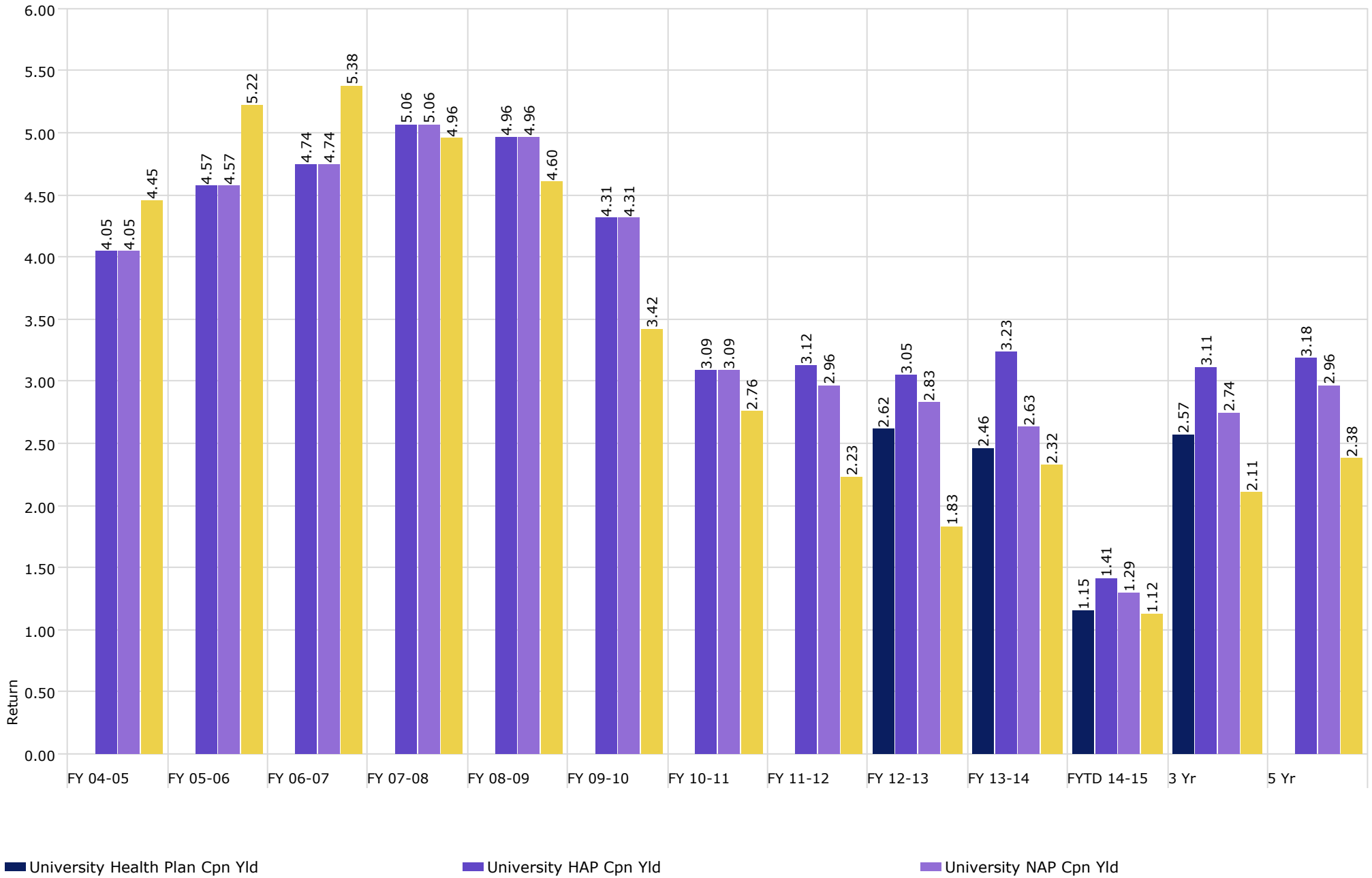
Investment Management Program Non Endowed Account (ex CDs) **Realized Yield**

As of 12/31/2014

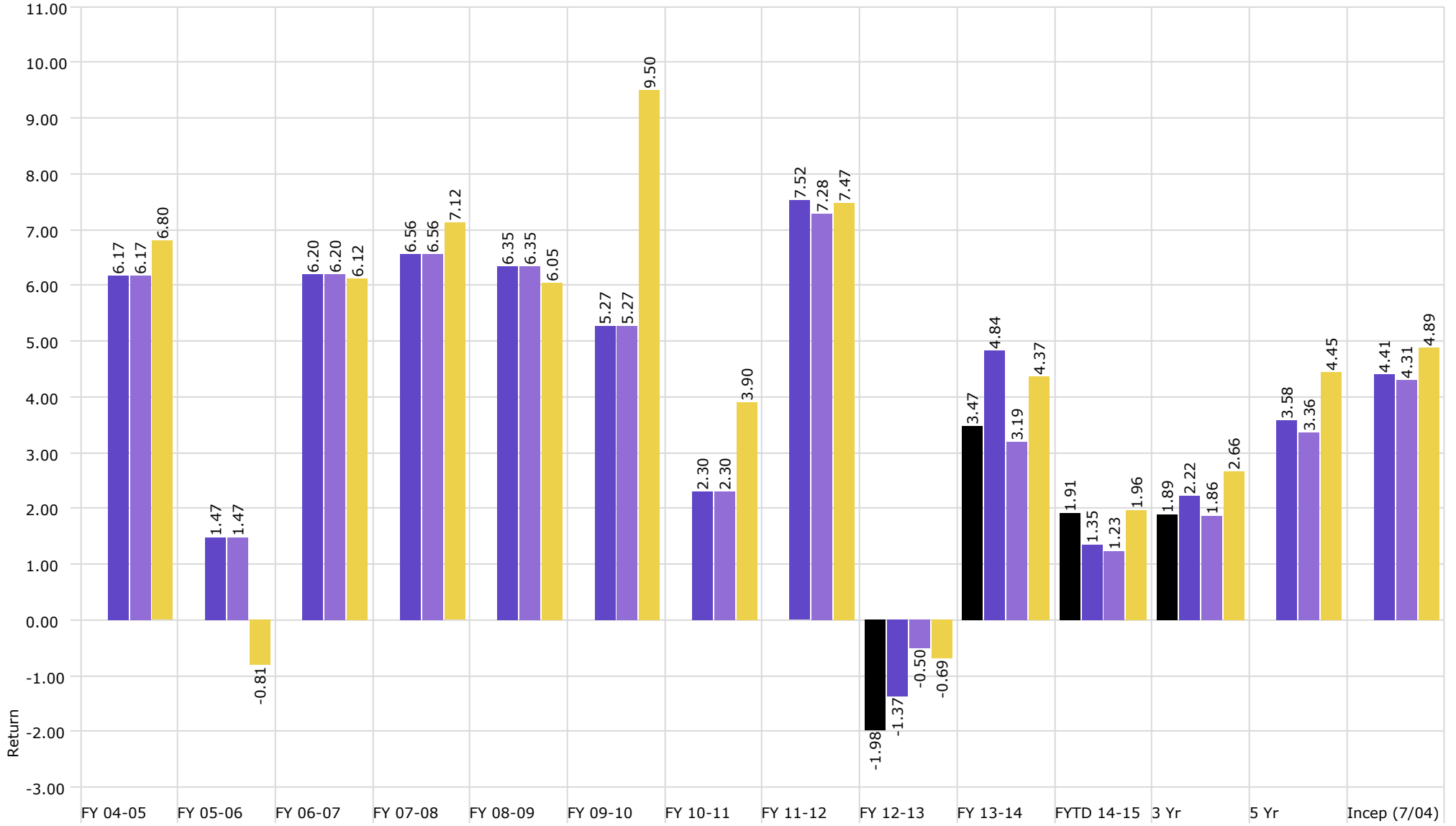


Source: Morningstar Direct

Investment Management Program Non Endowed Account (ex CDs) Coupon Yield



Investment Management Program Non Endowed Account (ex CDs) Total Return



University Health Plan

University HAP

University NAP

Barclays US Agg Bond TR USD



FY 2014-2015 2nd Quarter LSU First Financial Report

Calendar year 2014 was the first full year that the LSU A&M campus managed LSU First, the University's health plan. Prior to the transition to the present management team, decisions had been made to not increase premiums and changes to coverage listed in the plan document could not be altered. Following the path of the State's Office of Group Benefits, LSU First had chosen to reduce premiums in 2012 and 2013 and the inability to increase premiums in 2014 added to the financial risks facing the plan. Actuarial estimates at the beginning of the plan year saw potential losses of \$5 to \$7 million for 2014.

Recovery of funds from a variety of sources – most notably refunds of \$1,098,492 from the pharmacy provider and \$1,144,000 from the previous third party administrator, Cigna, greatly reduced the plan's losses. Additionally, a 71% reduction in stop loss premiums netted the plan a savings of approximately \$3 million.

A significant reduction in administrative costs and a variety of business changes also helped to slow the loss of funds. However, the plan collected nearly \$13 million less in premiums as a result of the leasing or closure of the LSU Hospitals. In addition, compliance with the Federal Affordable Care Act required a fee payment of \$912,000. These factors coupled with an approximate increase in medical costs of 5.6% resulted in an approximate year-end net loss to the plan of 2.2% or \$2,196,910.

Premiums for calendar year 2015 were increased by 5%, most legal expenses have now been brought in-house, an additional savings of more than \$700,000 in stop-loss premiums will be achieved, and changes to the plan should result in a cost avoidance of approximately \$500,000 to \$750,000. It is also expected that the increased use of medical management activities by plan members will reap some savings as well.

While the decision to increase premiums 5% over the amount charged in 2014 will be helpful, it only represents an increase of 1.7% since January 2012. Concerns about reductions to the University's budget in the coming fiscal year may once again limit our ability to fully increase premiums. It should also be noted that the reduction of premiums in 2012 and 2013 places pressure on the plan for at least three more years.

Medical inflation, particularly in the area of hospitalization costs, and increases in the cost of medical equipment will challenge the plan's bottom line in 2015. Further, adding to the plan's future uncertainty is the addition of 987 new employee members who have switched their coverage from OGB plans. This increase in employee members is likely to increase plan coverage by approximately 2,000 people. As to whether or not the plan will suffer from adverse selection is unknown at this time.

LSU First Health Plan			
Income Statement			
Plan Year Ending December 31, 2014 and 2013			
	2014		2013
Revenues:			
Premiums	\$100,910,415.82		\$114,136,275.24
Dividends	41,629.70		28,731.86
Investment Earnings	461,242.21		325,286.10
Total Revenues	101,413,287.73		114,490,293.20
Expenses:			
Claims Paid	96,200,359.70		104,794,014.14
Stop Loss Insurance	1,647,612.80		5,373,818.52
Administration Fees	4,811,144.67		6,281,416.65
Affordable Care Act Fees	950,792.95		0.00
Write Offs	0.00		210,186.78
Total Expenses	103,609,910.12		116,659,436.09
Change in Fund Balance	(2,196,622.39)		(2,169,142.89)
Fund Balance at Beginning Of Year	34,779,307.56		36,948,450.45
Fund Balance at End Of Year	\$32,582,685.17		\$34,779,307.56

LSU First Health Plan				
Statement of Net Assets				
Plan Year Ending December 31, 2013 and 2014				
	2014			2013
Assets:				
Cash	\$10,575,696.67	Cash		\$16,022,607.26
Investments	30,553,880.22	Investments		25,280,292.85
Accounts Receivable	845,325.60	Accounts Receivable		3,221,419.40
Total Assets	\$41,974,902.49	Total Assets		\$44,524,319.51
Liabilities:		Liabilities:		
Accounts Payable	9,392,217.32	Accounts Payable		9,745,011.95
Other Liabilities	0.00	Other Liabilities		0.00
Total Liabilities	9,392,217.32	Total Liabilities		9,745,011.95
Total Net Assets	\$32,582,685.17	Total Net Assets		\$34,779,307.56

Louisiana State University System



**2014-2015 Semi-Annual Financial Report
for Six Months Ending December 31, 2014**

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Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

Associate Vice President Finance & Administration

225 / 578-8878
225 / 578-5524 fax

January 22, 2015

TO: President & Chancellor Dr. F. King Alexander
FROM: Wendy C. Simoneaux 
RE: LSU System FY2014-15 Six Months Ending December 31, 2014 Financial Report

The LSU Board of Supervisors approved the System Office's 2014-2015 operating budget on September 12, 2014. The LSU System's revised operating budget includes \$3,486,750 of state funds (including a mid-year reduction of \$8,304) which is less than the amount for the previous two years. Since the beginning 2008-09 Budget, the LSU System Office has been reduced approximately seven million dollars, or 65.7%.

It should be noted that the System Office's appropriation does include the Audubon Center for Research of Endangered Species pass-through (ACRES-\$555,694). 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.

On the Restricted Operations form, the largest portion of revenues received in the first six months of the fiscal year is associated with premiums for the LSU Health Plan.

On the Restricted Operations form, the All Other Sources account/fund balance includes funds for the LSU System Health Plan, the System Technology Transfer activity, and royalty income from System mineral leases.

Appendix A

LSU Board of Supervisors and System Office Semi-Annual Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	3,486,750	2,037,398	0	2,037,398
Statutory Dedications	0	0	0	0
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	0	0	0	0
Federal Funds	0	0	0	0
Total Revenues	3,486,750	2,037,398	0	2,037,398
Expenditures by Object:				
Salaries		546,965	0	546,965
Other Compensation		21,556	0	21,556
Related Benefits		436,703	0	436,703
Personal Services		1,005,224	0	1,005,224
Travel		6,959	0	6,959
Operating Services		325,787	0	325,787
Supplies		8,009	0	8,009
Operating Expenses		340,755	0	340,755
Professional Services		118,558	0	118,558
Other Charges		748,387	0	748,387
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		866,945	0	866,945
General Acquisitions		2,000	0	2,000
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		0	0	0
Total Expenditures		2,214,924	0	2,214,924
Expenditures by Function:				
Instruction		0	0	0
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		0	0	0
Academic Expenditures		0	0	0
Student Services		0	0	0
Institutional Support		2,150,477	0	2,150,477
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		64,447	0	64,447
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		2,214,924	0	2,214,924
Total Expenditures		2,214,924	0	2,214,924

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	0	0	
Sales and Services of Educational Activities	0	0	
Auxiliaries	0	0	
Endowment Income	0	0	
Grants and Contracts	0	0	
Indirect Cost Recovered	0	0	
Gifts	1,700	1,700	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	43,379,886	39,255,803	
TOTAL	43,381,586	39,257,503	

Overview and Analysis of Campus Operations

Other Charges include once-a-year expenditures (such as Legislative Auditor and Civil Service fees) that have been pre-paid for the year in the first quarter.

Although expenses are greater than revenues at this time, the Board is on track to finish the year within budget.

State appropriations are received in one-twelfth increments, but expenditures are not necessarily on that schedule. In addition, related benefits are charged to unrestricted accounts and are reduced and charged to the appropriate restricted account quarterly.

Semi -Annual Overview of Restricted Operations

Campus: LSU Board of Supervisors and System Office

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0
Auxiliaries (List)							
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	1,700	0		1,700	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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	43,379,886	50,866,006	54,990,090	39,255,803	0		0
TOTAL	43,381,586	50,866,006	54,990,090	39,257,503	0	0	0

Report on Restricted Operations

On the Overview of Restricted Funds form, first six months revenue is as anticipated, with the largest portion of the revenues associated with premiums for the LSU First Health Plan.

All Other Revenues during the first and second quarters:

LSU First Health Plan	\$49,906,437
Tech Transfer	\$ 869,166
Mineral Revenues	\$ 90,403



CAMPUS CORRESPONDENCE

To: F. King Alexander
President and Chancellor

Date: January 16, 2015

From: Daniel T. Layzell
Vice President for Finance and Administration/CFO

Subject: Semi-Annual FY 2014-2015 Financial Report

The first semi-annual financial report for FY 2014-15 shows that LSU is on track to complete the fiscal year within its approved operating budget. The University's enrollment continues to increase each year with a current enrollment of 30,451 which is a 2% increase over last fall.

There was a mid-year reduction of \$287,668 in state funds approved by the Joint Legislative Budget Committee related to risk management premium savings anticipated by the Division of Administration. This reduction was processed by the Division of Administration as two separate budget adjustments (BA-7). The first BA-7, which decreased the General Fund by \$219,202, was approved in the second quarter and the University has processed a budget adjustment to reflect the reduction. The second BA-7 reduced the SELF fund appropriation by \$68,466 in accordance with R.S. 39:73 which gives the LSU Board of Supervisors authority to realign allocations to meet the needs of individual institutions. This BA-7 was approved on January 9, 2015 is not reflected in this report.

The staff and I will be happy to answer any questions concerning the data in the report.

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	106,930,756	62,467,608	0	62,467,608
Statutory Dedications	13,222,744	3,083,632	0	3,083,632
Interim Emergency Board	0	0	0	0
Interagency Transfers	7,073,880	3,555,660	0	3,555,660
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	347,803,673	301,007,493	0	301,007,493
Federal Funds	0	0	0	0
Total Revenues	475,031,053	370,114,393	0	370,114,393
Expenditures by Object:				
Salaries		112,051,229	0	112,051,229
Other Compensation		13,701,505	0	13,701,505
Related Benefits		41,660,966	0	41,660,966
Personal Services		167,413,700	0	167,413,700
Travel		1,541,624	0	1,541,624
Operating Services		13,090,419	0	13,090,419
Supplies		8,417,813	0	8,417,813
Operating Expenses		23,049,856	0	23,049,856
Professional Services		1,498,145	0	1,498,145
Other Charges		48,837,888	0	48,837,888
Debt Services		0	0	0
Interagency Transfers		8,639,117	0	8,639,117
Other Charges		58,975,150	0	58,975,150
General Acquisitions		1,895,919	0	1,895,919
Library Acquisitions		1,288,623	0	1,288,623
Major Repairs		12,784	0	12,784
Acquisitions and Major Repairs		3,197,326	0	3,197,326
Total Expenditures		252,636,032	0	252,636,032
Expenditures by Function:				
Instruction		90,372,066	0	90,372,066
Research		25,194,598	0	25,194,598
Public Service		1,892,791	0	1,892,791
Academic Support (Includes Library)		33,746,842	0	33,746,842
Academic Expenditures		151,206,298	0	151,206,298
Student Services		7,084,102	0	7,084,102
Institutional Support		13,505,219	0	13,505,219
Scholarships/Fellowships		48,528,401	0	48,528,401
Plant Operations/Maintenance		29,975,165	0	29,975,165
Hospital		0	0	0
Transfers out of agency		2,336,848	0	2,336,848
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		101,429,734	0	101,429,734
Total Expenditures		252,636,032	0	252,636,032

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	15,903,096	25,017,249	
Sales and Services of Educational Activities	10,001,266	10,955,296	
Auxiliaries	25,235,453	59,138,395	
Endowment Income	14,872,361	14,409,220	
Grants and Contracts	4,786,976	3,421,141	
Indirect Cost Recovered	52,195,336	45,734,779	
Gifts	4,341,172	4,149,993	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	18,712,461	22,647,454	
TOTAL	146,048,121	185,473,527	

Overview and Analysis of Campus Operations

The self-generated revenues for the second quarter include tuition and fees collected for the summer, fall, and a portion of the spring term. A budget adjustment reducing the State General Fund by \$219,202 was processed in the second quarter in accordance with Executive Order BJ 2014-16.

Semi -Annual Overview of Restricted Operations

Campus: Louisiana State University A&M

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations	0	0	0	0			0
Restricted Fees	15,903,096	22,173,889	13,059,736	25,017,249			0
Sales & Svcs of Educ. Activ's	10,001,266	10,064,689	9,110,659	10,955,296			0
Auxiliaries (List)							
1 - Athletic Department	2,595,166	57,715,965	53,872,657	6,438,474			0
2 - Golf Course	1,091,365	488,218	506,947	1,072,636			0
3 - Residential Life	8,955,945	34,976,129	22,035,549	21,896,525			0
4 - Lab School Cafeteria	465,391	366,061	206,602	624,850			0
5 - Copier Mgmt & Mailing Services	2,006,232	944,703	595,241	2,355,694			0
6 - University Stores	775,888	3,334,572	2,370,438	1,740,022			0
7 - Parking, Traffic & Transportation	2,530,362	9,574,279	4,005,546	8,099,096			0
8 - Student Health	1,959,586	8,545,328	4,709,186	5,795,728			0
9 - Student Media	804,702	1,003,001	779,653	1,028,051			0
10 - University Auxillary Services	1,652,685	1,976,375	1,211,496	2,417,564			0
11 - Union	2,398,131	8,315,195	3,043,569	7,669,758			0
Endowment Income	14,872,361	622,812	1,085,953	14,409,220			0
Grants and Contracts							
Federal	25,994	43,298,333	45,709,995	(2,385,669)			0
State and Local	3,052,829	17,271,157	18,696,458	1,627,528			0
Private	1,708,153	13,972,294	11,501,165	4,179,282			0
Indirect Cost Recovered	52,195,336	4,136,950	10,597,507	45,734,779			0
Gifts	4,341,172	8,693,286	8,884,465	4,149,993			0
Federal Funds	0	0	0	0			0
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0			0
Physician Practice Plans	0	0	0	0			0
Medicare	0	0	0	0			0
Medicaid	0	0	0	0			0
Uncompensated Care Costs	0	0	0	0			0
Sponsored Grants and Contracts	0	0	0	0			0
Sales and Services Other	0	0	0	0			0
All Other Sources	18,712,461	6,477,001	2,542,008	22,647,454			0
TOTAL	146,048,121	253,950,236	214,524,830	185,473,527	0	0	0

Report on Restricted Operations

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.

Louisiana State University at Alexandria
Semi-Annual Financial 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. Significant enrollment management endeavors that were implemented last fiscal year to increase enrollment and student retention have proven successful. Summer and Fall enrollment was higher than anticipated. Spring enrollment is also anticipated to increase. General Fund revenue decreased by \$145,530 due to cost savings of the Office of Risk Management retained by the state; however, this reduction was mitigated by a \$62,239 increase in SELF funds which was approved and will show up in the 3rd quarter. Overall operational expenses are as anticipated.

Report on Restricted Operations:

Second quarter restricted operations are as anticipated. Campus Card Operations revenue is not posted until the fourth quarter. Campus Housing and Grants and Contracts are cost reimbursement. Revenue is collected in the following month.

Appendix A
Semi-Annual Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	5,096,001	3,033,304	0	3,033,304
Statutory Dedications	277,923	100,086	0	100,086
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	11,262,849	10,640,049	0	10,640,049
Federal Funds	0	0	0	0
Total Revenues	16,636,773	13,773,439	0	13,773,439
Expenditures by Object:				
Salaries		4,148,038	0	4,148,038
Other Compensation		112,336	0	112,336
Related Benefits		1,926,151	0	1,926,151
Personal Services		0	0	0
Travel		36,130	0	36,130
Operating Services		961,794	0	961,794
Supplies		306,178	0	306,178
Operating Expenses		0	0	0
Professional Services		107,010	0	107,010
Other Charges		585,253	0	585,253
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		0	0	0
General Acquisitions		64,209	0	64,209
Library Acquisitions		10,689	0	10,689
Major Repairs		0	0	0
Acquisitions and Major Repairs		0	0	0
Total Expenditures		8,257,789	0	8,257,789
Expenditures by Function:				
Instruction		3,733,826	0	3,733,826
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		670,902	0	670,902
Academic Expenditures		4,404,728	0	4,404,728
Student Services		687,225	0	687,225
Institutional Support		1,268,065	0	1,268,065
Scholarships/Fellowships		540,426	0	540,426
Plant Operations/Maintenance		1,357,344	0	1,357,344
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		3,853,061	0	3,853,061
Total Expenditures		8,257,789	0	8,257,789

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	199,062	839,316	
Sales and Services of Educational Activities	278,807	331,185	
Auxiliaries	158,223	1,067,341	
Endowment Income	256,836	257,588	
Grants and Contracts	13,190	12,807	
Indirect Cost Recovered	7,922	9,958	
Gifts	43,434	116,827	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	43,876	43,876	
TOTAL	1,001,351	2,678,898	

Overview and Analysis of Campus Operations

Campus operations are occurring as anticipated. The unrestricted and restricted operating budgets were budgeted at steady-state enrollment. Significant enrollment management endeavors that were implemented last fiscal year to increase enrollment and student retention have proven successful. Summer and Fall enrollment was higher than anticipated. Spring enrollment is also anticipated to increase. General Fund revenue decreased by \$145,530 due to cost savings of the Office of Risk Management retained by the state; however, this reduction was mitigated by a \$62,239 increase in SELF funds which was approved and will show up in the 3rd quarter. Overall operational expenses are as anticipated.

Semi -Annual Overview of Restricted Operations

Campus: **LSU Alexandria**

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees	199,062	945,039	304,786	839,316	0		0
Sales & Svcs of Educ. Activ's	278,807	79,526	27,148	331,185	0		0
Auxiliaries (List)							
1 - Athletic Department	(188,942)	696,659	306,306	201,411	0		0
2 - Bookstore	370,535	30,000	61	400,474	0		0
3 - Child Care Center	5,349	92,739	93,914	4,174	0		0
4 - Campus Housing	(18,551)	80,004	67,927	(6,473)	0		0
5 - Campus Card Operations	11,273	282	23,323	(11,768)	0		0
6 - Duplications & Copy	68,025	63,749	64,499	67,275	0		0
7 - Golf Course	41,973	56,094	54,813	43,254	0		0
8 - Museum	65,705	160,000	151,728	73,977	0		0
9 - Newspaper	73,954	4,066	0	78,019	0		0
10 - Parking, Street & Safety	(4,380)	160,338	49,194	106,764	0		0
11 - Union	(281,122)	576,692	209,633	85,937	0		0
12 - Yearbook	14,405	9,950	58	24,297	0		0
Endowment Income	256,836	29,007	28,256	257,588	0		0
Grants and Contracts							
Federal	(5,818)	2,530,660	2,568,842	(44,000)	0		0
State and Local	5,930	274,648	286,890	(6,312)	0		0
Private	13,079	100,784	50,744	63,119	0		0
Indirect Cost Recovered	7,922	2,036	0	9,958	0		0
Gifts	43,434	294,153	220,760	116,827	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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	43,876	0		43,876	0		0
TOTAL	1,001,351	6,186,428	4,508,881	2,678,898	0	0	0

Report on Restricted Operations

Second quarter restricted operations are as anticipated. Campus Card Operations revenue is not posted until the fourth quarter. Campus Housing and Grants and Contracts are cost reimbursement. Revenue is collected in the following month.



Semi-Annual Budget Summary Narrative

For the Period Ended December 31, 2014

Budget

During the first half of Fiscal Year 15, budget adjustments were made to record the retention of savings from ORM premiums. No other significant budget adjustments were made.

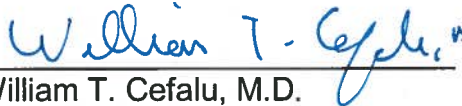
Revenues

Unrestricted Revenues were received as anticipated. Restricted revenues in the form of gifts, grants and contracts are also at expected levels. State Contracts are predominately for the LSU-ICON and OGB projects. All other collections are within expected levels.

The PBRC Stores Auxiliary revenues are lower than anticipated for the first half of the fiscal year. This is primarily due to an overall decline in sales in the second quarter, which may indicate that the current expenditure freeze may be affecting buyer behavior. The Center will continue to closely monitor the Stores operations and adjust accordingly.

Expenditures

Unrestricted expenditures are slightly below anticipated levels. Restricted funds expenditures are within expected parameters. There are no unexpected or material variances in relation to the budget. Overall, expenditure budgets are in line with expected expenditures through the first half of the fiscal year.



William T. Cefalu, M.D.
Executive Director

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	12,226,396	7,184,519	0	7,184,519
Statutory Dedications	97,556	35,132	0	35,132
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	825,561	120,777	0	120,777
Federal Funds	0	0	0	0
Total Revenues	13,149,513	7,340,428	0	7,340,428
Expenditures by Object:				
Salaries		4,940,730	0	4,940,730
Other Compensation		129,685	0	129,685
Related Benefits		1,441,770	0	1,441,770
Personal Services		0	0	0
Travel		10,477	0	10,477
Operating Services		109,535	0	109,535
Supplies		339,250	0	339,250
Operating Expenses		0	0	0
Professional Services		18,643	0	18,643
Other Charges		3,838	0	3,838
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		0	0	0
General Acquisitions		16,134	0	16,134
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		0	0	0
Total Expenditures		7,010,063	0	7,010,063
Expenditures by Function:				
Instruction		0	0	0
Research		2,007,380	0	2,007,380
Public Service		98,738	0	98,738
Academic Support (Includes Library)		2,594,276	0	2,594,276
Academic Expenditures		4,700,394	0	4,700,394
Student Services		0	0	0
Institutional Support		513,413	0	513,413
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		1,795,835	0	1,795,835
Hospital		0	0	0
Transfers out of agency		421	0	421
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		2,309,669	0	2,309,669
Total Expenditures		7,010,063	0	7,010,063

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	0	0	
Sales and Services of Educational Activities	42,461	11,155	
Auxiliaries	9,772	(26,535)	
Endowment Income	0	0	
Grants and Contracts	1,136,878	7,917,577	
Indirect Cost Recovered	1,673,904	1,645,601	
Gifts	752,253	393,577	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	624,658	176,998	
TOTAL	4,239,926	10,118,373	

Overview and Analysis of Campus Operations

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Semi -Annual Overview of Restricted Operations

Campus: Pennington Biomedical Research Center

Actual Amount for each Semi-Annual Period in FY 2014-2015							
Show Expenditures As Positive	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's	42,461	20,160	51,466	11,155	0		0
Auxiliaries (List)							
1 Pennington Stores	9,772	606,148	642,455	(26,535)	0		0
Endowment Income		0		0	0		0
Grants and Contracts							
Federal	(10,511)	13,944,340	9,371,029	4,562,799	0		0
State and Local	20,226	3,140,088	2,180,641	979,673	0		0
Private	1,127,163	3,998,985	2,751,044	2,375,104	0		0
Indirect Cost Recovered	1,673,904	3,563,785	3,592,088	1,645,601	0		0
Gifts	752,253	1,663,364	2,022,040	393,577	0		0
Federal Funds		0		0	0		0
Hospitals							
All Other Sources	624,658	101,529	549,189	176,998	0		0
TOTAL	4,239,926	27,038,399	21,159,952	10,118,373	0	0	0

Report on Restricted Operations

Louisiana State University Eunice
FY 2014-2015 Quarterly Budget Narrative
For the Quarter ending December 31, 2014

For the 2014-15 Fiscal Year, the total budget for the campus is \$12,700,373. The state allocation component of this sum is \$ 4,560,182 or 35% of the campus' total budget; and, the projected self-generated (primarily student) revenue of \$7,881,513 represents 62% of the total budget, with statutory dedications (\$258,678) accounting for the remaining budgetary sum.

For the first quarter of 2014-15, \$3,055,586 or 24% of the campus total budget for F15 was expended. For the second quarter of 2014-15, \$3,241,916 was expended for a 1st and 2nd quarter total of \$6,297,502 or 49.2% of the total projected F15 budget. Of the 1st and 2nd quarter total of \$6,297,502, 75.5% or \$4,753,291 was expended for "Personal Services" (i.e., salaries and related benefits); and \$1,257,195 (or 20%) was expended for operating expenses and acquisitions, together accounting for 95.44% of the expended 1st and 2nd quarter funds. Collectively, the composite 1st and 2nd quarter expenditures of \$6,297,502 represent 49.2% of the total F15 budget, so at this "halfway point" in FY 2014-15 the LSU Eunice budget is currently "on track" with its "income vs. expenditures."

In respect to LSUE's budget performance for the remaining half of the F15, although the Fall semester of AY 2014-15 demonstrated a small enrollment increase (2.4%), with improvements in the FTE accrued for the campus' population of full-time students, the Spring 2015 enrollment currently appears "flat", i.e., that it will be at or slightly below the enrollment for Spring 2014.

However, with a "budget freeze" currently in place for FY 2014-15, LSUE is expecting to have a balanced budget by the end of the fiscal year (6/30/15). The major budgetary concern at the present time, therefore, is not 15, but, rather, for F16 with a potential 35% budgetary reduction possible for Louisiana higher education, if additional sources of revenues are not established in order to enhance the state's F16 budget.

Obviously, a cut of this magnitude to LSUE's operating budget, which has suffered a 50% reduction in its state support, since FY 2008-09 to the present, would be catastrophic mandating the elimination of an equivalent of one-third of the campus' faculty, staff and available academic programs with devastating impacts to area-wide students and communities who depend upon the availability of our graduates for their functioning, e.g. nursing and allied health, and/or Fire Science and Emergency Training and Criminal Justice as examples of just a few of the available programs that are depended upon by our students for their future careers; and, by our service-communities in order to meet their medical, first-responder and law enforcement needs. Hopefully, the state will seek alternative solutions to the projected FY16 shortfall other than the cuts currently being proposed by the Governor.

Appendix A
Semi-Annual Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	4,560,182	2,704,415	0	2,704,415
Statutory Dedications	258,678	93,155	0	93,155
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	7,881,513	6,380,119	0	6,380,119
Federal Funds	0	0	0	0
Total Revenues	12,700,373	9,177,689	0	9,177,689
Expenditures by Object:				
Salaries		3,174,060	0	3,174,060
Other Compensation		27,625	0	27,625
Related Benefits		1,551,606	0	1,551,606
Personal Services		4,753,291	0	4,753,291
Travel		13,966	0	13,966
Operating Services		855,182	0	855,182
Supplies		321,245	0	321,245
Operating Expenses		1,190,393	0	1,190,393
Professional Services		26,488	0	26,488
Other Charges		238,201	0	238,201
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		264,689	0	264,689
General Acquisitions		32,349	0	32,349
Library Acquisitions		34,453	0	34,453
Major Repairs		22,327	0	22,327
Acquisitions and Major Repairs		89,129	0	89,129
Total Expenditures		6,297,502	0	6,297,502
Expenditures by Function:				
Instruction		2,909,864	0	2,909,864
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		321,217	0	321,217
Academic Expenditures		3,231,081	0	3,231,081
Student Services		484,736	0	484,736
Institutional Support		1,182,777	0	1,182,777
Scholarships/Fellowships		225,590	0	225,590
Plant Operations/Maintenance		1,173,318	0	1,173,318
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		3,066,421	0	3,066,421
Total Expenditures		6,297,502	0	6,297,502

**LSU Eunice
Restricted Operations**

Semi-Annual Revenues and Expenditures Executive Summary

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	245,054	723,778	
Sales and Services of Educational Activities	0	0	
Auxiliaries	1,791,810	2,146,753	
Endowment Income	81,394	82,159	
Grants and Contracts	45,639	180,074	
Indirect Cost Recovered	398,325	415,539	
Gifts	20,002	64,931	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	5,174	5,174	
TOTAL	2,587,398	3,618,408	

Overview and Analysis of Campus Operations

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Semi -Annual Overview of Restricted Operations

Campus: LSU Eunice

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees	245,054	646,189	167,465	723,778	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0
Auxiliaries (List)							
1 - Athletics	(255,499)	428,923	232,424	(59,000)	0		0
2 - Bookstore	1,418,523	935,967	872,638	1,481,852	0		0
3 - Student Media	89,673	6,800	15,437	81,036	0		0
4 - Union	539,113	158,123	54,371	642,865	0		0
Endowment Income	81,394	2,065	1,300	82,159	0		0
Grants and Contracts							
Federal	0	2,643,224	2,713,122	(69,898)	0		0
State and Local	2,397	438,072	235,745	204,724	0		0
Private	43,242	3,000	994	45,248	0		0
Indirect Cost Recovered	398,325	17,214		415,539	0		0
Gifts	20,002	207,537	162,608	64,931	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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	5,174	0		5,174	0		0
TOTAL	2,587,398	5,487,114	4,456,104	3,618,408	0	0	0

Report on Restricted Operations

Athletics – (\$59,000) Fund Balance

The primary reason for Athletic Program deficits has been its notable, post-seasonal expenditures which, because of the program's success in several sports, have exceeded all, planning expectations. LSUE's Athletic Program, is fully-funded by a student athletic fee and by donor financial support. Three possible solutions to these deficits include:

- (1) Cut back on both the number and value of the Women's Basketball Scholarships currently awarded.
- (2) Seek an athletic fee increase from the LSUE student leadership.
- (3) Add a new fund-raising campaign—an (annual) LSUE Bengal "Victory Fund", in an attempt to generate enough funding every year to cover the expense of all post-season play.

Federal Grants and Contracts – (\$69,898) Fund Balance

The university must incur the expenses and seek reimbursement. Revenue is recognized after the expense are incurred.



TO: Dr. F. King Alexander
President, Louisiana State University

FROM: Jack M. Weiss
Chancellor *jmweiss*

DATE: January 16, 2015

RE: LSU Paul M. Hebert Law Center
Executive Summary
FY 2014-2015 Semi-Annual Report on the Budget – First Half Activities

The Law Center continued the careful management of its expenditures during the first half of fiscal year 2014-15.

Revenues collected and expenditures incurred to date are generally in line with available budget. Actual self-generated revenues and expenditures include Fall, 2014 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 second half of the year.

The restricted fees were associated with the collection of Student Tech and Student Bar association fees. Revenues from sales and services of educational activities were realized through the sale of books and materials.

The Law Center is, like other units of state government, subject to the Governor's spending freeze order. The freeze order aside, the Law Center is taking a very conservative approach to spending.

The Law Center continues to deal with the ramifications of a nationwide decline in the number of applications to law schools. We are in a very competitive marketplace for the best students, and we have had to continue to offer tuition discounts to attract them. Beginning with this year's entering class of 1L students, we are offering tuition discounts in fixed dollar terms instead of as percentages of tuition. We hope that this approach will eventually help us to achieve modest improvements in net tuition revenues.

The decline in law school applications, the possibility of a mid-year budget cut, and the prospect of reductions in State funding associated with the drop in energy-related tax revenues, could lead to unprecedented financial challenges for the Law Center.

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	4,719,016	2,780,208	0	2,780,208
Statutory Dedications	413,183	148,796	0	148,796
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	19,610,513	12,117,258	0	12,117,258
Federal Funds	0	0	0	0
Total Revenues	24,742,712	15,046,262	0	15,046,262
Expenditures by Object:				
Salaries		4,666,190	0	4,666,190
Other Compensation		104,110	0	104,110
Related Benefits		1,608,894	0	1,608,894
Personal Services		6,379,193	0	6,379,193
Travel		131,903	0	131,903
Operating Services		1,177,769	0	1,177,769
Supplies		92,326	0	92,326
Operating Expenses		1,401,999	0	1,401,999
Professional Services		95,727	0	95,727
Other Charges		3,885,777	0	3,885,777
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		3,981,504	0	3,981,504
General Acquisitions		0	0	0
Library Acquisitions		25,789	0	25,789
Major Repairs		0	0	0
Acquisitions and Major Repairs		25,789	0	25,789
Total Expenditures		11,788,485	0	11,788,485
Expenditures by Function:				
Instruction		4,291,983	0	4,291,983
Research		183,158	0	183,158
Public Service		28,088	0	28,088
Academic Support (Includes Library)		1,104,584	0	1,104,584
Academic Expenditures		5,607,812	0	5,607,812
Student Services		698,114	0	698,114
Institutional Support		1,214,431	0	1,214,431
Scholarships/Fellowships		3,831,974	0	3,831,974
Plant Operations/Maintenance		436,154	0	436,154
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		6,180,673	0	6,180,673
Total Expenditures		11,788,485	0	11,788,485

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	194,077	265,572	
Sales and Services of Educational Activities	388,329	316,402	
Auxiliaries	0	0	
Endowment Income	589,143	579,829	
Grants and Contracts	(28,644)	5,665	
Indirect Cost Recovered	136,024	126,669	
Gifts	27,856	20,341	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	343,700	343,700	
TOTAL	1,650,485	1,658,179	

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, 2014 tuition and fees and a portion of Spring 2015 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 second half.

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for summer and fall 2014. Revenues from sales and services of educational activities were realized through the sale of books and materials.

On the whole, the Law Center is taking a conservative approach to spending given the reduced enrollment, expenditure freeze, and the possibility of future reductions to be imposed before fiscal year end.

Semi -Annual Overview of Restricted Operations

Campus: **LSU Paul M. Hebert Law Center**

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees	194,077	128,439	56,943	265,572	0		0
Sales & Svcs of Educ. Activ's	388,329	57,344	129,271	316,402	0		0
Auxiliaries (List)							
Endowment Income	589,143	79,769	89,083	579,829	0		0
Grants and Contracts							
Federal		0		0	0		0
State and Local		0		0	0		0
Private	(28,644)	35,014	704	5,665	0		0
Indirect Cost Recovered	136,024	0	9,355	126,669	0		0
Gifts	27,856	384,993	392,508	20,341	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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	343,700	0		343,700	0		0
TOTAL	1,650,485	685,559	677,865	1,658,179	0	0	0

Report on Restricted Operations

The restricted fees were associated with the collection of Student Tech and Student Bar Association fees for Summer and Fall 2014.

Revenues from sales and services of educational activities were realized through the sale of books and materials.

LSU Agricultural Center
FY 2014-2015 Semi-Annual Report
For the Period ending December 31, 2014

Fiscal year 2014-2015 began with a net operating budget reduction of \$742,623. This includes the loss of \$926k in nonrecurring appropriations; minor adjustments to our statutory dedicated fund appropriations; and the positive impact of \$250,000 in state general funds allocated to the AgCenter by the Board of Supervisors. The AgCenter has been approved for additional revenue through the WISE fund.

The AgCenter continues to experience significant budgetary challenges. As always, we note that because the AgCenter is a nonstudent campus, increases in tuition and student fees are not available as a revenue source. The GRAD Act does not provide relief for the AgCenter in terms of funding. The AgCenter is currently supporting core mission programs on self-generated revenue due to the decline in state funds. This is a serious concern because these funds lack the stability of appropriated funding sources and because the maximum capacity of these funds has been reached. Despite the use of these funds, there is still a continuing decline in positions impacting the AgCenter's ability to adequately deliver extension programs in parishes, staff research stations, provide adequate extension and research support for the state's myriad of agricultural commodities, and maintain critical research in academic departments. The issue also impacts the teaching programs of the College of Agriculture since there must be sufficient faculty in the various technical areas in each discipline to teach the essential components of degree programs at the undergraduate and graduate levels. Much lower faculty numbers impact the generation of grant dollars and limit the ability to match funds on grants. While grant funds per faculty member remain stable or increase, there is a decline in overall grant funding because of fewer faculty numbers.

In previous reports we have explained the AgCenter's recent reorganization involving its upper level administrative structure. This initiative established four program leaders based on academic disciplines: animal sciences and natural resources, plant and soil sciences, food and nutrition, and 4-H youth development. In times of budgetary hardship, this model has allowed for better decisions and efficiency gains by managing entire programmatic areas instead of looking at the functions of extension and research separately. The four program leaders look at the organization as a whole when making decisions on expending resources which provides stronger prioritization and necessary checks and balances. We are confident this model is a better method of managing when resources are very limited. Additionally, the AgCenter continues to simplify administrative and business decision-making and associated processes to match this model and to achieve efficiencies wherever possible.

Creation of the position of Vice President for Agriculture and Dean of the College of Agriculture brought the functions of teaching, research and extension under a single administrator. An executive associate dean now works with the four program leaders as part of the combined administrative team for agriculture. This has allowed for cohesive management of agriculture as a whole. In addition to key research and extension programs, other focus areas include recruiting, student services, development and alumni relations. The development and alumni relations team has been established and is moving forward to work on behalf of both the AgCenter and the College of Agriculture. In cooperation with the LSU A&M campus, steps have been taken to have a recruiting presence at all of the AgCenter's field locations. This consists of better equipping field personnel with recruiting materials (e.g., brochures, posters, etc.) and having that information more easily accessible by prospective students and their families. These efforts will increase enrollment in the College of Agriculture and LSU, and will also help develop the talent required for future staffing needs in the AgCenter and in the agricultural industry.

LSU Agricultural Center
FY 2014-2015 Semi-Annual Report
For the Period ending December 31, 2014

This year was the 100th anniversary of the Smith Lever Act that created the Cooperative Extension Service. Extension continues to play a vital role in maintaining a strong agricultural sector. Louisiana has an abundance of natural resources, allowing agriculture to be one of the largest industries in the State. The AgCenter is an essential contributor to the health and growth of that industry.

The merit raise plan for July 1 made a positive impact on employees. We appreciate your support and that of the Board for this issue. Without this raise plan, we believe there would have been a loss of key faculty. Unfortunately, resources for the raise had to come from current funds, thereby reducing funds available for programs. A similar reduction was felt because of unfunded mandates. Providing higher education with funding to provide appropriate merit increases and to meet mandated increases (e.g. retirement benefits) would be invaluable. Greater stability in the AgCenter's funding would also be highly beneficial.

In most ways the AgCenter has had an excellent year from a program standpoint. Faculty and staff are committed to the AgCenter's mission and have a strong, positive impact on the State. Your continued support and visibility at AgCenter offices and events is welcome and appreciated. The closer alignment of the AgCenter and the College of Agriculture strengthens the missions of teaching, research and extension. The AgCenter intends 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.

Appendix A
Semi-Annual Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	64,200,388	37,588,980	0	37,588,980
Statutory Dedications	5,228,825	1,874,932	0	1,874,932
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	6,807,967	2,761,813	0	2,761,813
Federal Funds	13,018,275	2,679,745	0	2,679,745
Total Revenues	89,255,455	44,905,470	0	44,905,470
Expenditures by Object:				
Salaries		24,293,152	0	24,293,152
Other Compensation		1,360,374	0	1,360,374
Related Benefits		13,869,875	0	13,869,875
Personal Services		39,523,402	0	39,523,402
Travel		538,844	0	538,844
Operating Services		3,792,800	0	3,792,800
Supplies		2,101,925	0	2,101,925
Operating Expenses		6,433,569	0	6,433,569
Professional Services		253,549	0	253,549
Other Charges		85,540	0	85,540
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		339,089	0	339,089
General Acquisitions		348,432	0	348,432
Library Acquisitions		0	0	0
Major Repairs		14,896	0	14,896
Acquisitions and Major Repairs		363,327	0	363,327
Total Expenditures		46,659,387	0	46,659,387
Expenditures by Function:				
Instruction		0	0	0
Research		21,084,184	0	21,084,184
Public Service		16,664,462	0	16,664,462
Academic Support (Includes Library)		1,813,120	0	1,813,120
Academic Expenditures		39,561,766	0	39,561,766
Student Services		0	0	0
Institutional Support		5,081,156	0	5,081,156
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		2,016,465	0	2,016,465
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		7,097,621	0	7,097,621
Total Expenditures		46,659,387	0	46,659,387

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	0
Restricted Fees	0	0	0
Sales and Services of Educational Activities	1,591,178	1,681,845	0
Auxiliaries	0	0	0
Endowment Income	288,562	296,794	0
Grants and Contracts	166,039	4,729,043	0
Indirect Cost Recovered	7,386,027	7,040,846	0
Gifts	5,952,486	6,810,566	0
Federal Funds	0	0	0
Hospitals	0	0	0
All Other Sources	7,705,962	10,251,799	0
TOTAL	23,090,253	30,810,893	0

Overview and Analysis of Campus Operations

We continue to evaluate all our operations to make most efficient use of resources. Without a doubt, our ability to deliver the level and range of research and educational programs needed has been affected by continuous budget reductions, increasing mandated costs and spending/hiring freezes. The cumulative amount of the budget reductions are staggering. We have streamlined programs, reorganized, made major staff reductions and implemented other cost savings measure to maximize resources. We are focused on making sure that scarce resources are allocated to our most critical programs, to meet core mission of improving the lives of Louisiana citizens and to provide the most we can for every dollar invested in the LSU AgCenter. With all of these efforts, our core programs are still in jeopardy.

No operational funds from academic areas were moved to non-academic units. Non-academic funds were moved to academic units to support graduate assistantships and the healthy communities initiative.

Semi -Annual Overview of Restricted Operations

Campus: LSU AgCenter

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's	1,591,178	478,025	387,358	1,681,845	0		0
Auxiliaries (List)							
1		0		0	0		0
2		0		0	0		0
3		0		0	0		0
4		0		0	0		0
5		0		0	0		0
6		0		0	0		0
7		0		0	0		0
8		0		0	0		0
9		0		0	0		0
10		0		0	0		0
11		0		0	0		0
12		0		0	0		0
13		0		0	0		0
14		0		0	0		0
15		0		0	0		0
Endowment Income	288,562	41,567	33,335	296,794	0		0
Grants and Contracts							
Federal	(35,072)	2,595,447	3,134,772	(574,397)	0		0
State and Local	(941,406)	9,897,029	6,164,728	2,790,895	0		0
Private	1,142,516	4,060,898	2,690,870	2,512,545	0		0
Indirect Cost Recovered	7,386,027	1,214,729	1,559,910	7,040,846	0		0
Gifts	5,952,486	1,830,573	972,493	6,810,566	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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	7,705,962	7,671,819	5,125,982	10,251,799	0		0
TOTAL	23,090,253	27,790,088	20,069,448	30,810,893	0	0	0

Report on Restricted Operations

Revenues and expenditures associated with our restricted operations are progressing as planned.



**LSU Health Sciences Center New Orleans
Executive Summary
FY 2014-2015 Semi-Annual Report**

The Fiscal Year 2014-2015 appropriation for the LSU Health Sciences Center in New Orleans Campus is \$171,089,643. Once again, no funding was allocated to meet the costs of unfunded mandates for employer contributions to retirement, health insurance and risk management premiums. The cumulative impact since FY 2008-09 is over \$20 million for all sources of funds.

We continue to monitor and evaluate actions we took to manage funding reductions that were outlined in the Chancellor's Narrative for the 2014-2015 Operating Budget:

- Restoring core mission functions that we have been funding from other sources and reserves.
- Managing increased employer contributions to retirement and health insurance.

Our campus continues our emphasis on creating and enhancing alternative sources of funding:

- LSUHSC-NO continues to seek new and/or expanded relationships with private and not-for-profit health care entities.
- LSUHSC-NO expects to leverage investments we are making in cardiovascular and genomic research to bring in additional sponsored research dollars.
- In the past few years, we have expanded enrollment in Allied Health, Nursing and Public Health and hope through a capital outlay appropriation and WISE funds to expand enrollment in our D.D.S. program.

We are very concerned about further reductions in State General Funds after the Revenue Estimating Conference meets this month.

Unrestricted Operations

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

- Revenues
 - Statutory Dedications Revenue- Are derived from tobacco taxes dedicated to the Louisiana Cancer Consortium for research and smoking cessation, the Overcollections Fund and the SELF fund for past faculty pay plans. Through December 31, 2014, only a small portion of the SELF and Tobacco Tax funds have been collected.

- Self-Generated Revenue- There are four major components to this means of financing; student tuition and fees; contracts with Louisiana Children’s Medical Center for LSU Interim Hospital in New Orleans, Our Lady of the Lake in Baton Rouge, and Lafayette General for University Medical Center in Lafayette; Sales and Services of Educational Departments (primarily the Dental Student and Resident Clinics); and other sources.
 - Most of the student tuition and fee revenues are front-loaded from tuition and fees collected for the late summer 2014 semester, fall 2014 semester and for M.D. and D.D.S. students who are assessed tuition and fees on an annual basis.
 - The \$34.7 million in revenues from the hospital contracts are overstated as the revenue and expenditures for patient services and graduate medical education at these facilities are reflected under restricted private grants and contracts
- Expenditures
 - Expenditures are 4.2% below the same period last fiscal year.
 - Salaries- Lags well below budget due to the overstatement of hospital contract budgets.
 - Debt Service- One half of the required payments were made in October. This entry needs to be corrected in the 3rd Quarter.
 - Instruction- Lags well below budget due to the overstatement of hospital contract budgets.
 - 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. There has been a limited amount of collections and pass-through payments year to date. This also impacts the expenditure category of Other Charges, where these pass through expenditures are classified.
 - Institutional Support- a number of payments such as the Legislative Audit and Civil Service/CPTP allocations are due in the first quarter and as a result, spending exceeds the norm of 50% of the annual operating budget.
 - 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.

Restricted Operations

Discuss significant revenues collected and expenses incurred variances in relation to the budget.

- Current balances by source are adequate for cash flow and operations.
- Restricted revenues are down 3.5% over the same time period last year while expenditures are up 2.0% over last year. A good deal of the revenue decline is due to delays in executing contracts with our hospital partners.

- The quarterly report excludes projects we maintain on behalf of the HCSD and FEMA/ORM related activity for project worksheets and contents replacement.
- 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:
 - 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.
 - For the most part, we have concluded negotiations with our major hospital partners (Our Lady of the Lake, University Hospital and Clinics in Lafayette, and University Medical Center Management Corporation in New Orleans and are now able to invoice for services rendered.
 - As was the case with unrestricted tuition and fees, restricted student fees are front -loaded. It comprises fees collected for the late summer 2014 semester, fall 2014 semester and for M.D. and D.D.S. students who are assessed tuition and fees on an annual basis.
 - During the second half of the year, we will be generating additional sales and services revenue from our dental clinics.
 - Some revenue sources are not posted until later in the fiscal year, such as interest earnings.

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	69,277,530	29,243,125	0	29,243,125
Statutory Dedications	20,394,123	2,464,448	0	2,464,448
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	81,417,990	39,530,624	0	39,530,624
Federal Funds	0	0	0	0
Total Revenues	171,089,643	71,238,197	0	71,238,197
Expenditures by Object:				
Salaries		30,205,230	0	30,205,230
Other Compensation		719,118	0	719,118
Related Benefits		12,602,289	0	12,602,289
Personal Services		43,526,637	0	43,526,637
Travel		53,650	0	53,650
Operating Services		5,522,500	0	5,522,500
Supplies		1,854,961	0	1,854,961
Operating Expenses		7,431,111	0	7,431,111
Professional Services		388,914	0	388,914
Other Charges		3,724,859	0	3,724,859
Debt Services		(13)	0	(13)
Interagency Transfers		2,086,162	0	2,086,162
Other Charges		6,199,922	0	6,199,922
General Acquisitions		218,656	0	218,656
Library Acquisitions		1,515,212	0	1,515,212
Major Repairs		19,946	0	19,946
Acquisitions and Major Repairs		1,753,814	0	1,753,814
Total Expenditures		58,911,484	0	58,911,484
Expenditures by Function:		58,897,122		
Instruction		27,098,512	0	27,098,512
Research		4,016,872	0	4,016,872
Public Service		505,204	0	505,204
Academic Support (Includes Library)		6,646,842	0	6,646,842
Academic Expenditures		38,267,429	0	38,267,429
Student Services		1,409,449	0	1,409,449
Institutional Support		7,953,974	0	7,953,974
Scholarships/Fellowships		2,066,234	0	2,066,234
Plant Operations/Maintenance		9,212,071	0	9,212,071
Hospital		0	0	0
Transfers out of agency		2,326	0	2,326
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		20,644,055	0	20,644,055
Total Expenditures		58,911,484	0	58,911,484

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	3,178,904	3,826,571	
Sales and Services of Educational Activities	(1,558,464)	(5,233,429)	
Auxiliaries	2,532,395	5,281,663	
Endowment Income	1,369,292	1,185,950	
Grants and Contracts	65,212,932	39,738,367	
Indirect Cost Recovered	15,005,476	13,528,089	
Gifts	773,452	666,546	
Federal Funds	0	0	
Hospitals	16,161,197	15,116,320	
All Other Sources	5,390,393	2,956,308	
TOTAL	108,065,577	77,066,384	

Overview and Analysis of Campus Operations

Please see the attached executive summary.

Semi -Annual Overview of Restricted Operations

Campus: **LSU Health Sciences Center-New Orleans**

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations	0	0	0	0	0		0
Restricted Fees	3,178,904	1,409,365	761,699	3,826,571	0		0
Sales & Svcs of Educ. Activ's	(1,558,464)	120,366	3,795,331	(5,233,429)	0		0
Auxiliaries (List)							
1 Bookstore	(1,958,352)	3,566,381	2,284,835	(676,805)	0		0
2 Cafeteria	(152,604)	562,694	437,337	(27,247)	0		0
3 Student Housing	719,971	972,534	582,348	1,110,156	0		0
4 Parking	3,119,050	803,326	331,892	3,590,483	0		0
5 HSC Stores	804,329	1,657,933	1,177,188	1,285,075	0		0
Endowment Income	1,369,292	205,359	388,701	1,185,950	0		0
Grants and Contracts							
Federal	1,073,489	11,601,334	16,116,142	(3,441,319)	0		0
State and Local	14,705,655	4,109,661	6,535,178	12,280,138	0		0
Private	49,433,789	90,933,536	109,467,776	30,899,549	0		0
Indirect Cost Recovered	15,005,476	8,963,191	10,440,578	13,528,089	0		0
Gifts	773,452	523,196	630,103	666,546	0		0
Federal Funds	0	0	0	0	0		0
Hospitals							
Hospital - Commercial/Self-Pay	0	0	0	0	0		0
Physician Practice Plans	16,161,197	3,568,852	4,613,729	15,116,320	0		0
Medicare	0	0	0	0	0		0
Medicaid	0	0	0	0	0		0
Uncompensated Care Costs	0	0	0	0	0		0
Sponsored Grants and Contracts	0	0	0	0	0		0
Sales and Services Other	0	0	0	0	0		0
All Other Sources	5,390,393	27,505	2,461,591	2,956,308	0		0
TOTAL	108,065,577	129,025,235	160,024,427	77,066,384	0	0	0

Report on Restricted Operations

Please see the attached executive summary.

**LSUHSC-S Operating Budget
HSC-S, EACMC, and HPLMC
Quarterly Financial Reporting Narrative
FY 2014-2015 as of December 31, 2014**

LSU Health Shreveport

The original academic FY 2014-2015 operating budget appropriation of \$135,829,411 has been adjusted in State General Funds Direct for ORM savings in the amount of \$927,804. This remaining spending authority of \$134,901,607 includes \$8,000,000 IAT which is a pass-through payment for private hospitals and is not available for operational costs and \$65,193,182 of self-generated restricted funding which is related to the contracts/agreements with BRFHH, LLC. The revenue from the contracts/agreements with BRFHH, LLC is being captured under sponsored projects; therefore, by year end, the corresponding expenditures reflected on the operating budget will be transferred to match the revenue sources.

Unrestricted Revenues and Expenditures:

Operating Budget revenue includes state general funds, statutory dedications (tobacco tax and self-fund), and self-generated (tuition and fees, miscellaneous, contracts/agreements) funding. The Operating Budget expenditures include costs associated with the operation of the schools, as well as costs associated with the hospital transition (retiree benefits and other mandated costs).

Restricted Revenues and Expenditures:

The restricted sales and services revenues and expenditures primarily include auxiliary services, grants and contracts, and the professional practice plan. The revenues from the BRFHH, LLC agreements are being recorded in the private grants and contracts. The corresponding expenditures currently reflected under the unrestricted operations, auxiliary services, sales and services, or state and local contracts have not been transferred to private grants and contracts. These transfers will be completed by year end.

The hospital sales and services revenue and expenditures reflect the BRFHH, LLC lease payments to the State, but processed through LSUHSC-S. The payments are recorded and transferred to the State Treasury. This report also reflects the transfer to DHH under the IGT/IAT agreement between DHH, OPH, and Board of Supervisors.

E.A. Conway Medical Center in Monroe

E.A. Conway Medical Center in Monroe is no longer under state management and did not receive appropriated funds in FY 2014-2015 under LSUHSC-S.

Revenues and Expenditures:

The operations reflect expenditures associated with the hospital transition (retiree benefits and other mandated costs) that are being paid by LSUHSC-S.

Huey P. Long Medical Center

Huey P. Long Medical Center in Pineville terminated patient care services on June 30, 2014 and did not receive appropriated funds in FY 2014-2015 under LSUHSC-S.

Revenues and Expenditures:

The operations reflect expenditures associated with the hospital closure effective June 30, 2014 to include employee salaries and benefits, retiree benefits and other mandated costs, building maintenance, etc.

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	36,418,254	21,630,567	0	21,630,567
Statutory Dedications	9,049,579	3,161,793	0	3,161,793
Interim Emergency Board	0	0	0	0
Interagency Transfers	8,000,000	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	81,433,774	16,148,274	0	16,148,274
Federal Funds	0	0	0	0
Total Revenues	134,901,607	40,940,634	0	40,940,634
Expenditures by Object:				
Salaries		32,031,566	0	32,031,566
Other Compensation		10,809,493	0	10,809,493
Related Benefits		18,026,045	0	18,026,045
Personal Services		60,867,104	0	60,867,104
Travel		48,339	0	48,339
Operating Services		8,859,386	0	8,859,386
Supplies		757,434	0	757,434
Operating Expenses		9,665,159	0	9,665,159
Professional Services		516,939	0	516,939
Other Charges		885,497	0	885,497
Debt Services		0	0	0
Interagency Transfers		4,589,272	0	4,589,272
Other Charges		5,991,708	0	5,991,708
General Acquisitions		132,586	0	132,586
Library Acquisitions		287	0	287
Major Repairs		0	0	0
Acquisitions and Major Repairs		132,873	0	132,873
Total Expenditures		76,656,844	0	76,656,844
Expenditures by Function:				
Instruction		42,554,115	0	42,554,115
Research		10,184,139	0	10,184,139
Public Service		712,388	0	712,388
Academic Support (Includes Library)		4,302,509	0	4,302,509
Academic Expenditures		57,753,151	0	57,753,151
Student Services		713,911	0	713,911
Institutional Support		14,580,973	0	14,580,973
Scholarships/Fellowships		698,317	0	698,317
Plant Operations/Maintenance		2,910,492	0	2,910,492
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		18,903,693	0	18,903,693
Total Expenditures		76,656,844	0	76,656,844

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations (1)	0	(35,716,210)	0
Restricted Fees	1,018,199	1,125,885	0
Sales and Services of Educational Activities	26,738,125	40,685,302	0
Auxiliaries	12,724,697	13,143,191	0
Endowment Income	15,098,850	15,190,336	0
Grants and Contracts (2)	28,501,910	49,200,054	0
Indirect Cost Recovered	8,217,671	7,597,322	0
Gifts	21,149	1,375	0
Federal Funds	0	0	0
Hospitals (3)	5,054,983	(8,125,073)	0
All Other Sources	1,048,538	160,784	0
TOTAL	98,424,122	83,262,966	0

Overview and Analysis of Campus Operations

1st and 2nd quarter fund balance:

(1) **the state appropriations** adjustment reflected above represents the projected carryforward unrestricted amount; any additional reconciling entries will not be finalized until year end.

Private grants: (2) includes revenue from the public/private transition but the expenses have not been transferred from the unrestricted operations, auxiliary services, sales and services, or state and local grants.

Hospital sales and services: (3) reflect a one time expense for the IGT IAT Agreement between DHH, OPH, and Board of Supervisors.

Semi -Annual Overview of Restricted Operations

Campus: **LSU Health Sciences Center Shreveport**

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations (1)	0	0	35,716,210	(35,716,210)	0	0	(35,716,210)
Restricted Fees	1,018,199	251,178	143,492	1,125,885	0	0	1,125,885
Sales & Svcs of Educ. Activ's	26,738,125	46,953,385	33,006,208	40,685,302	0	0	40,685,302
Auxiliaries							
Bookstores	2,345,271	414,115	428,394	2,330,992	0	0	2,330,992
Cafeterias	3,635,267	165,654	103,598	3,697,323	0	0	3,697,323
Computer Networking	759,656	677,683	78,168	1,359,171	0	0	1,359,171
General Service Store	(557,930)	407,502	488,994	(639,422)	0	0	(639,422)
Gift Shop	23,078	(73)	246	22,759	0	0	22,759
Linwood Properties	1,011,181	(2,630)	0	1,008,551	0	0	1,008,551
Microsystems	(306,083)	346,670	285,652	(245,065)	0	0	(245,065)
Parking	351,295	338,813	409,529	280,579	0	0	280,579
Printing	914,234	170,937	147,842	937,329	0	0	937,329
Rental Property	686,223	102,401	28,192	760,432	0	0	760,432
Student Union	605,923	98,208	3,738	700,393	0	0	700,393
Telecommunications	3,256,582	979,597	1,306,030	2,930,149	0	0	2,930,149
Endowment Income	15,098,850	1,316,265	1,224,779	15,190,336	0	0	15,190,336
Grants and Contracts							
Federal	(134,041)	4,038,345	5,345,320	(1,441,016)	0	0	(1,441,016)
State and Local	1,835,253	1,050,326	7,120,382	(4,234,803)	0	0	(4,234,803)
Private (2)	26,800,698	50,654,938	22,579,763	54,875,873	0	0	54,875,873
Indirect Cost Recovered	8,217,671	1,250,183	1,870,532	7,597,322	0	0	7,597,322
Gifts	21,149	55,000	74,774	1,375	0	0	1,375
Federal Funds	0	0	0	0	0	0	0
Hospitals							
Hospital - Commercial/Self-Pay	0	(323,704)	0	(323,704)	0	0	(323,704)
Physician Practice Plans	0	0	0	0	0	0	0
Medicare	0	(978,531)	0	(978,531)	0	0	(978,531)
Medicaid	0	(641,428)	0	(641,428)	0	0	(641,428)
Uncompensated Care Costs	0	0	0	0	0	0	0
Sponsored Grants and Contracts	772,814	(33,834)	0	738,980	0	0	738,980
Sales and Services Physicians & CRNAs	0	0	0	0	0	0	0
Sales and Services Other (3)	4,282,169	11,227,724	22,430,283	(6,920,390)	0	0	(6,920,390)
All Other Sources	1,048,538	(47,128)	840,626	160,784	0	0	160,784
TOTAL	98,424,122	118,471,596	133,632,752	83,262,966	0	0	83,262,966

Report on Restricted Operations

1st and 2nd quarter fund balance: (1) the state appropriations adjustment reflected above represents the projected carryforward unrestricted amount; any additional reconciling entries will not be finalized until year end.

Private grants: (2) includes revenue from the public/private transition but the expenses have not been transferred from the unrestricted operations, auxiliary services, sales and services, or state and local grants.

Hospital sales and services : (3) reflect a one time expense for the IGT IAT Agreement DHH, OPH, and Board of Supervisors.

**Appendix A
Semi-Annual Revenues and Expenditures Executive Summary**

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	0	0	0	0
Statutory Dedications	0	0	0	0
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	0	0	0	0
Federal Funds	0	0	0	0
Total Revenues	0	0	0	0
Expenditures by Object:				
Salaries		0	0	0
Other Compensation		0	0	0
Related Benefits		0	0	0
Personal Services		0	0	0
Travel		0	0	0
Operating Services		0	0	0
Supplies		0	0	0
Operating Expenses		0	0	0
Professional Services		0	0	0
Other Charges		0	0	0
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		0	0	0
General Acquisitions		0	0	0
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		0	0	0
Total Expenditures		0	0	0
Expenditures by Function:				
Instruction		0	0	0
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		0	0	0
Academic Expenditures		0	0	0
Student Services		0	0	0
Institutional Support		0	0	0
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		0	0	0
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		0	0	0
Total Expenditures		0	0	0

**E. A. Conway
Restricted Operations**

Semi-Annual Revenues and Expenditures Executive Summary

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations (1)	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	(7,451,526)	(8,585,380)	0
All Other Sources	0	(1,988,944)	0
TOTAL	(7,451,526)	(10,574,324)	0

Overview and Analysis of Campus Operations

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Semi -Annual Overview of Restricted Operations

Campus: E. A. Conway

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations (1)	0	0	0	0	0	0	0
Restricted Fees	0	0	0	0	0	0	0
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0
Auxiliaries	0	0	0	0	0	0	0
Endowment Income	0	0	0	0	0	0	0
Grants and Contracts							
Federal	0	0	0	0	0	0	0
State and Local	0	0	0	0	0	0	0
Private	0	0	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0	0	0
Gifts	0	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0	0
Hospitals							
Hospital - Commercial/Self-Pay	0	(356,779)	0	(356,779)	0	0	(356,779)
Physician Practice Plans	0	0	0	0	0	0	0
Medicare	0	(112,361)	0	(112,361)	0	0	(112,361)
Medicaid	0	47,462	0	47,462	0	0	47,462
Uncompensated Care Costs	0	0	0	0	0	0	0
Sponsored Grants and Contracts	(18,447)	0	0	(18,447)	0	0	(18,447)
Sales and Services Physicians & CRNAs	1,728,224	(712,176)	0	1,016,048	0	0	1,016,048
Sales and Services Other	(9,161,303)	0	0	(9,161,303)	0	0	(9,161,303)
All Other Sources	0	0	1,988,944	(1,988,944)	0	0	(1,988,944)
TOTAL	(7,451,526)	(1,133,854)	1,988,944	(10,574,324)	0	0	(10,574,324)

Report on Restricted Operations

The negative revenue reflects the write-offs of legacy accounts receivable associated with patient care services. These amounts will be adjusted at year end close. Any amounts due [refunds, audit recovery, etc.] will have to be covered by LSUHSCS unless other sources are identified.

The expenditures reflected above can be attributed to legacy costs associated to retired employees and ORM costs.

**Appendix A
Semi-Annual Revenues and Expenditures Executive Summary**

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	0	0	0	0
Statutory Dedications	0	0	0	0
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	0	0	0	0
Federal Funds	0	0	0	0
Total Revenues	0	0	0	0
Expenditures by Object:				
Salaries		0	0	0
Other Compensation		0	0	0
Related Benefits		0	0	0
Personal Services		0	0	0
Travel		0	0	0
Operating Services		0	0	0
Supplies		0	0	0
Operating Expenses		0	0	0
Professional Services		0	0	0
Other Charges		0	0	0
Debt Services		0	0	0
Interagency Transfers		0	0	0
Other Charges		0	0	0
General Acquisitions		0	0	0
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		0	0	0
Total Expenditures		0	0	0
Expenditures by Function:				
Instruction		0	0	0
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		0	0	0
Academic Expenditures		0	0	0
Student Services		0	0	0
Institutional Support		0	0	0
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		0	0	0
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		0	0	0
Total Expenditures		0	0	0

**Huey P. Long
Restricted Operations**

Semi-Annual Revenues and Expenditures Executive Summary

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations (1)	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	1,977,654	64,695	0
All Other Sources	0	(3,084,774)	(3,084,774)
TOTAL	1,977,654	(3,020,079)	0

Overview and Analysis of Campus Operations

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Semi -Annual Overview of Restricted Operations

Campus: Huey P. Long

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations (1)	0	0	0	0	0	0	0
Restricted Fees	0	0	0	0	0	0	0
Sales & Svcs of Educ. Activ's	0	0	0	0	0	0	0
Auxiliaries	0	0	0	0	0	0	0
Endowment Income	0	0	0	0	0	0	0
Grants and Contracts							
Federal	0	0	0	0	0	0	0
State and Local	0	0	0	0	0	0	0
Private	0	0	0	0	0	0	0
Indirect Cost Recovered	0	0	0	0	0	0	0
Gifts	0	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0	0
Hospitals							
Hospital - Commercial/Self-Pay	0	(1,752,463)	0	(1,752,463)	0	0	(1,752,463)
Physician Practice Plans	0	0	0	0	0	0	0
Medicare	0	(15,298)	0	(15,298)	0	0	(15,298)
Medicaid	0	(117,356)	0	(117,356)	0	0	(117,356)
Uncompensated Care Costs	0	0	0	0	0	0	0
Sponsored Grants and Contracts	2,083,830	0	300	2,083,530	0	0	2,083,530
Sales and Services Physicians & CRNAs	2,083,477	(21,167)	0	2,062,310	0	0	2,062,310
Pharmacy	5,064,827	1,372	0	5,066,199	0	0	5,066,199
Sales and Services Other	(7,254,480)	4,562	12,309	(7,262,227)	0	0	(7,262,227)
All Other Sources	0	0	3,084,774	(3,084,774)	0	0	(3,084,774)
TOTAL	1,977,654	(1,900,350)	3,097,383	(3,020,079)	0	0	(3,020,079)

Report on Restricted Operations

The negative revenue reflects the write-offs of legacy accounts receivable associated with patient care services. These amounts will be adjusted at year end close. Any amounts due [refunds, audit recovery, etc.] will have to be covered by LSUHSCS unless other source (s) are identified.

The expenditures reflected above can largely be attributed to an on going effort to closing the property, legacy costs associated to retired employees, and ORM costs.



January 16, 2015

Dr. F. King Alexander
President
Louisiana State University System
3810 West Lakeshore Drive
Baton Rouge, La 70808

Subject: Fiscal Year 2014-15
Second Quarter Financial Report

I am pleased to share with you an improving enrollment and budget situation at LSU Shreveport. While we are still in a deficit mode, we still have not drawn upon our \$1.5 Million loan from LSU, and we're working hard NOT to draw on those funds and to get our financial house in order.

Our enrollment numbers for the spring semester are up significantly, but it is too early to put down a specific enrollment data as we're still enrolling students for the semester. Enrollment will continue to change through the semester as we complete all the registration cycles of the normal 16 week session and the multiple 8 week terms.

With the positive changes in enrollment, our budget outlook appears to be better at this time than the last time I reported to you. Our budget was reduced by \$153,546 by the Governor in November, which was savings in Risk Management premiums. We were hoping to use those dollars to help with the potential shortfall in revenues, but that will not occur. Our original budget projection was a \$2.1 million deficit, and I last reported to you that we were projecting a \$1.23 Million deficit. However, with our enrollment going up, and freezing some costs we're projecting that the deficit could be \$650,000 or possibly even less. However, our budget outcome depends upon what happens with higher education in the state budget, specifically in regards to the price of oil.

We will have a SACS COC on-sight committee visit in April for the reaffirmation of our accreditation. It should be noted that with the potential for another mid-year budget reduction and the potential for a major budget reduction for higher education next fiscal year, it does not look promising for a successful visit with the SACS COC team.

We have started the projects for the use of the WISE funds, but with the potential budget reductions for next year and the potential for non-renewal of the WISE funds for FY 15-16, we are delaying any recurring expenses, such as hiring new faculty, until we have a clearer picture on what will happen for next fiscal year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Clark', written over a white background.

Larry Clark
Chancellor

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	7,030,978	4,167,340	0	4,167,340
Statutory Dedications	654,142	235,571	0	235,571
Interim Emergency Board	0	0	0	0
Interagency Transfers	0	0	0	0
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	23,238,724	13,988,057	0	13,988,057
Federal Funds	0	0	0	0
Total Revenues	30,923,844	18,390,968	0	18,390,968
Expenditures by Object:				
Salaries		7,184,801	0	7,184,801
Other Compensation		350,711	0	350,711
Related Benefits		2,972,187	0	2,972,187
Personal Services		10,507,699	0	10,507,699
Travel		50,177	0	50,177
Operating Services		1,130,131	0	1,130,131
Supplies		443,069	0	443,069
Operating Expenses		1,623,377	0	1,623,377
Professional Services		91,103	0	91,103
Other Charges		2,247,128	0	2,247,128
Debt Services		0	0	0
Interagency Transfers		457,222	0	457,222
Other Charges		2,795,453	0	2,795,453
General Acquisitions		67,684	0	67,684
Library Acquisitions		104,829	0	104,829
Major Repairs		0	0	0
Acquisitions and Major Repairs		172,513	0	172,513
Total Expenditures		15,099,042	0	15,099,042
Expenditures by Function:				
Instruction		6,606,249	0	6,606,249
Research		2,170	0	2,170
Public Service		0	0	0
Academic Support (Includes Library)		1,403,682	0	1,403,682
Academic Expenditures		8,012,101	0	8,012,101
Student Services		937,990	0	937,990
Institutional Support		2,418,093	0	2,418,093
Scholarships/Fellowships		2,235,295	0	2,235,295
Plant Operations/Maintenance		1,495,563	0	1,495,563
Hospital		0	0	0
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		7,086,941	0	7,086,941
Total Expenditures		15,099,042	0	15,099,042

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	318,583	823,394	
Sales and Services of Educational Activities	0	0	
Auxiliaries	843,756	873,211	
Endowment Income	0	(7,964)	
Grants and Contracts	946,515	1,202,377	
Indirect Cost Recovered	141,022	137,036	
Gifts	160,623	155,848	
Federal Funds	0	2,535	
Hospitals	0	0	
All Other Sources	19,181	47,731	
TOTAL	2,429,680	3,234,168	

Overview and Analysis of Campus Operations

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Semi -Annual Overview of Restricted Operations

Campus: Louisiana State University - Shreveport

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		
Restricted Fees	318,583	1,556,834	1,052,023	823,394	0		
Sales & Svcs of Educ. Activ's		0		0	0		
Auxiliaries (List)							
1 - University Center - Student Fees	0	140,741	124,319	16,422	0		
2 - University Center - Self Generated	0	39,014	0	39,014	0		
3 - Food Service	(469,333)	130,369	172,926	(511,890)	0		
4 - Bookstore	1,277,048	745,414	914,898	1,107,564	0		
5 - University Court Apartments - Lease	5,531	1,000	15	6,516	0		
6 - Athletics - Self Generated	30,510	29,992	19,689	40,813	0		
7 - Athletics - Student Fees		653,807	479,035	174,772	0		
8		0		0	0		
9		0		0	0		
10		0		0	0		
11		0		0	0		
12		0		0	0		
13		0		0	0		
14		0		0	0		
15		0		0	0		
Endowment Income		133,886	141,850	(7,964)	0		
Grants and Contracts							
Federal	5,486	331,988	386,182	(48,708)	0		
State and Local	345,773	2,590,646	2,323,535	612,884	0		
Private	595,256	794,337	751,392	638,201	0		
Indirect Cost Recovered	141,022	0	3,986	137,036	0		
Gifts	160,623	138,715	143,490	155,848	0		
Federal Funds		2,735,967	2,733,432	2,535	0		
Hospitals							
Hospital - Commercial/Self-Pay		0		0	0		
Physician Practice Plans		0		0	0		
Medicare		0		0	0		
Medicaid		0		0	0		
Uncompensated Care Costs		0		0	0		
Sponsored Grants and Contracts		0		0	0		
Sales and Services Other		0		0	0		
All Other Sources	19,181	52,016	23,466	47,731	0		
TOTAL	2,429,680	10,074,726	9,270,238	3,234,168	0	0	0

Report on Restricted Operations

Food Service deficit is off-set by bookstore fund balance.
 Endowments are Professorships and Chairs with funding coming from LSUS Foundation.
 Federal Grants are accounts receivable, and funds should be received soon.



WWW.LSUHOSPITALS.ORG

• BOGALUSA MEDICAL CENTER - INDEPENDENCE
• EARL K. LONG MEDICAL CENTER - BATON ROUGE
• ILLIUM 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: Wendy Simoneaux
VP Finance
LSU System

FROM: Tanesha Morgan
Budget Director
LSU Health Care Services Division

DATE: January 15, 2015

RE: Semi-Annual Budget Report
For Period Ended December 31, 2014

We have compiled the Semi-Annual Budget Report for the Period Ended December 31, 2014 for the LSU Health Care Services Division.

Major developments during this first 6 months included:

Actual:

Unrestricted Operations

- All state general fund was drawn in the first quarter.
- In FY15, Central Office operations was moved on budget. Therefore, central office operations are being reflected in the unrestricted operating budget reports.

Restricted Operations - \$552K was collected in FEMA Revenue
\$926K was spent on Building Rentals
\$651K was spent on Operating Services

cc: Dr. Frank Opelka
Dr. Wayne Wilbright
Rhonda Green
Lanette Buie

Appendix A
Semi-Annual Revenues and Expenditures Executive Summary

Unrestricted Operations		Actual Amount for each semi-annual period in 2014-15		
	Adjusted Operating Budget	1st & 2nd Quarter	3rd & 4th Quarter	Cumulative Total
Revenues				
General Fund	3,860,659	3,860,659	0	3,860,659
Statutory Dedications	0	0	0	0
Interim Emergency Board	0	0	0	0
Interagency Transfers	40,589,668	17,361,650	0	17,361,650
Interagency Transfers - Federal Stimulus	0	0	0	0
Self Generated Revenues	81,773,639	51,212,157	0	51,212,157
Federal Funds	4,800,336	(442,393)	0	(442,393)
Total Revenues	131,024,302	71,992,073	0	71,992,073
Expenditures by Object:				
Salaries		16,408,596	0	16,408,596
Other Compensation		637,391	0	637,391
Related Benefits		16,682,277	0	16,682,277
Personal Services		33,728,264	0	33,728,264
Travel		70,568	0	70,568
Operating Services		8,349,840	0	8,349,840
Supplies		2,531,532	0	2,531,532
Operating Expenses		10,951,940	0	10,951,940
Professional Services		11,874,247	0	11,874,247
Other Charges		1,647,563	0	1,647,563
Debt Services		0	0	0
Interagency Transfers		11,826,302	0	11,826,302
Other Charges		13,473,865	0	13,473,865
General Acquisitions		302,445	0	302,445
Library Acquisitions		0	0	0
Major Repairs		0	0	0
Acquisitions and Major Repairs		302,445	0	302,445
Total Expenditures		70,330,762	0	70,330,762
Expenditures by Function:				
Instruction		0	0	0
Research		0	0	0
Public Service		0	0	0
Academic Support (Includes Library)		0	0	0
Academic Expenditures		0	0	0
Student Services		0	0	0
Institutional Support		0	0	0
Scholarships/Fellowships		0	0	0
Plant Operations/Maintenance		0	0	0
Hospital		70,330,762	0	70,330,762
Transfers out of agency		0	0	0
Athletics		0	0	0
Other		0	0	0
Non-Academic Expenditures		0	0	0
Total Expenditures		70,330,762	0	70,330,762

**LSU HCSD
Restricted Operations**

Semi-Annual Revenues and Expenditures Executive Summary

	Beginning Acct/Fund Balance	1st & 2nd Quarter Fund Balance	3rd & 4th Quarter Fund Balance
State Appropriations	0	0	
Restricted Fees	0	0	
Sales and Services of Educational Activities	0	0	
Auxiliaries	0	0	
Endowment Income	0	0	
Grants and Contracts	0	0	
Indirect Cost Recovered	0	0	
Gifts	0	0	
Federal Funds	0	0	
Hospitals	0	0	
All Other Sources	103,248,173	90,021,797	
TOTAL	103,248,173	90,021,797	

Overview and Analysis of Campus Operations

- All state general fund was drawn in the first quarter.
- In FY15, Central Office operations was moved on budget. Therefore, central office operations are being reflected in the unrestricted operating budget reports.
- HCSD had a prior year Medicare Pass Thru overpayment that was paid back this year.

Semi -Annual Overview of Restricted Operations

Campus: **LSU HCSD**

Show Expenditures As Positive	Actual Amount for each Semi-Annual Period in FY 2014-2015						
	Acct/Fund Balance	1st & 2nd Quarter			3rd & 4th Quarter		
		Revenues	Expenses, Transfers, & ICR	Fund Balance	Revenues	Expenses, Transfers, & ICR	Fund Balance
Revenues							
Restricted State Appropriations		0		0	0		0
Restricted Fees		0		0	0		0
Sales & Svcs of Educ. Activ's		0		0	0		0
Auxiliaries (List)							
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		0		0	0		0
Sales and Services Other		0		0	0		0
All Other Sources	103,248,173	1,362,106	14,588,482	90,021,797	0		0
TOTAL							
	103,248,173	1,362,106	14,588,482	90,021,797	0	0	0

Report on Restricted Operations

\$10.8M in expenses for risk management legacy costs for closed facilities
 \$1.7M in FEMA reimbursable rent expenses
 \$1M in in FEMA reimbursement/revenue



**RECOMMENDATION TO APPROVE
ASSIGNMENT OF UNDIVIDED WORKING INTERESTS
BY PENNINGTON OIL & GAS INTERESTS, LLC
TO TEN ASSIGNEES**

To: Members of the Board of Supervisors

Date: January 30, 2015

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 LSU AgCenter has received a request for assignment of undivided working interest by Pennington Oil & Gas Interests, LLC (Assignor) to ten assignees/working interest partners: County Down, LLC; T-C Oil Company, LLC; Geophysical Data Analysis, Inc.; HAEC Louisiana E&P, Inc.; Lakeshore Energy Louisiana II, LLC; Pardee Oil & Gas, LLC; Trend II, LLC; R.L. Zinn Et Al, Ltd.; Rollin' the Dice, LLC; and Tradition Exploration, LLC. The assignments are for State Agency Lease 21229 at the Ben Hur Research Station. Pennington is seeking Board approval on this matter. The LSU AgCenter is further requesting the Board of Supervisors to authorize and empower the President at this time to approve the assignment of undivided working interests.

2. Review of Business Plan

None

3. Fiscal Impact

None

4. Description of Competitive Process

None

5. Review of Legal Documents

Assignment of Undivided Working Interests

6. Parties of Interest

- LSU Board of Supervisors
- LSU AgCenter
- Pennington Oil & Gas Interests, LLC

7. Related Transactions

None.

8. Conflicts of Interest

None.

ATTACHMENTS

- Letter from Vice President William B. Richardson
- Letter from Ms. Anne Hise, Pennington Oil & Gas Interests, L.L.C.
- Letter from Attorney Leslie Daniel, Taylor Porter
- Exhibit A
- Exhibit B
- Assignments of Undivided Working Interest [**Posted on Board website due to volume**]

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 F. King Alexander, President of the LSU System, or his designee, is authorized and empowered for and on behalf of the Board of Supervisors to execute a consent to assignment by Pennington Oil & Gas Interests, LLC, as assignor, and County Down, LLC, et al., as assignees concerning Undivided Working Interests in the following described mineral lease:

Lease for Oil, Gas and Other Liquid or Gaseous Materials, being State Agency Lease No. 21229, by and between the State Mineral and Energy Board, on behalf of Lessor, and Pennington Oil & Gas Interests, L.L.C., as Lessee, dated August 14, 2013 and recorded under ORG 043 and BNDL 12527 of the Public Records of East Baton Rouge Parish, Louisiana, less and except the portion lying outside the Bol M-NS RA SU created by Order No. 16-R of the Office of Conservation released by act dated August 7, 2014, recorded as Original 817, Bundle 12597 of the public records of said parish.”



Office of Vice President for Agriculture

101 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-4161
FAX: (225) 578-4143

Corporate Relations
(225) 578-4238
FAX: (225) 578-4143

Governmental Relations
(225) 578-4967
FAX: (225) 578-4143

Accounting Services
103 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-4648
FAX: (225) 578-0735

Ag Leadership
102 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-3659
FAX: (225) 578-4225

Communications
128 Knapp Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-2263
FAX: (225) 578-4524

Facilities Planning
210 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-8731
FAX: (225) 578-7351

Human Resource Management
& Diversity
103 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-2258
FAX: (225) 578-8284

Information Technology
118 Knapp Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-4020
FAX: (225) 578-3629

International Programs
Sugar Station Building
South Stadium Road
110 LSU Union Square
LSU Box 16090
Baton Rouge, LA 70803-0106
(225) 578-6963
FAX: (225) 578-6775

Sponsored Programs and
Intellectual Property
104 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-6030

January 21, 2015

Dr. F. King Alexander, LSU President and Chancellor
LSU System
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70808

RE: **Significant Board Matter**
Assignment of Undivided Working Interest
State Agency Lease 21229
LSU AgCenter Ben Hur Research Station/Firemen Training
East Baton Rouge Parish
Baton Rouge, Louisiana

The LSU AgCenter has received a request from Pennington Oil & Gas Interests, L.L.C. for assignment of undivided working interests in State Agency Lease 21229 at the Ben Hur Research Station to ten assignees: County Down, LLC; T-C Oil Company, LLC; Geophysical Data Analysis, Inc.; HAEC Louisiana E&P, Inc.; Lakeshore Energy Louisiana II, LLC; Pardee Oil & Gas, LLC; Trend II, LLC; R.L. Zinn Et Al, Ltd.; Rollin' the Dice, LLC; and Tradition Exploration, LLC

We enclose herewith our request for approval, together with supporting documents, and request that this matter be placed before the Board of Supervisors at the next meeting.

The information submitted herewith is complete and accurate and is in compliance with Article VII, Section 8 of the bylaws of the Board of Supervisors.

Sincerely,

William B. Richardson, Chancellor and
Chalkley Family Endowed Chair

WBR:dgf

Attachments

xc: Ms. Ann Coulon
Mr. Danny Mahaffey
Mr. Dale Frederick

PENNINGTON OIL & GAS INTERESTS, L.L.C.

2237 SOUTH ACADIAN THRUWAY - SUITE 601
BATON ROUGE, LOUISIANA 70808

TELEPHONE (225) 383-3412

POST OFFICE BOX 1083
BATON ROUGE, LOUISIANA 70821-1083

FAX (225) 381-0128

November 19, 2014

Leslie Ayres Daniel
Taylor, Porter, Brooks & Phillips, LLP
8th Floor Chase Tower South
451 Florida Street
Baton Rouge, Louisiana 70801

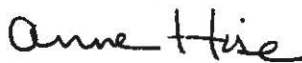
Re: Conditions of Assignment to Working Interests
LSU Board of Supervisors Approval
State Agency lease No. 21229
University Field

Dear Leslie,

Please find attached Conditions of Assignment executed by Pennington's ten Working Interest Partners in the captioned lease. Pennington has recently drilled and are completing the Board of Supervisor's No. 1, the unit well for the BOL M-NS A SU A in the University Field. As stated in the Conditions and also in the State Agency Lease, Pennington is not relieved of its obligations or liabilities through these Assignments. Also attached are copies of annual reports submitted by our Partners to the Secretary of State, both in Louisiana and Texas. A financial statement is included for R. L. Zinn, Ltd.

We would appreciate your placing our request to assign on the Agenda for the next Board of Supervisors meeting.

Yours very truly,
PENNINGTON OIL & GAS INTERESTS, L.L.C.



Anne Hise

AWH/rg
attachment

TAYLOR PORTER

ATTORNEYS AT LAW

Founded 1912

LESLIE AYRES DANIEL
Special Counsel

(225) 381-0292 TELEPHONE
(225) 215-8756 DIRECT FAX
(225) 346-8049 FACSIMILE
leslie.daniel@taylorporter.com

November 24, 2014

Via Hand Delivery

RECEIVED

NOV 24 2014

PROPERTY & FACILITIES

Danny Mahaffey
LSU System
Director of Facility Planning
109 System Building
3810 Lakeshore Drive
Baton Rouge, Louisiana 70808

Re: Pennington Oil & Gas Interests, L.L.C. --
Assignment of Undivided Working Interests; State Agency lease No. 21229 (University Field); Our File No. 0900/04007

Dear Danny:

Per my email to you this morning, Pennington Oil & Gas Interests, L.L.C. has asked that the requested Assignment of a portion of the Lease referenced above be placed on the next Board of Supervisors meeting docket for consideration. Accordingly, the following documents are enclosed for the Board's review:

1. Assignment of Undivided Working Interests executed in multiple parts by Pennington Oil & Gas Interests, L.L.C., and its ten (10) Assignees/Working Interest Partners;
2. Conditions of Assignment executed by Pennington and Assignee, T-C Oil Company, LLC;
3. Conditions of Assignment executed by Pennington and Assignee, County Down, LLC;
4. Conditions of Assignment executed by Pennington and Assignee, Geophysical Data Analysis, Inc.;
5. Conditions of Assignment executed by Pennington and Assignee, HAEC Louisiana E&P, Inc.;
6. Conditions of Assignment executed by Pennington and Assignee, Lakeshore Energy Louisiana II, LLC;
7. Conditions of Assignment executed by Pennington and Assignee, Pardee Oil & Gas, LLC;

Danny Mahaffey
November 24, 2014
Page 2

8. Conditions of Assignment executed by Pennington and Assignee, Trend II, LLC;
9. Conditions of Assignment executed by Pennington and Assignee, R. L. Zinn Et Al, Ltd.;
10. Conditions of Assignment executed by Pennington and Assignee, Rollin' the Dice, LLC;
and,
11. Conditions of Assignment executed by Pennington and Assignee, Tradition Exploration, LLC.

Please let me know if you have any questions or concerns regarding the enclosures.

Sincerely,

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



Leslie Ayres Daniel

LAD:dp
Enclosures

cc: Anne Hise

Exhibit "A"

Attached to Assignment of Oil, Gas and Mineral Lease by and between Pennington Oil & Gas Interests, LLC, assignor, and County Down, LLC, et al., assignees

County Down, LLC
P. O. Box 2900
Lake Charles, LA 70602 1.00%

Geophysical Data Analysts, Inc.
1017 Kidder Rd.
Carencro, LA 70520 1.125%

HAEC Louisiana E&P, Inc.
801 Travis, Suite 1425
Houston, TX 77002 5.00%

Tradition Exploration, LLC
P. O. Box 53385
Lafayette, LA 70505 4.00%

Lakeshore Energy Louisiana II, LLC
P. O. Box 53385
Lafayette, LA 70505 4.00%

Pardee Oil & Gas, LLC
3350 Highway 6, No. 427
Sugar Land TX, 77478 3.00%

R. L. Zinn et al, Ltd.
3400 Bissonnet St., Ste. 250
Houston, TX 77005 2.50%

Rollin' the Dice, LLC
19424 South Lake Way Ave.
Baton Rouge, LA 70810 1.00%

T-C Oil Company, LLC
427 FM 774
Refugio, TX 78377 25%

Trend II, LLC
P. O. Box 65206
Baton Rouge, LA 70896 5.00%

Exhibit "B"

Attached to Assignment of Oil, Gas and Mineral Lease by and between Pennington Oil & Gas Interests, LLC, assignor, and County Down, LLC, et al., assignees

Lease for Oil, Gas and Other Liquid or Gaseous Minerals, being State Agency Lease No. 21229, by and between State Mineral and Energy Board, on behalf of Lessor, and Pennington Oil & Gas Interests, L.L.C., Lessee, dated August 14, 2013, recorded as Original 043, Bundle 12527 of the public records of East Baton Rouge Parish, Louisiana, less and except the portion lying outside the Bol M-NS RA SU A created by Order No. 16-R of the Office of Conservation released by act dated August 7, 2014, recorded as Original 817, Bundle 12597 of the public records of said parish.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

ASSIGNMENT OF UNDIVIDED WORKING INTERESTS

Pennington Oil & Gas Interests, LLC (herein referred to as "Assignor"), for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, does hereby assign, convey, transfer and deliver to the parties identified in Exhibit "A" attached hereto and made a part hereof undivided working interests in the amounts shown on Exhibit "A" for each of said assignees in and to the oil, gas and mineral lease described in Exhibit "B" attached hereto and made part hereof ("Lease").

Assignor also assigns, conveys, transfers and delivers to Assignees a like interest in all equipment, personal property and fixtures located on the lands covered and affected by the Lease while used in connection with the Lease. If the Lease does not cover 100% of the mineral estate in the lands described therein, the interest conveyed herein shall be proportionately reduced.

Assignor does hereby reserve unto itself an overriding royalty interest of .50% of 8/8 in and to all oil, gas and other minerals produced and saved under and by virtue of the Lease. The overriding royalty interest is subject to the terms and provisions of the Lease and any amendments or modifications. The overriding royalty interest shall bear its proportionate share of severance and production taxes; however, said overriding royalty interest shall bear no costs or expenses whatsoever, including, but not limited to drilling, development, producing, pipelines, facilities, operating, delay rentals and all other costs and expenses. The overriding royalty interest may be pooled and unitized in the same manner and under the same and identical terms, conditions and provisions as the Lessor's royalty may be pooled and unitized under the terms of the Lease. The overriding royalty interest shall be proportionately reduced if the Lease covers less than 100% of the mineral interest in and to the land covered and affected thereby or the interest of Assignor therein is less than 100% of the leasehold interest.

The interests assigned to Assignees shall bear and be subject to, but not limited to, their proportionate shares of (a) royalty provided to Lessor in the Lease, (b) overriding royalty interest assigned in favor of John W. Walker, Jr. by Assignment of Overriding Royalty Interest dated February 24, 2014, effective August 31, 2013, recorded as Original 139 Bundle 12582 of the records of East Baton Rouge Parish, Louisiana, (c) the overriding royalty interest reserved to Assignor herein, (d) the Participation Agreement effective September 1, 2013 by and among Pennington Operating Company, LLC, et al., as amended and ratified by and among Pennington Operating Company, LLC et al., and (e) Operating Agreement effective September 1, 2013 by and among Pennington Operating Company, LLC, operator, and Assignor, et al., non-operators, as amended and ratified by and among Pennington Operating Company, LLC, operator on November 13, 2013 and Assignor, et al., non-operators, on various dates, effective as of September 1, 2013, and Memorandum of Operating Agreement recorded as Original 898 Bundle 12546 of the records of East Baton Rouge Parish.

Assignor binds itself to warrant and forever defend title to the interests herein assigned against all persons whomsoever claiming the same or any part thereof by, through or under Assignor, but not otherwise.

All terms and conditions hereof shall be binding upon, and inure to the benefit of, Assignor and Assignees, their heirs, successors and assigns and such terms and conditions shall be covenants running with the assigned premises.

Assignees shall be subject to and bound by the terms, conditions, provisions and/or restrictions of the Lease and all contracts, agreements or any other instruments or documents relating to the interest being assigned herein and to which the Assignor may be bound but only from and after the effective date of this assignment. Assignor represents that there are no overriding royalties, production payments, assignments, transfers, mortgages, liens or other encumbrances placed thereon by it or resulting from its ownership of the Lease other than the

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Anne Hise
Print Name Anne Hise
James F. Epperson
Print Name James F. Epperson

PENNINGTON OIL & GAS INTERESTS, LLC

By William Hodgkins
Print Name William Hodgkins

Print Name _____

COUNTY DOWN, LLC

By _____
Print Name _____

Print Name _____

GEOPHYSICAL DATA ANALYSTS, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

HAEC LOUISIANA E & P, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

TRADITION EXPLORATION, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

LAKESHORE ENERGY II, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Print Name _____

Carol Mack
Print Name Carol Mack

PENNINGTON OIL & GAS INTERESTS, LLC

By _____
Print Name _____

Print Name _____

Barbara D. Young
Print Name Barbara D. Young

COUNTY DOWN, LLC

By Robert S. Dampf
Print Name ROBERT S DAMPF

Print Name _____

Print Name _____

GEOPHYSICAL DATA ANALYSTS, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

HAEC LOUISIANA E & P, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

TRADITION EXPLORATION, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

LAKESHORE ENERGY II, LLC

By _____
Print Name _____

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Print Name _____

PENNINGTON OIL & GAS INTERESTS, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

COUNTY DOWN, LLC

By _____
Print Name _____

Print Name _____

Emelda L. Roberts
Print Name Emelda L. Roberts

GEOPHYSICAL DATA ANALYSTS, INC.

By Anthony J. Weber
Print Name ANTHONY J. WEBER

Kelsey Cooley
Print Name Kelsey Cooley

Print Name _____

HAEC LOUISIANA E & P, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

TRADITION EXPLORATION, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

LAKESHORE ENERGY II, LLC

By _____
Print Name _____

Print Name _____

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Print Name _____

Print Name _____

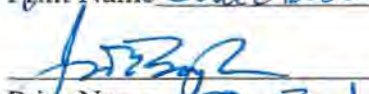
Print Name _____

Print Name _____

Print Name _____

Print Name _____


Print Name Jodi L. Brown


Print Name John Boylan

Print Name _____

Print Name _____

Print Name _____

Print Name _____

PENNINGTON OIL & GAS INTERESTS, LLC

By _____
Print Name _____

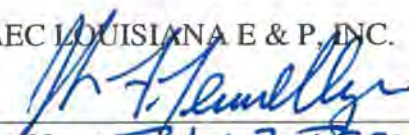
COUNTY DOWN, LLC

By _____
Print Name _____

GEOPHYSICAL DATA ANALYSTS, INC.

By _____
Print Name _____

HAEC LOUISIANA E & P, INC.

By 
Print Name JOHN F. TERWILLIGER

TRADITION EXPLORATION, LLC

By _____
Print Name _____

LAKESHORE ENERGY II, LLC

By _____
Print Name _____

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Print Name _____

PENNINGTON OIL & GAS INTERESTS, LLC

By _____
Print Name _____

Print Name _____

COUNTY DOWN, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

GEOPHYSICAL DATA ANALYSTS, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

HAEC LOUISIANA E & P, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

Barbara R. Clark
Print Name Barbara R. Clark

TRADITION EXPLORATION, LLC

By *Richard L. Hise*
Print Name Richard L. Hise
Managing Member

Melissa Hardin
Print Name MELISSA HARDIN

LAKESHORE ENERGY II, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

overriding royalty interests assigned to John W. Walker, Jr. and reserved by Assignor identified above.

This assignment is also made subject to the Act of Correction of the Lease recorded as Original 813 Bundle 12551 of the records of East Baton Rouge Parish, Louisiana, executed by and between the State Mineral and Energy Board, acting on behalf of the State of Louisiana as Lessor and Assignor, as Lessee.

Assignees recognize that this Assignment is not valid until approved by the Lessor, or the party authorized by Lessor to act on its behalf in that circumstance, and each of Assignees binds and obligates itself to make its best good faith efforts to obtain written consent of Lessor to the assignment of interests to it. Each of Assignees hereby accepts this assignment and agrees to fulfill the obligations, conditions and stipulations in said Lease and the rules and regulations of the State Mineral and Energy Board insofar as applicable thereto.

In witness whereof, this instrument of assignment has been executed by Assignor and Assignees on the dates set forth in the acknowledgements of their respective signatures in the presence of the undersigned competent witnesses to be effective as of August 14, 2013.

Print Name _____

PENNINGTON OIL & GAS INTERESTS, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

COUNTY DOWN, LLC

By _____
Print Name _____

Print Name _____

Print Name _____

GEOPHYSICAL DATA ANALYSTS, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

HAEC LOUISIANA E & P, INC.

By _____
Print Name _____

Print Name _____

Print Name _____

TRADITION EXPLORATION, LLC

By _____
Print Name _____

Print Name _____

Barbara L. Clark
Print Name Barbara R. Clark

LAKESHORE ENERGY II, LLC

By *Richard C. Hine*
Print Name Member / Manager
Richard C. Hine

Melissa Hardin
Print Name MELISSA HARDIN

Sylvia Alice
Print Name Sylvia Alice

Albert Bant
Print Name Albert Bant

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

PARDEE OIL & GAS, LLC

By William D. James
Print Name William D. JAMES SR. V.P.

R.L. ZINN ET AL, LTD.

By _____
Print Name _____

ROLLIN' THE DICE, LLC

By _____
Print Name _____

T-C OIL COMPANY, LLC

By _____
Print Name _____

TREND II, LLC

By _____
Print Name _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

Print Name _____

Print Name _____

D. J. Payne
Print Name Daniel Payne

Naomi Lincoln
Print Name Naomi Lincoln

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

PARDEE OIL & GAS, LLC

By _____

Print Name _____

R.L. ZINN ET AL, LTD.

By R. L. Zinn

Print Name Robert L. Zinn

ROLLIN' THE DICE, LLC

By _____

Print Name _____

T-C OIL COMPANY, LLC

By _____

Print Name _____

TREND II, LLC

By _____

Print Name _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____

Bar Roll No./Notary Public No. _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Daphne Reardo
Print Name Daphne Reardo

Jade Walden
Print Name Jade Walden

Print Name _____

Print Name _____

Print Name _____

Print Name _____

PARDEE OIL & GAS, LLC

By _____
Print Name _____

R.L. ZINN ET AL, LTD.

By _____
Print Name _____

ROLLIN' THE DICE, LLC

By Michael Berg
Print Name Michael Berg

T-C OIL COMPANY, LLC

By _____
Print Name _____

TREND II, LLC

By _____
Print Name _____

STATE OF LA

COUNTY/PARISH OF East Baton Rouge

On this 21st day of August, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____
Bar Roll No./Notary Public No. _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

STEVEN SOTTEN
Print Name STEVEN SOTTEN

Amy L. V. Kereal
Print Name Amy L. V. Kereal

Print Name _____

Print Name _____

PARDEE OIL & GAS, LLC

By _____
Print Name _____

R.L. ZINN ET AL, LTD.

By _____
Print Name _____

ROLLIN' THE DICE, LLC

By _____
Print Name _____

T-C OIL COMPANY, LLC

By Gary S. Childress
Print Name GARY S. CHILDRESS

TREND II, LLC

By _____
Print Name _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Racheal Gondeau
Print Name Racheal Gondeau

Anne Hise
Print Name Anne Hise

PARDEE OIL & GAS, LLC

By _____
Print Name _____

R.L. ZINN ET AL, LTD.

By _____
Print Name _____

ROLLIN' THE DICE, LLC

By _____
Print Name _____

T-C OIL COMPANY, LLC

By _____
Print Name _____

TREND II, LLC

By [Signature]
Print Name HERMAN DUDLEY III

STATE OF L

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____
Bar Roll No./Notary Public No. _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

Print Name _____

PARDEE OIL & GAS, LLC

By _____

Print Name _____

R.L. ZINN ET AL, LTD.

By _____

Print Name _____

ROLLIN' THE DICE, LLC

By _____

Print Name _____

T-C OIL COMPANY, LLC

By _____

Print Name _____

TREND II, LLC


By _____

Print Name _____

STATE OF LA

COUNTY/PARISH OF EAST BATON ROUGE

On this 27th day of AUG, 2014, before me personally appeared William HODGKINS, to me personally known, who, being by me duly sworn, did say that he is the VICE - PRESIDENT of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said William HODGKINS acknowledged said instrument to be the free act and deed of said limited liability company.



NOTARY PUBLIC
Print Name JACK M. DAMPF
Bar Roll No./Notary Public No. 4481

STATE OF Louisiana
~~JRB~~
COUNTY/PARISH OF Calcasieu

On this 21st day of August, 2014, before me personally appeared Robert S. Dampf, to me personally known, who, being by me duly sworn, did say that he is the Manager of COUNTY DOWN, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Robert S. Dampf acknowledged said instrument to be the free act and deed of said limited liability company.

Judy K. Bredenoef
NOTARY PUBLIC
Print Name Judy K. Bredenoef
Bar Roll No./Notary Public No. 50960

STATE OF _____
COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of TRADITION EXPLORATION, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____
COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of LAKESHORE ENERGY II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of TREND II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

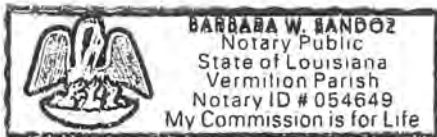
STATE OF Louisiana

COUNTY/PARISH OF Lafayette

On this 29th day of August, 2014, before me appeared ANTHONY J. WEBER, to me personally known, who, being by me duly sworn, did say that he is the PRESIDENT of GEOPHYSICAL DATA ANALYSTS, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said ANTHONY J. WEBER acknowledged said instrument to be the free act and deed of said corporation.

Barbara W. Sanders

NOTARY PUBLIC
Print Name Barbara W. Sanders
Bar Roll No./Notary Public No. 054649



STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of HAEC LOUISIANA E & P, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of TREND II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of GEOPHYSICAL DATA ANALYSTS, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

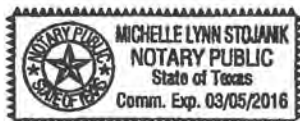
STATE OF TEXAS

COUNTY/PARISH OF HARRIS

On this 20th day of August, 2014, before me appeared J.F. Terwilliger, to me personally known, who, being by me duly sworn, did say that he is the CEO of HAEC LOUISIANA E & P, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said J.F. Terwilliger acknowledged said instrument to be the free act and deed of said corporation.

Michelle Lynn Stojanik

NOTARY PUBLIC
Print Name Michelle Lynn Stojanik
Bar Roll No./Notary Public No. _____



STATE OF _____

COUNTY/PARISH OF _____

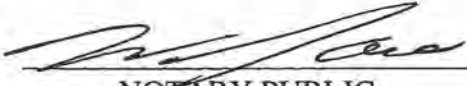
On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of COUNTY DOWN, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF LOUISIANA

COUNTY/PARISH OF LAFAYETTE

On this 26 day of AUGUST, 2014, before me personally appeared RICHARD W HISE, to me personally known, who, being by me duly sworn, did say that he is the MEMBER of TRADITION EXPLORATION, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said HE acknowledged said instrument to be the free act and deed of said limited liability company.



NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

WHITNEY S. ROMERO
Notary Public ID 60495
State of Louisiana
My Commission is For Life

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of LAKESHORE ENERGY II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of COUNTY DOWN, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____

Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of TRADITION EXPLORATION, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____

Bar Roll No./Notary Public No. _____

STATE OF LOUISIANA

COUNTY/PARISH OF LAFAYETTE

On this 26 day of AUGUST, 2014, before me personally appeared RICHARD W HISE, to me personally known, who, being by me duly sworn, did say that he is the MEMBER / MANAGER of LAKESHORE ENERGY II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said HE acknowledged said instrument to be the free act and deed of said limited liability company.



NOTARY PUBLIC

Print Name _____

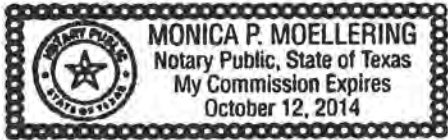
Bar Roll No./Notary Public No. _____

WHITNEY S. ROMERO
Notary Public ID 60495
State of Louisiana
My Commission is For Life

STATE OF TEXAS

COUNTY/PARISH OF Fort Bend

On this 8 day of September, 2014, before me personally appeared William D James, to me personally known, who, being by me duly sworn, did say that he is the SE. V. P of PARDEE OIL & GAS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said William D. James acknowledged said instrument to be the free act and deed of said limited liability company.



Monica P Moellering
NOTARY PUBLIC
Print Name Monica P Moellering
Bar Roll No./Notary Public No.

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of ROLLIN' THE DICE, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

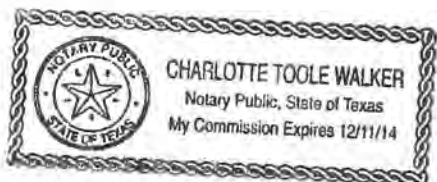
On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of T-C OIL COMPANY, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF TEXAS

COUNTY/PARISH OF HARRIS

On this 22 day of September, 2014, before me appeared Robert L. Zinn, to me personally known, who, being by me duly sworn, did say that he is the Managing General Partner of R.L. ZINN ET AL, LTD., a partnership, and that the foregoing instrument was signed on behalf of said partnership by authority conferred under the articles of partnership, and acknowledged said instrument to be the free act and deed of said partnership.



Charlotte Walker
NOTARY PUBLIC
Print Name Charlotte Walker
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PARDEE OIL & GAS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF Louisiana

COUNTY/PARISH OF E. Baton Rouge

On this 21 day of August, 2014, before me personally appeared Mr. Michael Berg, to me personally known, who, being by me duly sworn, did say that he is the man. member of ROLLIN' THE DICE, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.



[Signature]

NOTARY PUBLIC

Print Name Dajana W. Moore, Notary No. 68583
Bar Roll No./Notary Public No. _____

"Commissioned for Life"

THIS DOCUMENT NOT
PREPARED BY
THE UNDERSIGNED NOTARY
ATTESTING TO SIGNATURES ONLY

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of T-C OIL COMPANY, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC

Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PARDEE OIL & GAS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of ROLLIN' THE DICE, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said _____ acknowledged said instrument to be the free act and deed of said limited liability company.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF TEXAS

COUNTY/PARISH OF REFUGIO

On this 27th day of August, 2014, before me personally appeared Gary S. Childress, to me personally known, who, being by me duly sworn, did say that he is the COO of T-C OIL COMPANY, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Gary S. Childress acknowledged said instrument to be the free act and deed of said limited liability company.

Megan Lynn Haynes
NOTARY PUBLIC
Print Name Megan Haynes
Bar Roll No./Notary Public No. _____



STATE OF LOUISIANA

COUNTY/PARISH OF EAST BATON ROUGE

On this 20th day of August, 2014, before me personally appeared Hermann Moussé, III, to me personally known, who, being by me duly sworn, did say that he is the Manager of TREND II, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Hermann Moussé, III acknowledged said instrument to be the free act and deed of said limited liability company.

William Hodgkins
NOTARY PUBLIC
Print Name William Hodgkins
Bar Roll No./Notary Public No. 6536

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of GEOPHYSICAL DATA ANALYSTS, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____

STATE OF _____

COUNTY/PARISH OF _____

On this ____ day of _____, 2014, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of HAEC LOUISIANA E & P, INC. and that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

NOTARY PUBLIC
Print Name _____
Bar Roll No./Notary Public No. _____



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for T-C Oil Company, LLC (file number 801507093), a Domestic Limited Liability Company (LLC), was filed in this office on November 14, 2011.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate BLAND PROCTOR as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

201 E. SANTA ROSA STREET

VICTORIA, TX - 77901 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 07, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 25.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to T-C Oil Company, LLC, a LIMITED LIABILITY COMPANY in TEXAS (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 9th day of ~~September~~, 2014.
October

WITNESSES:

Anne Hise

Printed Name: Anne Hise

Racheal Gondeau

Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William E. Hodgkins

Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

STEVEN SCOTTEN

Printed Name: STEVEN SCOTTEN

Megan Haynes

Printed Name: Megan Haynes

ASSIGNEE:

T-C OIL COMPANY, LLC

By: Gary S. Childress

Name: GARY S. CHILDRESS
Title: COO

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____
Name: _____
Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

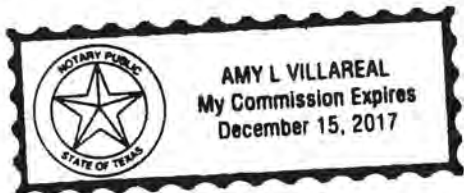
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

TEXAS
STATE OF LOUISIANA §
PARISH OF REFUGIO §
COUNTY

On this 9th day of October, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Gary S. Chidress, to me personally known, who by me being duly sworn, did say, that he is the COO of T-C Oil Company, LLC, a Limited Liability Company and as such he is duly authorized to execute the above and foregoing instrument on behalf of T-C Oil Company, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Amy L. Villareal
Notary Public

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

State of Louisiana
Secretary of State

COMMERCIAL DIVISION
225.925.4704



Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
COUNTY DOWN, L.L.C.	Limited Liability Company	LAKE CHARLES	Active

Business: COUNTY DOWN, L.L.C.

Charter Number: 34970321K

Registration Date: 7/31/2000

State Of Origin:

Domicile Address

4896 PINE VALLEY WAY
 LAKE CHARLES, LA 70605

Mailing Address

C/O ROBERT S. DAMPF
 P. O. BOX 2900
 LAKE CHARLES, LA 70602

Status

Status: Active
Annual Report Status: In Good Standing
File Date: 7/31/2000
Last Report Filed: 7/10/2014
Type: Limited Liability Company

Registered Agent(s)

Agent: ROBERT SAMUEL DAMPF
Address 1: C/O STOCKWELL, SIEVERT, ET AL
Address 2: ONE LAKESIDE PLAZA, 4TH FL.
City, State, Zip: LAKE CHARLES, LA 70601
Appointment Date: 7/31/2000

Officer(s)

Additional Officers: No

Officer: ROBERT SAMUEL DAMPF
Title: Manager, Member
Address 1: 4896 PINE VALLEY WAY
City, State, Zip: LAKE CHARLES, LA 70605

Officer: COURTNEY L. DAMPF
Title: Member
Address 1: 4896 PINE VALLEY WAY
City, State, Zip: LAKE CHARLES, LA 70605

Amendments on File

No Amendments on file

Print

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 1.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to County Down, LLC, a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 29th day of September, 2014.

WITNESSES:

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

Anne Hise

By: William E. Hodgkins

Printed Name: Anne Hise

Name: William E. Hodgkins
Title: Vice-President

Racheal Gordon

Printed Name: Racheal Gordon

WITNESSES:

ASSIGNEE:

COUNTY DOWN, LLC

Theresa B. Verret

By: Robert S. Dampf

Printed Name: Theresa B. Verret

Name: ROBERT S. DAMPF
Title: Manager

Kristi Cormier

Printed Name: Kristi Cormier

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

By: _____

Printed Name: _____

Name: _____

Title: President of Louisiana State
University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

STATE OF LOUISIANA §
PARISH OF Calcasieu §

On this 29 day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Robert S. Dumpt to me personally known, who by me being duly sworn, did say, that he is the Manager of County Down, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of County Down, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Diana G. Andersen
Notary Public Diana G. Andersen
#001375

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

State of Louisiana
Secretary of State

COMMERCIAL DIVISION
225.925.4704



Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
GEOPHYSICAL DATA ANALYSIS, INCORPORATED	Business Corporation	CARENCRO	Active

Business: GEOPHYSICAL DATA ANALYSIS, INCORPORATED
Charter Number: 34434106D
Registration Date: 5/6/1993
State Of Origin:

Domicile Address
 1017 KIDDER RD.
 CARENCRO, LA 70520

Mailing Address
 C/O ANTHONY JOHN WEBER
 1017 KIDDER RD.
 CARENCRO, LA 70520

Status

Status: Active
Annual Report Status: In Good Standing
File Date: 5/6/1993
Last Report Filed: 4/9/2014
Type: Business Corporation

Registered Agent(s)

Agent:	ANTHONY JOHN WEBER
Address 1:	1017 KIDDER RD.
City, State, Zip:	CARENCRO, LA 70520
Appointment Date:	5/6/1993

Officer(s)

Additional Officers: No

Officer:	ANTHONY JOHN WEBER
Title:	President, Director
Address 1:	1017 KIDDER RD.
City, State, Zip:	CARENCRO, LA 70520

Officer:	DIERDRE ELICE WEBER
Title:	Director, Secretary/Treasurer
Address 1:	1017 KIDDER RD.
City, State, Zip:	CARENCRO, LA 70520

Amendments on File

No Amendments on file

Print

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 1.125% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Geophysical Data Analysis, Inc., a CORPORATION in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 27th day of September, 2014.

WITNESSES:

Anne Hise

Printed Name: Anne Hise

Racheal Gourdeau

Printed Name: Racheal Gourdeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William E. Hodgkins

Name: William E. Hodgkins

Title: Vice-President

WITNESSES:

Dierdre Weber

Printed Name: Dierdre Weber

Jan L. Laughlin

Printed Name: JAN L LAUGHLIN

ASSIGNEE:

GEOPHYSICAL DATA ANALYSIS, INC.

By: Anthony J. Weber

Name: ANTHONY J. WEBER

Title: PRESIDENT

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

By: _____

Name: _____

Title: President of Louisiana State University System

Printed Name: _____

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

STATE OF LOUISIANA §
PARISH OF _____ §

On this _____ day of _____, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared _____ to me personally known, who by me being duly sworn, did say, that he is the _____ of Geophysical Data Analysis, Inc., a _____, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Geophysical Data Analysis, Inc. and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

STATE OF ARKANSAS § COUNTY OF CARROLL
PARISH OF ~~EAST BATON ROUGE~~ §

On this 27th day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Laura Evans
Notary Public



STATE OF ARKANSAS §
PARISH OF Carroll §
county

On this 27th day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Anthony J. Weber to me personally known, who by me being duly sworn, did say, that he is the President of Geophysical Data Analysis, Inc., a Louisiana Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Geophysical Data Analysis, Inc. and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Laura Evans
Notary Public



STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

**State of
Louisiana
Secretary of
State**



COMMERCIAL DIVISION
225.925.4704

Fax Numbers
225.932.5317 (Admin. Services)
225.932.5314 (Corporations)
225.932.5318 (UCC)

Name	Type	City	Status
HAEC LOUISIANA E & P, INC.	Business Corporation	BATON ROUGE	Active

Business: HAEC LOUISIANA E & P, INC.

Charter Number: 36789052D

Registration Date: 7/7/2008

State Of Origin:

Domicile Address

C/O CAPITOL CORPORATE SERVICES, INC.
8550 UNITED PLAZA BLVD., SUITE 305
BATON ROUGE, LA 70809

Mailing Address

C/O CAPITOL CORPORATE SERVICES, INC.
8550 UNITED PLAZA BLVD., SUITE 305
BATON ROUGE, LA 70809

Status

Status: Active

Annual Report Status: In Good Standing

File Date: 7/7/2008

Last Report Filed: 7/30/2014

Type: Business Corporation

Registered Agent(s)

Agent:	CAPITOL CORPORATE SERVICES, INC.
Address 1:	8550 UNITED PLAZA BUILDING II, STE. 305
City, State, Zip:	BATON ROUGE, LA 70809
Appointment Date:	7/7/2008

Officer(s)

Additional Officers: No

Officer:	JOHN F. TERWILLIGER
Title:	President, Director
Address 1:	801 TRAVIS, SUITE 1425
City, State, Zip:	HOUSTON, TX 77002

Amendments on File

No Amendments on file

[Print](#)

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 5.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to HAEC Louisiana E & P, Inc., a Louisiana Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of September, 2014.

WITNESSES:

Anne Hise

Printed Name: Anne Hise

Racheal Andean

Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William Hodgkins

Name: William E. Hodgkins

Title: Vice-President

WITNESSES:

Jodi L Brown

Printed Name: Jodi L Brown

John P Boylan

Printed Name: John P Boylan

ASSIGNEE:

HAEC LOUISIANA E & P, INC.

By: John F. Terwilliger Jr

Name: JOHN F. TERWILLIGER

Title: PRESIDENT

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____

Name: _____

Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

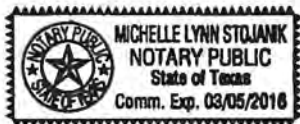
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

STATE OF TEXAS §
County ~~PARISH~~ OF HARRIS §

On this 23rd day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared John Terwilliger to me personally known, who by me being duly sworn, did say, that he is the CEO & President of HAEC Louisiana E & P, Inc., a Louisiana Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of HAEC Louisiana E & P, Inc. and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Michelle Lynn Stojanik
Notary Public

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

**State of
Louisiana
Secretary of
State**



COMMERCIAL DIVISION
225.925.4704

Fax Numbers
225.932.5317 (Admin. Services)
225.932.5314 (Corporations)
225.932.5318 (UCC)

Name	Type	City	Status
LAKESHORE ENERGY LOUISIANA II, L.L.C.	Limited Liability Company	LAFAYETTE	Active

Business: LAKESHORE ENERGY LOUISIANA II, L.L.C.

Charter Number: 41173428K

Registration Date: 5/16/2013

State Of Origin:

Domicile Address

230 HEYMANN BLVD
LAFAYETTE, LA 70503

Mailing Address

C/O RICHARD W. HISE
230 HEYMANN BLVD
LAFAYETTE, LA 70503

Status

Status: Active

Annual Report Status: In Good Standing

File Date: 5/16/2013

Last Report Filed: 5/28/2014

Type: Limited Liability Company

Registered Agent(s)

Agent:	RICHARD W. HISE
Address 1:	230 HEYMANN BLVD
City, State, Zip:	LAFAYETTE, LA 70503
Appointment Date:	5/16/2013

Officer(s)

Additional Officers: No

Officer:	RICHARD W. HISE
Title:	Member
Address 1:	230 HEYMANN BLVD
City, State, Zip:	LAFAYETTE, LA 70503

Amendments on File

No Amendments on file

[Print](#)

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 4.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Lakeshore Energy Louisiana II, LLC, a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of September, 2014.

WITNESSES:

Anne Hise

Printed Name: Anne Hise

Racheal Gondeau

Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William E. Hodgkins

Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

Melissa Hardin

Printed Name: MELISSA HARDIN

Barbara R. Clark

Printed Name: Barbara R. Clark

ASSIGNEE:

LAKESHORE ENERGY LOUISIANA II, LLC

By: Richard W. Hie

Name: Richard W. Hie
Title: Member/Manager

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____
Name: _____
Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

STATE OF LOUISIANA §
PARISH OF LAFAYETTE §

On this 23 day of SEPTEMBER, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Richard Hise, to me personally known, who by me being duly sworn, did say, that he is the MEMBER/MANAGER of Lakeshore Energy Louisiana II, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Lakeshore Energy Louisiana II, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Whitney S. Romero
Notary Public

WHITNEY S. ROMERO
Notary Public ID 60495
State of Louisiana
My Commission Is For Life

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Certificate of Authority for Pardee Minerals LLC (file number 800295504), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on January 22, 2004.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCORPORATING SERVICE COMPANY as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

211 E. 7TH STREET
SUITE 620
AUSTIN, TX - 78701 3218 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 07, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 3.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Pardee Oil & Gas, LLC, a LIMITED LIABILITY COMPANY in DELAWARE (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 26th day of September, 2014.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Jennifer Adams
Printed Name: JENNIFER ADAMS

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William E. Hodgkins
Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

Sylvia Alice
Printed Name: Sylvia Alice
Morgan Daniels
Printed Name: Morgan Daniels

ASSIGNEE:

PARDEE OIL & GAS, LLC

By: William D. James
Name: WILLIAM D. JAMES
Title: SENIOR VICE PRESIDENT

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____
Name: _____
Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 18th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

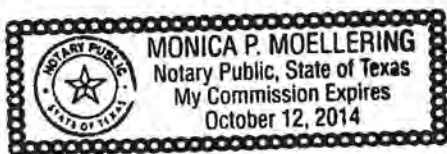
IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll # 29910

STATE OF LOUISIANA Texas §
PARISH OF Four Bend §

On this 26 day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William D. James, to me personally known, who by me being duly sworn, did say, that he is the Senior Vice President of Pardee Oil & Gas, LLC, a DELAWARE LIMITED LIABILITY COMPANY, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pardee Oil & Gas, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Mon P Moellering
Notary Public

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

State of Louisiana
Secretary of State

COMMERCIAL DIVISION
225.925.4704



Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
TREND II, L.L.C.	Limited Liability Company	BATON ROUGE	Active

Business: TREND II, L.L.C.
Charter Number: 35586556K
Registration Date: 11/4/2003
State Of Origin:
Domicile Address

9422 COMMON ST., UNIT 4
 BATON ROUGE, LA 70809

Mailing Address

P. O. BOX 65206
 BATON ROUGE, LA 70896

Status

Status: Active
Annual Report Status: In Good Standing
File Date: 11/4/2003
Last Report Filed: 10/16/2013
Type: Limited Liability Company

Registered Agent(s)

Agent: CLAUDE A. SCHLESINGER
Address 1: 639 LOYOLA AVENUE, STE. 2500
City, State, Zip: NEW ORLEANS, LA 70113
Appointment Date: 11/4/2003

Officer(s)

Additional Officers: No

Officer: HERMAN MOYSE, III
Title: Member
Address 1: 9422 COMMON ST., UNIT 4
City, State, Zip: BATON ROUGE, LA 70809

Officer: CLAUDE A. SCHLESINGER
Title: Member
Address 1: 639 LOYOLA AVENUE, STE. 2500
City, State, Zip: NEW ORLEANS, LA 70113

Officer: LEWIS MOYSE
Title: Member
Address 1: 6210 MENLO DR
City, State, Zip: BATON ROUGE, LA 70808

Amendments on File

No Amendments on file

Print

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 5.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Trend II, LLC, a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of September, 2014.

WITNESSES:

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

Anne Hise

By: William E. Hodgkins

Printed Name: Anne Hise

Name: William E. Hodgkins
Title: Vice-President

Racheal Gondeau

Printed Name: Racheal Gondeau

WITNESSES:

ASSIGNEE:

TREND II, LLC

Anne Hise

By: Hermann Moysie III

Printed Name: Anne Hise

Name: HERMANN MOYSE III
Title: MANAGER

Racheal Gondeau

Printed Name: Racheal Gondeau

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

By: _____

Name: _____

Printed Name: _____

Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll #29910

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 23 day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared HERMANN MOYSE III, to me personally known, who by me being duly sworn, did say, that he is the MANAGER of Trend II, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Trend II, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

William E. Hodgkins
Notary Public

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate Of Limited Partnership for R. L. ZINN ET AL, LTD. (file number 9470910), a Domestic Limited Partnership (LP), was filed in this office on December 27, 1996.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate ROBERT L ZINN as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

5319 BRAESHEATHER

HOUSTON, TX - 77096 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 07, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

ZINN PETROLEUM COMPANY

3400 Bissonnet, Suite 250
Houston, Texas 77005

Telephone (713) 838-2900

Facsimile (713) 838-2800
rlzinn@sbcglobal.net

September 23, 2014

LSU Board of Supervisors


Re: LSU Requirements for Approval of Assignments
State Agency Lease No. 21229
LSU Board of Supervisors No. 1: BOL M-NS A SU A

Gentlemen:

R.L. Zinn et al, Ltd. is a Texas Limited Partnership, with Robert L. Zinn as its Managing General Partner. Mr. Zinn has been an independent producer since 1959.

The partnership, which is a family partnership, has production in several hundred producing wells and operates entirely out of cash flow, having no debt. The partnership's value is estimated to be in the magnitude of \$20,000,000.

Yours truly,


Robert L. Zinn
Managing General Partner

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 2.500% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to R.L. Zinn et al, Ltd., a Texas Limited Partnership in Houston, Texas (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of September, 2014.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Gondeau
Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William Hodgkins
Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

Naomi Lincoln
Printed Name: Naomi Lincoln
Daniel Pugh
Printed Name: Daniel Pugh

ASSIGNEE:

R.L. ZINN ET AL, LTD.

By: Robert L. Zinn
Name: Robert L. Zinn
Title: Managing General Partner

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____
Name: _____
Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

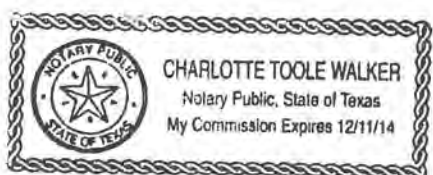
Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll #29910

STATE OF TEXAS

COUNTY OF HARRIS

On this 23 day of September, 2014, before me the undersigned Notary Public in and for the County and State aforesaid, appeared Robert L. Zinn, to me personally known, who by me being duly sworn, did say, that he is the Managing General Partner of R.L. Zinn et al, Ltd., a Texas Limited Partnership.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Charlotte H. Walker
Notary Public

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

State of Louisiana
Secretary of State

COMMERCIAL DIVISION
225.925.4704



Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
ROLLIN' THE DICE, LLC	Limited Liability Company	BATON ROUGE	Active

Business: ROLLIN' THE DICE, LLC

Charter Number: 41329923K

Registration Date: 11/1/2013

State Of Origin:

Domicile Address

19424 SOUTH LAKE WAY
 BATON ROUGE, LA 70810

Mailing Address

C/O LEE M. BERG
 19424 SOUTH LAKE WAY
 BATON ROUGE, LA 70810

Status

Status: Active

Annual Report Status: In Good Standing

File Date: 11/1/2013

Last Report Filed: N/A

Type: Limited Liability Company

Registered Agent(s)

Agent: LEE M. BERG
Address 1: 19424 SOUTH LAKE WAY
City, State, Zip: BATON ROUGE, LA 70810
Appointment Date: 11/1/2013

Officer(s)

Additional Officers: No

Officer: LEE M. BERG
Title: Member
Address 1: 19424 SOUTH LAKE WAY
City, State, Zip: BATON ROUGE, LA 70810

Amendments on File

No Amendments on file

Print

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 1.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Rollin' the Dice, LLC, a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 24th day of September, 2014.

WITNESSES:

Anne Hise

Printed Name: Anne Hise

Racheal Gondeau

Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William Hodgkins

Name: William E. Hodgkins

Title: Vice-President

WITNESSES:

Daphne Rendo

Printed Name: Daphne Rendo

Jade Waldron

Printed Name: Jade Waldron

ASSIGNEE:

ROLLIN' THE DICE, LLC

By: Lee Michael Berg

Name: LEE MICHAEL BERG

Title: managing mem.

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

Printed Name: _____

By: _____

Name: _____

Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Adrienne E. Hodgkins
Notary Public
Adrienne E. Hodgkins
Bar Roll #29910

STATE OF LOUISIANA §
PARISH OF E. Baton Rouge §

On this 24th day of September, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Les Michael Berg, to me personally known, who by me being duly sworn, did say, that he is the Managing member of Rollin' the Dice, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Rollin' the Dice, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Dajuana W. Moore
Notary Public
Dajuana W. Moore, Notary No. 68583
"Commissioned for Life"

THIS DOCUMENT NOT
PREPARED BY
THE UNDERSIGNED NOTARY
ATTESTING TO SIGNATURES ONLY

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public

Tom Schedler
Secretary of State

State of Louisiana
Secretary of State

COMMERCIAL DIVISION
225.925.4704



Fax Numbers
 225.932.5317 (Admin. Services)
 225.932.5314 (Corporations)
 225.932.5318 (UCC)

Name	Type	City	Status
TRADITION EXPLORATION, L.L.C.	Limited Liability Company	LAFAYETTE	Active

Business: TRADITION EXPLORATION, L.L.C.

Charter Number: 41341577K

Registration Date: 11/19/2013

State Of Origin:

Domicile Address

230 HEYMANN BLVD.
 LAFAYETTE, LA 70503

Mailing Address

230 HEYMANN BLVD.
 LAFAYETTE, LA 70503

Status

Status: Active

Annual Report Status: In Good Standing

File Date: 11/19/2013

Last Report Filed: N/A

Type: Limited Liability Company

Registered Agent(s)

Agent:	RICHARD W. HISE
Address 1:	230 HEYMANN BLVD.
City, State, Zip:	LAFAYETTE, LA 70503
Appointment Date:	11/19/2013

Officer(s)

Additional Officers: No

Officer:	RICHARD W. HISE
Title:	Member
Address 1:	230 HEYMANN BLVD.
City, State, Zip:	LAFAYETTE, LA 70503

Amendments on File

No Amendments on file

Print

CONDITIONS OF ASSIGNMENT

STATE OF LOUISIANA §

PARISH OF EAST BATON ROUGE §

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (hereinafter "Lessor") has been requested to consent to and approve an assignment (conveyance) of Oil, Gas and Other Liquid and Gaseous Minerals Leases by Pennington Oil & Gas Interests, LLC a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignor"), which assignment conveys an undivided 4.000% interest in the following described Oil, Gas and Other Liquid and Gaseous Minerals Leases:

State Agency Lease No. 21229

Said interest to be assigned to Tradition Exploration, LLC, a Louisiana Limited Liability Corporation in Louisiana (hereinafter "Assignee").

WHEREAS, Lessor requires certain conditions be included in the assignment, which conditions are not in the general assignment executed by the parties involved.

NOW, THEREFORE, the Assignor and Assignee do hereby and by these presents agree to the following conditions of assignment: (1) the Assignor is not relieved of its obligations or liabilities under the above described Leases; and (2) any notice required or allowed by the Lessor to Assignor under said Leases shall be considered notice to Assignor when such notice has been properly made to Assignee or its assigns.

IN WITNESS WHEREOF, this instrument is executed this 23rd day of September, 2014.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Gondeau
Printed Name: Racheal Gondeau

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

By: William Hodgkins
Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

Melissa Hardin
Printed Name: MELISSA HARDIN
Barbara P. Clark
Printed Name: Barbara P. Clark

ASSIGNEE:

TRADITION EXPLORATION, LLC

By: Richard W. Hise
Name: Richard W. Hise
Title: Member / Manager

Consent to the above described assignment of undivided interests in the above referenced Oil, Gas and Other Liquid and Gaseous Minerals Leases is granted this _____ day of _____, 2014.

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

Printed Name: _____

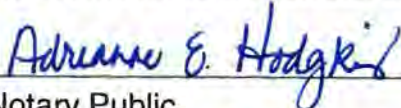
Printed Name: _____

By: _____
Name: _____
Title: President of Louisiana State University System

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 19th day of November, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William E. Hodgkins, to me personally known, who by me being duly sworn, did say, that he is the Vice-President of Pennington Oil & Gas Interests, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Oil & Gas Interests, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public
Adrienne E. Hodgkins
Bar Roll # 29410

STATE OF LOUISIANA §
PARISH OF LA FAYETTE §

On this 23 day of SEPTEMBER, 2014, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Richard Hise, to me personally known, who by me being duly sworn, did say, that he is the MEMBER/MANAGER of Tradition Exploration, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Tradition Exploration, LLC and that the above and foregoing instrument was signed on behalf of said corporation by the authority of its Board of Directors, and the said Appearer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public

WHITNEY S. ROMERO
Notary Public ID 60495
State of Louisiana
My Commission Is For Life

STATE OF LOUISIANA §
PARISH OF _____ §

Before me, the undersigned authority, personally came and appeared _____, who by me being first duly sworn, deposed and said:

That he is one of the witnesses to the execution of the foregoing instrument and that he saw _____ sign said instrument as President of Louisiana State University System for and on behalf of the Board of Supervisors of Louisiana State University and A&M College in the presence of Appearer and _____, the other subscribing witness.

Sworn to and subscribed before me on this

the ____ day of _____, 2014.

Appearer

Notary Public



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU HEALTH SCIENCES CENTER IN NEW ORLEANS FOR REAUTHORIZATION OF THE STANLEY S. SCOTT CANCER CENTER OF EXCELLENCE

To: Members of the Board of Supervisors

Date: January 30, 2015

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.

This request is for re-authorization of the Stanley S. Scott Cancer Center of Excellence (SSSCC) at the Louisiana State University Health Sciences Center in New Orleans for a period of five years.

The Stanley S. Scott Cancer Center was first authorized by the LSU Board of Supervisors and the Board of Regents as a Center of Excellence in 1991. Its mission is to decrease cancer incidence and mortality in Louisiana with particular emphasis on those citizens in greatest need, the medically underserved and minority population. This mission is ongoing, as Louisiana continues to have some of the highest cancer mortality rates in the nation.

The SSSCC has, since its founding, grown into a multi-disciplinary matrix organization, drawing membership and expertise from virtually every department within the LSUHSC-NO's Schools of Medicine, Nursing and Dentistry. Dr. Augusto Ochoa, who has served as director since 2006, is supported by a highly experienced team of well-funded researchers, clinicians and professional staff who are integrating resources from throughout the LSU campuses and across the state into a strong network for cancer prevention, education and therapy. The SSSCC team is actively working to build the expertise, resources, grants, education, collaborations, outreach and clinical trials activity necessary to compete for eventual designation as a comprehensive cancer center by the National Cancer Institute (NCI).

To fulfill its mission and serve those most in need of assistance across the state, the SSSCC has clear goals and objectives, and is focused on developing a strong cancer prevention and early detection program throughout the state while also providing high quality cancer treatment, education and research. The SSSCC has established major research programs in cancer cell genetics / biology, in infection and inflammation as

related to cancer, and in health disparities. In conjunction with eight dedicated scientific cores and five shared scientific cores, the SSSCC researchers and clinicians pursue both basic, translational and clinical trials research to facilitate moving critical cancer knowledge from the bench to the bedside.

Highlights of Key Accomplishments

- SSSCC researchers have made unique discoveries of genes related to certain prostate cancer in African-American populations, and created the first lab to conduct high-throughput sequencing analysis for tumors that disproportionately affect Louisiana citizens.
- Together with both Mary Bird Perkins Cancer Center and the Cancer Center at LSUHSC-Shreveport, the SSSCC leads the largest and only state-wide cancer clinical trials program funded by the National Cancer Institute, called the Gulf-South – Minority Underserved – NCI Community Oncology Research Program (GS-MU-NCORP), which includes a consortium of 26 different clinical sites in Louisiana and Mississippi. This program has received nearly \$13 million in NIH funding since inception.
- Significant and award-winning advances in the understanding of how the inflammatory or immune response plays an essential role in certain forms of cancer treatment.
- Specialized team and clinics focused on viral oncology, working in an NCI-recognized effort and facility to better understand and treat the growing number of HIV-positive patients who develop cancer, funded since inception by multiple NIH, Board of Regents and other grants totaling \$1.4 million.
- In partnership with Dillard University, the SSSCC established the Minority Health and Health Disparities Research Center, funded by the NIH since launch with \$3.5 million since inception, to train minority nurses on clinical trials and thereby increase the participation of minority patients in such trials.
- Creation of a significant Clinical Trials Core, with three major support teams, to conduct and manage clinical trials across the GS-MU-NCORP sites.
- In 2013, the SSSCC moved into the new, state-of the art Louisiana Cancer Research Center (LCRC), providing researchers and clinicians with a work environment, equipment and core facilities which will have a major impact in advancing the SSSCC efforts as a Center of Excellence.
- Members of the SSSCC, over 120 researchers and physicians, currently hold roughly \$18 million in annual funding for cancer-related clinical, basic and translational research, and have generated in excess of \$65 million in federal and non-federal grants and contracts over the last five years. Since 2007, the SSSCC-affiliated investigators have maintained a continued increase in successful

external funding despite the decreased federal agency funding level, indicating the clear excellence maintained by all affiliated with the SSSCC.

- New programs planned for the next few years include expansion of an HIV Cancer Care Program, creation of two additional related core facilities, establishment of a multi-disciplinary Center for Translational Viral Oncology, expansion of basic and translational aspects of the LSU-Ochsner Cancer Program, development of a genomics center for cancer, and even further enhanced community training, service, research and service.

3. Fiscal Note

The LSUHSC-NO Stanley S. Scott Cancer Center of Excellence is funded in FY2014-2015 with a total revenue of \$11,814,286. Approximately 35% is self-generated from external grants, contracts, and roughly another third is supported by state grants and contracts including the Louisiana Cancer Research Center (LCRC) / tobacco tax funding; the remainder is comprised of both state and institutional funds as well as indirect costs. Projected funding for upcoming years are \$11,683,934 in FY2015-2016; and \$11,933,934 in FY2016-2017 (See attached Budget Forms).

4. Review of Documents

The request for reauthorization of the Stanley S. Scott Cancer Center of Excellence has been reviewed and approved by appropriate faculty and administrators at the LSUHSC-NO and the System Office of Academic Affairs.

5. Other

The full proposal requesting reauthorization of the Stanley S. Scott Cancer Center of Excellence at LSUHSC-NO is available in the System Office of Academic Affairs. Additional information on physicians, facilities, research, and programs is also available on the Center's website: www.medschool.lsuhsu.edu/cancer_center.

6. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certifications were provided by LSUHSC-NO.

RECOMMENDATION:

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

RESOLUTION:

“NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College recommends reauthorization of the Stanley S. Scott Cancer Center of Excellence at Louisiana State University Health Sciences Center in New Orleans for an additional five-year period, subject to approval by the Louisiana Board of Regents.”

VII. Budget

Budget – As requested, below are the actual budgets for FY2013 and 2014 and the projected budgets for FY2015, FY2016 and FY2017, including sources and amounts.

The Revenue Budget is shown in five broad categories:

(1) State General Funding and (2) the Dean’s Funding – Part of the appropriation from the State of Louisiana allocated to LSUHSC.

(3) Other grants and contracts – Includes State Tobacco Tax allocated to the Louisiana Cancer Research consortium, divided among the members of the consortium: LSUHSC, Tulane, Xavier and Ochsner. This category also includes revenues from Pharmaceutical trials and funding from other non-federal external sources to support research.

(4) Grants and contracts – Self-generated funds from federal and non-federal grants and contracts awarded on competitive bases.

(5) Indirect Cost Recovery – Funds generated by grants and contracts. Indirect cost items are associated with general infrastructure support of the institution (LSUHSC). The Federal Office of Management and Budget, in document OMB-A-21, defines allowable direct and indirect costs for federal grants and contracts.



**LOUISIANA BOARD
OF REGENTS
Center/Institute
Budget Form LSUHSC
Cancer Center**

REVENUE (Example: State/Institutional Appropriations, State Grants, Federal Grants, Etc.)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
State General Funding	429,307	431,823	431,823	431,823	431,823
Other State Grants & Contracts (Includes LCRC (Tobacco Tax) funding)	1,000,000	1,604,542	3,745,003	2,915,287	2,915,287
Dean's Funding	1,986,000	1,796,745	1,703,911	1,800,000	1,800,000
Grants & Contracts	5,996,127	4,535,119	4,203,682	4,600,000	4,750,000
IDC Recovery	2,008,331	1,814,514	1,729,867	1,936,824	2,036,824
Total Revenue:	11,419,765	10,182,743	11,814,286	11,683,934	11,933,934

The Estimated Cost Budget is shown in eight broad categories:

(1) Salaries and (2) Benefits – The cost of supporting the research personnel (M.D.s, Ph.D.s, Post Doctoral Researchers, Technicians, Nurses, and support staff) for all of the basic, clinical and translational programs at the SSSCC.

(3) Travel Costs – Includes travel to national and international scientific meetings; travel to Cooperative Group meetings including SWOG, COG, RTOG, Wake Forrest, NSABP, AMC and CCOP; travel for program meetings in New Orleans, Baton Rouge and Shreveport; and External Advisory Board meetings.

(4) Supply Costs – Examples include adequate supplies included within each research initiative and core facility, such as biological reagents, mice, plastics, array kits, tissue culture reagents, molecular probes, etc.

(5) Operating Costs – Examples include maintenance contracts for major pieces of equipment, IRB fees, advertising for recruiting research personnel, research subjects' fees, telecommunications, postage, printing, and memberships.

(6) Other Costs – Examples include animal care and housing and professional services.

(7) Equipment Costs – Acquisition of capital equipment.

(8) IDC due to SOM & VCAF- items are associated with general infrastructure support of the institution as stated in OMB-A-21.



**LOUISIANA BOARD OF
REGENTS
Center/Institute Budget
Form LSUHSC Cancer
Center**

ESTIMATED COSTS (Example: Administration, Faculty and Support Salaries, Travel, Graduate Assistantships, Equipment, Supplies, Other, Etc.)	FY 2013	FY 2014	FY 2015	FY 2016	FY2017
Salaries	5,048,799	4,611,937	5,232,884	5,232,884	5,232,884
Benefits	1,742,588	1,678,921	1,920,633	1,920,633	1,920,633
Travel Costs	95,000	75,000	65,000	75,000	75,000
Supply Costs	1,686,956	1,700,000	2,531,506	2,569,895	2,735,722
Operating Costs	761,000	286,360	100,000	100,000	100,000
Other Costs	-	-	-		
Equipment Costs	150,000	139,444	96,468	100,000	100,000
IDC Due to SOM & VCAF	1,935,421	1,691,081	1,505,417	1,685,522	1,769,695
Total Costs:	11,419,764	10,182,743	11,451,908	11,683,934	11,933,934



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL TO ESTABLISH THE CHARLES V. SANDERS, M.D., ENDOWED CHAIR OF MEDICINE AT THE LSU HEALTH SCIENCES CENTER SCHOOL OF MEDICINE IN NEW ORLEANS

To: Members of the Board of Supervisors

Date: January 30, 2015

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

A significant donation has been made to the Foundation for the establishment of an Endowed Chair at the LSU Health Sciences Center in New Orleans. The Louisiana Board of Regents Support Fund Endowed Chairs for Eminent Scholars Program provides for multiple \$400,000 challenge grants to be awarded on a 40:60 matching basis. Donations received of at least \$600,000 qualify for matching grants under the Regents Support Fund Endowed Chairs program.

The following Endowed Chair is proposed based on a donation of \$600,000:

- Charles V. Sanders, M.D., Endowed Chair of Medicine at the LSU Health Sciences Center School of Medicine in New Orleans

3. Review of Business Plan

Not applicable

4. Review of Documents

Supporting materials for the proposed Chair are in order.

5. Other

Not applicable

6. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Chair.

RECOMMENDATION:

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

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the Charles V. Sanders, M.D., Endowed Chair of Medicine at the LSU Health Sciences Center School of Medicine in New Orleans,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Chair.



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU HEALTH SCIENCES CENTER SCHOOL OF MEDICINE IN NEW ORLEANS TO ESTABLISH FOUR ENDOWED PROFESSORSHIPS

To: Members of the Board of Supervisors

Date: January 30, 2015

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

Significant donations have been made to the Foundation for the establishment of four Endowed Professorships at the LSU Health Sciences Center in New Orleans. The Board of Regents Support Fund Endowed Professorships program, established in 1990-91, provides matching funds to help campuses recruit or retain faculty whose research, teaching, and/or public service uniquely contribute to the mission of their departments and institutions. Participation requires a contribution of at least \$60,000 from an external source, to be matched with \$40,000 from the BoRSF.

The following Endowed Professorships are proposed based on donations of \$60,000:

- Dominick D. and Wilhelmina L. Aiena Professorship in Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans
- Viola M. and Charles L. Lacoste, Sr. Professorship in Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans
- Donald Edward Texada, M.D. Professorship of Ophthalmology at the LSU Health Sciences Center School of Medicine in New Orleans

The following Endowed Professorship is proposed based on donations of \$120,000:

- Emeril J. Lagasse, III Professorship for Child and Adolescent Psychiatry at the LSU Health Sciences Center School of Medicine in New Orleans

3. Review of Documents

Supporting materials for the proposed Professorships are in order.

4. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Professorships.

RECOMMENDATION

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

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the establishment of the above named professorships at the LSU Health Sciences Center School of Medicine in New Orleans,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named Professorships.



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM THE LSU PAUL M. HEBERT LAW CENTER TO ESTABLISH THE BEN R. MILLER, JR. (MEMORIAL) ENDOWED PROFESSORSHIP

To: Members of the Board of Supervisors

Date: January 30, 2015

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

A significant donation has been made to the LSU Paul M. Hebert Law Center for establishment of an endowed professorship. The Board of Regents Support Fund Endowed Professorships program, established in 1990-91, provides matching funds to help campuses recruit or retain faculty whose research, teaching, and/or public service uniquely contribute to the mission of their departments and institutions. Participation requires a contribution of at least \$60,000 from an external source, to be matched with \$40,000 from the BoRSF.

Ben R. Miller, Jr., through a bequest upon his death, has made a donation of \$100,000 to the LSU Foundation for the establishment of an endowed professorship at the LSU Law Center in the name, Ben R. Miller, Jr. (Memorial) Endowed Professorship. This gift qualifies for a 60/40 match by the Board of Regents Support Fund matching grants program.

Mr. Miller earned his Bachelor of Science degree from LSU and then graduated first in his class from the LSU Law Center in 1961. He achieved the highest honors while in law school, serving as the Editor-in-Chief of the Louisiana Law Review and being inducted as a member of the Order of Coif in 1961. Upon graduation from law school, Mr. Miller served as a Captain in the U.S. Army Judge Advocate General's School in Charlottesville, VA. After his military service, he returned to Baton Rouge and worked under the tutelage of Judge Alvin Rubin.

Mr. Miller helped found Kean Miller LLP in 1983, now the largest law firm in Baton Rouge and one of the largest firms in Louisiana, with over 150 attorneys. As the firm's managing partner for 16 years, he presided over Kean Miller's business affairs. His law practice, which spanned over 53 years, included representation of Lamar Advertising Company, Wilbur Marvin, and Commercial Properties Development

Corporation (now the real estate arm of the Baton Rouge Area Foundation), among others. Mr. Miller was an active member of the American, Baton Rouge and Louisiana State Bar Associations as well as the Louisiana Bar Foundation. For the great distinction he earned during his legal career, Mr. Miller was named to the LSU Law Center Hall of Fame.

In addition to his legal practice, Mr. Miller remained strenuously committed to the mission of the LSU Law Center through his gifts and his service. He served as an adjunct professor at the LSU Law Center for numerous years, and he emerged as a leader in the Law Center's efforts to re-engage LSU Law alumni. Mr. Miller served as an early member of the Law Center's Alumni Board of Trustees and as a long-standing member of the Chancellor's Council.

Finally, Mr. Miller was committed to improving the broader Baton Rouge community and the State of Louisiana, and he gave his time and expertise in various volunteer capacities. He was Chairman, Vice President and Secretary of the Baton Rouge Area Foundation, as well as the Secretary and a member of the Board of the Wilbur Marvin Foundation. Mr. Miller served in a number of leadership roles at Episcopal High School, St. James Episcopal Church, and St. James Place Retirement Community. He also served on other boards, including: the Huey and Angelina Wilson Foundation, the Baton Rouge Area Chamber, the Louisiana Association of Nonprofit Organizations, the Public Affairs Research Council of Louisiana, Future Pac, the City Club of Baton Rouge, the Louisiana Association of Business and Industry, the Louisiana Partnership for Technology and Innovation, and the Capital Area Transit System, among others. Lastly, Mr. Miller remained active with the alumni organization for the Gamma Iota Chapter of LSU's Sigma Chi Fraternity, working for the improvement of the chapter and serving on the house corporation.

The LSU Law Center is grateful to Mr. Miller for his service and commitment to LSU, the Law Center, Baton Rouge, and the State as a whole, and the Law Center is honored to respectfully request that an endowed professorship be named in his honor.

3. Review of Documents

Supporting materials for the proposed Professorship are in order.

4. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Certification was provided in the resolution to create the Professorship.

RECOMMENDATION

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

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby approves the

establishment of the Ben R. Miller, Jr. (Memorial) Endowed Professorship at the LSU Paul M. Hebert Law Center,

and

BE IT FURTHER RESOLVED that the Chairman of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and/or the President of the Louisiana State University System, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the Ben R. Miller, Jr. (Memorial) Endowed Professorship at the LSU Paul M. Hebert Law Center.



Academic and Student Affairs Consent Agenda

REQUEST CONDITIONAL APPROVAL FROM LSU A&M TO ESTABLISH THE TRANSFORMATIONAL TECHNOLOGIES AND CYBER RESEARCH CENTER

To: Members of the Board of Supervisors

Date: January 30, 2015

1. Significant Board Matter

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

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 proposed Transformational Technologies and Cyber Research Center (TTCRC) is a new research unit that will build LSU's research and funding portfolio in the fields of intelligence, defense, and cyber research. TTCRC activities will advance science and develop technologies with potential commercial applications, thereby attracting and delivering applied research grants and contracts, bringing highly qualified faculty and students to LSU, and optimizing the resources of LSU's Stephenson Disaster Management Institute (SDMI).

The new research unit has been functionally implemented via a Cooperative Endeavor Agreement (CEA) executed by Louisiana Commissioner of Administration Kristy Nichols, Louisiana Economic Development (LED) Secretary Stephen Moret, and LSU President & Chancellor F. King Alexander. The new unit will officially be implemented upon approval of the Board of Regents.

LED has made an economic impact analysis of the TTCRC indicating that the center will result in a positive return on the state investment. Initially, the TTCRC will be funded in part by the State of Louisiana and LSU in a challenge grant configuration that provides \$1 in state funding and \$0.50 in LSU funding for each \$10 in research funds the center attracts over the next three years. Per the CEA the TTCRC must secure at least \$10 million in external funding by January 1, 2016.

The new research unit will be led by Jeff Moulton, Assistant to the Vice Chancellor of Research & Economic Development. As Director of TTCRC, Moulton will report directly to the Office of Research & Economic Development. TTCRC will collaborate closely with SDMI, which will also offer business and administrative support. SDMI's mission and operations are aligned with those of the TTCRC.

The objectives of the TTCRC are to:

- Advance science and develop technologies with potential commercial applications, thereby attracting highly qualified faculty and students to LSU

- Engage in federal, academic, and private partnerships, leveraging the resources of LSU, SDMI, and TTCRC through effective and efficient use of personnel, facilities, financial resources, and technological expertise
- Assemble a high-performance team composed of currently successful researchers, business development professionals, and grant performers
- Enhance LSU's financial and academic resources, create a fertile ground for establishing and expanding private businesses, and create well-paid new jobs for Louisiana residents.

3. Review of Business Plan

The center will be primarily managed by staff under the direction of Jeff Moulton, Assistant to the Vice Chancellor for Research & Economic Development. He is charged with attracting major research contracts to LSU by leveraging the university's manpower and infrastructure resources. Additional staff will be engaged by the center to oversee administrative services. Currently the center plans to hire an administrative assistant, grant writer, and three research associates. Research teams will be assembled from successful faculty from across the campus. Additional faculty will be recruited to the university to work on TTCRC-led projects but will be primarily housed at the appropriate college.

Initial costs have been provided by LSU's Office of Research and Economic Development (ORED), the SDMI and university institutional funds in order to facilitate the center's launch and to bridge the funding gap between the start of center activities and the initial payment to be provided by LED upon approval of the Cooperative Endeavor Agreement by the Louisiana Office of Contractual Review (OCR).

TTCRC will initially utilize space managed by ORED and SDMI. Discussions regarding future space allocations are ongoing, and plans are being made to respond to TTCRC's anticipated rapid expansion.

4. Review of Documents

The proposal has been reviewed by appropriate faculty and campus and system academic officials.

5. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certification has been provided by the campus.

Attachment:

Request for Conditional (One-Year) Approval of a New Academic/Research Unit

RECOMMENDATION:

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

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request from LSU A&M for conditional one-year approval to establish the Transformational Technologies and Cyber Research Center, subject to approval of the Louisiana Board of Regents.”



Form A

Request for Conditional (One-Year) Approval of a New Academic/Research Unit

1. Name of Institution

Louisiana State University

2. Name of Proposed Unit

Transformational Technologies and Cyber Research Center (TTCRC)

3. Name and Title of Administrator

Jeffrey Moulton, Assistant to the Vice Chancellor and Director of Transformational Technologies & Cyber Research Center (TTCRC), 225-578-0238, jmoulton@lsu.edu

4. Department or Academic Unit Responsible for the Unit

Office of Research & Economic Development

5. Date to Be Implemented

February 23, 2015

6. Date Approved by Management Board

January 30, 2015

Part I – Description

A. Description and Objectives

The proposed Transformational Technologies and Cyber Research Center (TTCRC) is a new research unit that will build LSU's research and funding portfolio in the fields of intelligence, defense, and cyber research. TTCRC activities will advance science and develop technologies with potential commercial applications, thereby attracting and delivering applied research grants and contracts, bringing highly qualified faculty and students to LSU, and optimizing the resources of LSU's Stephenson Disaster Management Institute (SDMI).

The new research unit has been functionally implemented via a Cooperative Endeavor Agreement (CEA)(appendix D) executed by Louisiana Commissioner of Administration Kristy Nichols, Louisiana Economic Development (LED) Secretary Stephen Moret, and LSU President and Chancellor F. King Alexander. The new unit will officially be implemented upon approval of the Board of Regents.

LED has made an economic impact analysis of the TTCRC indicating that the center will result in a positive return on the state investment. Initially, the TTCRC will be funded in part by the State of Louisiana and LSU in a challenge grant configuration that provides \$1 in state funding and \$0.50 in LSU funding for each \$10 in research funds the center attracts over the next three years. Per the CEA the TTCRC must secure at least \$10 million in external funding by January 1, 2016.

The new research unit will be led by Jeff Moulton, Assistant to the Vice Chancellor of Research & Economic Development. As Director of TTCRC, Moulton will report directly to the Office of Research & Economic Development. TTCRC will collaborate closely with SDMI, which will also offer business and administrative support. SDMI's mission and operations are aligned with those of the TTCRC.

The objectives of the TTCRC are to:

- Advance science and develop technologies with potential commercial applications, thereby attracting highly qualified faculty and students to LSU
- Engage in federal, academic, and private partnerships, leveraging the resources of LSU, SDMI, and TTCRC through effective and efficient use of personnel, facilities, financial resources, and technological expertise
- Assemble a high-performance team composed of currently successful researchers, business development professionals, and grant performers
- Enhance LSU's financial and academic resources, create a fertile ground for establishing and expanding private businesses, and create well-paid new jobs for Louisiana residents.

The LSU partnership with LED will result in broader engagement with the private sector, which will stimulate economic development. LED has agreed to work with LSU to attract new companies and jobs to Louisiana. TTCRC will develop significant partnerships with commercial industry to increase collaboration and create opportunities to license technologies for commercial applications. Both entities believe that applied technology sectors present tremendous growth potential. LED and LSU will work together to promote industry in these sectors. The creation of TTCRC and the CEA between Louisiana's flagship university and LED is a crucial step toward achieving these goals.

LSU will leverage existing expertise on campus to implement a program that is expected to rapidly generate new opportunities. The new center will be staffed with personnel experienced in

basic and applied research. This team will be composed of current and new strategic hires at LSU. The TTCRC expects to attract significant private sector involvement statewide.

B. Correlate objectives of the proposed unit with the role, scope, and mission of the institution

As the flagship institution of the state, LSU's mission is to generate, preserve, disseminate, and apply knowledge, and to cultivate the arts. The creation of the TTCRC directly addresses two of LSU's Flagship 2020 goals:

- **Discovery:** "Expand discovery through transformative research and creative activities addressing contemporary and enduring issues that shape the way we see the world." TTCRC will develop nationally recognized research and creative activities of the university in the fields of intelligence, defense, and cyber research. The center will create interdisciplinary teams to create solutions to significant research problems, and increase partnerships with industry to develop intellectual property and foster commercial applications.
- **Engagement:** "Promote engagement of faculty, staff, and students in the transformation of communities." TTCRC will increase collaboration with state and local leaders to optimize the resources of the institution. The center will enhance the university's involvement in economic activities and will work with LED to engage the private sector and stimulate job growth. Center research will extend the influence of scholarly expertise throughout the state, nation, and region through successful outreach and collaboration efforts. LSU has partnered with LED to found the TTCRC, which will help recruit new and additional companies, jobs, research, grants, and contracts focused on intelligence, defense, and cyber research.

The mission of the Office of Research & Economic Development (ORED) is "to support a holistic, university-wide environment in which advanced research, effective scholarship, and economic development can thrive and to support the LSU Flagship 2020 Agenda." ORED's strategic goals are to enhance research initiatives, develop the research enterprise and expand economic development, and increase research development. TTCRC will create a supportive environment for interdisciplinary research with local, national, and international partners. TTCRC will bring scholars together from across campus and foster creative research activities. The center will play a pivotal role in advancing the economic and workforce development of the state and the nation. TTCRC will provide resources and expertise to support the establishment and expansion of the business sector, and its activities will result in new applied technology jobs in Louisiana.

The mission of the Stephenson Disaster Management Institute is to save the lives of people and animals by continuously improving disaster management through thought leadership, applied research, and executive education. Its goals include:

- Develop solutions to evolving emergency management problems.
- Build partnerships among academic researchers, disaster management practitioners, and the private sector.
- Produce applied research and disseminate best practices to practitioner communities.

SDMI is an applied research institute, connecting university-based academic subject matter expertise to disaster management practitioners and decision makers. It is also designed to work with the private sector, or business community, to influence disaster management policy, practices, and education, and provide thought leadership through a broad interaction with public and private sector entities. TTCRC's technology transition goals will further augment SDMI's applied research. The center will collaborate closely with SDMI and other LSU research entities to

transition research and new technologies into new tools and capabilities to be used by decision makers in defense, homeland security, disaster management, and intelligence.

TTCRC efforts are also expected to enhance the research and training missions of academic units at LSU. Key faculty appointments with relevant expertise are already being discussed. Additionally, a greater student interest in STEM education is an expected product of this partnership, and graduate certificates as well as a masters in power grid protection are in development. TTCRC training activities will produce students with skills in high-demand areas for the State's emerging high-tech workforce.

C. How the proposed unit will work with the local/regional economic development alliance to explore potential opportunities for collaboration.

TTCRC represents the latest higher education investment by the State of Louisiana to cultivate an accomplished workforce with in-demand technology skills and a robust private sector with rapid growth in jobs that will engage graduates who possess skills in computer science, software engineering, digital media applications, mathematics, and other quantitative-intense fields. Such skills are associated with high-demand jobs requiring backgrounds in science, technology, engineering, and mathematics.

TTCRC will work with other Louisiana universities and other entities to extend the benefit of TTCRC capability statewide. There are ongoing relevant efforts around the state that will benefit from TTCRC's capability to recruit new applied research opportunities. This work has already begun in partnership with LED.

TTCRC will diversify LSU's portfolio by attracting new applied research grants and contracts. TTCRC will help develop the infrastructure at LSU to expand the university's work with the Department of Defense (DOD) and US Intelligence Community. Contract funding will be increased in areas of emerging growth such as cyber technologies, supply chain security, and materials science applications. SDMI will position LSU as a gateway to valuable resources by emphasizing recognized faculty and staff, its numerous successes in high performing deliverables, its emerging prowess as a computation and technology center, access to LONI, and other high performance capabilities.

Part II – Need

LSU desires to have greater success in securing grants and contracts in applied technology fields as well as transforming basic discoveries into products and services. Funders are increasingly interested in a corporeal return on their investment. More specifically, federal agencies have demonstrated a desire to fund applied research that provides tools and decision-support systems to the end users. TTCRC will address this need by serving as a focal point to attract new research and grant funding sources that utilize LSU capabilities, organize highly qualified faculty, and build federal, academic, and private partnerships.

TTCRC will leverage university expertise to provide real solutions for today's problems and tomorrow's challenges. TTCRC will match LSU research expertise with funding opportunities in these enterprises where LSU has not previously experienced a prominent level of participation. The close working relationship with the private sector in transitioning university research into new products, uses, services, etc., for both the public and private sectors is a renewed emphasis that the proposed new research unit will serve.

According to Governor Jindal “The Transformational Technologies and Cyber Research Center will help LSU attract tens of millions in new research funds while also resulting in new knowledge-based jobs in our state. This represents another great opportunity to leverage higher education partnerships to help create jobs in our state.”

Part III - Faculty

The center will be primarily managed by staff under the direction of Jeff Moulton, Assistant to the Vice Chancellor for Research & Economic Development. He is charged with attracting major research contracts to LSU by leveraging the university’s manpower and infrastructure resources.

Additional staff will be engaged by the center to oversee administrative services. Currently the center plans to hire an administrative assistant, grant writer, and three research associates. Research teams will be assembled from successful faculty from across the campus. Additional faculty will be recruited to the university to work on TTCRC-led projects but will be primarily housed at the appropriate college.

Primary staff currently include (CV provided in appendix B):

- Jeff Moulton, Director, TTCRC and Assistant to the Vice Chancellor of Research & Economic Development

Internal Advisory Board:

- Chair: Joseph Booth, Executive Director, SDMI
- Paco Capello, Cybersecurity Program Manager, SDMI
- Richard Koubek, Dean, College of Engineering
- Jagannathan Ramanujam, Director, Center for Computation & Technology
- Richard L. Kurtz, Associate Dean, College of Science
- Andy Maas, Director, Office of Intellectual Property, Commercialization & Development

Part IV – Facilities and Equipment

TTCRC will initially utilize space managed by ORED and SDMI. Discussions regarding future space allocations are ongoing, and plans are being made to respond to TTCRC’s anticipated rapid expansion. Possible facilities include:

- Plans for a new building on the LSU South Campus are being made and consideration is being given for TTCRC space there.
- Other space on the main campus may become available as TTCRC partners closely with academic units.
- TTCRC will have access to the current SDMI space at South Campus where there is a Business Emergency Operations Center being converted to dual use as a Cyber Lab, and the SDMI Disaster Lab, which houses the SDMI Geographic Information Systems Lab.
- A Sensitive Compartmented Information Facility (SCIF) is being planned as part of the renovation of Patrick F. Taylor Hall. This will enable the storage and processing of classified information.

Part V – Administration

TTCRC will be led by director Jeff Moulton, who will report directly to the Vice Chancellor for Research & Economic Development through the Associate Vice Chancellor for Research & Economic Development representing STEM disciplines. An Internal Advisory Board, chaired by Joseph Booth, Executive Director of SDMI, will ensure that the goals and objectives of the TTCRC are being met and offer support and guidance as needed. The center will be a standalone entity but will utilize SDMI's existing administrative structures for business management purposes.

According to the Cooperative Endeavor Agreement between LED and LSU, the center anticipates obtaining more than \$30 million in outside funding over three years. Plans are in place for the hiring of an administrative assistant, grant writer, and three research associates. Additional staff will be needed to manage these research projects and will be hired over the course of the initial period of conditional funding (see Appendix D). A preliminary organizational chart (Appendix C) will be updated and revised as additional positions are added throughout the lifespan of the center.

The proposed unit will not significantly affect the present academic organizational structure of the campus. TTCRC will leverage the personnel, facilities, financial resources, and technological expertise found across the LSU campus to successfully seek research contracts and grants in its core research areas.

Part VI – Budget

Initial costs have been provided by LSU's Office of Research and Economic Development (ORED), the Stephenson Disaster Management Institute (SDMI) and LSU Academic Affairs in order to facilitate the center's launch and to bridge the funding gap between the start of center activities and the initial payment to be provided by Louisiana Economic Development (LED) upon approval of the Cooperative Endeavor Agreement (Attachment A) by the Louisiana Office of Contractual Review (OCR).

These costs are estimated as follows:

- Approximately \$322,000 to be provided by ORED for salary for the TTCRC Director and associated fringe benefits.
- Approximately \$50,000 to be provided by SDMI for TTCRC operating expenses, including travel, miscellaneous supplies, support staff, and office space.
- Funding for a to-be-hired network engineer, additional staff, and operating support in the amount of \$435,834 has been provided by LSU Academic Affairs.

Upon OCR approval of the Cooperative Endeavor Agreement, LED will provide an initial payment of \$350,000 to support center activities.

During the year of conditional approval (Jan. 2015 – Jan. 2016), TTCRC will actively seek and secure funding through grants and contracts supported by federal agencies such as the Department of Defense, Department of Homeland Security, and similar entities. It is estimated that TTCRC will secure approximately \$10,000,000 in funding in the first year of operation.

Once LSU has executed \$3.5 million in TTCRC contracts, LED will match additional federal funds received at a rate of \$1 from LED for every \$10 of TTCRC contracts. This is estimated to provide another \$650,000 in revenue in year 1.

At present, the operating costs of TTCRC are minimal. As noted under “Current Revenue” in the attached budget sheet, LSU is providing salary for the TTCRC Director and staff and funding for travel, miscellaneous supplies, and office space. However, as the funding portfolio expands, TTCRC will grow and become self-sufficient. At this time, TTCRC estimated expenses based on LED commitments are as follows:

- We have estimated expenses of \$865,200 will be required to support TTCRC personnel salary and fringe benefits. This includes the TTCRC Director, a full-time grant writer, 3 full-time TTCRC research associates, and an administrative coordinator.
- As center activities increase, travel costs will increase. We have estimated \$125,000 for travel in the first year.
- We estimate \$5,000 in expenses for supplies and materials for center operations.
- Additionally, \$4,800 is budgeted for expenses associated with hosting workshops, site visits, etc.

Appendices

Appendix A: Budget sheets

Appendix B: CVs

Appendix C: Organization Chart

Appendix D: LED Cooperative Endeavor Agreement



LOUISIANA BOARD OF REGENTS

Center/Institute Budget Form

LSU Transformational Technologies
and Cyber Research Center (TTCRC)

CURRENT REVENUE (Example: State/Institutional Appropriations, State Grants, Federal Grants, etc.)	Year 1 AY (2015-2016)
LSU Office of Research and Economic Development	\$322,000
LSU Stephenson Disaster Management Institute	\$50,000
LSU Academic Affairs	\$435,834
Total Revenue	\$807,834



LOUISIANA BOARD OF REGENTS
Center/Institute Budget Form
LSU Transformational Technologies
and Cyber Research Center (TTCRC)

PENDING REVENUE (Example: Monies from outstanding proposals submitted for funding)	Year 1 AY (2015-2016)
Louisiana Economic Development initial payment upon OCR approval of agreement	\$350,000
Federal/military grants and contracts	\$10,000,000
Additional LED funding provided as match for executed TTCRC grants and contracts	\$650,000
Total Pending Revenue	\$11,000,000



LOUISIANA BOARD OF REGENTS

Center/Institute Budget Form

**LSU Transformational Technologies
and Cyber Research Center (TTCRC)**

ESTIMATED COSTS (Example: Administration, Faculty, and Support Salaries, Travel, Graduate Assistantships, Equipment, Supplies, Other, etc.)	Year 1 AY (2015-2016)
Personnel Salaries and Fringe Benefits	\$865,200
Travel	\$125,000
Supplies	\$5,000
Operating Services	\$4,800
Total Costs	\$1,000,000

BIOGRAPHICAL SKETCH**Jeff Moulton**

Director, Transformational Technologies & Cyber Research Center, LSU
 3041 Business Education Complex, Baton Rouge, LA 70803
 225.385.9684 jmoulton@lsu.edu

A. Role

Jeff Moulton will serve on the transition team and will be supporting research teams, including the design of adaptation options for Terrebonne Parish and Lafourche Parishes based on evaluating kinetic and non-kinetic risk factors.

B. Professional Preparation

Allentown College	Business Mgt	BA
Troy State University	Business/Ops Mgt	MS
Massachusetts Institute of Technology	Executive MBA	MBA

C. Appointments and Honors

2014–present	Director, Cyber Research Center
2002–2014	Director of Program Development and Information Operations, Georgia Tech Research Institute
2000–2002	Senior Operations Analyst, Deputy Program Manager, Program Manager, Concurrent Technologies Corporation, Johnstown, PA
1977–1999	Information Manager, United States Air Force

National AFCEA Cyber Committee Active Board Member

SAF/AQ Cyber Vision 2025 Committee

ODNI/NSA Computational Cyber Security in Compromised Environments (C3E)

IEEE Homeland Security Technologies Cyber Panel

Certified Information Systems Security Professional (CISSP), International Information Systems Security Certification Consortium (ISC2)

Certified Hacking Investigator (Wetstone)

Certified Project Management Professional (PMP), Project Management Institute

Certified National Security Agency (NSA) Information Assurance Manager (IAM)

Certified National Security Agency (NSA) INFOSEC Evaluation Methodology (IEM)

Certified Open Source Professional Security Analyst (OPSA)

Certified CNSS 4012, 4013, 4014, 4015, 4016

Certified/Fully Qualified Navy Certification Agent (Agent #I0042)

Member Program Management Institute (PMI)

Member ISC2, NDIA, AFCEA

D. Products

Multiple classified products, reports, and patents.

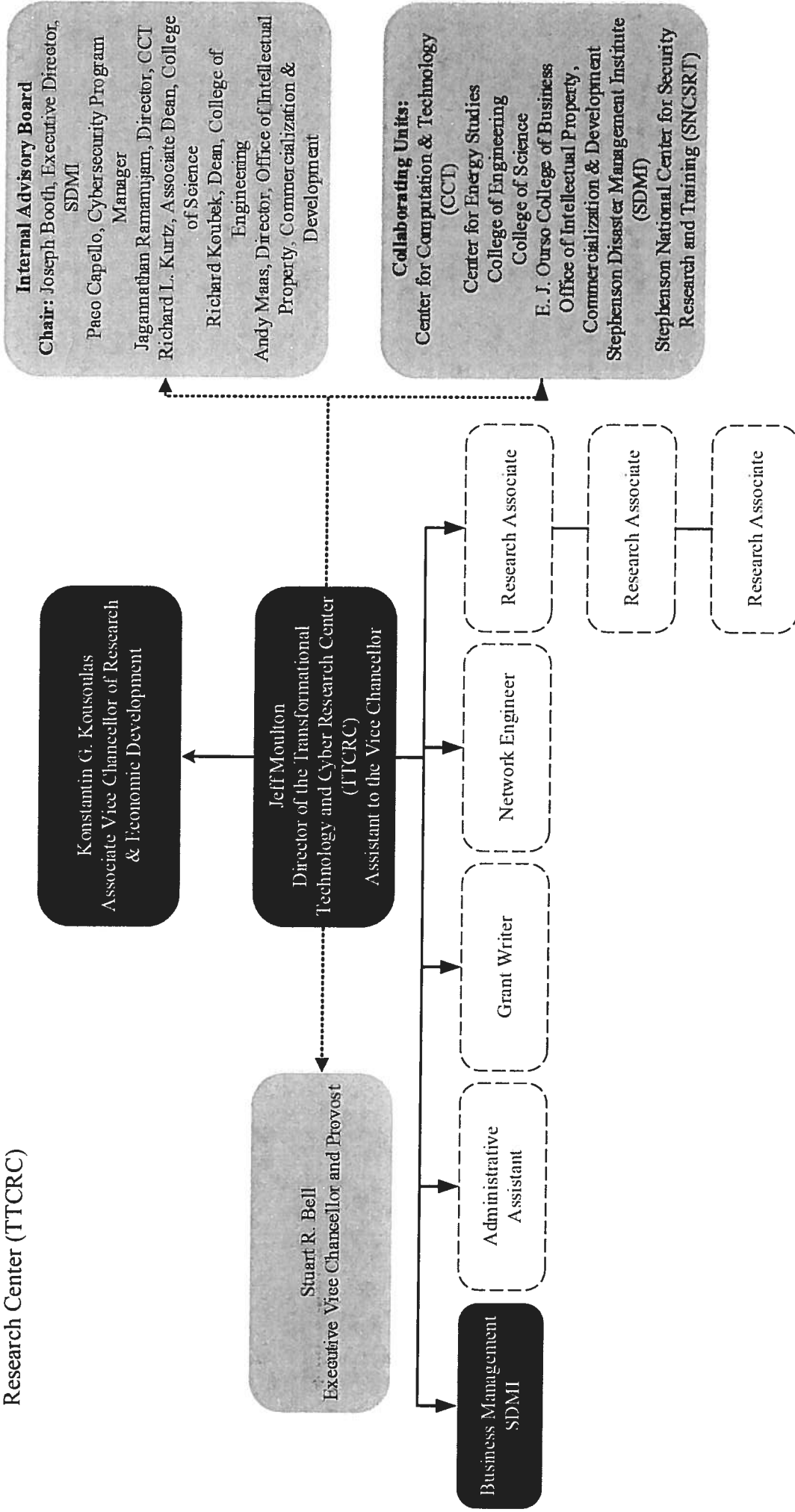
E. Research Activities and Accomplishments


- Principal Investigator & Program Manager for the \$96M R&D INFOSEC Protection of Vital Data (POVD) Program. The goal of the NSA sponsored POVD Program was to research Attack, Sensing, Warning & Response (ASW&R) COTS technologies to

improve the security of computer networks within the U.S. Government. Responsible for successfully meeting the technical, cost and schedule objectives for over 150 technical task orders.

- Of particular note, following the terrorist attack of 9/11, we developed a sensor package to analyze large amounts of heterogeneous network traffic (velocity, variety, volume, and variability) in real time. This effort involved the integration of COTS products and the development of custom code and scripts to allow for the collection, correlation, analysis, and storage of data and metadata. Our effort produced a cost-effective alternate to larger, more expensive solutions with significant reduction of false positives and false negatives.
- Led a technical team of 20 information assurance (cyber) engineers, served as the prime contractor and choreographed the activities of multiple cyber contractors/suppliers, and interfaced with intelligence community cyber Clients.
- Principal Investigator/Chair, NSA Special Cyber Operations Research and Engineering Group. Chaired data integrity as it relates to a broad set of issues affecting many disciplines, including multiple facets of cyber security. Investigated data integrity as it relates to surprising change, not just routine corruption. Characterized changes in data that are deliberate, malicious, or accidental. Developed methods to characterize malicious activities vice normal decay or corruption in data sets. Identified "best practices" in identifying data integrity remedies and practices in other disciplines.

Appendix C
 Administrative Structure for the
 Transformational Technology and Cyber
 Research Center (TTCRC)



 Anticipated Positions to be Filled



BOBBY JINDAL
GOVERNOR

KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Procurement

Ms. Chris Stewart
State Contracts/Grants Reviewer
Department of Economic Development
P. O. Box 94185
Post Office Box 94185
Baton Rouge, LA 70804-9185

Dear Ms. Stewart:

Enclosed are approved copies of the following cooperative endeavor agreement, received in our office on December 5, 2014. This agreement is being approved under the authority of Executive Order BJ 2008-29, issued August 5, 2008.

Department of Economic Development
CFMS# 733740 Louisiana State University and A&M

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

We appreciate your continued cooperation.

Sincerely,

Pamela Bartfay Rice
Pamela Bartfay Rice, Esq.
Interim Director

[Signature]
State Contracts/Grants Officer

Enclosures

RECEIVED

JAN 13 2015

LED CONTRACTS REVIEWER

15067-PC
133740

INTERAGENCY
COOPERATIVE ENDEAVOR AGREEMENT

by and between

STATE OF LOUISIANA

and

LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT

and

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

**INTERAGENCY
COOPERATIVE ENDEAVOR AGREEMENT**

This cooperative endeavor agreement ("Agreement"), effective July 1, 2014 ("Effective Date"), is made between:

STATE OF LOUISIANA ("State"), represented herein by the Commissioner of Administration ("Commissioner");

LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT ("LED"), an agency of the State, represented herein by the Secretary of LED ("Secretary") or the Undersecretary of LED; and

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

(The above are collectively referred to as "parties" and singularly referred to as "party".)

WHEREAS, LSU desires to create a new research unit, the Transformational Technology and Cyber Research Center ("TTCRC"), to attract and deliver upon applied research grants and contracts in the field of intelligence, defense, and cyber research which are not typically available to LSU at present ("the Project");

WHEREAS, TTCRC activities will advance science and develop technologies with potential commercial applications, thereby attracting highly qualified faculty and students to LSU, and with potential application to the operations of LSU's Stephenson Disaster Management Institute ("SDMI");

WHEREAS, TTCRC will engage in federal, academic and private partnerships, optimizing the resources of LSU, SDMI and TTCRC by effective and efficient use of personnel, facilities, financial resources and technological expertise;

WHEREAS, LSU and SDMI intend to assemble a high performance team composed of currently successful researchers, business development and grant performers to quick start the TTCRC program, with the expectation that TTCRC will generate self-sustaining revenue within a three year period;

WHEREAS, TTCRC activities will enhance LSU's financial and academic resources, create a fertile ground for establishment and expansion of private businesses, and create well-paid new

jobs for Louisiana residents, resulting in economic development in the State;

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

WHEREAS, the economic benefit to the State resulting from this Project is projected to exceed the value of the obligations of the State undertaken herein, this Agreement has a public purpose and is in the public interest of the State and its citizens;

THEREFORE, IT IS AGREED:

ARTICLE I DEFINITIONS

Section 1.01 Definitions

"Act" means, collectively, Section 14(C) of Article VII and Section 21(A) of Article VI of the Louisiana Constitution of 1974, as amended.

"Agreement" means this cooperative endeavor agreement, and any amendments or modifications thereto.

"Annual Report" is defined in Section 10.03.

"Assignment" means to transfer or assign this Agreement, transfer or assign any of a party's rights hereunder, or delegate any of a party's duties hereunder.

"Certified Request for Payment" means a request for payment of the LED grant, including a sworn verification of the value of TTCR Contracts executed by TTCRC during the relevant period, with supporting documentation as required by the Contract Monitor, signed by the TTCRC Director.

"Commissioner" means the State Commissioner of Administration.

"Contract Monitor" is defined in Section 9.01(A), and the initial Contract Monitor is identified in the LED signature section below.

"Economic Benefit" means the estimated positive impact of the Project on the economy of the State from the fulfillment by LSU's obligations hereunder, producing economic development and

resulting economic return, increased employment and attraction of similar development to the area.

"Effective Date" is stated in the first line of this Agreement.

"Executive Budget" means the budget submitted each year to the Legislature by the Governor, setting forth all proposed State expenditures, as required by La. R.S. 39:34.

"Goals" means the generation of the Economic Benefit.

"Governor" means the Governor of the State of Louisiana.

"LED" means the Louisiana Department of Economic Development.

"Legislature" means the Legislature of the State of Louisiana.

"Objectives" means the creation and operation of TTCRC, and TTCRC execution of TTCR Contracts with a value of at least \$30 million.

"Performance Measures" means achievement of the Goals and Objectives of this Agreement, documented through Annual Reports.

"Project" means the creation and operation of TTCRC, including the activities and undertakings described in Section 4.02.

"Project Budget" means the estimated Project Costs, and anticipated spending schedule, attached hereto as Exhibit A.

"Project Costs" means costs reasonably incurred by LSU in connection with the Project, to be funded through the LED grant provided in Section 4.01.

"Project Year" means any of three consecutive twelve-month periods, beginning on the Effective Date.

"Secretary" means the Secretary of the Louisiana Department of Economic Development.

"State" means the State of Louisiana.

“State Investment” means the total amount of payments to be made by the State through LED pursuant to Section 4.01.

“TTCR Contracts” means contracts for research to be performed by TTCRC, between LSU and the U.S. Department of Defense, Department of Homeland Security, or similar federal entities with defense, military, intelligence, quantum, materials, or cyber missions, or an agency, office or contractor thereof, for research or other services. TTCR contracts do not include contracts that would typically be available to LSU absent TTCRC (such as contracts or renewals of contracts currently held by LSU or SDMI) and contracts for services within SDMI’s mission scope (disaster preparedness and/or disaster management) where research related to defense, military, intelligence, quantum, materials, security, or cyber research or security matters is not a primary element of the contract.

“Transformational Technology and Cyber Research Center” or **“TTCRC”** means a research unit of LSU engaged in research in the fields of defense, military, intelligence, homeland security, and/or cyber research or security, including TTCR Contracts.

“LSU” means Louisiana State University and Agricultural and Mechanical College, a constitutionally established public institution under the supervision and management of its Board of Supervisors.

Section 1.02 Use of Defined Terms

- (A) Terms defined in this Agreement shall have their defined meanings when used herein, and in any document, certificate, report or agreement furnished in connection with this Agreement, unless the context clearly requires otherwise.
- (B) Words indicating the singular number shall include the plural number and vice versa, and words of the masculine gender shall include correlative words of the feminine and neutral genders and vice versa, unless the context clearly requires otherwise.
- (C) The words “hereof” and “herein” shall be construed to refer to the entirety of this Agreement and shall not be restricted to the particular portion of this Agreement in which they appear.
- (D) Section numbers shall refer to sections of this Agreement.

ARTICLE II AUTHORITY

Section 2.01 Authority of the Parties

The State and LSU are granted authority, pursuant to the Act, to enter into cooperative endeavor agreements with public and private associations or corporations for a public purpose, including agreements which may require the use of state funds, personnel or other resources, provided legal guidelines are met and the Economic Benefit is demonstrated to be commensurate with or greater than the State Investment. This Agreement is entered into pursuant to the Act, and with the expectation and belief that the Economic Benefit will exceed the applicable obligations of the State.

Section 2.02 Other Approvals

- (A) The parties hereto acknowledge that certain sources of funding of the State Investment and other State obligations may require approval of the Governor or the Legislature.
- (B) This Agreement is not effective until signed by all parties, and approved by the Director of the State's Office of Contractual Review or the Commissioner of Administration.

ARTICLE III REPRESENTATIONS

As a material inducement for each to enter into this Agreement, the parties make the following representations:

- (A) LED has made an economic impact analysis of the Project indicating that the Project will result in a positive return on the State Investment as measured by projected tax revenues and other economic development benefits.
- (B) The parties' respective obligations under this Agreement are made for the public purpose of generating the Economic Benefit and are part of a bargained for exchange.

ARTICLE IV OBLIGATIONS

Section 4.01 LED Obligations

The State through LED shall provide LSU with a grant of \$3.0 million for Project Costs, subject to a limit of \$1 million in each Project Year. An initial payment of \$350,000 will be paid within 30 days of the approval of this Agreement by the State Office of Contractual Review. No additional payments shall be owed until LSU has executed TTCR Contracts with a total value of \$3.5 million. Thereafter, additional payments will be made upon receipt of a Certified Request for Payment documenting the amount of TTCR Contracts that LSU has executed during the time

period covered by the Certified Request for Payment. Such payments will be made at a rate of \$1 from LED for every \$10 of TTCR Contracts executed by LSU above \$3.5 million, in accordance with the procedures provided in Section 10.4.

Section 4.02 LSU Obligations

(A) Utilizing the LED-provided grant funds, together with its own resources, LSU will support the creation and operation of the LSU Transformational Technology and Cyber Research Center, and engage in activities reasonably aimed at achieving the Project Goals and Objectives, including:

(1) Provide TTCRC with reasonable support, including space, resources, and staff, to allow it to fulfill its functions. In particular, for each \$10 of TTCR Contracts, provide at least \$0.50 in funding and in-kind support to TTCRC, exclusive of LED grant funding. In-kind support shall include recruitment and employment of TTCRC Director and staff, providing reasonable office space and laboratory facilities for TTCRC, and other tangible items directly benefitting TTCRC operations, all valued at no more than actual cost or fair market value.

(2) Proceed with due diligence through the process of establishing the TTCRC as a formal research center under Board of Regents policies, subject to all required reviews and approvals.

(B) If the revenue received by TTCRC from TTCR Contracts used to match LED grant payments is less than the value asserted in the requests for grant payment, LSU shall reimburse to LED 10% of the amount of any short-fall within one year of termination of this Agreement.

ARTICLE V APPROPRIATION

All State obligations under this Agreement are subject to appropriation by the Legislature of sufficient funds therefor and the availability of funds following Legislative appropriation, and subject to termination or reduction due to unavailability of funding. The State agrees to request that the Executive Budget include the funds necessary for the State Investment and to use its best efforts to effect the necessary Legislative appropriations, but makes no representations, warranties or covenants, express or implied, that the Legislature will make such appropriations.

ARTICLE VI ASSIGNMENT

This Agreement is not assignable or transferable.

**ARTICLE VII
TERM**

The term of this Agreement shall extend from the Effective Date through July 1, 2017.

**ARTICLE VIII
TERMINATION**

Section 8.01 LED Termination for Cause

If TTCRC has not secured at least \$10 million of TTCR Contracts by January 1, 2016 LED may terminate this Agreement, and LSU shall make reimbursement of any shortfall in matching TTCR Contract revenue as provided in Section 4.02(B).

Section 8.02 LSU Termination Without Cause

LSU may terminate this Agreement effective as of the end of any Project Year, after giving LED at least six months notice of termination, and upon reimbursement of any shortfall in matching TTCR Contract revenue as provided in Section 4.02(B). LSU shall have one year from the date of termination to pay any reimbursement owed.

**ARTICLE IX
MONITORING; REPORTING; FISCAL MATTERS**

Section 9.01 Contract Monitoring

(A) The Secretary of LED or his designee will designate, and may change from time to time, one or more persons on his staff to act as Contract Monitor for the Project, to act as LED's representative and liaison between LED and LSU, and to monitor the achievement of the Goals, Objectives, and Performance Measures of this Agreement.

(B) LSU agrees to LED's monitoring through the Contract Monitor of LSU's compliance with its obligations under this Agreement. Such monitoring may include review of documents and site inspections, and will be documented in writing.

(C) Any approval by the Contract Monitor required by this Agreement may be provided by the Secretary or his designee. The Secretary reserves the right to deny approval or countermand an approval by the Contract Monitor.

Section 9.02 Project Budget

The Project Budget is attached hereto as Exhibit A. If the estimated Project Costs or the schedule of expenditure of such Project Costs should materially change at any time, LSU shall promptly submit a revised Project Budget to the Contract Monitor showing such changes. The LED grant amount shall not be increased nor payment thereof accelerated by any such revision.

Section 9.03 Reports

On or before each July 1 during the term of this Agreement, LSU shall deliver to the Contract Monitor an Annual Report including a description of TTCRC's activities during the prior Project Year, the use of the LED grant for Project Costs, and compliance with LSU's obligations under Section 4.02(A). In addition, on or before each January 1 during the term of this Agreement, LSU shall deliver to the Contract Monitor an Interim Report, describing the status and progress made toward fulfilling its obligations under Section 4.02.

Section 9.04 Request for Grant Payment

At least annually, but no more frequently than monthly, and no later than June 1, 2017, LSU shall submit to LED a Certified Request for Payment, and upon approval by the Contract Monitor requests will be paid as provided in Section 4.01(A).

Section 9.05 Audit

Subject to confidentiality restrictions imposed by state and federal law, LSU shall make all of its books and records relating to and documenting compliance with LSU's obligations under this Agreement available to LED for audit upon request, and to the Louisiana Legislative Auditor as may be required by law.

**ARTICLE X
LIABILITY; CHOICE OF LAW; JURISDICTION**

Section 10.01 No Personal Liability

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

Section 10.02 Indemnification

Each party hereby agrees to protect, defend, indemnify, save and hold harmless the other party and its offices, agencies, boards and employees, from and against any and all claims (even if such claims are groundless, false or fraudulent), liability and expenses arising out of injury or death to any person or the damage, loss or destruction of any property, which may occur or in

any way grow out of any act or omission of the indemnifying party, its employees or agents relating to this Agreement, and from any and all resulting costs, expenses, and attorney fees incurred by the indemnifying party, except for those claims, demands, expenses and liability arising out of the wrongful acts of the indemnified party, its employees or agents.

Section 10.03 Choice of Law

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

Section 10.04 Jurisdiction and Venue

The 19th Judicial District Court in the Parish of East Baton Rouge, State of Louisiana, shall be deemed to be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding between the parties that may be brought, or arise out of, in connection with, or by reason of this Agreement; and the Parties hereto submit themselves to the jurisdiction of said court in the event of any legal proceedings in connection with this Agreement.

**ARTICLE XI
NOTICES**

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered by (1) hand-delivered by courier, with signed receipt; (2) mailed through the United States Postal Service, postage prepaid, first-class, with return receipt requested; (3) delivered by private, commercial carrier, such as Federal Express, with signature for delivery; or (4) sent by telegram, electronic facsimile transmission, email or other similar form of rapid transmission confirmed by written notice sent (by one of the first three methods described above) at substantially the same time as such transmission. All such communications shall be delivered to officer (or their successor) at the address set forth below, or to such other person and address as may be subsequently designated by such party in written notice to the other party.

To the State/LED:

Stephen M. Moret, Secretary
Louisiana Department of Economic Development
P. O. Box 94185; Baton Rouge, LA 70804-9185 (U.S.P.S. mail)
Capitol Annex, Room 229; 1051 North 3rd Street; Baton Rouge, LA 70802-5239 (Delivery)
Telephone: (225) 342-3000
Fax: (225) 342-9095

To LSU:

Daniel T. Layzell
Vice President for Finance and Administration / CFO
330 Thomas Boyd Hall
Louisiana State University
Baton Rouge, LA 70803

With a copy to:

General Counsel
Louisiana State University
3810 West Lakeshore Dr.
Baton Rouge, LA 70803

ARTICLE XII MISCELLANEOUS

Section 12.01 Captions

The captions or headings in this Agreement are for convenience only and do not define or limit the scope or extent of this Agreement.

Section 12.02 Counterpart

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

Section 12.03 Severability

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

Section 12.04 Amendment

This Agreement may be amended only upon the written consent and approval of all parties, and the approval of the Director of the State's Office of Contractual Review or the Commissioner of Administration.

IN WITNESS WHEREOF, this Cooperative Endeavor Agreement has been signed in triplicate originals by the undersigned duly authorized representatives, in the presence of the undersigned competent witnesses, on the dates indicated below.

WITNESSES:

(1) Ricki L. George
Signature

Ricki L. George
Printed Name

(2) Michelle Pennington
Signature

Michelle Pennington
Printed Name

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

By: F. King Alexander
F. King Alexander, President and Chancellor

Date: 09/19/2014

WITNESSES:

(1) Chris Stewart
Signature

Chris Stewart
Printed Name

(2) Joyce Davidson
Signature

Joyce Davidson
Printed Name

LOUISIANA DEPARTMENT OF
ECONOMIC DEVELOPMENT

By: Stephen Moret
Stephen Moret, Secretary /
Anne G. Villa, Undersecretary

Date: ~~12/18/14~~ 12/4/14

LED CONTRACT MONITOR:

Gregory Trahan
Signature

GREGORY TRAHAN
Printed Name

10/16/2014
Date

WITNESSES:

(1) Portia Johnson
Signature

Portia Johnson
Printed Name

(2) _____
Signature

Printed Name

STATE OF LOUISIANA

By: Kristy Nichols
Kristy Nichols,
Commissioner of Administration

Date: _____

APPROVED
Office of the Governor
Office of Contractual Review

JAN - 2, 2015
Paula Lewis
Pamela Bartley Rice

EXHIBIT A

(Project Budget)

**Louisiana State University and Agricultural and Mechanical College
TTCRC Budget
Year One**

LSU Transformational Technology and Cyber Research
Center (TTCRC)

Project Title:
Principal Investigator(s):
Project Period:

Jeff Moulton
July 1, 2014 - June 30, 2017

	LED Funds
A. Senior Personnel Salaries and Wages	
1. TTCRC Director	\$230,000
2. Grant Writer	\$85,000
3. Researcher 1 (100%)	\$90,000
4. Researcher 2 (100%)	\$90,000
5. Researcher 2 (100%)	\$90,000
6. Administrative Coordinator	\$33,000
B. Other Personnel Salaries and Wages	
1. Postdoctoral Associates	\$0
2. Other Professionals	\$0
3. Graduate Assistants	\$0
4. Student Workers	\$0
5. Contingent Employees/Transients	\$0
C. Subtotal Salaries and Wages	\$618,000
D. Fringe Benefits	
Regular Employees @ 40%	\$247,200
Graduate Assistants @ 3%	\$0
Contingent Employee/Transients @ 7.65%	\$0
E. Subtotal Fringe Benefits	\$247,200
F. Total Salaries, Wages and Fringe	\$865,200
G. Travel	\$101,800
H. Supplies	\$15,000
I. Operating Services	\$18,000
J. Professional Services	
1. Subcontracts	\$0
2. Consultants	\$0
3. Other Services	\$0
K. Other Charges	\$0
L. Equipment	\$0
M. Tuition Remission @ 33%	\$0
N. Total Direct Costs	\$1,000,000
O. Facilities & Administrative Costs	
@ 0.0% *Base for request = \$1,000,000	\$0
Unrecovered F&A (Provided as LSU TTCRC Support) \$480,000	
P. Total Project Costs	\$1,000,000

*Base = MTDC = Total Direct Costs less Equipment - Each Subcontract in excess of \$25,000 (only the first \$25,000 of each subcontract is included) - Tuition Remission

**Louisiana State University and Agricultural and Mechanical College
TTCRC Budget
Year Two**

LSU Transformational Technology and Cyber Research
Center (TTCRC)

Project Title:

Principal Investigator(s):

Project Period:

Jeff Moulton

July 1, 2014 - June 30, 2017

	LED Funds
A. Senior Personnel Salaries and Wages	
1. TTCRC Director	\$230,000
2. Grant Writer	\$85,000
3. Researcher 1 (100%)	\$90,000
4. Researcher 2 (100%)	\$90,000
5. Researcher 2 (100%)	\$90,000
6. Administrative Coordinator	\$33,000
B. Other Personnel Salaries and Wages	
1. Postdoctoral Associates	\$0
2. Other Professionals	\$0
3. Graduate Assistants	\$0
4. Student Workers	\$0
5. Contingent Employees/Transients	\$0
C. Subtotal Salaries and Wages	\$618,000
D. Fringe Benefits	
Regular Employees @ 40%	\$247,200
Graduate Assistants @ 3%	\$0
Contingent Employee/Transients @ 7.65%	\$0
E. Subtotal Fringe Benefits	\$247,200
F. Total Salaries, Wages and Fringe	\$865,200
G. Travel	\$111,800
H. Supplies	\$5,000
I. Operating Services	\$18,000
J. Professional Services	
1. Subcontracts	\$0
2. Consultants	\$0
3. Other Services	\$0
K. Other Charges	\$0
L. Equipment	\$0
M. Tuition Remission @ 33%	\$0
N. Total Direct Costs	\$1,000,000
O. Facilities & Administrative Costs	
@ 0.0% *Base for request = \$1,000,000	\$0
Unrecovered F&A (Provided as LSU TTCRC Support) \$480,000	
P. Total Project Costs	\$1,000,000

*Base = MTDC = Total Direct Costs less Equipment - Each Subcontract in excess of \$25,000 (only the first \$25,000 of each subcontract is included) - Tuition Remission

**Louisiana State University and Agricultural and Mechanical College
TTCRC Budget
Year Three**

LSU Transformational Technology and Cyber Research
Center (TTCRC)

Project Title:

Principal Investigator(s):

Project Period:

Jeff Moulton

July 1, 2014 - June 30, 2017

	LED Funds
A. Senior Personnel Salaries and Wages	
1. TTCRC Director	\$230,000
2. Grant Writer	\$85,000
3. Researcher 1 (100%)	\$90,000
4. Researcher 2 (100%)	\$90,000
5. Researcher 2 (100%)	\$90,000
6. Administrative Coordinator	\$33,000
B. Other Personnel Salaries and Wages	
1. Postdoctoral Associates	\$0
2. Other Professionals	\$0
3. Graduate Assistants	\$0
4. Student Workers	\$0
5. Contingent Employees/Transients	\$0
C. Subtotal Salaries and Wages	\$618,000
D. Fringe Benefits	
Regular Employees @ 40%	\$247,200
Graduate Assistants @ 3%	\$0
Contingent Employee/Transients @ 7.65%	\$0
E. Subtotal Fringe Benefits	\$247,200
F. Total Salaries, Wages and Fringe	\$865,200
G. Travel	\$111,800
H. Supplies	\$5,000
I. Operating Services	\$18,000
J. Professional Services	
1. Subcontracts	\$0
2. Consultants	\$0
3. Other Services	\$0
K. Other Charges	\$0
L. Equipment	\$0
M. Tuition Remission @ 33%	\$0
N. Total Direct Costs	\$1,000,000
O. Facilities & Administrative Costs	
@ 0.0% *Base for request = \$1,000,000	\$0
Unrecovered F&A (Provided as LSU TTCRC Support) \$480,000	
P. Total Project Costs	\$1,000,000

*Base = MTDC = Total Direct Costs less Equipment - Each Subcontract in excess of \$25,000 (only the first \$25,000 of each subcontract is included) - Tuition Remission

**Louisiana State University and Agricultural and Mechanical College
TTCRC Budget
Composite**

LSU Transformational Technology and Cyber Research
Center (TTCRC)

Project Title:

Principal Investigator(s):

Project Period:

Jeff Moulton

July 1, 2014 - June 30, 2017

	LED Funds
A. Senior Personnel Salaries and Wages	
1. TTCRC Director	\$690,000
2. Grant Writer	\$255,000
3. Researcher 1 (100%)	\$270,000
4. Researcher 2 (100%)	\$270,000
5. Researcher 2 (100%)	\$270,000
6. Other Investigators (list on justification)	\$99,000
B. Other Personnel Salaries and Wages	
1. Postdoctoral Associates	\$0
2. Other Professionals	\$0
3. Graduate Assistants	\$0
4. Student Workers	\$0
5. Contingent Employees/Transients	\$0
C. Subtotal Salaries and Wages	\$1,854,000
D. Fringe Benefits	
Regular Employees	\$741,600
Graduate Assistants	\$0
Contingent Employee/Transients	\$0
E. Subtotal Fringe Benefits	\$741,600
F. Total Salaries, Wages and Fringe	\$2,595,600
G. Travel	\$325,400
H. Supplies	\$25,000
I. Operating Services	\$54,000
J. Professional Services	
1. Subcontracts	\$0
2. Consultants	\$0
3. Other Services	\$0
K. Other Charges	\$0
L. Equipment	\$0
M. Tuition Remission*	\$0
N. Total Direct Costs	\$3,000,000
O. Facilities & Administrative Costs	
@ 0.0% *Base for request = \$3,000,000	\$0
Unrecovered F&A (Provided as LSU TTCRC Support) \$1,440,000	
P. Total Project Costs	\$3,000,000

*Base = MTDC = Total Direct Costs less Equipment - Each Subcontract in excess of \$25,000 (only the first \$25,000 of each subcontract is included) - Tuition Remission



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU A&M TO ESTABLISH A GRADUATE CERTIFICATE IN FISHERIES SCIENCE AND ASSESSMENT

To: Members of the Board of Supervisors

Date: January 30, 2015

1. Significant Board Matter

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

- 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

Program Description and Need: The purpose of the proposed Graduate Certificate in Fisheries Science and Assessment is to further train professionals (post-baccalaureate) already in the workforce and to enhance the education of LSU graduate students by providing a set of specific courses tailored to current issues in fisheries science and management. Upon completion of the certificate, students will have multi-disciplinary training in fisheries science and assessment, which is in high demand in government and private industry.

The curriculum is centered on students obtaining training in the basics of fisheries science and management and at least one course in fish ecology (nine credits of required courses), and then electives from at least two of the remaining four topic areas: resource management; resource economics; human dimensions; and quantitative methods). A total of 18 cred hours is required for the certificate. Students have the flexibility to substitute courses with the permission of the FSAC Steering Committee and the Dean of the Graduate School.

The proposed certificate provides a clear mechanism for students to obtain the needed knowledge across disciplines that is necessary for modern-day fisheries science and management. The certificate program enables courses across departments and schools to be combined into one curriculum to train students and workers with the needed broad and inter-disciplinary skills. There are no similar certificate programs in the Gulf of Mexico region.

Fisheries is major industry in the Gulf of Mexico and especially in Louisiana. Broadly trained students will be in demand at federal and state resource regulatory and management agencies and in private industry such as environmental consulting and the oil and gas industries that involve natural resource assessments.

Students: The students participating in the FSAC program will come from departments within LSU (Oceanography and Coastal Sciences, Experimental Statistics, Biological Sciences, Environmental

Sciences, Agricultural Economics, and the School of Renewable Natural Resources), as well as non-traditional students from federal and state agencies and local industry. The Department of Oceanography and Coastal Sciences graduates approximately four students with fisheries faculty as their major advisor each year (average of 3.8 since 2010) and has had about 20 students with Fisheries advisors enrolled each year since 2010. Renewable Natural Resources produces about six graduate student in fisheries per year (average of 6.25 since 2010) and typically has 20 to 25 student enrolled. Based on these numbers, the projected enrollment of the certificate program is between eight and 10 students each year, with about three students completing the certificate each year.

3. Review of Business Plan

The certificate will reside in the LSU Graduate School under the direction of the Dean of the Graduate School and the FSAC Steering Committee. Committee membership will consist of one representative from each of the key participating units: Oceanography and Coastal Sciences, Environmental Sciences, Experimental Statistics, Biological Sciences, Renewable Natural Resources, and Agricultural Economics. When necessary, steering committee member replacements will be nominated by the Dean of each participating college/school, and approved by the Executive Vice President & Provost. Admission to the certificate program and determination of completion of the certificate will be based on interaction of the steering committee with the Dean of the Graduate School. Degree-seeking students can begin, end, or complete the certificate at any point during their degree program.

The proposed FSAC will use existing faculty, facilities, and courses, with the addition of the one new modern topics course. This new course will be team-taught by existing faculty and will not incur any additional costs. There are sufficient options within each focus area to ensure sufficient courses will be available to students without adjustment of a department's originally-planned availability of their courses. The steering committee will consist of existing faculty from each of the member departments, and will coordinate admissions, standards, and requirements; the Graduate School will assume administrative responsibilities. Because no additional resources will be required to implement the certificate program, nor will new income be generated.

4. Review of Documents

The request to establish a Graduate Certificate in Fisheries Science and Assessment has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certification has been provided by the campus.

Attachment:

Proposal to Develop a New Academic Certificate Program

RECOMMENDATION:

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

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to establish a Graduate Certificate in Fisheries Science and Assessment, subject to approval by the Louisiana Board of Regents.”

**PROPOSAL to DEVELOP a NEW ACADEMIC CERTIFICATE PROGRAM
(CAS, PAC, PBC, GC, PMC, PPC)**

Date:

Campus: Louisiana State University and A&M College (LSU)	Program: <u>CIP, Certificate Designation, Title</u> CIP 03.0301, Graduate Certificate in Fisheries Science and Assessment (FSAC)
Institutional Contact Person & Contact Info (if clarification is needed) T. Gilmore Reeve, Ph.D., Vice Provost; tgreeve@lsu.edu , 225-578-6610	

1. Certificate Description

Describe the program concept: purpose and objectives; proposed curriculum; mode of delivery (on-site/hybrid/on-line). Indicate which courses are new; describe plan for rolling out new courses.

The purpose is to further train professionals already in the workforce and to enhance the education of LSU graduate students by providing a set of specific courses tailored to current issues in fisheries science and management. Upon completion of the certificate, the students will have multi-disciplinary training in fisheries science and assessment, which is in high demand in government and private industry such as environmental consulting.

Students will be required to take 18 hours of courses, including three (9 credits) of required courses and the remainder from electives, ensuring a breadth to their training. The curriculum is centered on students obtaining training in the basics of fisheries science and management and at least one course in fish ecology (9 credits of required courses), and then electives from at least two of the remaining four topic areas (resource management, resource economics, human dimensions, and quantitative methods). A total of 18 credits is required for the Certificate. Students have the flexibility to substitute courses with the permission of the FSAC Steering Committee and the Dean of the Graduate School.

	Courses	
Required Courses (9 credits)	OCS 7431 Stock Assessment Analysis of Marine Fish Populations (3)	
	OR	
	OCS 7340 Population Dynamics Modeling (3)	
	OCS/RNR 7000-level Modern Topics In Fisheries Science (3)	
	One Course from the Fish Ecology Topic Area (3)	
Electives (9 credits; at least one course from 2 of the remaining 4 topic areas)	Resource Management	RNR 4023-Marine Fisheries Resources (3) RNR 4040-Fisheries Management (3) OCS 7432-Marine Fisheries Policy and Management (3) OCS 7431 Stock Assessment Analysis of Marine Fish Populations (3)
	Resource Economics	ENVS 7047-Environmental Economics and Policy (3) ENVS 7700-Integrated Environmental Issues (3) AGEC 7513-Dynamics in Natural Resource Economics (3) ECON 4325 (or 7325) Applied Resource Economics
	Human Dimensions and Communication	ENVS 4266-Ocean Policy (3) RNR 4107-Human Dimensions in Natural Resources (3) GEOG (ANTH) 4086 – Human-Environment Interactions OCS 4030-Scientific Writing and Collaboration (3)
	Quantitative Methods	EXST 7025-Biological Population Statistics (3) EXST 4025-SAS Programming (3) EXST 7037-Multivariate Statistics (3) BIOL 7080 Population Ecology (3) OCS 7340 Population Dynamics Modeling (3) OCS 4410 Ecosystem Modeling and Analysis (3)
	Fish Ecology	RNR 4037-Biology of Fishes (3) RNR 7020-Ecology of Fishes (3) BIOL 7083-Community Ecology (3) OCS 7330-Preparing for Studies of Fisheries and Other Aquatic Resources (3) OCS 7335-Marine Fisheries Recruitment (3) OCS 4012 – Biology of Marine Vertebrates RNR 4106-Techniques in Limnology and Fisheries (2)

One new 7000-level course (OCS/RNR – Modern Topics in Fisheries Science, 3 credits) is required to be developed for this certificate. The special topics course will serve as a capstone course (although also open to non-certificate students) and will be developed jointly from faculty in the member departments. Once the certificate is approved, the new course will be created and jointly listed between Department of Oceanography and Coastal Sciences (OCS) and Renewable Natural Resources (RNR). In the interim, a section of OCS 7001 will be used. All students working towards the certificate will be in the class to encourage exchange of ideas and discuss topics across the disciplines. Students will be required to prepare a written document and make an oral presentation in order to hone their communication skills.

Presently, all courses will be on-site. As these courses become available on-line or as a hybrid, they will be allowed to be used.

2. Need

Outline how this program is deemed essential for the wellbeing of the state, region, or academy (e.g., how is it relevant, how does it contribute to economic development or relate to current/evolving needs). Identify similar programs in the state and explain why the proposed certificate is needed.

Fisheries science and management now requires training in biology, social sciences, economics, statistics, and applied mathematics. A report to Congress documented the need for such broadly trained, graduate-level students and workforce (The Shortage in the Number of Individuals with Post-baccalaureate Degrees in Subjects Related to Fishery Science. U.S. Dept. of Commerce and U.S. Dept. of Education. 2008. NOAA Tech. Memo. NMFS-F/SPO-91, 84 p.). LSU already offers the courses that cover the content described as “useful” and “essential” in that Report to Congress, but these courses are located in a variety of academic units spread throughout the campus.

The proposed certificate provides a clear mechanism for students to obtain the needed knowledge across disciplines that is necessary for modern-day fisheries science and management. The certificate program enables courses across departments and schools to be combined into one curriculum to train students and workers with the needed broad and inter-disciplinary skills.

Fisheries is major industry in the Gulf of Mexico and especially in Louisiana. Broadly trained students will be in demand at federal and state resource regulatory and management agencies and in private industry such as environmental consulting and the oil and gas industries that involve natural resource assessments.

There are no similar certificate programs in the Gulf of Mexico region. University of Florida offers a 12-credit graduate certificate in Quantitative Fisheries Science (but it is specialized and does not involve broad training), and Oregon State University offers a 18-credit Graduate Certificate in Fisheries Management that, like ours, emphasizes broad training (biology, assessment, and social sciences).

3. Students

Describe student interest. Project enrollment and productivity for the first 5 years; justify projections.

The students participating in the FSAC program will come from traditional departments within LSU (Oceanography and Coastal Sciences, Experimental Statistics, Biological Sciences, Environmental Sciences, Agricultural Economics, and the School of Renewable Natural Resources – College of Agriculture), as well as non-traditional students from federal and state agencies and local industry. The Department of Oceanography and Coastal Sciences graduates about 4 students with Fisheries faculty as their major advisor each year (average of 3.8 since 2010), and has had about 20 students with Fisheries advisors enrolled each year since 2010. Renewable Natural Resources produces about 6 graduate student in fisheries per year (average of 6.25 since 2010), and also typically has 20 to 25 student enrolled. Based on these numbers, we project an enrollment of 8-10 students each year, with about 3 students completing the certificate each year. The first year will draw from existing LSU students, but 10 is realistic because it draws from multiple class years of candidates. In subsequent years, we project 5-7 carry over students (enrolled but not completed yet), plus 3-5 from new students and/or professionals. There are significant numbers of marine biology students graduating with baccalaureate degrees that might find this credential important for career development.

4. Accreditation

Describe plan for achieving program accreditation.

There is no accreditation available for this certificate.

5. Faculty, Administration, & Other Resources

How will instructional needs be met: will additional faculty, facilities, equipment, or library resources be required? What department will deliver and oversee the proposed program?

The certificate will reside in the LSU Graduate School under the direction of the Dean of the Graduate School and the FSAC Steering Committee. Committee membership will consist of one representative from each of the key participating units: Oceanography and Coastal Sciences, Environmental Sciences, Experimental Statistics, Biological Sciences, Renewable Natural Resources, and Agricultural Economics. When necessary, steering committee member replacements will be nominated by the Dean of each participating college/school, and approved by the Provost. Admission to the certificate program and determination of completion of the certificate will be based on interaction of the steering committee with the Dean of the Graduate School. Degree-seeking students can begin, end, or complete the certificate at any point during their degree program.

6. Cost

Summarize additional costs to offer the program. On separate budget sheet, estimate costs and revenues for the projected program for the first five years, indicating need for additional appropriations (if any).

The proposed FSAC will use existing faculty, facilities, and courses, with the addition of the one new modern topics course (initially OCS 7001 and then becoming an OCS/RNR 7000-level, 3 credits). This new course will be team-taught by existing faculty and will not incur any additional costs. There are sufficient options within each focus area to ensure sufficient courses will be available to students without adjustment of a department's originally-planned availability of their courses. The Steering Committee will consist of existing faculty from each of the member departments, and will coordinate admissions, standards, and requirements; the Graduate School will assume administrative responsibilities. Because no additional resources will be required to implement the certificate program, nor will new income be generated, we have not included the Additional Costs/Income budget sheet.

CERTIFICATIONS:

Gary Buxton
Primary Administrator for Proposed Certificate

1-14-15
Date

[Signature]
Provost/Chief Academic Officer

1/20/15
Date

Management Board/System Office

Date



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU A&M TO ESTABLISH A GRADUATE CERTIFICATE IN GEOGRAPHIC INFORMATION SCIENCE

To: Members of the Board of Supervisors

Date: January 30, 2015

1. Significant Board Matter

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

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

Program Description and Need: The objective of the proposed Graduate Certificate in Geographic Information Science is to train both traditional and non-traditional students, enhancing their career opportunities in industry, government laboratories, academia and entrepreneurship by providing them the ability to earn a Certificate in Geographic Information Science. This program will foster interdisciplinary education and industrial liaisons and support a nationally competitive design and geospatial science program that will attract researchers and students to Louisiana and retain them.

The proposed program will consist of courses offered in the Department of Geography and Anthropology, College of Art and Design, Department of Economics, School of the Coast and Environment, Department of Civil and Environmental Engineering, and Department of Computer Science. Students must complete at least one method, theory, and applied topics course, for a combined total of twelve credit hours. Elective courses allow students to choose a focus within the certificate.

The proposed program compliments existing design and geographic related research ongoing at LSU and provides the opportunity for students to enhance their education through an interdisciplinary distribution of courses that are not the core of a traditional discipline. LSU is a leader in several mapping related fields (including landscape architecture, geography and computer science) that play a large role in the design, planning, and environmental sectors. The certificate program will enhance LSU's mission to produce a highly trained interdisciplinary graduate student workforce for the State of Louisiana and surrounding region.

There were no geographic information science graduate certificates found in a search of Louisiana universities as of December 2014.

Students: The program is designed to serve students at several points in their education and careers. Students could include: current graduate students who already have or are pursuing a graduate degree in another discipline, but have a need to develop specific geospatial skills to apply to their

primary discipline; students interested graduate level work in this area, but who do not have the time to complete a full degree program; professionals whose responsibilities include spatial analysis who are seeking formal training in this area, or professionals with experience in geospatial technologies that would like to refine their skills; and entrepreneurs who want to learn how to use the power of geospatial technologies to benefit their endeavors.

The program anticipates approximately twenty new students per semester from current graduate students in both STEM and non-STEM research fields based on broad enrollments in current GIS courses across the university. Additionally, based on inquiries from potential students and from managers of research groups in government agencies and businesses, up to ten new students per semester may be certificate-only candidates from local government and business.

3. Review of Business Plan

The certificate program will be overseen by a faculty committee, which will include representatives from each participating department: the Department of Geography and Anthropology, College of Art and Design, and Department of Economics. The committee will be coordinated by the Graduate School. All of the courses included in this proposed program are currently offered in traditional departments and have room to accommodate the students in the certificate program. In support of this program, the Graduate School has provided a commitment of three graduate assistantships to aid in recruiting top talent to the program. No additional resources will be required to implement the certificate program, nor will new income be allocated to departments.

4. Review of Documents

The request to establish a Graduate Certificate in Geographic Information Science has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certification has been provided by the campus.

Attachment:

Proposal to Develop a New Academic Certificate Program

RECOMMENDATION

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

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to establish a Graduate Certificate in Geographic Information Science, subject to approval by the Louisiana Board of Regents.”

**PROPOSAL to DEVELOP a NEW ACADEMIC CERTIFICATE PROGRAM
(CAS, PAC, PBC, GC, PMC, PPC)**

Campus: Louisiana State University and A&M College	Program: CIP 45.0702 Graduate Certificate in Geographic Information Science (GIS)
Institutional Contact Person & Contact Info (if clarification is needed) T. Gilmore Reeve, Ph.D., Vice Provost; tgreeve@lsu.edu , 225-578-6610	

1. Certificate Description

Describe the program concept: purpose and objectives; proposed curriculum; mode of delivery (on-site/hybrid/on-line). Indicate which courses are new; describe plan for rolling out new courses.

The objective of this new program is to train both traditional and non-traditional students, enhancing their career opportunities in industry, government laboratories, academia and entrepreneurship by providing them the ability to earn a certificate in Geographic Information Science. This program will foster interdisciplinary education and industrial liaisons and support a nationally competitive design and geospatial science program that will attract premier researchers and students to Louisiana and retain them.

We envision the GIS Certificate as a 12 credit hour standalone certificate with courses offered in the Department of Geography and Anthropology, College of Art and Design, Department of Economics, School of the Coast and Environment, Department of Civil and Environmental Engineering, and Department of Computer Science. Students must complete at least one method, theory, and applied topics course, for a combined total of 12 credit hours (though some courses may be listed under more than one category, they may only be used to fill one requirement). Elective courses allow students to choose a focus within the certificate. For example, a returning professional with an interest in sustainability studies could take Environmental Economics and Policy and Design of Environmental Management System as electives. Each department will offer at least one elective course per semester. The course breakdown is as follows (3 credit hours for each):

Theory (3-6 hrs)	
ARCH 4041	Issues in Sustainability
ARCH 4700	Research Methods
DSM 4013	Disaster Anthropology
GEOG 4044	Computer Cartography
GEOG 4045	Environmental Remote Sensing
ECON 4320	Environmental Economics
ECON 7320	Seminar in Environmental and Resource Economics*
ENVS 7047	Environmental Economics and Policy
LA 4102	Critical Cartographies* (Note: also listed under "Method")
Method (3-6hrs)	
GEOG 4047	Geographic Information Systems
GEOG 4048	Methods of Spatial Analysis
GEOG 7973	Advanced Geographic Information Systems*
LA 4102	Critical Cartographies*
LA 7102	Graduate Landscape Representation II*
Application (3-6 hrs)	
ARCH 4993	Advanced Computer Aided Architectural Graphics
CSC 4356	Interactive Computer Graphics*
CSC 7443	Scientific Information Visualization*
ENVS 4149	Design of Environmental Management System
ENVS 4900	Watershed Hydrology*
GEOG 4020	Aerial Photo Interpretation and Image Processing
GEOG 4046	Web GIS
GEOG 7945	Socio-economic Applications of GIS*
LA 7103	
Advanced Digital Representation	
LA 4504	Advanced Elective in Landscape Architecture
OCS 4410	Ecosystem Modeling and Analysis*
[*course requires a pre-requisite or instructor approval]	

2. Need

Outline how this program is deemed essential for the wellbeing of the state, region, or academy (e.g., how is it relevant, how does it contribute to economic development or relate to current/evolving needs). Identify similar programs in the state and explain why the proposed certificate is needed.

The proposed GIS certificate program compliments existing design and geographic related research ongoing at LSU and provides the opportunity for students to enhance their education through an interdisciplinary distribution of courses that are not the core of a traditional discipline. LSU is a leader in several mapping related fields (including landscape architecture, geography and computer science) that play a large role in the design, planning, and environmental sectors. The certificate program will enhance LSU's mission to produce a highly trained interdisciplinary graduate student workforce for the State of Louisiana and surrounding region.

Dozens of peer institutions offer graduate certificate programs in geospatial technologies. The University of Washington, University of Wisconsin-Madison, and many others have comparable certificate programs in GIS. These certificates are offered both in traditional classroom settings (place-based) and online. There were no GIS graduate certificates found in a search of Louisiana universities as of December 2014.

3. Students

Describe student interest. Project enrollment and productivity for the first 5 years; justify projections.

This program will provide a range of geospatial knowledge, skills and abilities that will give modern professionals a competitive edge in an increasingly tech-savvy environment. This certificate program will offer the essential skills for visualizing, analyzing and managing geospatial data for students, entrepreneurs, and professionals in corporate, non-profit, governmental and non-governmental organizations, and for scientists and others interested in geospatial technologies. This program builds LSU's nationally recognized expertise in design and data visualization, but also allows for specialization in terms of area of interest (landscape architecture, disaster science, and coastal studies, for example).

Who should consider applying?

- Graduate students who already have or are pursuing a graduate degree in another discipline, but have a need to develop specific geospatial skills to apply to their primary discipline
- Professionals whose responsibilities include spatial analysis, but have never had any training in this area
- People considering a graduate degree in this area, but do not have the time to complete a full degree program
- Entrepreneurs who want to learn how to use the power of geospatial technologies to benefit their endeavors
- Professionals with experience in geospatial technologies that would like to refine their skills

We anticipate significant enrollments (20 new students per semester) from current graduate students in both STEM and non-STEM research fields based on broad enrollments in current GIS courses across the university). With modest marketing efforts we anticipate up to 10 new students per semester who would be certificate-only candidates from local government and business (based on enquiries from potential students and from managers of research groups in government agencies and businesses).

4. Accreditation

Describe plan for achieving program accreditation.

There is no accreditation available in this graduate certificate program.

5. Faculty, Administration, & Other Resources

How will instructional needs be met: will additional faculty, facilities, equipment, or library resources be required? What department will deliver and oversee the proposed program?

The certificate program will be overseen by a faculty committee, coordinated by the Graduate School, which includes representatives from each participating department from the Department of Geography and Anthropology, College of Art and Design, and Department of Economics. As shown in the previous course matrix, all of the courses we include in this proposal are currently offered in regular rotation.

6. Cost

Summarize additional costs to offer the program. On separate budget sheet, estimate costs and revenues for the projected program for the first five years, indicating need for additional appropriations (if any).

The proposed Graduate Certificate in Geographic Information Science will leverage classes currently taught in traditional departments, and therefore will be no additional resources required to implement the certificate program. In support of this program, the Graduate School has provided a commitment of three graduate assistantships, allowing us to recruit top talent to

this program. Because no additional resources will be required to implement the certificate program, nor will new income be allocated directly to departments, we have not included the "Summary of Estimated Additional Costs/Income for Proposed Certificate" budget sheet.

CERTIFICATIONS:

Gary Byerly
Primary Administrator for Proposed Certificate

1-14-15
Date

[Signature]
Provost/Chief Academic Officer

1/20/15
Date

Management Board/System Office

Date



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU A&M TO ESTABLISH A GRADUATE CERTIFICATE IN SCHOOL LIBRARIANSHIP

To: Members of the Board of Supervisors

Date: January 30, 2015

1. Significant Board Matter

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

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

Program Description and Need:

All public schools in Louisiana are required by law to include a school library. Certified librarians develop collections that meet the curricular needs of the school, collaborate with teachers in integrating literature into their lesson plans, and assist students with finding reading materials that are both interesting and age-appropriate.

Certified teachers who desire to become school librarians must earn an additional certification from the Department of Education (DOE) in school librarianship. The proposed certificate would be the only ALA and AASL-accredited Graduate Certificate in the state. It would also be available online or on-site. It would serve teachers in the Baton Rouge area and throughout the state who desire to become school librarians, and would be particularly attractive to teachers who already hold master's degrees and who may therefore prefer a Graduate Certificate to a PBC. Even without the certificate, there is a demand for these courses from LSU SLIS. Currently, teachers apply to the MLIS program and are accepted into SLIS, take the six courses and drop out, without completing the degree or receiving any kind of certificate. This program would allow them to earn a Graduate Certificate of completion.

The proposed Graduate Certificate in School Librarianship would be available only to certified teachers in Louisiana who are seeking add-on certification in school librarianship. The curriculum consists of six courses (18 hours) which meet the State Department of Education requirements for the add-on certification. All of the required courses are currently taught by SLIS online and/or on-site.

Students: Currently, SLIS receives 3-4 inquiries a month about a school library add-on certification program. In addition, 5-7 students a year enter the MLIS program only to drop out after completing the six courses required for add-on certification. The Graduate Certificate would allow us to welcome all qualified students who contact us, and we would also be in a position to market the program and thus attract additional students. Based on these figures, and taking into account that

the certificate would be available online, projected enrollment is at least 10 students a year over the first five years, with very close to 100% completion, as the courses are required by the state for add-on certification.

3. Review of Business Plan

The proposed Graduate Certificate in School Librarianship will utilize existing faculty and facilities. SLIS is currently educating 5-7 students a year, and the certificate program would add another 3-5, which current courses and faculty can accommodate. The program may also include future courses developed for existing master's and doctoral programs. SLIS will deliver and oversee the proposed program, and the Graduate School will assume administrative responsibilities. No additional resources will be required to implement the certificate program, nor will new income be allocated directly to departments.

4. Review of Documents

The request to establish a Graduate Certificate in School Librarianship has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certification has been provided by the campus.

Attachment:

Proposal to Develop a New Academic Certificate Program

RECOMMENDATION

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

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to establish a Graduate Certificate in School Librarianship, subject to approval by the Louisiana Board of Regents.”

PROPOSAL to DEVELOP a NEW ACADEMIC CERTIFICATE PROGRAM
(CAS, PAC, PBC, GC, PMC, PPC)

Date:

Campus: Louisiana State University and A&M College (LSU)	Program: CIP, Certificate Designation, Title CIP 25.0102, Graduate Certificate in School Librarianship
Institutional Contact Person & Contact Info (if clarification is needed) T. Gilmore Reeve, Ph.D., Vice Provost; tgreeve@lsu.edu , 225-578-6610	

1. Certificate Description

Describe the program concept: purpose and objectives; proposed curriculum; mode of delivery (on-site/hybrid/on-line). Indicate which courses are new; describe plan for rolling out new courses.

The School of Library and Information Science proposes offering a Graduate Certificate in School Librarianship. The certificate would be available only to certified teachers in Louisiana who are seeking add-on certification in school librarianship. The curriculum consists of six courses (18 hours) which meet the State Department of Education requirements for the add-on certification. All of the required courses are currently taught by SLIS online and/or on-site. No new courses or faculty will be required.

Students must take:

LIS 7400 School Media Centers

LIS 7002 Information Services

LIS 7012 Bibliographic Organization and Resource Development.

And an additional three courses selected from :

LIS 7101 Media and Services for Children

LIS 7102 Media and Services for Young Adults

LIS 7104 Non-Fiction for Children and Teens

LIS 7015 Graphic Novels In Libraries

LIS 7800 The Art & Practice of Library Storytelling

LIS 7912 Special Topics in Library Science

LIS 7902 Field Experience in School Media Centers

2. Need

Outline how this program is deemed essential for the wellbeing of the state, region, or academy (e.g., how is it relevant, how does it contribute to economic development or relate to current/evolving needs). Identify similar programs in the state and explain why the proposed certificate is needed.

All public schools in Louisiana are required by law to include a school library. Research has demonstrated that students obtain a large percentage of their reading materials from school libraries, and that school libraries are the primary source of reading materials for children in high-poverty areas. Better school libraries have been consistently associated with higher reading scores, and it is the presence of a certified librarian that makes the difference. Certified librarians develop collections that meet the curricular needs of the school, collaborate with teachers in integrating literature into their lesson plans, and assist students with finding reading materials that are both interesting and age-appropriate. They encourage students not just to read, but to develop a life-long habit of reading for pleasure as well as for education.

Certified teachers who desire to become school librarians must earn an additional certification from the Department of Education (DOE) in school librarianship. Currently, Louisiana Tech and McNeese offer a Graduate Certificate which meets the DOE requirements, while University of Louisiana at Lafayette offers a Post-Bachelor's Certificate, and Southeastern and Northwestern offer the courses only, with no certificate for completion; these are all offered through Education departments. Only the McNeese and Northwestern programs are available online. University of Louisiana at Monroe has terminated its School Library Media Certification Program.

LSU-Shreveport offers a Masters of Education in Curriculum and Instruction with a concentration in Library Science. LSU School of Library and Information Science, the only Library and Information Science program in the state accredited by the American Library Association (ALA) and the American Association of School Librarians (AASL), offers a Masters of Library and Information Science with a concentration in School Librarianship, which can be completed completely online.

The proposed certificate would be the only ALA and AASL-accredited Graduate Certificate in the state. It would also be available online or on-site. It would serve teachers in the Baton Rouge area and throughout the state who desire to become school librarians, and would be particularly attractive to teachers who already hold master's degrees and who may therefore prefer a

Graduate Certificate to a PBC. Even without the certificate, there is a demand for these courses from LSU SLIS. Currently, teachers apply to the MLIS program and are accepted into SLIS, take the six courses and drop out, without completing the degree or receiving any kind of certificate. This program would allow them to earn a Graduate Certificate of completion.

3. Students

Describe student interest. Project enrollment and productivity for the first 5 years; justify projections.

Currently, SLIS receives 3-4 inquiries a month about a school library add-on certification program. In addition, 5-7 students a year enter the MLIS program only to drop out after completing the six courses required for add-on certification. The Graduate Certificate would allow us to welcome all qualified students who contact us, and we would also be in a position to market the program and thus attract additional students. Based on these figures, and taking into account that the certificate would be available online, projected enrollment is at least 10 students a year over the first five years, with very close to 100% completion, as the courses are required by the state for add-on certification.

4. Accreditation

Describe plan for achieving program accreditation.

The courses and faculty are already accredited by the ALA and AASL.

5. Faculty, Administration, & Other Resources

How will instructional needs be met: will additional faculty, facilities, equipment, or library resources be required? What department will deliver and oversee the proposed program?

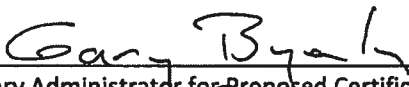
No additional faculty, facilities, equipment or library resources will be required, as SLIS is currently educating 5-7 students a year, and the increase would be another 3-5, which current courses and faculty can accommodate. SLIS will deliver and oversee the proposed program.

6. Cost

Summarize additional costs to offer the program. On separate budget sheet, estimate costs and revenues for the projected program for the first five years, indicating need for additional appropriations (if any).

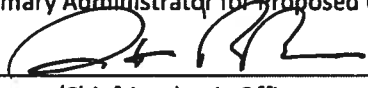
The proposed Graduate Certificate in School Librarianship will utilize existing faculty and facilities. The certificate program consists of courses currently taught at LSU that have the capacity to expand for the new certificate program, and may include future courses developed for existing master's and doctoral programs. The Graduate School will assume administrative responsibilities. Because no additional resources will be required to implement the certificate program, nor will new income be allocated directly to departments, we have not included the "Summary of Estimated Additional Costs/Income for Proposed Certificate" budget sheet.

CERTIFICATIONS:



Primary Administrator for Proposed Certificate

1-14-15
Date



Provost/Chief Academic Officer

1/20/15
Date

Management Board/System Office

Date



Academic and Student Affairs Consent Agenda

REQUEST APPROVAL FROM LSU A&M TO ESTABLISH A GRADUATE CERTIFICATE IN WORKFORCE DEVELOPMENT

To: Members of the Board of Supervisors

Date: January 30, 2015

1. Significant Board Matter

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

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

Program Description and Need: The purpose of the Graduate Certificate in Workforce Development is to provide graduate training in workforce development to economic development and workforce development professionals throughout Louisiana and the region. The curriculum will be subset of courses offered in our M.S. program in Human Resource Education. Only one new course will need to be created, which will be rolled out in the 2015-2016 academic year. The mode of delivery will be online in order to reach professionals around the region.

Workforce development is an approach to economic development that focuses on developing the skills and competencies of workers to meet the needs of businesses in the state of Louisiana and the region. Workforce development has emerged as one of the critical issues facing the state of Louisiana. With the boom in new business investment in the state, there is a shortage of skilled workers. This certificate has been developed in consultation with Louisiana Economic Development's (LED) FastStart program which endorses this program as meeting critical needs in Louisiana and the region (see attached letter).

The program will help students understand what workforce development systems are, how they function and the key concepts and principles underlying high performance workforce development systems. From an organizational perspective, the program will help students understand and develop the skills to approach workforce development strategically, analyze skill and competency deficiencies in the workforce, and undertake workforce development processes to help organizations build the skills needed to meet current and future workforce skill requirements and to stay competitive in the global marketplace

Students:

According to Louisiana Economic Development (LED), this program could reach up to fifty students per year, primarily workforce and economic development professionals as well as those

who are employed by the Louisiana Community and Technical College System. With LED's endorsement and support there will be a ready audience for the program. The certificate program will also serve as a feeder to our M.S. in Human Resource Education with all certificate program courses applying to M.S. requirements.

3. Review of Business Plan

The LSU School of Human Resource Education and Workforce Development will deliver and oversee the program, and the Graduate School will assume administrative responsibilities. The proposed Graduate Certificate in Workforce Development will utilize existing faculty and facilities. The certificate program consists of courses currently taught at LSU that have the capacity to expand for the new certificate program. The one new course will also be used in existing programs, and will be staffed by current faculty. No additional resources will be required to implement the certificate program, nor will new income be allocated directly to departments.

4. Review of Documents

The request to establish a Graduate Certificate in Workforce Development has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the System Office of Academic Affairs.

5. Certification of campus (or equivalent) re. Paragraph C, Article VII, Section 8.

Appropriate certification has been provided by the campus.

Attachment:

Proposal to Develop a New Academic Certificate Program

RECOMMENDATION

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

RESOLUTION

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the request to establish a Graduate Certificate in Workforce Development, subject to approval by the Louisiana Board of Regents.”

PROPOSAL to DEVELOP a NEW ACADEMIC CERTIFICATE PROGRAM
(CAS, PAC, PBC, GC, PMC, PPC)

Date:

Campus: Louisiana State University and A&M College (LSU)	Program: CIP, Certificate Designation, Title Graduate Certificate in Workforce Development, CIP: 13.1201
Institutional Contact Person & Contact Info (if clarification is needed) T. Gilmore Reeve, Ph.D., Vice Provost; tgreeve@lsu.edu , 225-578-6610	

1. Certificate Description

Describe the program concept: purpose and objectives; proposed curriculum; mode of delivery (on-site/hybrid/on-line). Indicate which courses are new; describe plan for rolling out new courses.

The School of Human Resource Education and Workforce Development proposes to create a Graduate Certificate in Workforce Development. Workforce development is an approach to economic development that focuses on developing the skills and competencies of workers to meet the needs of businesses in the state of Louisiana and the region. The purpose of this program is to provide graduate training in workforce development to economic development and workforce development professionals throughout Louisiana and the region. The curriculum will be subset of courses offered in our M.S. program in Human Resource Education. Only one new course will need to be created (see list below), which will be rolled out in the 2015-2016 academic year. The mode of delivery will be online in order to reach professionals around the region.

The certificate will consist of six courses:

- HRE 7001 – Principles of Human Resource Education
- HRE 7XXX – Workforce Planning and Analysis (new course)
- HRE 7571 – Performance Analysis In Human Resource Development
- HRE 7602 – Program Evaluation and Design
- HRE 7271 – Instructional Design for Human Resource Development
- HRE 7271 – Leading Learning in Human Resource Development

2. Need

Outline how this program is deemed essential for the wellbeing of the state, region, or academy (e.g., how is it relevant, how does it contribute to economic development or relate to current/evolving needs). Identify similar programs in the state and explain why the proposed certificate is needed.

This certificate has been developed in consultation with Louisiana Economic Development's (LED) FastStart program which endorses this program as meeting critical needs in Louisiana and the region (see attached letter).

Workforce development has emerged as one of the critical issues facing the state of Louisiana. With the boom in new business investment in the state, there is a shortage of skilled workers. Ultimately providing new businesses with a highly skilled workforce will be one of the key determinants of future economic growth.

Thus, it is essential that LSU work to enhance the workforce development skills of economic development and workforce development professionals around the region. Many local economic development officials come to their positions with content expertise but not workforce development education.

The program will help students understand what workforce development systems are, how they function and the key concepts and principles underlying high performance workforce development systems. From an organizational perspective, the program will help students understand and develop the skills to approach workforce development strategically, analyze skill and competency deficiencies in the workforce, and undertake workforce development processes to help organizations build the skills needed to meet current and future workforce skill requirements and to stay competitive in the global marketplace

To our knowledge there is no other program like this in Louisiana. The School of Human Resource Education and Workforce Development is the only program of its kind in Louisiana and is uniquely positioned to provide this certificate.

3. Students

Describe student interest. Project enrollment and productivity for the first 5 years; justify projections.

According to Louisiana Economic Development (LED), this program could easily reach 50 students per year, primarily workforce and economic development professionals in each parish as well as employed by the Louisiana Community and Technical College System. With LED's endorsement and support there will be a ready audience for the program. The certificate program will also serve as a feeder to our M.S. in Human Resource Education as all the courses will apply to an M.S.

4. Accreditation

Describe plan for achieving program accreditation.

No accreditation is available in this program area.

5. Faculty, Administration, & Other Resources

How will instructional needs be met: will additional faculty, facilities, equipment, or library resources be required? What department will deliver and oversee the proposed program?

The LSU School of Human Resource Education and Workforce Development will deliver and oversee the program. No additional faculty, facilities, equipment or library resources will be required.

6. Cost

Summarize additional costs to offer the program. On separate budget sheet, estimate costs and revenues for the projected program for the first five years, indicating need for additional appropriations (if any).

The proposed Graduate Certificate in Workforce Development will utilize existing faculty and facilities. The certificate program consists of courses currently taught at LSU that have the capacity to expand for the new certificate program. The one new course will also be used in existing programs, and will be staffed by current faculty. The Graduate School will assume administrative responsibilities. Because no additional resources will be required to implement the certificate program, nor will new income be allocated directly to departments, we have not included the "Summary of Estimated Additional Costs/Income for Proposed Certificate" budget sheet.

CERTIFICATIONS:

Gary Byerly
Primary Administrator for Proposed Certificate

1-14-15
Date

[Signature]
Provost/Chief Academic Officer

1/20/15
Date

Management Board/System Office

Date

October 16, 2014

Dr. Ed Holton
LSU College of Human Sciences and Education
Director, Jones S. Davis Distinguished Professor of Human Resource, Leadership &
Organizational Development
298A Coates Hall
Baton Rouge, LA 70803

Dear Dr. Holton:

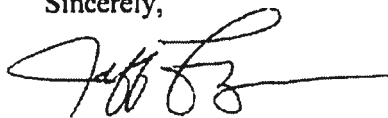
The Louisiana Economic Development FastStart program is pleased to endorse and support the LSU School of Human Resource Education and Workforce Development's proposal to create a Graduate Certificate in Workforce Development. We have met with the faculty from this school and jointly developed the curriculum so that it will meet the needs of economic development and workforce development professionals around Louisiana and the region. The program will help us meet a strategic goal we have had for some time but couldn't execute without the collaboration of LSU and the School of Human Resource Education and Workforce Development.

Workforce Development has emerged as one of the critical issues facing the state of Louisiana. With the boom in new business investment in the state, there is a shortage of skilled workers. Ultimately providing new businesses with a highly skilled workforce will be one of the key determinants of future economic growth. This program will provide economic and workforce development professionals in the state the critical skills needed to build a strong workforce for Louisiana.

We plan to continue to collaborate with the LSU School of Human Resource Education and Workforce Development to develop and promote the program. We believe there will be significant demand for this certificate, especially with our help and endorsement.

We urge all appropriate officials to approve this proposal so it can be offered soon

Sincerely,



Jeff Lynn



Summary of Athletic Coaching Contract Robert "Kevin" Steele, Assistant Coach Football

		Current	Proposed	Change	%	Notes
Basic	Term Ends	N/A	3/31/2017	2 Year		a
	Base Salary	\$ 500,000	\$ 500,000	\$ -	0%	a
	Supplemental Media Comp.	\$ 800,000	\$ 500,000	\$(300,000)		a
Incentive	Post-Season (max)	\$ 115,000	\$ 125,000	\$ 10,000	9%	b
	Academic (max)	\$ -	\$ -	\$ -		
Benefits	Automobile			\$ -		
	Club Membership	Yes	Yes			a
	Other					c
Total Certain Compensation		\$ 1,300,000	\$ 1,000,000	\$(300,000)	-23%	d

Notes

(a) Coach Steele is a new hire. The "current" figures listed are the amounts earned by the prior assistant football coach. The "proposed" amounts are those contained in the proposed contract for Coach Steele. Club membership is at the option of the Head Coach.

(b) As per Schedule A of Coach Steele's contract, he will receive set amounts for team achievements in SEC and for post season bowl compensation.

(c) Reimbursement of moving expenses in accordance with LSU policy and a one-time payment of \$5,000 to be used for miscellaneous relocation expenses not otherwise reimbursed, and temporary housing for up to 60 days.

(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one-time amounts, such as contract buy-outs or relocation allowances.

Recommended


Joe Alleva

Vice Chancellor and Athletic Director

Reviewed, No Objections


Daniel T. Layzell, Vice President for Finance

and Administration



**Request from LSU A&M to Approve Employment Agreement
with Assistant Football Coach Robert Kevin Steele**

To: Members of the Board of Supervisors

Date: January 29, 2015

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

1. Significant Board Matter

Board approval of this matter is required pursuant to the following provision of Article VII, Section 8 of the Bylaws:

D.4.c. Head coach contracts and amendments.

2. Summary of the Matter

Board approval is requested for the contract of Assistant Football Coach, Robert Kevin Steele, dated the 14th day of January, 2015 entitled "Employment Agreement" to be effective the 14th day of January, 2015. A complete copy of the proposed Employment Agreement is attached, together with a "Summary" of the terms of the proposed athletic coaching contract that includes a two-year term to March 31, 2017 at a base salary of \$500,000 along with supplemental compensation of \$500,000 and a post-season incentive maximum payout of \$125,000.

3. Fiscal Impact

The Athletic Department currently expects that all funds relating to this contract will be paid from revenues generated by the Athletic Department; while authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the base salary or post-season incentive supplement. No state general fund or tuition dollars are used.

4. Review of Documents Related to Referenced Matter

The proposed Employment Agreement has been reviewed by the Office of General Counsel.

5. Certification of campus re Article VII, Section 8.E

Certification has been provided.

RECOMMENDATION

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President and Chancellor to sign the proposed Employment Agreement with the Assistant Football Coach.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President and Chancellor, or his designee, to sign the Employment Agreement with Assistant Football Coach Robert Kevin Steele, and to include in such Agreement such terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made and entered into as of this 14th day of January, 2015, by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by F. King Alexander, its duly authorized President and Chancellor, and Robert K. Steele (“EMPLOYEE”):

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:
 - A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.
 - B. “President and Chancellor”: The President and Chancellor of LSU A&M.
 - C. “Athletic Director”: The Vice Chancellor and Director of Athletics at LSU A&M.
 - D. “Base Salary Amount”: The annual sum of:
Five Hundred Thousand and No/100 dollars (\$500,000.00)
 - E. “Start Date”: January 14, 2015.
 - F. “End Date”: March 31, 2017.
 - G. “Program”: The intercollegiate Football program at LSU A&M.
 - H. “Team”: The intercollegiate athletic team which is a part of the Program.

2. **Employment.** LSU does hereby employ EMPLOYEE as an Assistant Coach of the Team. EMPLOYEE will report directly to the Head Coach of the Team and through him to the Athletic Director. It is the goal of the parties that Employee will serve in such position throughout the term of this Agreement. It is understood, however, that LSU retains the right to assign Employee to other positions within LSU with different duties without penalty during the term of this Agreement, provided that Employee will not be assigned to any position which is not consistent with Employee's education and training. EMPLOYEE hereby agrees to accept such employment and to devote full-time attention to the performance of the duties herein.

3. **Duties and Responsibilities.** As Assistant Coach of Team, EMPLOYEE's duties and responsibilities shall include the following, all subject to law, LSU policy, and the directives, input, and advice of the Athletic Director and the Head Coach of the Team:
 - A. Performing all duties reasonably assigned to EMPLOYEE by the Head Coach of the Team or the Athletic Director;

 - B. Promoting the success of the Team and its student athletes both athletically and academically;

 - C. Being reasonably knowledgeable, with reasonable assistance of LSU, of: (i) all applicable federal and state laws governing intercollegiate athletics; and (ii) all governing constitutions, by-laws, rules, policies, interpretations, and regulations of the NCAA, the Southeastern Conference (SEC), LSU, and any other conference or organization of which LSU is or becomes a member during the term of this

Agreement; all hereinafter collectively referred to as “**Governing Athletics Regulations**”;

- D. Complying with all Governing Athletics Regulations;
- E. Promptly reporting any violation of Governing Athletics Regulations to the Athletic Director and the Associate Athletic Director for Compliance;
- F. Cooperating fully in any investigation of possible NCAA violations conducted or authorized by LSU or the NCAA at any time;
- G. Reasonably observing, respecting, and promoting the principles of institutional control in the Program;
- H. Reasonably understanding, observing, and upholding LSU’s written academic standards, requirements, and policies, and reasonably promoting an environment in which admissions, financial aid, academic services for student athletes, and recruiting can be conducted consistently with LSU’s mission;
- I. Cultivating and maintaining reasonable interaction with members of the LSU community, in accordance with the policies and instructions of the Head Coach of the Team and the Athletic Director;
- J. Using reasonable efforts to exercise due care and supervision to provide that all student athletes and other individuals under or subject to EMPLOYEE’s control, authority, or supervision comply with all Governing Athletics Regulations and act

in accordance with the high moral, ethical, and academic standards of the Program and LSU;

K. Using reasonable efforts to promote the goal of LSU, that every student athlete obtain a baccalaureate degree, and reasonably cooperating with academic counselors or similar persons designated by LSU to assist student athletes and the faculty and administrators of LSU in connection with the academic pursuits of student athletes; and

L. Performing these duties at all times in a manner consistent with good sportsmanship and in accordance with the high moral, ethical, and academic standards of the Department of Athletics and LSU;

M. Performing all other reasonable duties customarily performed by assistant coaches in Team's sport of commensurate rank serving other NCAA member institutions.

4. **Term.** The term (the "Term") of this AGREEMENT shall be for a definite term, commencing on the Start Date and ending on the End Date unless terminated sooner in accordance with Section 12 of this Agreement. This Agreement will automatically renew itself for additional periods of one year effective the day after the End Date and each anniversary thereof unless the Agreement has been terminated pursuant to Section 12 or written notice of non-renewal has been given by either party to the other at least 30 days before the End Date.

5. **Base Salary.** LSU agrees to pay EMPLOYEE the Base Salary Amount annually, in twelve (12) equal monthly installments. The Base Salary Amount shall be reviewed at the end of

each season of Team and may be adjusted at that time by the Athletic Director, subject to recommendation, review, and approval pursuant to LSU personnel policies.

6. Supplemental Compensation.

- A. In addition to the salary described above, EMPLOYEE each contract year may receive Supplemental Compensation in an amount not to exceed Ten Thousand and No/100 (\$10,000.00) dollars contingent on EMPLOYEE appearing on or participating in, as requested, University sanctioned television, radio and internet programs concerning LSU and the Team. The amount of Supplemental Compensation payable to EMPLOYEE shall be based on the number of radio, television, and internet programs in which the Employee participates or appears and shall be determined by the Athletic Director. Any amount earned by EMPLOYEE pursuant to this provision shall be considered earned on the date(s) on which Employee appears on or participates in the television, radio, and internet programs and shall be paid within 30 days of the last game played by Team in its season, including any post-season play.
- B. EMPLOYEE shall not appear without the prior written approval of the President and Chancellor on, or in, any radio, television, or internet programs or other electronic medium other than those produced or sponsored by LSU, except routine news media interviews for which no compensation is received. EMPLOYEE shall not appear in or make any commercial or commercial endorsement without the prior written approval of the President and Chancellor and the Athletic Director. Such approval shall not be unreasonably withheld.

- C. EMPLOYEE will earn or receive Supplemental Compensation during each calendar year of this agreement in the following amounts:

Five Hundred Thousand and No/100 (\$500,000.00) Dollars.

This compensation may be payable from affiliated foundation funds, subject to approval by LSU and the foundation. The compensation will be paid in equal monthly installments each calendar year of this Agreement.

7. **Incentive Compensation.**

- A. **Post-Season Incentive Compensation.** In the event the Team participates in post-season games, EMPLOYEE may be eligible for Post-Season Incentive Compensation as additional compensation for the extra services required of EMPLOYEE in the preparation for and participation in post-season play in accordance with LSU's policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for SEC Regular Season Champion, the date of the last SEC game in Team's sport played by any SEC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth in Schedule A, which is attached to and made a part of this Agreement. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation,

EMPLOYEE must provide additional services required in the preparation for and participation in post-season play and be employed by LSU as of the date on which the incentives are earned.

B. Academic Incentive Compensation. In the event LSU adopts policies and procedures providing for incentive payments to EMPLOYEE for attainment by the Team of certain academic performance goals, LSU will pay EMPLOYEE Academic Incentive Compensation in accordance with those policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) set forth in such policies and procedures. More than one (1) academic incentive may be earned by EMPLOYEE during a single contract year; however, the total amount of Academic Incentive Compensation shall not exceed any cap established for such compensation in the policies and procedures. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, EMPLOYEE must be employed by LSU as of the date on which the incentives are earned.

8. Retirement and Fringe Benefits. EMPLOYEE shall be entitled to participate in the retirement and fringe benefit programs available to all unclassified professional LSU employees, with contributions and benefit amounts (including state retirement benefits) based only upon the Base Salary Amount and any Post-Season Incentive Compensation and in accordance with the limitations of state retirement law. During the term of this Agreement and in accordance with applicable LSU policy and applicable law,

EMPLOYEE will also receive the following benefits, part or all of which may be payable from affiliated foundation funds, subject to approval of LSU and the foundation:

- A. Membership(s) in a social club, such as the University Club of Baton Rouge, provided that: (i) monthly dues shall be payable from affiliated foundation funds, subject to approval of such foundation; (ii) business-related (non-personal) expenses incurred in accordance with LSU and foundation policy will be reimbursed from affiliated foundation funds; and (iii) EMPLOYEE shall be responsible for payment of all personal charges;
- B. Mobile communications device and service for business purposes; and
- C. An annual automobile allowance in an amount determined by the Athletic Director, but which shall not exceed \$800 per month or, to the extent consistent with state ethics law, use of courtesy vehicle(s) provided by dealership(s) and related insurance reimbursed from affiliated foundation funds.

9. **Additional Revenue.**

Subject to compliance with Governing Athletics Regulations, including but not limited to current NCAA Bylaw 11.2 and 11.3, *et seq.*, and LSU's PM-11, EMPLOYEE may earn or receive other revenue ("Additional Revenue") while employed by LSU, including working with sports camps or clinics, provided, however, that EMPLOYEE shall obtain prior written approval, which approval shall not be unreasonably withheld, from the President and Chancellor before engaging in any commercial or private venture, including the use of EMPLOYEE's name by any commercial, public or private entity. EMPLOYEE shall

report annually to the President and Chancellor and the Athletic Director on January 31st, in writing, in compliance with NCAA Bylaw 11.2.2 and 11.2.2.1, and any applicable LSU policy, all athletically-related income from sources outside LSU, and LSU shall have reasonable access to all records of EMPLOYEE to verify this report. LSU does not guarantee any amount of Additional Revenue.

10. Sports Camps. EMPLOYEE, subject to Governing Athletics Regulations and Athletic Department guidelines; rules and regulations, may operate or work at sports camps/clinics at LSU. LSU does not guarantee or provide any supplemental compensation or additional revenue from operation of sports camps/clinics. EMPLOYEE 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 President and Chancellor.

11. Assignment and Retirement Benefits.

Sums paid or authorized under Section 6 (Supplemental Compensation, if any), 7.B (Academic Incentive Compensation), 8 (Retirement and Fringe Benefits), 9 (Additional Revenue), and 10 (Sports Camps) of this Agreement shall not be considered “base pay,” “earned compensation,” or “earnable compensation” as such terms are defined in Louisiana Revised Statutes 11:403 and 11:701, or other applicable Louisiana retirement laws, and shall not be included as compensation for the purpose of computation of retirement benefits. Only the Base Salary Amount and any Post Season Incentive Compensation earned pursuant to Section 7.A shall be considered for the purpose of computation of retirement benefits, all subject to the limitations of state retirement law.

12. **Termination.** This Agreement may be terminated by the parties as follows:

A. **Termination by LSU for Cause.** This Agreement may be terminated for cause by LSU, acting through the President and Chancellor, at any time prior to its expiration, upon written notice to EMPLOYEE. In the event of termination for cause, EMPLOYEE's Base Salary Amount, Supplemental Compensation (if any), and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to EMPLOYEE for any sums or damages other than compensation earned 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 LSU in the notice of termination.

Any decision as to the existence of cause for termination shall not be made arbitrarily or capriciously by LSU, and EMPLOYEE will be afforded a reasonable opportunity to address the issues.

For purposes of this Section, "cause" for termination shall be defined as:

- (1) Committing a material violation of Governing Athletics Regulations, or failing promptly to report any such violation by another person to the Athletic Director and the Associate Athletic Director for Compliance;
- (2) Committing or being convicted of either: (i) any felony; or (ii) any misdemeanor involving gambling, drugs, or alcohol;
- (3) Engaging in serious misconduct which either: (i) displays a continual, serious disrespect or continual, serious disregard for the mission of LSU; (ii) brings

EMPLOYEE into substantial public disrepute sufficient to materially impair EMPLOYEE's ability to perform the obligations contained herein without material adverse impact on the Team or Program; or (iii) constitutes moral turpitude or breaches the high moral and ethical standards applicable to EMPLOYEE as a visible representative of LSU;

- (4) Unreasonably refusing or repeatedly failing to perform any duties imposed upon EMPLOYEE herein (including, but not limited to, those duties and responsibilities set forth in Section 3 of this Agreement), or failing to perform the same to the best of EMPLOYEE's reasonable ability, after written notice to EMPLOYEE of LSU's reasonable expectation;
- (5) Knowingly committing material or repeated significant violations of any provision of this Agreement, provided said initial violations are not cured within ten (10) days of EMPLOYEE's receipt of written notice of the same;
- (6) Prolonged absence from LSU without its consent, which will not unreasonably be withheld;
- (7) (i) Committing fraud in the performance of any duties and responsibilities herein, including, but not limited to, fraud in the preparation, falsification, or alteration of documents or records of LSU, the NCAA, or the SEC, or documents or records pertaining to any recruit or student athlete, including without limitation transcripts, eligibility forms, and compliance reports; or (ii) counseling, instructing, encouraging, or knowingly permitting any other person to commit such fraud;
- (8) (i) Failing to respond reasonably accurately and fully within a reasonable time to any reasonable requests or inquiry relating to the performance of any duties herein

or at any prior employment at any other institution of higher learning propounded by LSU, the NCAA, the SEC or any other governing body having supervision over the athletic programs of LSU or such other institution of higher education, or required by law or Governing Athletics Regulations; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any other person to fail to so respond;

- (9) (i) Participating in any gambling, bookmaking, wagering, or betting involving any athletic contest whether by soliciting, placing, or accepting a bet or wager or through a bookmaker, a pool, or any other method of gambling; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any student athlete or other individual under or subject to EMPLOYEE's control, authority, or supervision to participate in such activity;
- (10) (i) Furnishing any information or data, other than information or data provided to the general public through press conferences, news releases, and the like, relating in any manner to any intercollegiate sport or to any student athlete to any individual whom EMPLOYEE knows (or has constructive knowledge) to be a gambler, better, or bookmaker, or an agent of any such person; or (ii) counseling, instructing, or encouraging any student athlete or other individual under EMPLOYEE's control, authority, or supervision to furnish such information or data;
- (11) Using or consuming alcoholic beverages or controlled substances, steroids, or other drugs or chemicals to such degree and for such appreciable period as to substantially impair EMPLOYEE's ability to perform the duties herein;

- (12) Selling, purchasing, using, or possessing any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by EMPLOYEE is prohibited by law or Governing Athletics Rules. The provisions of this subsection do not prohibit the use or possession of substances or drugs lawfully prescribed by a healthcare provider, and used in accordance therewith.
- (13) Knowingly encouraging or permitting the sale, purchase, use, or possession by any student athlete or other individual under EMPLOYEE's control, authority, or supervision of any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by such person is prohibited by law or Governing Athletics Rules;
- (14) (i) Failing reasonably to cooperate in the investigation and enforcement of Governing Athletics Regulations; or (ii) counseling, instructing, or encouraging any other person to fail to cooperate in such investigation and enforcement;
- (15) Subject to any right of administrative appeal permitted or granted to EMPLOYEE by the NCAA or SEC, the making or rendition of a finding or determination by the NCAA, SEC, or any commission, committee, council, or tribunal of the same, of any major or repetitive violations by EMPLOYEE of NCAA or SEC rules, or of any such major or repetitive violations by others under the direct supervision of EMPLOYEE which were knowingly and intentionally permitted, encouraged, or condoned by EMPLOYEE, or about which violations EMPLOYEE knew or should have known, and should have acted reasonably to prevent, limit, or mitigate (it is recognized that this sub-section includes findings or determinations of violations

during employment of EMPLOYEE at any other institution of higher education);
or

- (16) Failing to report promptly to the Athletic Director and the Associate Athletic Director for Compliance any violations of Governing Athletics Regulations involving the Team of which EMPLOYEE has actual knowledge.

B. Termination by LSU Without Cause.

- (1) LSU shall have the right to terminate this Agreement without cause upon written notice to EMPLOYEE. In such event, LSU will pay EMPLOYEE liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed below. In the event of termination by LSU without cause, EMPLOYEE's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to EMPLOYEE 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 LSU in the notice of termination.
- (2) Liquidated damages under this Section 12.B will be the Base Salary Amount and the Supplemental Compensation Amount per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.

- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation EMPLOYEE earns, receives, or is entitled to receive from the termination date until LSU's obligation pursuant to this Section 12.B to EMPLOYEE terminates or ceases to exist. EMPLOYEE shall exercise due diligence and good faith in seeking other athletically-related employment. In the event EMPLOYEE obtains other employment, EMPLOYEE will notify LSU and provide any and all documentation requested by LSU to determine the amount of compensation received by EMPLOYEE and the amount of offset due to LSU.
- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause EMPLOYEE to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by EMPLOYEE in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

C. Termination by EMPLOYEE Without Cause.

- (1) EMPLOYEE shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event EMPLOYEE terminates this

Agreement without cause, EMPLOYEE will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by EMPLOYEE without cause, EMPLOYEE's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and EMPLOYEE), and LSU shall not thereafter be liable to EMPLOYEE for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be (i) fifty 50% percent of the remaining guaranteed compensation due under the contract if hired for a coaching position with another Southeastern Conference football program; or (ii) twenty (20%) percent of the remaining guaranteed compensation due under the contract if hired for a coaching position with a football program outside of the Southeastern Conference. EMPLOYEE shall have the option to pay such amount in a lump sum or in equal monthly installments over a period of time equal to the amount of time then remaining in the Agreement, including any extended term.
- (3) Liquidated damages under this Section 12.C may be waived, in the discretion of the Athletic Director and upon approval by the President and Chancellor, if EMPLOYEE is not in breach of any provision of this Agreement and LSU determines that such a waiver would serve the best interests of LSU, considering factors such as, but not limited to, EMPLOYEE's length of service with LSU, whether EMPLOYEE is taking another athletically-related job, the impact the

timing of EMPLOYEE's notice has on the Team (whether it is given before, during, or after the Team's season and recruiting period), EMPLOYEE's ability and willingness to assist LSU if requested during any transition period (such as during post-season play after giving notice at the end of the regular season), ease of recruiting a replacement for EMPLOYEE, and the impact requiring the payment of liquidated damages would have on recruiting and retaining other similarly-situated coaches.

- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by EMPLOYEE prior to its expiration by lapse of term, including any extended term, would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement for EMPLOYEE's position with Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty. EMPLOYEE recognizes that his promise to work for LSU until its expiration by lapse of term (including any extended term) is an essential consideration of and a material inducement for LSU's decision to employ him in the position described in Section 2, above. EMPLOYEE also recognizes that LSU is making a highly valuable investment in his continued employment by entering into this Agreement and its investment would be lost or diminished were he to resign or otherwise terminate his employment with LSU prior to the End Date (including any extended term). The payment owed pursuant to this liquidated damages provision is to reimburse LSU for expenses resulting from EMPLOYEE's

early resignation or termination, including but not limited to: (i) searching for, recruiting and hiring a replacement for EMPLOYEE, (ii) relocating a replacement employee, and (iii) buying out the previous contract, if applicable, of a replacement employee. EMPLOYEE expressly agrees that the amount of liquidated damages provided for herein is a reasonable approximation of the harm that LSU will incur in the event of such early termination by EMPLOYEE.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither EMPLOYEE nor EMPLOYEE's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the Athletic Director.

D. Suspension or Other Disciplinary Action.

- (1) In lieu of termination for cause, and apart from any rights it may have under Section 12.A, LSU may impose disciplinary sanctions less severe than termination upon EMPLOYEE, up to and including suspension or leave without pay for a period no longer than ninety (90) days for any act or omission which would be grounds for termination for cause. Imposition of such sanctions shall be at the discretion of LSU, which shall not be exercised arbitrarily or capriciously.
- (2) LSU may suspend EMPLOYEE for an indefinite period during any investigation by LSU, another governmental entity, or the NCAA or SEC to determine whether EMPLOYEE has violated any laws or Governing Athletics Regulations. During such suspension, EMPLOYEE shall receive only the Base Salary Amount, and

shall not be entitled to receive any other benefits, compensation or remuneration set forth in this Agreement for the period of such suspension. If the matter giving rise to the suspension is finally resolved completely in favor of EMPLOYEE, and does not otherwise represent an independent basis for termination herein for cause, LSU shall pay or make available to EMPLOYEE the benefits and other compensation herein otherwise payable to EMPLOYEE during the period of suspension. Any such benefits which are payable pursuant to this Agreement by an affiliated foundation shall only be paid by such foundation, subject to its approval. Suspension under this sub-section shall not limit any rights of LSU to terminate EMPLOYEE for cause.

- (3) EMPLOYEE shall be subject to disciplinary or corrective action by the NCAA or SEC for any violation of NCAA and SEC regulations, respectively. Such action by the NCAA or the SEC shall not preclude or in any manner affect LSU's right to take such other corrective or disciplinary action as it deems necessary or proper, including termination for cause.

E. **Termination by Death or Disability.** In the event of the death of EMPLOYEE or the inability of EMPLOYEE to perform the obligations described in this Agreement by reason of illness or some other occurrence beyond the control of either party, and such inability to perform has continued or will continue beyond a reasonable period of time, but not less than sixty (60) days, this Agreement shall terminate as a termination with cause and all future obligations between the parties shall cease upon the termination date reasonably established by LSU, unless otherwise required by law.

F. **Waiver of Claims.** The financial consequences of termination of this Agreement or suspension herein are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, neither EMPLOYEE nor LSU shall be entitled to receive, and each hereby waives any claim against the other, and their respective board members, officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including without limitation loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speaking, camps or other outside activity, or expectation income, or damages allegedly sustained by reason of alleged humiliation or defamation or other non-compensatory and compensatory damages and attorney's fees resulting from the fact of termination, the public announcement thereof, or the release by LSU or EMPLOYEE of information or documents required by law. EMPLOYEE acknowledges that in the event of either termination of this Agreement for cause, without cause, or otherwise, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, EMPLOYEE shall have no right to occupy the position of set forth in Section 2, above, and that EMPLOYEE's sole remedies are provided herein and shall not extend to injunctive relief. EMPLOYEE further acknowledges and agrees that EMPLOYEE is not eligible for and will not be considered for or granted tenure by LSU.

G. **Termination by Departure of Head Coach.** Notwithstanding any provision of, and addition to any other causes for termination set forth in, this Agreement, in the event that the current Head Coach of Team ceases to hold such position for any reason, LSU shall have the option, in its sole discretion, to terminate this Agreement effective six (6) months after the last date on which the current Head Coach of Team holds such position, or on such earlier date as is mutually agreed between EMPLOYEE and LSU, and LSU shall not thereafter be liable to EMPLOYEE for any sums or damages other than any compensation earned pursuant to this Agreement prior to such termination date.

13. **Retention and Return of all Materials, Records, and Other Items.** All documents, records, or materials, including without limitation personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to EMPLOYEE by LSU or developed by EMPLOYEE on behalf of or at the expense of LSU or otherwise in connection with the employment of EMPLOYEE are and shall remain the sole and confidential property of LSU. Within ten (10) days of the expiration or termination of this Agreement, EMPLOYEE shall cause any such materials in EMPLOYEE's possession or control to be delivered to LSU. At the same time, EMPLOYEE shall return to LSU all credit cards, keys, computers, mobile communication devices and other items belonging to LSU which were issued to or are in the possession of EMPLOYEE.

14. **Entire Contract.** This Agreement, including Schedule A, constitutes and expresses the entire agreement and understanding of the parties concerning the employment of EMPLOYEE by LSU and shall, upon the effective date hereof, supersede any other oral and written agreements between the parties. There are no oral or other agreements,

understandings, promises, or representations between the parties affecting this Agreement. Both parties have relied solely on their own respective judgments in entering into this agreement, with full opportunity to seek advice of competent counsel. It shall be construed, if necessary, without reference to the party that was the principal drafter of the Agreement.

15. **Amendments to Contract.** This Agreement may be amended only by a written instrument duly approved by LSU through its designated representatives and accepted by EMPLOYEE, such approval and acceptance to be acknowledged in writing.
16. **Severability.** If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.
17. **No Waiver of Default.** No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.
18. **Sovereign Immunity Not Waived.** It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver or relinquishment by LSU of any rights to claim such exemptions, privileges and immunities as may be provided by law.
19. **"Force Majeure" Clause.** Neither party shall be considered in default of performance of any obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the

reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

20. **Governing Laws.** This Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having jurisdiction and domiciled in East Baton Rouge Parish, Louisiana.

THE PARTIES hereto have executed this Agreement on the day, month and year first above written.

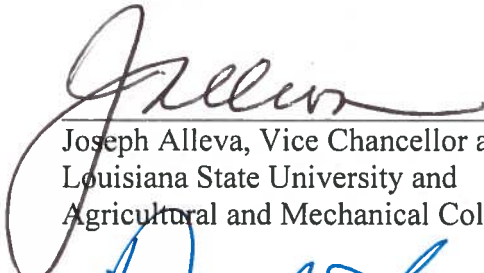
BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE

By: _____
F. King Alexander, President and Chancellor
Louisiana State University and
Agricultural and Mechanical College




Robert K. Steele

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Athletic Director
Louisiana State University and
Agricultural and Mechanical College



Daniel T. Layzell, Vice President for Finance and Administration
Louisiana State University and
Agricultural and Mechanical College

Schedule A – Supplemental Terms for Robert K. Steele

This Schedule A supplements and further defines the provisions of the Employment Agreement dated January 14, 2015, entered into between LSU and Robert K. Steele, to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts, and based on attaining the goals, shown below. The maximum amount of Post-Season Incentive Compensation paid shall be \$125,000:

a)	Western Division Representative SEC Championship Game	\$15,000 OR
	SEC Champions	\$25,000
	AND any one of the following:	
b)	Non College Football Playoff (CFP) Bowl Participant	\$15,000 OR
c)	CFP Bowl Participant	\$25,000 OR
d)	CFP Semifinal Game Participant	\$50,000 OR
e)	CFP National Championship Game Participant	\$75,000 OR
f)	CFP National Champion	\$100,000

2. Section 8 of the Agreement is supplemented to add the following subsections after the end of subsection C:
 - D. One-time reimbursement of household moving expenses in accordance with LSU policy and state law;
 - E. One payment of \$5,000 to be used for miscellaneous relocation expenses not reimbursed in accordance with the provisions of subsection D above; and
 - F. Temporary housing at a site chosen by the Athletic Director for a period not to exceed 60 days.

3. All other provisions of the Agreement remain unchanged.

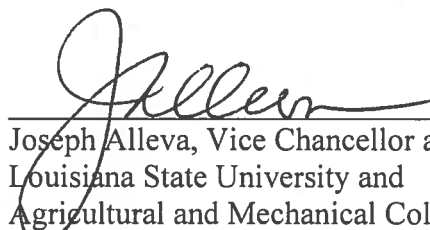
Approved:

By: _____
F. King Alexander, President and Chancellor
Louisiana State University and
Agricultural and Mechanical College



Robert K. Steele

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Athletic Director
Louisiana State University and
Agricultural and Mechanical College

Daniel T. Layzell, Vice President for Finance and Administration
Louisiana State University and
Agricultural and Mechanical College



**Request from LSU A&M to Approve Employment Agreement
with Assistant Football Coach Edward J. Orgeron, Jr.**

To: Members of the Board of Supervisors

Date: January 29, 2015

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

1. Significant Board Matter

Board approval of this matter is required pursuant to the following provision of Article VII, Section 8 of the Bylaws:

D.4.c. Head coach contracts and amendments.

2. Summary of the Matter

Board approval is requested for the contract of Assistant Football Coach, Edward J. Orgeron, Jr., dated the 14th day of January, 2015 entitled "Employment Agreement" to be effective the 14th day of January, 2015. A complete copy of the proposed Employment Agreement is attached, together with a "Summary" of the terms of the proposed athletic coaching contract that includes a two-year term to March 31, 2017 at a base salary of \$450,000 along with a post-season incentive maximum payout of \$75,000.

3. Fiscal Impact

The Athletic Department currently expects that all funds relating to this contract will be paid from revenues generated by the Athletic Department; while authorized by the contract, it is not expected that any foundation dollars will be needed to provide for any of the base salary or post-season incentive supplement. No state general fund or tuition dollars are used.

4. Review of Documents Related to Referenced Matter

The proposed Employment Agreement has been reviewed by the Office of General Counsel.

5. Certification of campus re Article VII, Section 8.E

Certification has been provided.

RECOMMENDATION

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President and Chancellor to sign the proposed Employment Agreement with the Assistant Football Coach.

RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President and Chancellor, or his designee, to sign the Employment Agreement with Assistant Football Coach Edward J. Orgeron, Jr., and to include in such Agreement such terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.



Summary of Athletic Coaching Contract Edward Orgeron, Jr., Assistant Coach Football

		<i>Current</i>	<i>Proposed</i>	<i>Change</i>	<i>% Notes</i>
<i>Basic</i>	Term Ends	N/A	3/31/2017	2 Year	a
	Base Salary	\$ 445,000	\$ 450,000	\$ 5,000	1% a
	Supplemental Media Comp.	\$ -	\$ -	\$ -	
<i>Incentive</i>	Post-Season (max)	\$ 75,000	\$ 75,000	\$ -	0% b
	Academic (max)	\$ -	\$ -	\$ -	
<i>Benefits</i>	Automobile			\$ -	
	Club Membership	Yes	Yes		a
	Other				c
Total Certain Compensation		\$ 445,000	\$ 450,000	\$ 5,000	1% d

Notes

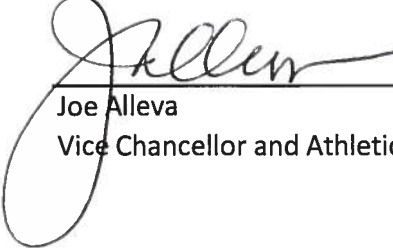
(a) **Coach Orgeron is a new hire.** The "current" figures listed are the amounts earned by the prior assistant football coach. The "proposed" amounts are those contained in the proposed contract for Coach Orgeron. Club membership is at the option of the Head Coach.

(b) As per Schedule A of Coach Orgeron's contract, he will receive set amounts for team achievements in SEC and for post season bowl compensation.

(c) Reimbursement of moving expenses in accordance with LSU policy and a one-time payment of \$5,000 to be used for miscellaneous relocation expenses not otherwise reimbursed, and temporary housing for up to 60 days.

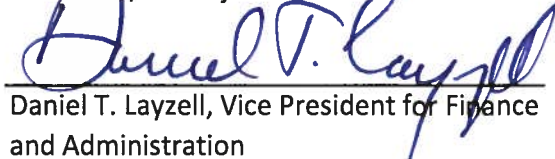
(d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one-time amounts, such as contract buy-outs or relocation allowances.

Recommended



Joe Alleva
Vice Chancellor and Athletic Director

Reviewed, No Objections



Daniel T. Layzell, Vice President for Finance
and Administration

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made and entered into as of this 14th day of January, 2015, by and between BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE (“LSU”), a body corporate existing under the Constitution and laws of the State of Louisiana, herein represented by F. King Alexander, its duly authorized President and Chancellor, and Edward J. Orgeron, Jr. (“EMPLOYEE”):

1. **Definitions.** For purposes of this Agreement, the following terms shall have the meaning shown:
 - A. “LSU A&M”: The campus of LSU which is located in Baton Rouge, Louisiana.
 - B. “President and Chancellor”: The President and Chancellor of LSU A&M.
 - C. “Athletic Director”: The Vice Chancellor and Director of Athletics at LSU A&M.
 - D. “Base Salary Amount”: The annual sum of:
Four Hundred Fifty Thousand Dollars (\$450,000)
 - E. “Start Date”: January 14, 2015.
 - F. “End Date”: March 31, 2017.
 - G. “Program”: The intercollegiate Football program at LSU A&M.
 - H. “Team”: The intercollegiate athletic team which is a part of the Program.

2. **Employment.** LSU does hereby employ EMPLOYEE as an Assistant Coach of the Team. EMPLOYEE will report directly to the Head Coach of the Team and through him to the Athletic Director. It is the goal of the parties that Employee will serve in such position throughout the term of this Agreement. It is understood, however, that LSU retains the right to assign Employee to other positions within LSU with different duties without penalty during the term of this Agreement, provided that Employee will not be assigned to any position which is not consistent with Employee's education and training. EMPLOYEE hereby agrees to accept such employment and to devote full-time attention to the performance of the duties herein.
3. **Duties and Responsibilities.** As Assistant Coach of Team, EMPLOYEE's duties and responsibilities shall include the following, all subject to law, LSU policy, and the directives, input, and advice of the Athletic Director and the Head Coach of the Team:
- A. Performing all duties reasonably assigned to EMPLOYEE by the Head Coach of the Team or the Athletic Director;
 - B. Promoting the success of the Team and its student athletes both athletically and academically;
 - C. Being reasonably knowledgeable, with reasonable assistance of LSU, of: (i) all applicable federal and state laws governing intercollegiate athletics; and (ii) all governing constitutions, by-laws, rules, policies, interpretations, and regulations of the NCAA, the Southeastern Conference (SEC), LSU, and any other conference or organization of which LSU is or becomes a member during the term of this

Agreement; all hereinafter collectively referred to as “**Governing Athletics Regulations**”;

- D. Complying with all Governing Athletics Regulations;
- E. Promptly reporting any violation of Governing Athletics Regulations to the Athletic Director and the Associate Athletic Director for Compliance;
- F. Cooperating fully in any investigation of possible NCAA violations conducted or authorized by LSU or the NCAA at any time;
- G. Reasonably observing, respecting, and promoting the principles of institutional control in the Program;
- H. Reasonably understanding, observing, and upholding LSU’s written academic standards, requirements, and policies, and reasonably promoting an environment in which admissions, financial aid, academic services for student athletes, and recruiting can be conducted consistently with LSU’s mission;
- I. Cultivating and maintaining reasonable interaction with members of the LSU community, in accordance with the policies and instructions of the Head Coach of the Team and the Athletic Director;
- J. Using reasonable efforts to exercise due care and supervision to provide that all student athletes and other individuals under or subject to EMPLOYEE’s control, authority, or supervision comply with all Governing Athletics Regulations and act

in accordance with the high moral, ethical, and academic standards of the Program and LSU;

- K. Using reasonable efforts to promote the goal of LSU, that every student athlete obtain a baccalaureate degree, and reasonably cooperating with academic counselors or similar persons designated by LSU to assist student athletes and the faculty and administrators of LSU in connection with the academic pursuits of student athletes; and
 - L. Performing these duties at all times in a manner consistent with good sportsmanship and in accordance with the high moral, ethical, and academic standards of the Department of Athletics and LSU;
 - M. Performing all other reasonable duties customarily performed by assistant coaches in Team's sport of commensurate rank serving other NCAA member institutions.
4. **Term.** The term (the "Term") of this AGREEMENT shall be for a definite term, commencing on the Start Date and ending on the End Date unless terminated sooner in accordance with Section 12 of this Agreement. This Agreement will automatically renew itself for additional periods of one year effective the day after the End Date and each anniversary thereof unless the Agreement has been terminated pursuant to Section 12 or written notice of non-renewal has been given by either party to the other at least 30 days before the End Date.
5. **Base Salary.** LSU agrees to pay EMPLOYEE the Base Salary Amount annually, in twelve (12) equal monthly installments. The Base Salary Amount shall be reviewed at the end of

each season of Team and may be adjusted at that time by the Athletic Director, subject to recommendation, review, and approval pursuant to LSU personnel policies.

6. Supplemental Compensation.

- A. In addition to the salary described above, EMPLOYEE each contract year may receive Supplemental Compensation in an amount not to exceed Ten Thousand and No/100 (\$10,000.00) dollars contingent on EMPLOYEE appearing on or participating in, as requested, University sanctioned television, radio and internet programs concerning LSU and the Team. The amount of Supplemental Compensation payable to EMPLOYEE shall be based on the number of radio, television, and internet programs in which the Employee participates or appears and shall be determined by the Athletic Director. Any amount earned by EMPLOYEE pursuant to this provision shall be considered earned on the date(s) on which Employee appears on or participates in the television, radio, and internet programs and shall be paid within 30 days of the last game played by Team in its season, including any post-season play.
- B. EMPLOYEE shall not appear without the prior written approval of the President and Chancellor on, or in, any radio, television, or internet programs or other electronic medium other than those produced or sponsored by LSU, except routine news media interviews for which no compensation is received. EMPLOYEE shall not appear in or make any commercial or commercial endorsement without the prior written approval of the President and Chancellor and the Athletic Director. Such approval shall not be unreasonably withheld.

7. **Incentive Compensation.**

- A. **Post-Season Incentive Compensation.** In the event the Team participates in post-season games, EMPLOYEE may be eligible for Post-Season Incentive Compensation as additional compensation for the extra services required of EMPLOYEE in the preparation for and participation in post-season play in accordance with LSU's policies and procedures. The additional sum or sums, if payable, shall be considered earned on the date(s) services are provided for each game at which a post-season goal is attained (or, for SEC Regular Season Champion, the date of the last SEC game in Team's sport played by any SEC team during the regular season) and shall be paid within sixty (60) days following the final post-season game in which Team participates. This Post-Season Incentive Compensation shall be in the amounts and for meeting the goals set forth in Schedule A, which is attached to and made a part of this Agreement. Post-Season Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, EMPLOYEE must provide additional services required in the preparation for and participation in post-season play and be employed by LSU as of the date on which the incentives are earned.
- B. **Academic Incentive Compensation.** In the event LSU adopts policies and procedures providing for incentive payments to EMPLOYEE for attainment by the Team of certain academic performance goals, LSU will pay EMPLOYEE Academic Incentive Compensation in accordance with those policies and procedures. The additional sum or sums, if payable, shall be considered earned on

the date(s) set forth in such policies and procedures. More than one (1) academic incentive may be earned by EMPLOYEE during a single contract year; however, the total amount of Academic Incentive Compensation shall not exceed any cap established for such compensation in the policies and procedures. Academic Incentive Compensation may be payable from affiliated foundation funds, subject to approval of LSU and the foundation. To be eligible for such compensation, EMPLOYEE must be employed by LSU as of the date on which the incentives are earned.

8. **Retirement and Fringe Benefits.** EMPLOYEE shall be entitled to participate in the retirement and fringe benefit programs available to all unclassified professional LSU employees, with contributions and benefit amounts (including state retirement benefits) based only upon the Base Salary Amount and any Post-Season Incentive Compensation and in accordance with the limitations of state retirement law. During the term of this Agreement and in accordance with applicable LSU policy and applicable law, EMPLOYEE will also receive the following benefits, part or all of which may be payable from affiliated foundation funds, subject to approval of LSU and the foundation:

A. Membership(s) in a social club, such as the University Club of Baton Rouge, provided that: (i) monthly dues shall be payable from affiliated foundation funds, subject to approval of such foundation; (ii) business-related (non-personal) expenses incurred in accordance with LSU and foundation policy will be reimbursed from affiliated foundation funds; and (iii) EMPLOYEE shall be responsible for payment of all personal charges;

- B. Mobile communications device and service for business purposes; and
- C. An annual automobile allowance in an amount determined by the Athletic Director, but which shall not exceed \$800 per month or, to the extent consistent with state ethics law, use of courtesy vehicle(s) provided by dealership(s) and related insurance reimbursed from affiliated foundation funds.

9. **Additional Revenue.**

Subject to compliance with Governing Athletics Regulations, including but not limited to current NCAA Bylaw 11.2 and 11.3, *et seq.*, and LSU's PM-11, EMPLOYEE may earn or receive other revenue ("Additional Revenue") while employed by LSU, including working with sports camps or clinics, provided, however, that EMPLOYEE shall obtain prior written approval, which approval shall not be unreasonably withheld, from the President and Chancellor before engaging in any commercial or private venture, including the use of EMPLOYEE's name by any commercial, public or private entity. EMPLOYEE shall report annually to the President and Chancellor and the Athletic Director on January 31st, in writing, in compliance with NCAA Bylaw 11.2.2 and 11.2.2.1, and any applicable LSU policy, all athletically-related income from sources outside LSU, and LSU shall have reasonable access to all records of EMPLOYEE to verify this report. LSU does not guarantee any amount of Additional Revenue.

10. **Sports Camps.** EMPLOYEE, subject to Governing Athletics Regulations and Athletic Department guidelines, rules and regulations, may operate or work at sports camps/clinics at LSU. LSU does not guarantee or provide any supplemental compensation or additional revenue from operation of sports camps/clinics. EMPLOYEE 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 President and Chancellor.

11. Assignment and Retirement Benefits.

Sums paid or authorized under Section 6 (Supplemental Compensation, if any), 7.B (Academic Incentive Compensation), 8 (Retirement and Fringe Benefits), 9 (Additional Revenue), and 10 (Sports Camps) of this Agreement shall not be considered “base pay,” “earned compensation,” or “earnable compensation” as such terms are defined in Louisiana Revised Statutes 11:403 and 11:701, or other applicable Louisiana retirement laws, and shall not be included as compensation for the purpose of computation of retirement benefits. Only the Base Salary Amount and any Post Season Incentive Compensation earned pursuant to Section 7.A shall be considered for the purpose of computation of retirement benefits, all subject to the limitations of state retirement law.

12. Termination. This Agreement may be terminated by the parties as follows:

A. **Termination by LSU for Cause.** This Agreement may be terminated for cause by LSU, acting through the President and Chancellor, at any time prior to its expiration, upon written notice to EMPLOYEE. In the event of termination for cause, EMPLOYEE’s Base Salary Amount, Supplemental Compensation (if any), and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to EMPLOYEE for any sums or damages other than compensation earned 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 LSU in the notice of termination.

Any decision as to the existence of cause for termination shall not be made arbitrarily or capriciously by LSU, and EMPLOYEE will be afforded a reasonable opportunity to address the issues.

For purposes of this Section, “cause” for termination shall be defined as:

- (1) Committing a material violation of Governing Athletics Regulations, or failing promptly to report any such violation by another person to the Athletic Director and the Associate Athletic Director for Compliance;
- (2) Committing or being convicted of either: (i) any felony; or (ii) any misdemeanor involving gambling, drugs, or alcohol;
- (3) Engaging in serious misconduct which either: (i) displays a continual, serious disrespect or continual, serious disregard for the mission of LSU; (ii) brings EMPLOYEE into substantial public disrepute sufficient to materially impair EMPLOYEE’s ability to perform the obligations contained herein without material adverse impact on the Team or Program; or (iii) constitutes moral turpitude or breaches the high moral and ethical standards applicable to EMPLOYEE as a visible representative of LSU;
- (4) Unreasonably refusing or repeatedly failing to perform any duties imposed upon EMPLOYEE herein (including, but not limited to, those duties and responsibilities set forth in Section 3 of this Agreement), or failing to perform the same to the best

of EMPLOYEE's reasonable ability, after written notice to EMPLOYEE of LSU's reasonable expectation;

- (5) Knowingly committing material or repeated significant violations of any provision of this Agreement, provided said initial violations are not cured within ten (10) days of EMPLOYEE's receipt of written notice of the same;
- (6) Prolonged absence from LSU without its consent, which will not unreasonably be withheld;
- (7) (i) Committing fraud in the performance of any duties and responsibilities herein, including, but not limited to, fraud in the preparation, falsification, or alteration of documents or records of LSU, the NCAA, or the SEC, or documents or records pertaining to any recruit or student athlete, including without limitation transcripts, eligibility forms, and compliance reports; or (ii) counseling, instructing, encouraging, or knowingly permitting any other person to commit such fraud;
- (8) (i) Failing to respond reasonably accurately and fully within a reasonable time to any reasonable requests or inquiry relating to the performance of any duties herein or at any prior employment at any other institution of higher learning propounded by LSU, the NCAA, the SEC or any other governing body having supervision over the athletic programs of LSU or such other institution of higher education, or required by law or Governing Athletics Regulations; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any other person to fail to so respond;
- (9) (i) Participating in any gambling, bookmaking, wagering, or betting involving any athletic contest whether by soliciting, placing, or accepting a bet or wager or

through a bookmaker, a pool, or any other method of gambling; or (ii) counseling, instructing, encouraging, or knowingly and intentionally permitting any student athlete or other individual under or subject to EMPLOYEE's control, authority, or supervision to participate in such activity;

- (10) (i) Furnishing any information or data, other than information or data provided to the general public through press conferences, news releases, and the like, relating in any manner to any intercollegiate sport or to any student athlete to any individual whom EMPLOYEE knows (or has constructive knowledge) to be a gambler, better, or bookmaker, or an agent of any such person; or (ii) counseling, instructing, or encouraging any student athlete or other individual under EMPLOYEE's control, authority, or supervision to furnish such information or data;
- (11) Using or consuming alcoholic beverages or controlled substances, steroids, or other drugs or chemicals to such degree and for such appreciable period as to substantially impair EMPLOYEE's ability to perform the duties herein;
- (12) Selling, purchasing, using, or possessing any controlled substances, steroids, or other drugs or chemicals, the sale, purchase, use, or possession of which by EMPLOYEE is prohibited by law or Governing Athletics Rules. The provisions of this subsection do not prohibit the use or possession of substances or drugs lawfully prescribed by a healthcare provider, and used in accordance therewith.
- (13) Knowingly encouraging or permitting the sale, purchase, use, or possession by any student athlete or other individual under EMPLOYEE's control, authority, or supervision of any controlled substances, steroids, or other drugs or chemicals, the

sale, purchase, use, or possession of which by such person is prohibited by law or Governing Athletics Rules;

- (14) (i) Failing reasonably to cooperate in the investigation and enforcement of Governing Athletics Regulations; or (ii) counseling, instructing, or encouraging any other person to fail to cooperate in such investigation and enforcement;
- (15) Subject to any right of administrative appeal permitted or granted to EMPLOYEE by the NCAA or SEC, the making or rendition of a finding or determination by the NCAA, SEC, or any commission, committee, council, or tribunal of the same, of any major or repetitive violations by EMPLOYEE of NCAA or SEC rules, or of any such major or repetitive violations by others under the direct supervision of EMPLOYEE which were knowingly and intentionally permitted, encouraged, or condoned by EMPLOYEE, or about which violations EMPLOYEE knew or should have known, and should have acted reasonably to prevent, limit, or mitigate (it is recognized that this sub-section includes findings or determinations of violations during employment of EMPLOYEE at any other institution of higher education);
or
- (16) Failing to report promptly to the Athletic Director and the Associate Athletic Director for Compliance any violations of Governing Athletics Regulations involving the Team of which EMPLOYEE has actual knowledge.

B. Termination by LSU Without Cause.

- (1) LSU shall have the right to terminate this Agreement without cause upon written notice to EMPLOYEE. In such event, LSU will pay EMPLOYEE liquidated damages, in lieu of any and all other legal remedies or equitable relief as detailed

below. In the event of termination by LSU without cause, EMPLOYEE's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, and LSU shall not thereafter be liable to EMPLOYEE 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 LSU in the notice of termination.

- (2) Liquidated damages under this Section 12.B will be the Base Salary Amount per year for the remaining term of this Agreement, including any extended term. A partial year shall be pro rated.
- (3) Liquidated damages under this Section 12.B will be paid in equal monthly installments over a period of time equal to the amount of time then remaining in the term of this Agreement, including any extended term.
- (4) In the event of termination by LSU without cause, the amount of liquidated damages owed by LSU under this Section 12.B shall be reduced and extinguished by and to the extent of any compensation EMPLOYEE earns, receives, or is entitled to receive from the termination date until LSU's obligation pursuant to this Section 12.B to EMPLOYEE terminates or ceases to exist. EMPLOYEE shall exercise due diligence and good faith in seeking other athletically-related employment. In the event EMPLOYEE obtains other employment, EMPLOYEE will notify LSU and provide any and all documentation requested by LSU to

determine the amount of compensation received by EMPLOYEE and the amount of offset due to LSU.

- (5) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by LSU prior to its expiration by lapse of term would cause EMPLOYEE to lose the salary, supplemental compensation, fringe benefits, certain other LSU-provided benefits, and possibly other income and benefits provided by third parties, which damages are impossible to determine with certainty. As such, the damages to be suffered by EMPLOYEE in the event of a termination of this Agreement by LSU without cause are difficult to presently and accurately estimate. In addition, the parties expressly agree that all liquidated damages herein are not in any way a penalty.

C. Termination by EMPLOYEE Without Cause.

- (1) EMPLOYEE shall have the right to terminate this Agreement without cause upon thirty days written notice to LSU. In the event EMPLOYEE terminates this Agreement without cause, EMPLOYEE will pay LSU liquidated damages, in lieu of any and all other legal remedies or equitable relief. In the event of termination by EMPLOYEE without cause, EMPLOYEE's Base Salary Amount, Supplemental Compensation (if any), Fringe Benefits, and all other compensation and benefits provided for in this Agreement shall terminate on the termination date, which shall be no later than thirty days after the written notice is provided to LSU (unless otherwise mutually agreed by LSU and EMPLOYEE), and LSU shall not thereafter

be liable to EMPLOYEE for any sums or damages other than any compensation earned pursuant to this Agreement prior to the termination date.

- (2) Liquidated damages under this Section 12.C will be (i) fifty 50% percent of the remaining guaranteed compensation due under the contract if you are hired for a coaching position with another Southeastern Conference football program; or (ii) twenty (20%) percent of the remaining guaranteed compensation due under the contract if hired for a coaching position with a football program outside of the Southeastern Conference. EMPLOYEE shall have the option to pay such amount in a lump sum or in equal monthly installments over a period of time equal to the amount of time then remaining in the Agreement, including any extended term.
- (3) Liquidated damages under this Section 12.C may be waived, in the discretion of the Athletic Director and upon approval by the President and Chancellor, if EMPLOYEE is not in breach of any provision of this Agreement and LSU determines that such a waiver would serve the best interests of LSU, considering factors such as, but not limited to, EMPLOYEE's length of service with LSU, whether EMPLOYEE is taking another athletically-related job, the impact the timing of EMPLOYEE's notice has on the Team (whether it is given before, during, or after the Team's season and recruiting period), EMPLOYEE's ability and willingness to assist LSU if requested during any transition period (such as during post-season play after giving notice at the end of the regular season), ease of recruiting a replacement for EMPLOYEE, and the impact requiring the payment of liquidated damages would have on recruiting and retaining other similarly-situated coaches.

- (4) The parties have bargained for this liquidated damages provision, giving consideration to the following. This is a contract for personal services. The parties recognize that termination of this Agreement by EMPLOYEE prior to its expiration by lapse of term, including any extended term, would cause LSU to incur administrative, recruiting, and resettlement costs in obtaining a replacement for EMPLOYEE's position with Team, in addition to potentially increased compensation costs and loss of ticket revenues, which damages are impossible to determine with any certainty. EMPLOYEE recognizes that his promise to work for LSU until its expiration by lapse of term (including any extended term) is an essential consideration of and a material inducement for LSU's decision to employ him in the position described in Section 2, above. EMPLOYEE also recognizes that LSU is making a highly valuable investment in his continued employment by entering into this Agreement and its investment would be lost or diminished were he to resign or otherwise terminate his employment with LSU prior to the End Date (including any extended term). The payment owed pursuant to this liquidated damages provision is to reimburse LSU for expenses resulting from EMPLOYEE's early resignation or termination, including but not limited to: (i) searching for, recruiting and hiring a replacement for EMPLOYEE, (ii) relocating a replacement employee, and (iii) buying out the previous contract, if applicable, of a replacement employee. EMPLOYEE expressly agrees that the amount of liquidated damages provided for herein is a reasonable approximation of the harm that LSU will incur in the event of such early termination by EMPLOYEE.

- (5) Unless notice of termination under this Section 12 has been given by either party, neither EMPLOYEE nor EMPLOYEE's agent shall, under any circumstances, discuss or negotiate directly or indirectly prospective employment with any other institution of higher education, professional athletic team, or other athletically-related (including media and sports marketing) prospective employer without giving at least 24 hours prior written notice to the Athletic Director.

D. Suspension or Other Disciplinary Action.

- (1) In lieu of termination for cause, and apart from any rights it may have under Section 12.A, LSU may impose disciplinary sanctions less severe than termination upon EMPLOYEE, up to and including suspension or leave without pay for a period no longer than ninety (90) days for any act or omission which would be grounds for termination for cause. Imposition of such sanctions shall be at the discretion of LSU, which shall not be exercised arbitrarily or capriciously.
- (2) LSU may suspend EMPLOYEE for an indefinite period during any investigation by LSU, another governmental entity, or the NCAA or SEC to determine whether EMPLOYEE has violated any laws or Governing Athletics Regulations. During such suspension, EMPLOYEE shall receive only the Base Salary Amount, and shall not be entitled to receive any other benefits, compensation or remuneration set forth in this Agreement for the period of such suspension. If the matter giving rise to the suspension is finally resolved completely in favor of EMPLOYEE, and does not otherwise represent an independent basis for termination herein for cause, LSU shall pay or make available to EMPLOYEE the benefits and other compensation herein otherwise payable to EMPLOYEE during the period of

suspension. Any such benefits which are payable pursuant to this Agreement by an affiliated foundation shall only be paid by such foundation, subject to its approval. Suspension under this sub-section shall not limit any rights of LSU to terminate EMPLOYEE for cause.

- (3) EMPLOYEE shall be subject to disciplinary or corrective action by the NCAA or SEC for any violation of NCAA and SEC regulations, respectively. Such action by the NCAA or the SEC shall not preclude or in any manner affect LSU's right to take such other corrective or disciplinary action as it deems necessary or proper, including termination for cause.

E. **Termination by Death or Disability.** In the event of the death of EMPLOYEE or the inability of EMPLOYEE to perform the obligations described in this Agreement by reason of illness or some other occurrence beyond the control of either party, and such inability to perform has continued or will continue beyond a reasonable period of time, but not less than sixty (60) days, this Agreement shall terminate as a termination with cause and all future obligations between the parties shall cease upon the termination date reasonably established by LSU, unless otherwise required by law.

F. **Waiver of Claims.** The financial consequences of termination of this Agreement or suspension herein are exclusively set forth herein. Therefore, with the sole exception of payments required by this Agreement, in any instance of termination for cause or without cause, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, neither EMPLOYEE nor LSU shall be entitled to receive, and each hereby waives any

claim against the other, and their respective board members, officers, directors, agents, employees, successors, and personal representatives for consequential damages by reason of any alleged economic loss, including without limitation loss of collateral income, deferred income, loss of earning capacity, loss of business opportunity, loss of perquisites, loss of fees from speaking, camps or other outside activity, or expectation income, or damages allegedly sustained by reason of alleged humiliation or defamation or other non-compensatory and compensatory damages and attorney's fees resulting from the fact of termination, the public announcement thereof, or the release by LSU or EMPLOYEE of information or documents required by law. EMPLOYEE acknowledges that in the event of either termination of this Agreement for cause, without cause, or otherwise, or suspension or other disciplinary sanction effected in accordance with the procedures established in this Agreement, EMPLOYEE shall have no right to occupy the position of set forth in Section 2, above, and that EMPLOYEE's sole remedies are provided herein and shall not extend to injunctive relief. EMPLOYEE further acknowledges and agrees that EMPLOYEE is not eligible for and will not be considered for or granted tenure by LSU.

- G. **Termination by Departure of Head Coach.** Notwithstanding any provision of, and addition to any other causes for termination set forth in, this Agreement, in the event that the current Head Coach of Team ceases to hold such position for any reason, LSU shall have the option, in its sole discretion, to terminate this Agreement effective six (6) months after the last date on which the current Head Coach of Team holds such position, or on such earlier date as is mutually agreed

between EMPLOYEE and LSU, and LSU shall not thereafter be liable to EMPLOYEE for any sums or damages other than any compensation earned pursuant to this Agreement prior to such termination date.

13. **Retention and Return of all Materials, Records, and Other Items.** All documents, records, or materials, including without limitation personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to EMPLOYEE by LSU or developed by EMPLOYEE on behalf of or at the expense of LSU or otherwise in connection with the employment of EMPLOYEE are and shall remain the sole and confidential property of LSU. Within ten (10) days of the expiration or termination of this Agreement, EMPLOYEE shall cause any such materials in EMPLOYEE's possession or control to be delivered to LSU. At the same time, EMPLOYEE shall return to LSU all credit cards, keys, computers, mobile communication devices and other items belonging to LSU which were issued to or are in the possession of EMPLOYEE.

14. **Entire Contract.** This Agreement, including Schedule A, constitutes and expresses the entire agreement and understanding of the parties concerning the employment of EMPLOYEE by LSU and shall, upon the effective date hereof, supersede any other oral and written agreements between the parties. There are no oral or other agreements, understandings, promises, or representations between the parties affecting this Agreement. Both parties have relied solely on their own respective judgments in entering into this agreement, with full opportunity to seek advice of competent counsel. It shall be construed, if necessary, without reference to the party that was the principal drafter of the Agreement.

15. **Amendments to Contract.** This Agreement may be amended only by a written instrument duly approved by LSU through its designated representatives and accepted by EMPLOYEE, such approval and acceptance to be acknowledged in writing.
16. **Severability.** If any provision of this Agreement shall be deemed invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provision or to alter the bounds thereof in order to render it valid and enforceable.
17. **No Waiver of Default.** No waiver by the parties hereto of any default or breach of any covenant, term or condition of this Agreement shall be deemed to be a waiver of any other default or breach of the same or any other covenant, term or condition contained herein.
18. **Sovereign Immunity Not Waived.** It is expressly agreed and understood between the parties that nothing contained herein shall be construed to constitute a waiver or relinquishment by LSU of any rights to claim such exemptions, privileges and immunities as may be provided by law.
19. **“Force Majeure” Clause.** Neither party shall be considered in default of performance of any obligations under this Agreement if such performance is prevented or delayed by Force Majeure. "Force Majeure" shall be understood to be any cause which is beyond the reasonable control of the party affected and which is forthwith, by notice from the party affected, brought to the attention of the other party, including but not limited to war, hostilities, revolution, civil commotion, strike, lockout, epidemic, accident, fire, wind or flood or any requirements of law, or an act of God.

20. **Governing Laws.** This Agreement shall be enforced and construed in accordance with the laws of Louisiana. Any civil action to enforce this Agreement shall be brought in a state or federal court having jurisdiction and domiciled in East Baton Rouge Parish, Louisiana.

THE PARTIES hereto have executed this Agreement on the day, month and year first above written.

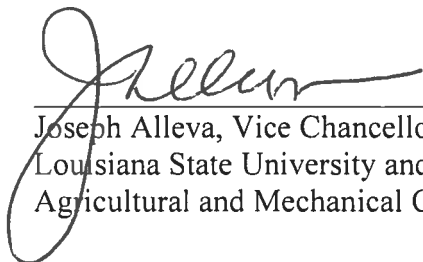
BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE

By: _____
F. King Alexander, President and Chancellor
Louisiana State University and
Agricultural and Mechanical College



Edward J. Orgeron, Jr.

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Athletic Director
Louisiana State University and
Agricultural and Mechanical College

Daniel T. Layzell, Vice President for Finance and Administration
Louisiana State University and
Agricultural and Mechanical College

Schedule A – Supplemental Terms for Edward J. Orgeron, Jr.

This Schedule A supplements and further defines the provisions of the Employment Agreement dated January 14, 2015, entered into between LSU and Edward J. Orgeron, Jr., to which it is attached (the “Agreement”). In the event of a direct and clear conflict between the other provisions of the Agreement and this Schedule A, the provisions of this Schedule A shall control.

1. Subject to the terms and conditions set forth in section 7.A of the Agreement, EMPLOYEE shall receive Post-Season Incentive Compensation in the amounts, and based on attaining the goals, shown below. The maximum amount of Post-Season Incentive Compensation paid shall be \$75,000:

a)	Western Division Representative SEC Championship Game	\$10,000 OR
	SEC Champions	\$15,000
	AND any one of the following:	
b)	Non College Football Playoff (CFP) Bowl Participant	\$10,000 OR
c)	CFP Bowl Participant	\$25,000 OR
d)	CFP Semifinal Game Participant	\$35,000 OR
e)	CFP National Championship Game Participant	\$45,000 OR
f)	CFP National Champion	\$60,000

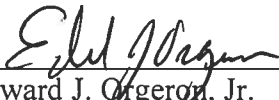
2. Section 8 of the Agreement is supplemented to add the following subsections after the end of subsection C:

D.	One-time reimbursement of household moving expenses in accordance with LSU policy and state law;
E.	One payment of \$5,000 to be used for miscellaneous relocation expenses not reimbursed in accordance with the provisions of subsection D above; and
F.	Temporary housing at a site chosen by the Athletic Director for a period not to exceed 60 days.

3. All other provisions of the Agreement remain unchanged.

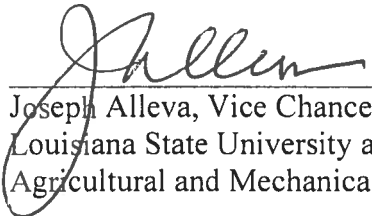
Approved:

By: _____
F. King Alexander, President and Chancellor
Louisiana State University and
Agricultural and Mechanical College



Edward J. Orgeron, Jr.

RECOMMENDED:



Joseph Alleva, Vice Chancellor and Athletic Director
Louisiana State University and
Agricultural and Mechanical College

Daniel T. Layzell, Vice President for Finance and Administration
Louisiana State University and
Agricultural and Mechanical College



Request from LSU A&M to (i) authorize the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) to proceed with the issuance of its auxiliary revenue and refunding bonds in an amount not exceeding \$175,000,000 in one or more series (the “bonds”) on behalf of Louisiana State University and Agricultural and Mechanical College (“LSU A&M” or the “University”) and to (ii) authorize LSU A&M, on behalf of the Board, 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: January 30, 2015

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 LSU 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, 13A and 14-A 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 refunding bonds and pledge revenues to guarantee payment thereof in accordance with law and with the approval of the State Bond Commission.

The Project as submitted by the University was included in the Board's 2013-2014 Capital Outlay Request to the Legislature. The Project consists of (a) the planning, design, acquisition, construction and equipping of a Family Housing Complex, (b) a portion of the costs of the planning, design, acquisition, construction and equipping of a New Residence Hall, (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall and (d) planning, design, acquisition, construction and equipping of additions and renovations to the Student Health Center (collectively, the “Project”). The Project was authorized in Act No. 25 of the 2014 Regular Session of the Louisiana Legislature (Attachment II). The Board has also been advised of significant debt service savings which may result from refunding all or a portion of the Board's Auxiliary Revenue Bonds, Series 2007 (the "Series 2007 Bonds") and its Auxiliary Revenue Bonds, Series 2008 (the "Series 2008 Bonds" and together with the 2007 Bonds herein the "Prior Bonds") and the Board desires to authorize the issuance of revenue refunding bonds for such purpose. The University expects to come back to the Board at its March 20, 2015, meeting for a second, final approval of the Project and of the issuance of the hereinafter defined Bonds to finance the Project and to refund all or a portion of the Prior Bonds, and it is expected that all necessary governmental approvals, including 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 19, 2015.

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 and Refunding

Bonds in one or more series in an aggregate principal amount not to exceed \$175,000,000 (the “Bonds”) to (i) finance or reimburse the costs of the Project, (ii) refund all or a portion of the Prior Bonds (iii) fund a capitalized interest fund, if necessary, (iv) fund a reserve fund or pay the premium for a reserve fund insurance policy or surety bond, if necessary, and (v) 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 A&M 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 A&M 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 Wells Fargo Securities to serve as co-managing underwriters for the Bonds.

The University anticipates that the Bonds will be issued in April 2015.

2. Review of Business Plan

The business plans for the related projects involving the Family Housing Complex, New Residence Hall, Evangeline Residence Hall, and the Student Health 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. The refunding of the Prior Bonds is expected to produce significant debt service savings to the University.

Additionally, the Pro-Forma Debt Service Coverage Ratio of LSU A&M Auxiliaries was reviewed and this ratio is at an acceptable level (Attachment III).

3. Fiscal Impact

This bond issue will not have any direct fiscal impact on the general operating revenue of 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, graphic services, the student union, student health services, and other miscellaneous auxiliaries and certain other revenues that have been dedicated to the payment of bonds. The refunding of the Prior Bonds is expected to produce significant debt service savings to the University.

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 IV), 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 A&M 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 and Refunding Bonds, Series 2005A issued in the original aggregate principal amount of \$18,905,000, (iii) Auxiliary Revenue Bonds, Series 2006 issued in the original aggregate principal amount of \$97,095,000, (iv) Auxiliary Revenue Bonds, Series 2007 issued in the original aggregate principal amount of \$71,130,000, (v) Auxiliary Revenue Bonds, Series 2008 issued in the original aggregate principal amount of \$52,815,000, (vi) Auxiliary Revenue and Refunding Bonds, Series 2010A issued in the original aggregate principal amount of \$87,625,000, (vii) Gulf Opportunity Zone Auxiliary Revenue Bonds, Series 2010B issued in the original aggregate principal amount of \$31,250,000, (viii) Auxiliary Revenue Refunding Bonds, Series 2012 issued in the original aggregate principal amount of \$41,615,000, (ix) Auxiliary Revenue Bonds, Series 2013 issued in the original aggregate principal amount of \$101,180,000, and (x) Auxiliary Revenue Refunding Bonds, Series 2014 issued in the original aggregate principal amount of \$81,880,000.

8. Conflicts of Interest

None.

ATTACHMENTS:

- Attachment I - Letter from Vice President for Finance and Administration/CFO Layzell
- Attachment II – Excerpt from Act No. 25 of the 2014 Regular Session of the Louisiana Legislature
- Attachment III – Pro Forma Debt Service Coverage Ratio of the LSU Auxiliaries
- Attachment IV – Copy of General Bond Resolution (available on the website)

RECOMMENDATION:

The Staff recommends that the Board consider the resolution(s) set forth below.

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) that:

SECTION 1. 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, 13A and 14-A 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, and other constitutional and statutory authority, authorize the Board to borrow money and to issue bonds and refunding bonds and pledge revenues to guarantee payment

thereof in accordance with law and with the approval of the State Bond Commission. The Board does hereby authorize Louisiana State University and Agricultural and Mechanical College (“LSU A&M”) to proceed with the issuance of its Auxiliary Revenue and Refunding Bonds in one or more series in an aggregate principal amount not to exceed \$175,000,000 (the “Bonds”), bearing interest at a fixed rate not to exceed six percent (6%) 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 (i) (a) the planning, design, acquisition, construction and equipping of a Family Housing Complex, (b) a portion of the costs of the planning, design, acquisition, construction and equipping of a New Residence Hall, (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall and (d) planning, design, acquisition, construction and equipping of additions and renovations to the Student Health Center (collectively, the “Project”), (ii) refunding all or a portion of the Board's outstanding Auxiliary Revenue Bonds, Series 2007 and Auxiliary Revenue Bonds, Series 2008, (iii) funding a capitalized interest fund, if necessary, (iv) funding a reserve fund or paying the premium for a reserve fund insurance policy or surety bond, if necessary, and (v) 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 2005A Bonds, Series 2006 Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2010A Bonds, Series 2010B, Series 2012 Bonds, Series 2013 Bonds and Series 2014 Bonds each as defined in the Bond Resolution.

SECTION 3. The Board hereby authorizes its representatives, including the President of Louisiana State University and the Vice President for Finance and Administration/CFO of Louisiana State University 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, 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.

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 Louisiana State University and the Vice President for Finance and Administration/CFO of Louisiana State 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.

EXHIBIT A

NOTICE OF INTENTION TO ISSUE BONDS

Notice is hereby given that, pursuant to a resolution adopted at its meeting of January 30, 2015 (the “Authorizing Resolution”), the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) intends to issue its Auxiliary Revenue and Refunding Bonds, in one or more series (the “Bonds”), in an aggregate principal amount not to exceed \$175,000,000. 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, 13A and 14-A 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, and other constitutional and statutory authority, authorize the Board to borrow money and to issue bonds and refunding bonds and pledge revenues to guarantee payment thereof in accordance with law and with the approval of the State Bond Commission. 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 A&M”) to finance or reimburse the costs of (i) (a) the planning, design, acquisition, construction and equipping of a Family Housing Complex, (b) a portion of the costs of the planning, design, acquisition, construction and equipping of a New Residence Hall, (c) a portion of the planning and design of the acquisition, construction and equipping of renovations to Evangeline Residence Hall and (d) planning, design, acquisition, construction and equipping of additions and renovations to the Student Health Center (collectively, the “Project”), (ii) refunding all or a portion of the Board's outstanding Auxiliary Revenue Bonds, Series 2007 and Auxiliary Revenue Bonds, Series 2008, (iii) funding a capitalized interest fund, if necessary, (iv) funding a reserve fund or paying the premium for a reserve fund insurance policy or surety bond, if necessary, and (v) paying 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 \$175,000,000, will mature not later than 40 years from their dated date and will bear interest payable at a fixed rate not to exceed six percent (6%) 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 A&M 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 and Refunding Bonds, Series 2005A issued in the original aggregate principal amount of \$18,905,000, (iii) Auxiliary Revenue Bonds, Series 2006 issued in the original aggregate principal amount of \$97,095,000, (iv) Auxiliary Revenue Bonds, Series 2007 issued in the original aggregate principal amount of \$71,130,000, (v) Auxiliary Revenue Bonds, Series 2008 issued in the original aggregate principal amount of \$52,815,000, (vi) Auxiliary Revenue and Refunding Bonds, Series 2010A issued in the original aggregate principal amount of \$87,625,000, (vii) Gulf Opportunity Zone Auxiliary Revenue Bonds, Series 2010B issued in the original aggregate principal amount of \$31,250,000, (viii) Auxiliary Revenue Refunding Bonds, Series 2012 issued in the original aggregate principal amount of \$41,615,000, (ix) Auxiliary Revenue Bonds, Series 2013 issued in the original aggregate principal amount of \$101,180,000, and (x) Auxiliary Revenue Refunding Bonds, Series 2014 issued in the original aggregate principal amount of \$81,880,000. 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 Daniel T. Layzell, Vice President for Finance and Administration/CFO, 330 Thomas Boyd Hall, Baton Rouge, Louisiana 70803.



Finance & Administration

TO: F. King Alexander
President and Chancellor

DATE: January 5, 2015

FROM: Daniel T. Layzell
Vice President for
Finance & Administration and CFO

A handwritten signature in blue ink, reading "Daniel T. Layzell", is placed over the printed name and title.

RE: Recommendation Authorizing Louisiana State University to Issue Auxiliary
Revenue Bonds

Attached please find a resolution requesting to proceed with the issuance of Auxiliary Revenue Bonds in an amount not exceeding \$175,000,000 in one or more series.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the January 2015 meeting of the Board of Supervisors.

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

Attachments

HB NO. 2		<u>ENROLLED</u>
1	(819) Conservation Education Center Sherburne, Planning and	
2	Construction	
3	(Iberville)	
4	Payable from Conservation Fund	<u>\$ 100,800</u>
5	(822) Site Improvements and Building Replacements at	
6	Marsh Island Refuge	
7	(Iberia)	
8	Payable from Russell Sage Fund #2	<u>\$ 3,500,000</u>
9	(824) District 7 Headquarters (Annex) HVAC Replacement	
10	(East Baton Rouge)	
11	Payable from Rockefeller Wildlife Refuge and Game	
12	Preserve Fund	<u>\$ 516,000</u>
13	(1108) Region 5/Lake Charles Office, Planning and	
14	Construction	
15	(Calcasieu)	
16	Payable from General Obligation Bonds	
17	Priority I	\$ 2,900,000
18	Priority 5	<u>\$ 6,100,000</u>
19	Total	<u>\$ 9,000,000</u>
20	(1295) White Lake Wetlands Conservation Area Office, Planning	
21	and Construction	
22	(Vermilion)	
23	Payable from Conservation Fund	<u>\$ 585,460</u>
24	16/514 OFFICE OF FISHERIES	
25	(592) Booker Fowler Fish Hatchery Renovations, Planning	
26	and Construction	
27	(Rapides)	
28	Payable from Federal Funds	<u>\$ 2,415,380</u>
29	(764) Beechwood Fish Hatchery Pond Improvements	
30	(Rapides)	
31	Payable from Federal Funds	<u>\$ 1,500,000</u>
32	(767) Grand Isle Marine Lab 7 Bay Boat Shed, Planning and	
33	Construction	
34	(Jefferson)	
35	Payable from Artificial Reef Development Fund	<u>\$ 321,300</u>
36	(768) Huey P. Long Fish Hatchery Boat Storage Building,	
37	Planning and Construction	
38	(St. Tammany)	
39	Payable from Artificial Reef Development Fund	<u>\$ 435,480</u>
40	(769) Louisiana Marine Fisheries Enhancement Research and	
41	Sciences Center	
42	(Calcasieu, Plaquemines)	
43	Payable from Federal Funds	<u>\$ 22,000,000</u>
44	DEPARTMENT OF EDUCATION	
45	19/601 LSU BATON ROUGE	
46	(3) New Residence Hall, Planning and Construction	
47	(East Baton Rouge)	
48	Payable from Revenue Bonds	<u>\$ 80,450,000</u>

HB NO. 2

ENROLLED

1	2	Provided, however, that this appropriation is in lieu of Revenue Bonds appropriated in Act 24 of 2013 to LSU Baton Rouge for New Residence Hall, Planning and Construction	
3	(8)	Patrick F. Taylor Hall Renovations and Expansion, Planning and Construction (East Baton Rouge)	
4		Payable from General Obligation Bonds	
5		Priority 1	\$ 12,500,000
6		Priority 5	\$ 42,500,000
7		Payable from Fees and Self-Generated Revenues	\$ 55,000,000
8		Total	<u>\$ 110,000,000</u>
9			
10			
11		Provided, however, that the Fees and Self Generated Revenues in this appropriation are in lieu of Fees and Self Generated Revenues appropriated in Act 24 of 2013 to LSU Baton Rouge for Patrick F. Taylor Hall Renovations and Expansion, Planning and Construction.	
12			
13			
14	(9)	Family Housing Complex, Planning and Construction (East Baton Rouge)	
15		Payable from Fees and Self Generated Revenues	\$ 300,000
16		Payable from Revenue Bonds	\$ 39,000,000
17		Total	<u>\$ 39,300,000</u>
18			
19	(10)	Nicholson Gateway: Infrastructure Improvements, Planning and Construction (East Baton Rouge)	
20		Payable from General Obligation Bonds	
21		Priority 1	\$ 2,500,000
22		Priority 5	\$ 22,500,000
23		Total	<u>\$ 25,000,000</u>
24			
25			
26	(11)	French House Renovation, Acquisition, Planning and Construction (East Baton Rouge)	
27		Payable from General Obligation Bonds	\$ 5,100,000
28		Priority 1	
29		Total	<u>\$ 5,100,000</u>
30			
31	(12)	Evangeline Residence Hall Renovation, Planning and Construction (East Baton Rouge)	
32		Payable from Fees and Self Generated Revenues	\$ 150,000
33		Payable from Revenue Bonds	\$ 22,350,000
34		Total	<u>\$ 22,500,000</u>
35			
36			
37		Provided, however, that the Revenue Bonds in this appropriation are in lieu of Revenue Bonds appropriated in Act 24 of 2013 to LSU Baton Rouge for Evangeline Residence Hall Renovation, Planning and Construction	
38			
39			
40	(14)	Student Health Center Renovation and Addition, Planning and Construction (East Baton Rouge)	
41		Payable from Fees and Self Generated Revenues	\$ 4,000,000
42		Payable from Revenue Bonds	\$ 23,890,000
43		Total	<u>\$ 27,890,000</u>
44			
45			
46	(22)	Lakeshore House Renovation, Planning and Construction (East Baton Rouge)	
47		Payable from Fees and Self Generated Revenues	\$ 250,000
48		Payable from Revenue Bonds	\$ 4,250,000
49		Total	<u>\$ 4,500,000</u>
50			
51			

HB NO. 2	<u>ENROLLED</u>
1 (1396) South Campus, Land Acquisition	
2 (East Baton Rouge)	
3 Payable from General Obligation Bonds	
4 Priority 1	\$ 2,000,000
5 Priority 5	<u>\$ 2,375,000</u>
6 Total	<u>\$ 4,375,000</u>
7 (1397) Renovate Old Engineering Shops for Art Department,	
8 Planning and Construction	
9 (East Baton Rouge)	
10 Payable from General Obligation Bonds	
11 Priority 1	\$ 2,500,000
12 Priority 5	<u>\$ 12,800,000</u>
13 Total	<u>\$ 15,300,000</u>
14 (1996) Fire and Emergency Training Institute	
15 (East Baton Rouge)	
16 Payable from General Obligation Bonds	
17 Priority 2	<u>\$ 500,000</u>
18 (2084) Music and Dramatic Arts Facilities Renovation	
19 and Addition, Planning and Construction	
20 (East Baton Rouge)	
21 Payable from General Obligation Bonds	
22 Priority 2	<u>\$ 258,300</u>
23 Provided, however, that \$258,300 of the Priority 2 appropriations for this project is used to	
24 replace general obligation bond proceeds reappropriated to Department of Education, LSU	
25 Health Sciences Center, Health Care Services Division, University Medical Center in New	
26 Orleans (Orleans) in this Act.	
27 (2085) College of Engineering, Renovation and	
28 Expansion, Planning and Construction	
29 (East Baton Rouge)	
30 Payable from General Obligation Bonds	
31 Priority 2	<u>\$ 111,300</u>
32 Provided, however, that \$111,300 of the Priority 2 appropriations for this project is used to	
33 replace general obligation bond proceeds reappropriated to Department of Education, LSU	
34 Health Sciences Center, Health Care Services Division, University Medical Center in New	
35 Orleans (Orleans) in this Act.	
36 (2086) Renovation of Hodges Dorm for Academic Use,	
37 Construction and Equipment	
38 (East Baton Rouge)	
39 Payable from General Obligation Bonds	
40 Priority 2	<u>\$ 42,100</u>
41 Provided, however, that \$42,100 of the Priority 2 appropriations for this project is used to	
42 replace general obligation bond proceeds reappropriated to Department of Education, LSU	
43 Health Sciences Center, Health Care Services Division, University Medical Center in New	
44 Orleans (Orleans) in this Act.	
45 19/602 LSU ALEXANDRIA	
46 (28) Network and Telephone Cabling Infrastructure,	
47 Planning and Construction	
48 (Rapides)	
49 Payable from General Obligation Bonds	
50 Priority 2	<u>\$ 2,000,000</u>

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 2004 Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2008 Bonds, the Series 2010A&B Bonds, the Series 2012 Bonds, the Series 2013 Bonds, and the Series 2014 Bonds:

	<u>2012-13</u>	<u>2013-14</u>
Gross Auxiliary Revenues ¹	\$200,215,507	\$204,280,634
Aggregate Maximum Annual Debt Service on Parity Lien Obligations	32,969,763	32,440,768
Pro-Forma Coverage on Total Parity Lien Obligations (x)	6.07	6.30

Source: University

¹ Includes Laboratory School revenues and Recreational Sports Fee revenues.

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**

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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 of 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(1) 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 of 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 Requirements" 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 the maturity of all or a part of the Bonds of such Series, and the Interest Payment Dates therefor;

(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 the 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 of the 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 the 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 of 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 the 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 clauses:

"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.C1. *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 of 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 Accounts.* 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 Accounts.* 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 of 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 into 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.

(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 therefor, 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 Trustee 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 Enterprise 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. The 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:

(1) A policy or policies of insurance covering the Auxiliary Facilities against loss or damage by fire, lightning, 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 be 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 replaced 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 be 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 Vice 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 the 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 of 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 solely 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 be 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), (i), (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 the 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 of 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 of 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 *John Williams*
(Vice) Chairman

ATTEST:

William Hopper
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 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, 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.

Allen Hopping
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:

<u>Redemption Dates</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
	%

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 <u>(July 1)</u>	Principal <u>Amount</u>
------------------------------------	----------------------------

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 the 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 of 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:

<u>Description</u>	<u>Outstanding as of May 31, 1994*</u>
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:	<u>\$ 3,958,777</u>
TOTAL	<u>\$27,552,064</u>

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:

<u>Fiscal Year Ending 6/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>1,797,371</u>	<u>107,842</u>	<u>1,905,213</u>
TOTAL	<u>\$26,746,134</u>	<u>\$11,107,826</u>	<u>\$37,853,960</u>

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 CESWay International, Inc. that is currently leased to the University, the buy-out of CESWay, 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 resolution approach to the issuance and to authorize the application of annual savings derived from the 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 true 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.



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

SEAL



Request from LSU A&M to authorize the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) to enter into a Cooperative Endeavor Agreement between the Board and Shorelight Education, LLC. and Shorelight-Tiger, LLC on behalf of LSU A&M for purposes of expanding international recruiting

To: Members of the Board of Supervisors

Date: January 12, 2015

Pursuant to Article VII, Section 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

LSU A&M is expanding its graduate and undergraduate international student population through the establishment of an International Accelerator Program (IAP) designed to provide intensive English language instruction and acculturation activities which ultimately serve as the basis for the students’ long-term success at LSU A&M. Shorelight-Tiger LLC (Tiger) will be created as a wholly owned subsidiary of Shorelight Education, LLC to operate the IAP. Tiger will be managed and operated jointly by a steering committee of equal representatives from LSU A&M and Shorelight Education, LLC.

Under a proposed cooperative endeavor agreement, beginning in the fall of 2015, Tiger will attract, recruit, and retain up to 850 qualified international students to LSU each academic year. At full operating capacity, this program is expected to increase LSU’s international student population by more than 2,700 students. Additionally, Tiger will have responsibility for collecting all admissions documentation for submission to LSU A&M, assisting in the collection of any financial or other information identified by LSU A&M as needed to facilitate I-20 processing, providing orientation services and programs, acting as a liaison with students and faculty to ensure that satisfactory academic progress is being made toward LSU A&M’s progression standards, assisting students with a variety of services including, but not limited to, opening bank accounts, local transportation, and finding social clubs or other extracurricular activities.

LSU A&M’s responsibilities will involve curriculum design for both English-as-a-second-language (ESL) and credit bearing courses, use of its Learning Management System (LMS), establishment of progression criteria, making available adequate teaching and administrative space and student housing, and the processing of I-20s and Student and Exchange Visitor Information System (SEVIS) compliance. The LSU A&M representatives on the steering committee will have a tie-breaking vote regarding all academic matters, which will preserve’s LSU A&M’s ability to control its academic mission.

Shorelight Education, LLC will be responsible for providing its management expertise, global marketing, recruiting and admissions infrastructure to Tiger. Market analysis and services focusing on demand, admission requirements, timing, cohort start dates, tuition rates and diversity of students will be made available to ensure that LSU A&M’s international enrollment goals and strategies are achieved. Additionally, Shorelight will fund the start-up and ongoing operations of Tiger until it is in a sufficient financial position to fund itself.

The increase of international students will contribute to the Flagship 2020 mission by diversifying the student body, strengthening study abroad opportunities, providing additional networking opportunities for the business community, and improving LSU A&M’s worldwide university rankings.

2. Review of Business Plan

Under a proposed cooperative endeavor agreement, upon admission to the IAP, the student will pay for the entire International Accelerator Program up front directly to Tiger. The price for the program is currently based on LSU A&M's out of state tuition and fee schedule, but could change depending on market pressures. Tiger remits to the University any amounts due for student health insurance, housing, dining, teaching and administrative space, university fees, reimbursements for English Language and Orientation Program (ELOP) and credit bearing teaching resources and scholarships or other incentives designed to enhance research and service learning opportunities as defined by the agreement. After successful completion of the IAP, students will matriculate into LSU A&M as transfer students where they will be assessed tuition and fees the same as all other LSU A&M students. LSU A&M will remit to Shorelight Education, LLC a percentage of the tuition and nonresident fees paid by each successfully matriculated IAP student for the duration of their enrollment. This percentage varies by the year of study and is designed to incentivize Shorelight Education, LLC and Tiger to assist the students in the timely completion of their degree.

The agreement to create the IAP will be through a Cooperative Endeavor Agreement. It is structured such that Tiger has responsibility for operational costs of the program. Shorelight Education, LLC funds the start-up and ongoing operational costs of Tiger until it is financially able to fund its own operations. LSU A&M is not expected to absorb any costs of providing space or services to the program, including during the early program years when the start-up and operational costs leave the program with a net loss. At such time as the program generates positive net income and Shorelight Education, LLC has recouped its investment in Tiger, the net income is split 50/50 between Shorelight and LSU A&M.

3. Fiscal Impact

The program is expected to generate positive operating income over time which will be used to support the expansion of study abroad programs, research opportunities for both undergraduate and graduate students and other institutional priorities as set by the Provost's office. The following pro forma shows the revenues and expenditures projected for Tiger as well as the anticipated additional revenue to LSU A&M. LSU A&M is asking to restrict the revenues generated from this program so that they may be reinvested in activities that further the internationalization aspirations of the University.

Louisiana State University												
EXPANSION OF INTERNATIONAL RECRUITING EFFORTS												
Financial Model based on SHORELIGHT assumptions - SUMMARY												
as of 01/08/2015												
(in 000s)												
Summary - Operations	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	TOTAL
Program Revenue	-	2,513	6,811	12,568	18,066	24,258	25,664	26,768	27,437	28,123	28,826	201,032
Program Expenses	684	6,131	8,870	12,199	15,797	19,308	20,359	20,878	21,377	21,890	21,406	168,899
Program Operating Income/(Loss)	(684)	(3,619)	(2,058)	369	2,269	4,949	5,305	5,890	6,060	6,233	7,420	32,133
Net Student Insurance Income	-	28	85	169	264	381	440	484	533	586	645	3,617
CUMULATIVE	(684)	(4,275)	(6,248)	(5,710)	(3,177)	2,154	7,899	14,273	20,866	27,685	35,750	
Revenue to LSU	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	TOTAL
University Fees	-	218	651	1,233	1,782	2,398	2,599	2,664	2,731	2,799	2,757	19,830
Teaching ELOP courses	-	129	255	415	551	740	778	798	818	838	859	6,181
Classroom Space	-	36	83	143	200	264	282	289	296	304	311	2,211
Housing & Dining *	-	93	261	508	796	1,119	1,278	1,385	1,455	1,491	1,529	9,915
Surplus Share	-	-	-	-	-	1,077	3,950	7,137	10,433	13,843	17,875	54,314
Progression Tuition	-	-	357	1,227	2,664	4,131	5,683	6,637	7,097	7,275	7,457	42,528
Progression Rate Paid to Shorelight	-	-	(36)	(123)	(266)	(413)	(568)	(664)	(710)	(727)	(746)	(4,253)
Net Progression Tuition to LSU	-	-	321	1,105	2,398	3,718	5,114	5,973	6,388	6,547	6,711	38,275
ANNUAL INCOME TO LSU		477	1,571	3,404	5,727	9,316	14,001	18,246	22,120	25,822	30,042	
CUMULATIVE	-	477	2,048	5,451	11,178	20,494	34,495	52,741	74,861	100,684	130,726	

* assumes LSU ResLife can accommodate students

4. Description of Competitive Process

Not Applicable

5. Review of Legal Documents

The cooperative endeavor agreement is being prepared by LSU A&M staff in consultation with the Office of General Counsel. The agreement will also be presented to the State Office of Contractual Review for approval and also presented to the Joint Legislative Committee on the Budget.

6. Parties of Interest

LSU A&M, Shorelight Education LLC and Shorelight-Tiger LLC all have an interest in this program. Shorelight-Tiger LLC is a wholly owned subsidiary of Shorelight Education LLC established to run the day to day operations of the International Accelerator Program (IAP).

7. Related Transactions

Not Applicable at this time.

8. Conflicts of Interest

None.

ATTACHMENT(S):

- Attachment I - Letter from Vice President for Finance and Administration/CFO Layzell

RECOMMENDATION:

The staff recommends that the Board consider the resolution(s) set forth below.

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) authorizes F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the Board, and in consultation with legal counsel, to execute a Cooperative Endeavor Agreement for the benefit of LSU A&M with Shorelight Education, LLC and Shorelight-Tiger, LLC, and any related documents necessary or desirable to accomplish and implement the purposes of the Cooperative Endeavor Agreement, with all such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU;

AND

BE IT FURTHER RESOLVED that prior to final Cooperative Endeavor Agreement execution, the President will notify the Board Chair, Chair-Elect, Immediate Past Chair, and the chair of the appropriate Board Committee of the final terms of the Cooperative Endeavor Agreement;

AND

BE IT FURTHER RESOLVED that the Board does hereby approve establishing a restricted account for the funds generated by this program. The funds are to be used exclusively for the operation and expansion of the program; including activities associated with the further internationalization of the campus at the discretion of the President or his designee, who shall be the Provost unless the President names another designee.



Finance & Administration

TO: F. King Alexander
President and Chancellor

DATE: January 9, 2015

FROM: Daniel T. Layzell
Vice President for
Finance & Administration and CFO

A handwritten signature in blue ink, reading "Daniel T. Layzell", is written over the printed name and title.

RE: Request from LSU A&M to enter into a Cooperative Endeavor Agreement between the LSU Board of Supervisors and Shorelight Education for purposes of expanding international recruiting

Attached please find a resolution requesting to proceed with the cooperative endeavor agreement between LSU and Shorelight Education to expand LSU's graduate and undergraduate international student population through the establishment of an Internal Accelerator Program (IAP) designed to promote intensive language instruction and acculturation activities which ultimately serve as the basis for the students long term success at LSU. Shorelight-Tiger LLC (Tiger) will be created as a wholly owned subsidiary of Shorelight Education, LLC to operate the IAP. Tiger will be managed and operated jointly by a steering committee of equal representatives from LSU and Shorelight Education, LLC.

I respectfully request, should you concur, that the resolution be submitted for placement on the agenda for the January 2015 meeting of the Board of Supervisors.

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

Attachments