

**REVISED
AGENDA**

LSU BOARD OF SUPERVISORS MEETING

Friday, June 19, 2015
LSU at Alexandria
195 Middleton Drive
Brumfield Caffey Annex Ballroom
Alexandria, LA 71302

10:00 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/>

<p>A. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE Mr. Scott Ballard, Chairman</p>
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1. Approval of FY 2014-15 Supplemental Appropriation, FY 2015-16 Institution Distribution, and Authorization to Increase Tuition and Fees
 2. Recommendation to approve First Amendment to Cooperative Endeavor Agreement by and among LSU Research and Technology Foundation and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
 3. Request From LSU Health Science Center in Shreveport to Approve the FY 2015-2016 Expenditure of Carroll W. Feist Legacy Funds for the Feist Weiller Cancer Center and to Make a Determination of Acceptable University Purpose
 4. Recommendation to amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors Pursuant to Organizational Changes
 5. Request from the administrative officers of the campuses and hospitals to write-off uncollectible receivable accounts as of June 30, 2015
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B. PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chairman

1. Presentation on the Nicholson Gateway Project by the Project Manager
 2. Status Report on LSU A&M Housing, Parking, and Energy Management Initiatives
 3. Request from LSU A&M to approve the Schematic Design of the LSU Football Operations Center Addition
 4. Request from LSU Ag Center to approve a lease agreement with the Companion Animal Alliance for the construction and operation of an animal shelter on LSU AgCenter property
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**C. HEALTHCARE AND MEDICAL EDUCATION
COMMITTEE**

Mr. Bobby Yarborough, Chairman

1. Request from LSU Health Sciences Center Shreveport to approve a Memorandum of Understanding between LSU Board of Supervisors and LSU Health Sciences Center Shreveport Faculty Group Practice
 2. Update on the hospital public private partnerships and discussion of the Cooperative Endeavour Agreement between Biomedical Research Foundation of Northwest Louisiana (BRF), BRF Hospital Holdings, LLC (BRFHH), LSU and the State of Louisiana through the Division of Administration
 3. ~~Request from LSU Health Care Services Division for Approval to sell its technology asset to LaHIT and review of LaHIT and HarmonIQ Term Sheet~~
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D. ATHLETIC COMMITTEE

Mr. Blake Chatelain, Chairman

1. Request from LSU A&M to approve amendment to the Athletic contract for Ms. Mary "Fran" Flory, Head Coach, Women's Volleyball
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E. AUDIT COMMITTEE

Mr. Stanley Jacobs, Chairman

The Audit Committee will meet at LSU Alexandria in the Brumfield Caffey Annex Sentry Room, Alexandria following the Integrated Committee Meetings. The Committee may go into Executive Session in accordance with the provisions of LA. R.S. 42:6.1 A (4)

REVISED
AGENDA
LSU BOARD OF SUPERVISORS MEETING

Friday, June 19, 2015
Following Committee Meetings

Mrs. Ann Duplessis, Chair

NOTICE: The LSU Board of Supervisors may go into executive session pursuant to La. R.S. 42:17(A)(2) to discuss a personnel matter and potential litigation.

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of the Minutes of the Board Meeting held on May 8, 2015
4. Oath of Office for student board member
5. Personnel Actions Requiring Board Approval
6. Reports from the Council of Faculty and Staff Advisors
7. President's Report
8. Reports to the Board
 - A. Report on campus bond indebtedness at June 30, 2014 (written report only)
9. Approval of Consent Agenda Items
 - A. Request from LSU at Alexandria to approve a Lease Agreement with Compass Group USA, Inc., Chartwells Division, to provide food services
 - B. Request from the LSU AgCenter to approve an Assignment of Undivided Working Interest and an Assignment of Overriding Royalty Interest by Pennington Oil & Gas Interests, LLC
 - C. Request from LSU Health Sciences Center School of Graduate Studies in New Orleans for approval to convert five previously matched, single-slot professorships to the Endowed Superior Graduate Student Scholarships Subprogram:
 - Frank Low, PhD Professorship in Graduate Studies
 - H. Adele Spence Professorship of Graduate Studies
 - Robert F. Dyer Professorship of Graduate Studies
 - L. Allen Barker Professorship in Graduate Studies
 - Herbert C. Dessauer Professorship in Graduate Studies

June 18, 2015

- D. Request from LSU A&M for approval to establish a Graduate Certificate in Climatology and Climate Change
- E. Request from LSU A&M for approval to establish a Master of Science and Doctor of Philosophy in Nutrition and Food Sciences with four areas of concentration:
 - Human Nutrition
 - Molecular Nutrition
 - Food Science and Technology
 - Food and Bioprocessing Systems
- F. Request from LSU A&M for approval of a Letter of Intent for a Master of Science in Agricultural and Extension Education

10. Committee Reports

**A. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Scott Ballard, Chairman

B. PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chairman

**C. HEALTHCARE AND MEDICAL EDUCATION
COMMITTEE**

Mr. Bobby Yarborough, Chairman

D. ATHLETIC COMMITTEE

Mr. Blake Chatelain, Chairman

11. Recommendation to revise and reenact procedures for selection of student member on the LSU Board of Supervisors

12. Chairman's Report

13. Executive Session

NOTICE: The LSU Board of Supervisors and/or its Health Care and Medical Education Committee may go into executive sessions pursuant to La. R.S. 42:17(A)(1) and (A)(2) to discuss: (a) a personnel matter regarding an appeal from a decision to terminate an employee; and (b) prospective litigation regarding possible breach of the Cooperative Endeavour Agreement between Biomedical Research Foundation of Northwest Louisiana (BRF), BRF Hospital Holdings, LLC (BRFHH), LSU and the State of Louisiana through the Division of Administration.

14. Adjournment

AMENDED

PERSONNEL ACTIONS REQUIRING BOARD APPROVAL UNDER REVISED PM 69

JUNE 19, 2015

TABLE OF CONTENTS

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

June 19, 2015

A. Personnel Actions

APPOINTMENTS WITH TENURE	1
SUPPLEMENTAL COMPENSATION	2
RETIREMENTS.....	3.

Personnel Actions Requiring Board Approval
Under Revised PM 69
June 19, 2015

APPOINTMENTS

LSU Eunice

<u>Name</u>	<u>Effective</u>	<u>Title</u>	<u>Salary</u>	<u>Source</u>
Russell, Kimberly A	9/1/2015	Chancellor and Professor with Tenure	205,000	State

Personnel Actions Requiring Board Approval Under Revised PM 69
June 19, 2015

SUPPLEMENTAL COMPENSATION

<u>PENNINGTON BIOMEDICAL RESEARCH CENTER</u>		<u>- compensation paid Pennington Medical Foundation</u>	
Name	Effective	Title	Salary Supplement Total
Cefalu, William	7/1/2015	Executive Director	277,522 65,000 342,522

Personnel Actions Requiring Board Approval
Under Revised PM 69
June 19, 2015

RETIREMENTS

LSU EUNICE

<u>Name</u>	<u>Effective</u>	<u>Title</u>	<u>Salary</u>	<u>Source</u>
Nunez, William	6/30/5015	Chancellor	150,097	State



Report on Campus Bond Indebtedness at June 30, 2014

To: Members of the Board of Supervisors

Date: June 19, 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 System or any of its campuses or divisions.

1. Summary of the Matter

At June 30, 2014, the System and those affiliated entities that are blended component units in the System's financial statements had \$497.0 million in bonds outstanding. In addition, those affiliated organizations that are considered as discretely presented component units in the System's financial statements had \$164.8 million in bonds outstanding. Total bonds outstanding increased from June 30, 2013, as a result of \$32.8 million in redemptions and discounts offset by an increase of \$53.7 million in new debt and premiums issued in Fiscal Year 2013-2014.

According to Governmental Accounting Standards Board No. 39, *Determining Whether Certain Organizations Are Component Units*, certain organizations (e.g. foundations) warrant inclusion as part of the primary government's financial reporting entity because of the nature and significance of their relationship with the primary government (e.g. colleges and universities), including their ongoing financial support of the primary government or its other component units. For purposes of determining if a component unit is significant, the Office of Statewide Reporting and Accounting Policy has set a threshold that the component units should meet to be included in the primary government's financial statements; i.e. the assets of the component unit (e.g. foundation) must equal 3% or more of the assets of the university system. This determination was made using the university system's financial statements ending 6/30/13 or 12/31/12 if the component unit's fiscal year is based on the calendar year.

2. Review of Documents Related to Referenced Matter

The FY 2013-2014 financial statements of the LSU System has been audited by the Louisiana Legislative Auditors and a report has been issued and is available for viewing at [https://app.la.state.la.us/PublicReports.nsf/BA7B94DF70082A5586257DB60061A31A/\\$FILE/000045FE.pdf](https://app.la.state.la.us/PublicReports.nsf/BA7B94DF70082A5586257DB60061A31A/$FILE/000045FE.pdf)

ATTACHMENT(S):

- Attachment I FY 2013-2014 LSU System Statement of Net Assets (Statement A)
- Attachment II FY 2013-2014 LSU System Component Units Statement of Financial Position (Statement B)
- Attachment III FY 2013-2014 Profile of Bonds Issued by the LSU Campuses and its Component Units
- Attachment IV FY 2013-2014 Summary of LSU System Bonded Indebtedness

RECOMMENDATION(S):

The report provided is for informational purposes only and no Board action is needed.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA****Statement of Net Position, June 30, 2014****ASSETS**

Current Assets:

Cash and cash equivalents (note 2)	\$134,182,392
Investments (note 3)	452,275,573
Receivables, net (note 4)	282,834,149
Due from state treasury, net (note 15)	8,327,793
Due from federal government, net (note 4)	18,968,111
Inventories	10,734,299
Prepaid expenses and advances	21,678,821
Notes receivable	3,197,857
Other current assets	2,449,999
Total current assets	<u>934,648,994</u>

Noncurrent Assets:

Restricted Assets:

Cash and cash equivalents (note 2)	172,696,558
Investments (note 3)	343,789,245
Receivables, net (note 4)	311,450
Notes receivable	23,089,686
Other restricted assets	13,045,516
Investments (note 3)	2,531,213
Other noncurrent assets	718,556
Capital assets, net (note 5)	<u>2,349,752,681</u>
Total noncurrent assets	<u>2,905,934,905</u>
Total assets	<u>3,840,583,899</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued liabilities (note 7)	\$122,182,057
Unearned revenues	139,672,463
Unearned revenues - advanced lease payment	11,175,000
Amounts held in custody for others	8,085,233
Compensated absences (note 11 and 14)	7,880,791
Capital lease obligations (note 14)	3,904,710
Notes payable (note 14)	466,196
Bonds payable (note 14)	14,631,486
Other current liabilities	2,003,191
Total current liabilities	<u>310,001,127</u>

(Continued)

The accompanying notes are an integral part of this statement.

LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Statement of Net Position, June 30, 2014

LIABILITIES (CONT.)

Noncurrent Liabilities:

Compensated absences (note 11 and 14)	\$76,034,734
Capital lease obligations (note 14)	27,367,959
Notes payable (note 14)	1,438,298
Other postemployment benefits payable (note 9 and 14)	831,160,057
Bonds payable (note 14)	482,376,134
Unearned revenues - advance lease payments (note 14)	281,326,533
Other noncurrent liabilities (note 14)	748,470
Total noncurrent liabilities	<u>1,700,452,185</u>
Total liabilities	<u>2,010,453,312</u>

NET POSITION

Net investment in capital assets	1,930,800,125
Restricted for:	
Nonexpendable (note 16)	217,017,384
Expendable (note 16)	321,643,216
Unrestricted	<u>(639,330,138)</u>
Total net position	<u>1,830,130,587</u>

TOTAL LIABILITIES AND NET POSITION	<u><u>\$3,840,583,899</u></u>
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(Concluded)

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

COMPONENT UNITS

Statement of Financial Position, June 30, 2014

	LSU Foundation	Tiger Athletic Foundation*	The Foundation for the LSU Health Sciences Center	LSU Health Sciences Foundation in Shreveport	Total Foundations
ASSETS					
Current Assets:					
Cash and cash equivalents (note 2)	\$20,126,887	\$1,827,609	\$757,870	\$1,421,839	\$24,134,205
Restricted cash and cash equivalents (note 2)	6,964,269	62,400,277			69,364,546
Investments (note 3)	2,826,617	3,886,958	17,284,901	6,819,293	30,817,769
Accrued interest receivable	716,893				716,893
Accounts receivable, net	206,753	1,612,572	756,971	238,848	2,815,144
Unconditional promises to give (note 28)	17,494,249	15,514,385	1,200	2,711	33,012,545
Deferred charges and prepaid expenses		927,230			927,230
Other current assets	91,382	17,240,868	37,029		17,369,279
Total current assets	<u>48,427,050</u>	<u>103,409,899</u>	<u>18,837,971</u>	<u>8,482,691</u>	<u>179,157,611</u>
Noncurrent Assets:					
Restricted assets:					
Cash and cash equivalents (note 2)		7,041,307	112,559	1,382,185	8,536,051
Investments (note 3)	544,162,227	62,517,872		180,990,270	787,670,369
Other	1,039,935				1,039,935
Investments (note 3)	16,687,549		109,538,537		126,226,086
Unconditional promises to give (note 28)	23,202,431	4,785,844	2,583		27,990,858
Property and equipment, net (note 5)	9,717,090	178,655,558	8,518,448	4,270,647	201,161,743
Other noncurrent assets	840,343	55,218,987		27,639	56,086,969
Total noncurrent assets	<u>595,649,575</u>	<u>308,219,568</u>	<u>118,172,127</u>	<u>186,670,741</u>	<u>1,208,712,011</u>
Total assets	<u><u>\$644,076,625</u></u>	<u><u>\$411,629,467</u></u>	<u><u>\$137,010,098</u></u>	<u><u>\$195,153,432</u></u>	<u><u>\$1,387,869,622</u></u>
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued liabilities	\$4,166,694	\$6,634,779	\$1,194,140	\$1,024,847	\$13,020,460
Amounts held in custody for others (note 26)	19,550,513	9,721,204	6,975	67,456,836	96,735,528
Compensated absences payable	326,099				326,099
Current portion of deferred revenues (note 14)		34,488,380			34,488,380
Current portion of notes payable (note 14)	2,204,284	358,666		107,501	2,670,451
Current portion of bonds payable (note 14)	628,395	4,025,000	100,000		4,753,395
Other current liabilities	14,687	11,289			25,976
Total current liabilities	<u>26,890,672</u>	<u>55,239,318</u>	<u>1,301,115</u>	<u>68,589,184</u>	<u>152,020,289</u>

(Continued)

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
COMPONENT UNITS
Statement of Financial Position, June 30, 2014**

LIABILITIES (CONT.)

Noncurrent Liabilities:

Amounts held in custody for others (note 26)	\$110,401,293		\$26,963,058		\$137,364,351
Notes payable (note 14)		\$2,879,221		\$316,636	3,195,857
Bonds payable (note 14)	4,341,605	154,760,000	904,092		160,005,697
Deferred revenues (note 14)		51,371,351			51,371,351
Other noncurrent liabilities	263,300	4,647,961			4,911,261
Total noncurrent liabilities	<u>115,006,198</u>	<u>213,658,533</u>	<u>27,867,150</u>	<u>316,636</u>	<u>356,848,517</u>
Total liabilities	<u>141,896,870</u>	<u>268,897,851</u>	<u>29,168,265</u>	<u>68,905,820</u>	<u>508,868,806</u>

NET ASSETS

Unrestricted	\$41,253,428	\$76,206,387	\$13,704,148	\$14,619,339	\$145,783,302
Temporarily restricted (note 16)	242,313,527	55,815,682	45,822,783	98,104,210	442,056,202
Permanently restricted (note 16)	218,612,800	10,709,547	48,314,902	13,524,063	291,161,312
Total net assets	<u>502,179,755</u>	<u>142,731,616</u>	<u>107,841,833</u>	<u>126,247,612</u>	<u>879,000,816</u>
Total liabilities and net assets	<u>\$644,076,625</u>	<u>\$411,629,467</u>	<u>\$137,010,098</u>	<u>\$195,153,432</u>	<u>\$1,387,869,622</u>

*As of December 31, 2013

(Concluded)

The accompanying notes are an integral part of this statement.

Bonds and Contracts Payable - System

Detailed summaries, by issues, of all bond and reimbursement contract debt outstanding at June 30, 2014, including future interest payments, follow:

Bonds Payable - LSU System

Issue	Date of Issue	Original Issue	Outstanding July 1, 2013	Redeemed/Issued	Outstanding June 30, 2014	Maturities	Interest Rates	Future Interest Payments June 30, 2014
LSU								
2004 Auxiliary Revenue Refunding Bonds	April 6, 2004	\$16,035,000	\$3,850,000	(\$1,875,000)	\$1,975,000	2015	5.25%	\$103,688
2004 Auxiliary Revenue Bonds - Series B	October 26, 2004	51,885,000	1,385,000	(1,385,000)			5.0%	
2005 Auxiliary Revenue Bonds - Series A	June 2, 2005	18,905,000	4,815,000	(1,865,000)	2,950,000	2015-2017	3.7% to 5%	190,582
2006 Auxiliary Revenue Bonds	August 9, 2006	97,095,000	89,330,000	(1,985,000)	87,345,000	2015-2036	4% to 5%	58,268,979
2007 Auxiliary Revenue Bonds	December 11, 2007	71,130,000	59,950,000	(3,535,000)	56,415,000	2015-2037	4% to 5%	35,896,040
2008 Auxiliary Revenue Bonds	June 27, 2008	52,815,000	42,305,000	(770,000)	41,535,000	2015-2034	4% to 5%	16,914,275
2010 Auxiliary Revenue Bonds - Series A and B	June 24, 2010	118,875,000	115,060,000	(2,410,000)	112,650,000	2015-2040	2% to 5.25%	85,083,251
2012 Auxiliary Revenue Bonds - Series A and B	August 7, 2012	41,615,000	41,545,000	(80,000)	41,465,000	2015-2034	2% to 5%	17,378,069
2013 Auxiliary Revenue Bonds - Series A and B	April 25, 2013	101,180,000	101,180,000		101,180,000	2015-2043	3% to 5%	82,099,950
LSU Health Sciences Center								
New Orleans - Building Revenue Bonds - Series 2000	January 1, 2000	15,910,000	12,365,000	(12,365,000)			6.20%	
New Orleans - Building Revenue Bonds - Series 2013	September 4, 2013	12,830,000		12,830,000	12,830,000	2015-2031	2% to 4.75%	5,777,156
Health Care Services Division								
Bogalusa Community Medical Center Project Series 2007 A & B	September 28, 2007	17,500,000	17,500,000		17,500,000	2015-2038	.2466% to 7.88%	10,663,662
Health Care Services Mid-City Clinic Project Series 2003B	December 19, 2003	2,500,000	580,000	(290,000)	290,000	2015	1.20%	448
LSU at Alexandria								
2008 Auxiliary Revenue Bonds	March 18, 2008	4,200,000	3,800,000	(100,000)	3,700,000	2015-2034	4.0% to 5.5%	2,373,794
LSU at Eunice								
1998 Auxiliary Revenue Bonds	June 1, 1998	1,650,000	566,250	(105,417)	460,833	2015-2018	5%	58,041
2002 Auxiliary Revenue Bonds	January 17, 2002	7,000,000	6,515,000	(125,000)	6,390,000	2015-2033	7.375%	6,135,633
Total		631,125,000	500,746,250	(14,060,417)	486,685,833			<u>\$320,943,568</u>
Premium/discounts, net		11,627,329	11,681,963	(1,360,176)	10,321,787			
Total Bonds Payable		<u>\$642,752,329</u>	<u>\$512,428,213</u>	<u>(\$15,420,593)</u>	<u>\$497,007,620</u>			

Bonds Payable - Component Units

Issue	Date of Issue	Original Issue	Outstanding July 1, 2013	Issued (Redeemed)	Outstanding June 30, 2014	Maturities	Interest Rates	Future Interest Payments June 30, 2014
LSU Foundation								
Pooled Loan Program Revenue Bonds, Series 2003A	May 1, 2003	\$12,725,000	\$5,595,000	(\$625,000)	\$4,970,000	2015-2022	Variable	\$222,394
The Foundation for the LSU Health Sciences Center								
Equipment and Capital Facilities Pooled Loan Program	January 1, 2002	2,035,000	1,097,501	(93,409)	1,004,092	2015-2024	Variable	
Tiger Athletic Foundation*								
Revenue Bonds, Series 1999	March 4, 1999	43,575,000	38,945,000	(1,690,000)	37,255,000	2015-2033	Variable	
Revenue Bonds, Series 2004	March 23, 2004	90,000,000	77,680,000	(2,150,000)	75,530,000	2015-2039	Variable	
Series 2012 Bonds	October 23, 2012	46,000,000	5,100,000	40,900,000	46,000,000	2018-2037	Variable	
Total Bonds Payable		<u>\$194,335,000</u>	<u>\$128,417,501</u>	<u>\$36,341,591</u>	<u>\$164,759,092</u>			<u>\$222,394</u>

*As of December 31, 2013

In August 2012, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College issued \$41,615,000 of nontaxable Bonds - Series 2012. The purpose of the issues was to provide monies to refund portions of Series 2004B bonds. In order to refund the bonds, portions of the proceeds of the new issue (\$41,615,000), plus an additional \$4,907,295 million of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated August 7, 2012, between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by \$7,982,558 and gave the University an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,392,654. The Series 2004B bonds, considered defeased in substance, were repaid entirely during the period ended June 30, 2014.

In April 2013, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College issued \$101,180,000 of auxiliary revenue bonds - Series 2013. The purpose of the issues was to provide monies to (1) finance or reimburse the costs of the planning, design, acquisition, construction, and equipping of expansions and additions to the University Recreation Center; (2) a portion of the planning, design, acquisition, construction, and equipping of a new residence hall; (3) the planning and design of the acquisition, construction, and equipping of renovations to Evangeline residence hall; (4) fund a deposit to the Series 2013 capitalized interest account; and (5) pay cost of issuance.

In September 2013, the Board of Supervisors of Louisiana State University and Agricultural Mechanical College issued \$12,830,000 of nontaxable Bonds - Series 2013. The purpose of the issue was to provide monies to refund portions of Series 2000 bonds. In order to refund the bonds, portions of the proceeds of the new issue (\$12,562,031), plus an additional \$1,394,754 million of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated September 4, 2013 between the Board of Supervisors of Louisiana State University and

Agricultural Mechanical College and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$3,345,000 and gave the LSU Health Sciences Center New Orleans an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,201,175.

In 1999, the Tiger Athletic Foundation issued \$43,575,000 in revenue bonds for financing or reimbursing a portion of the cost of certain improvements and renovations to the East Side Upper Deck of Tiger Stadium at LSU.

In March 2004, the Tiger Athletic Foundation issued Revenue Bonds Series 2004 for a principal amount of \$90,000,000. The bonds are secured by the pledged revenues on parity with the Series 1999 bonds. The bonds have a floating interest rate based on the SIFMA Index. The proceeds of the loan are being used to finance or reimburse a portion of the costs of the acquisition and construction of certain improvements and renovations to Tiger Stadium and a football operations center at LSU, including funding the interest and costs associated with the project. On March 15, 2007, an amendment was made to the original loan agreement which waived the principal due on September 1, 2007, and extended the payment schedule an additional year, through 2034, with the intent that the 2007 principal payment will be paid on September 1, 2034. Effective November 2009, the bonds were reissued as a single fully-registered bond without coupons and shall mature September 2039.

The Tiger Athletic Foundation committed to expending \$100,000,000 on the financing, design, development, performance, and construction of the Facilities/South and Olympic Sports Improvements in accordance with the plans and specifications approved by LSU. In October 2012, the Tiger Athletic Foundation initiated two different debt instruments to finance this commitment. It entered into a Bond Purchase Agreement, and resulting Loan Agreement, so that it could borrow from the proceeds of the sale of Revenue Bonds, an aggregate principal of \$75,000,000. These bond indentures contain requirements for annual debt service and flow of funds through various restricted accounts. Beginning in 2018, the Tiger Athletic Foundation must establish a mandatory sinking fund, with annual installments due through 2037. The annual installments range from a low of \$2,910,000 in 2018 to a high of \$4,730,000 in 2037. As security for payments to be made by the Tiger Athletic Foundation, pursuant to the Loan Agreement, it has entered into an Act of Assignment of Pledged Revenues and Security Agreement, on parity with the Series 1999 and 2004 revenue bonds. The Tiger Athletic Foundation will draw down, through the term of the Loan Agreement, as construction progresses and as construction draws are presented to the Foundation, with the last draw to occur in 2014. At December 31, 2013, the Tiger Athletic Foundation has drawn \$46,000,000 of funds against its aggregate principal. For the period from loans closing date in 2012 through, but not including, October 1, 2022, this loan shall bear interest at the Special Bank Variable rate. This variable rate is equal to 65% of the 90-day LIBOR Index rate plus 2.25% or, the higher of 65% of the Federal Funds rate plus 2.625% or 65% of the Prime Rate on the Adjustment Date. At December 31, 2013, that interest rate was 2.41029%.

On May 1, 2003, the LSU Foundation participated in borrowing, along with several other organizations, the proceeds of revenue bonds totaling \$31,555,000 issued by the Louisiana

Public Facilities Authority (LPFA). The Foundation's portion of the borrowing was \$12,725,000. The Foundation is scheduled to repay the funds borrowed in 2022. The borrowed proceeds from the issuance were used to help fund several construction projects, including the Shaw Center for the Arts. Interest is currently being paid using a weekly rate as determined by the remarketing agent. The interest rate at June 30, 2014, was 1.01%. Total interest expense incurred on the bonds for the year ended June 30, 2014, was \$43,227. The bonds are collateralized by future revenues of the LSU Foundation.

The Foundation for the LSU Health Sciences Center financed the renovation of a building (2000 Tulane Avenue) purchased on May 15, 2003, with bond proceeds of \$2,035,000 over a 20-year period through the LPFA Capital Facilities Pool Program. The bond issue is supported by a bank letter of credit. The building was heavily damaged by Hurricane Katrina on August 29, 2005, and during fiscal year 2010, the building was demolished. The Foundation reduced certain expenditures, which allowed it to meet debt obligations despite the loss of rental revenue.

The Foundation for the LSU Health Sciences Center issued bonds in January 2002 totaling \$2,035,000 with a variable interest rate. The interest rate for fiscal year 2014 amounted to approximately 0.75%. The bond issuance costs of \$35,000 are being amortized over the life of the bonds beginning July 1, 2002. Bond amortization expense for the fiscal year ended June 30, 2014, was \$1,591.

Debt Service Requirements

The annual requirements to amortize all university bonds outstanding at June 30, 2014, are presented in the following schedule. The schedule uses rates as of June 30, 2014, for debt service requirements of the variable-rate bonds, assuming current interest rates remain the same for their term. As rates vary, variable-rate bond interest payments will vary.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$13,310,417	\$22,359,488	\$35,669,905
2016	13,515,417	21,785,552	35,300,969
2017	14,710,417	21,235,449	35,945,866
2018	14,959,582	20,681,207	35,640,789
2019	15,600,000	20,054,119	35,654,119
2020-2024	88,690,000	88,857,309	177,547,309
2025-2029	102,700,000	66,375,600	169,075,600
2030-2034	110,675,000	40,862,885	151,537,885
2035-2039	82,615,000	16,045,548	98,660,548
2040-2044	29,910,000	2,686,411	32,596,411
Subtotal	486,685,833	320,943,568	807,629,401
Unamortized premium/discount	10,321,787	NONE	10,321,787
Total	<u>\$497,007,620</u>	<u>\$320,943,568</u>	<u>\$817,951,188</u>

The annual requirements to amortize all component unit bonds outstanding at June 30, 2014, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2015	\$4,753,395	\$49,894	\$4,803,289
2016	4,948,395	43,581	4,991,976
2017	5,158,395	37,269	5,195,664
2018	5,378,395	30,956	5,409,351
2019	8,513,395	24,643	8,538,038
2020-2024	46,023,025	36,051	46,059,076
2025-2029	48,310,000		48,310,000
2030-2034	35,080,000		35,080,000
2035-2039	5,610,000		5,610,000
2040-2044	1,000,000		1,000,000
Subtotal	164,775,000	222,394	164,997,394
Unamortized bond issuance cost	(15,908)	NONE	(15,908)
Total	<u>\$164,759,092</u>	<u>\$222,394</u>	<u>\$164,981,486</u>

*Excludes floating interest rate amounts for Tiger Athletic Foundation Revenue Bond Series 1999, Series 2004, and Series 2012 and for the Foundation for The LSU Health Sciences Center 2002 Series.

The following is a summary of the System debt service reserve requirements of the various bond issues at June 30, 2014:

<u>Bond Issue</u>	<u>Cash/ Investment Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/ (Deficiency)</u>
Auxiliary Plant:			
LSU at Alexandria	\$313,050	\$313,050	
LSU at Eunice Housing Foundation*	535,626	610,450	(\$74,824)
LSU A&M	7,791,263	7,500,000	291,263
Total	<u>\$8,639,939</u>	<u>\$8,423,500</u>	<u>\$216,439</u>
Educational Plant:			
LSU Health Sciences Center - New Orleans	\$1,174,025	\$1,174,025	
Health Care Services Division	2,384,423	2,384,423	
Total	<u>\$3,558,448</u>	<u>\$3,558,448</u>	<u>NONE</u>

*The Debt Service Reserve Fund is below the required level, but management is addressing the problem by increasing rental rates and refinancing bonds.

LSU System Bonded Indebtedness
As of June 30, 2014

<u>Campuses</u>	<u>Outstanding Bonded Indebtedness</u>
LSU A&M	445,515,000
LSU HSC New Orleans	12,830,000
LSU Health Care Services Division	17,790,000
LSU Alexandria	3,700,000
LSU Eunice	6,850,833
Premium/Discounts	10,321,787
Total Campuses	497,007,620

Bonded Indebtedness of Campus Affiliated Organizations
As of June 30, 2014

<u>Component Units</u>	<u>Outstanding Bonded Indebtedness</u>
Tiger Athletic Foundation	158,785,000
LSU Foundation	4,970,000
The Foundation for the LSU Health Sciences Center	1,004,092
Total Component Units	164,759,092
Total Financial Statement Bonds Payable	661,766,712

Percent of Total
89.6%
2.6%
3.6%
0.7%
1.4%
2.1%
100.0%

Percent of Total
96.4%
3.0%
0.6%
100.0%

Consent Agenda Items

- A. Request from LSU at Alexandria to approve a Lease Agreement with Compass Group USA, Inc., Chartwells Division, to provide food services
- B. Request from the LSU AgCenter to approve an Assignment of Undivided Working Interest and an Assignment of Overriding Royalty Interest by Pennington Oil & Gas Interests, LLC
- C. Request from LSU Health Sciences Center School of Graduate Studies in New Orleans for approval to convert five previously matched, single-slot professorships to the Endowed Superior Graduate Student Scholarships Subprogram:
 - Frank Low, PhD Professorship in Graduate Studies
 - H. Adele Spence Professorship of Graduate Studies
 - Robert F. Dyer Professorship of Graduate Studies
 - L. Allen Barker Professorship in Graduate Studies
 - Herbert C. Dessauer Professorship in Graduate Studies
- D. Request from LSU A&M for approval to establish a Graduate Certificate in Climatology and Climate Change
- E. Request from LSU A&M for approval to establish a Master of Science and Doctor of Philosophy in Nutrition and Food Sciences with four areas of concentration:
 - Human Nutrition
 - Molecular Nutrition
 - Food Science and Technology
 - Food and Bioprocessing Systems
- F. Request from LSU A&M for approval of a Letter of Intent for a Master of Science in Agricultural and Extension Education



**REQUEST FROM LSU AT ALEXANDRIA TO APPROVE A
LEASE AGREEMENT WITH
COMPASS GROUP USA, INC., CHARTWELLS DIVISION,
TO PROVIDE FOOD SERVICES**

To: Members of the Board of Supervisors

Date: June 19, 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 ways, servitudes, or other immovable property owned or controlled by LSU....

1. Summary of Matter

LSU at Alexandria requests to enter into a Lease Agreement with Compass Group USA, Inc., (CG), Chartwells Division (Chartwells), for the operation of the food service program including catering services, effective March 27, 2015 through June 30, 2025. This request is made within the authority set forth in R.S. 17:3361, et seq. and after having completed a competitive Request for Proposal (RFP) process,

2. Review of Business Plan

Revenues from this Agreement support LSU at Alexandria in addition to providing much needed food service.

3. Fiscal Impact

The terms of the Lease would require CG to expend to fund an investment in the LSU at Alexandria dining service program to fund capital improvements to the premises dollars to facilitate the dining service program, in a total sum not to exceed one million (\$1,000,000). CG would pay LSUA rent and commissions as indicated in the attached lease.

4. Description of Competitive Process

The LSU at Alexandria Office of Procurement issued a RFP for the "Lease to Dining Services. Of the three respondents, Chartwells was selected. Compass Group/Chartwells is one of the top three food service providers, domestically and internationally, for higher education institutions. They also provide the same services at LSU A&M. LSU Baton Rouge has had a successful relationship with CG and LSU at Alexandria anticipates the same and believes that the new foodservice will be a great addition to the University.

5. Review of Legal Documents

Draft Lease Agreement is attached.

6. Parties of Interest

- LSU Board of Supervisors
- LSU Alexandria
- Compass Group USA, Inc., Chartwells Division

7. Related Transactions

None

8. Conflicts of interests

None

ATTACHMENTS

- Letter from Chancellor Howard
- Draft Lease Agreement

RECOMMENDATION

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

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of the LSU System, or his designee, to execute the Lease Agreement with Compass Group USA, Inc., Chartwells Division, for the operation of LSU at Alexandria food services.

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



Office of the Chancellor
(318) 473-6444 • Fax: (318) 473-6480

8100 Highway 71 South
Alexandria, LA 71302-9121

May 23, 2015

F. King Alexander
President and Chancellor
Louisiana State University
3810 West Lakeshore Drive
Baton Rouge, LA 70808

Proposed Lease between LSUA and Chartwells

Dear Dr. Alexander:

In accordance with the rules established by Article VII, Section 8 D.2 (a), I am submitting the attached proposed lease for Board approval.

LSU at Alexandria desires to enter into a lease agreement with Chartwells and to avail itself of Chartwells' food and services. Chartwells' will provide and manage the University's foodservice program including catering service on the campus of the Louisiana State University at Alexandria.

LSU at Alexandria is respectfully requesting approval of this lease. I certify to the best of my knowledge, I have provided all necessary documentation, and I am seeking your review and favorable consideration. Thank you for your assistance.

Warmest regards,

G. Daniel Howard, Ph.D., CGFM, CFRE
Chancellor, LSUA

Cc: Danny Mahaffey
Deron Thaxton
Laurie Tanner
Enc. LSUA/Chartwells Lease

LEASE TO DINING SERVICE FACILITIES

Between
Chartwells
and
LSU Alexandria

THIS AGREEMENT is made as of March 27, 2015 by and between Board of Supervisors of Louisiana State University Agricultural and Mechanical College, by and on behalf of Louisiana State University at Alexandria, with principal offices located at 8100 Highway 71 South, Alexandria, Louisiana 71302 ("Client"), and Compass Group USA, Inc., a Delaware corporation, with principal offices at 2400 Yorkmont Road, Charlotte, North Carolina 28217, by and through its Chartwells Division ("Chartwells") (individually, the "Party" and collectively, the "Parties").

WHEREAS, Client desires to enter into a lease agreement with Chartwells and to avail itself of Chartwells' food services; and

WHEREAS, Chartwells desires to perform such services for Client;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties hereto, intending to be legally bound hereby, agree as follows.

1. CLIENT'S GRANT TO CHARTWELLS

Client grants to Chartwells, as an independent contractor, the exclusive right to provide and manage the Client's food service program including catering service (manual food service hereinafter referred to as "Services," "Food Service" or "Food Service Program") on the campus of the Louisiana State University at Alexandria (the "Premises") and the exclusive right to sell to students, employees, guests and other persons at such Premises food products, non-alcoholic beverages and other such articles ("Products") as shall be approved by the Client. Chartwells shall render the Food Services within the facilities of the Premises, including but not limited to, the food preparation, serving, dining and storage areas ("Facilities") designated for the Food Service Program.

2. COMMENCEMENT AND TERMINATION

A. This Agreement shall become effective as of March 27, 2015 and shall remain in force until June 30, 2025, unless sooner terminated as herein provided ("Term").

B. Notwithstanding the above, either Party may terminate this Agreement by providing notice of termination in writing sixty (60) days prior to the proposed termination date.

C. If either Party shall refuse, fail or be unable to perform or observe any of the terms or conditions of this Agreement for any reason other than Excused Performance reasons stated herein, the Party claiming such failure shall give the other Party a written notice of such breach. If the failure has not been corrected within thirty (30) days from such notice (or, with respect to default in payment, within ten (10) days from such notice), the non-breaching Party may terminate this Agreement effective ten (10) days after the end of said period.

D. In the event of a termination for any reason, all amounts outstanding shall become due and payable to Chartwells immediately upon termination.

E. Upon the termination or expiration of this Agreement, Chartwells shall, as soon thereafter as is feasible, but in no event later than thirty (30) days after the effective date of termination or expiration of this Agreement, vacate all parts of the Premises occupied by Chartwells, remove its equipment (if applicable) and return the Facilities to Client, together with all the equipment furnished by the Client pursuant to this Agreement, in the same condition as when originally made available to Chartwells, excepting reasonable wear and tear.

F. The termination or expiration of this Agreement shall not affect the rights, privileges, liabilities and/or responsibilities of the Parties as they exist as of the effective date of termination. The Parties shall cooperate fully with each other during the Term of the Agreement and subsequent thereto in order to ascertain and satisfy the liabilities of either Party to the other.

G. At the termination of this Agreement, if requested by Chartwells and agreed to by the Client, Client may either purchase directly or cause Chartwells' successor to purchase Chartwells' usable inventory of food and supplies, it being further agreed that if Chartwells maintains an inventory of supplies bearing the logo of the Client or a sponsor (as described in Section 11 below), Client shall either purchase directly or cause Chartwells' successor to purchase Chartwells' usable inventory of such logoed supplies. The purchase price for such food and/or supplies shall be at Chartwells' cost.

3. CHARTWELLS' RESPONSIBILITIES

A. Pursuant to the provisions of this Agreement, Chartwells shall operate and manage its Services hereunder at such locations as agreed upon and maintain its Services with appropriate merchandise of good quality at reasonable prices.

B. Chartwells shall comply with all federal, state and local laws and regulations governing the preparation, handling and serving of foods. Chartwells shall procure and keep in effect all licenses and permits required by law and shall post such permits as required by law. Chartwells shall comply with applicable federal, state and local laws and regulations pertaining to wages and hours of employment. **The Parties shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals**

with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that the Parties take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

C. Chartwells shall hire all employees necessary for the performance of this Agreement. Each potential employee must submit to a criminal background check; the scope of which must be agreed upon by the Parties. In the event an applicant for employment with Chartwells has been convicted of a felony criminal offense, Contractor shall consider the following non-exhaustive list of factors in determining whether or not to offer employment to such applicant: (i) the nature and gravity of the offense or offenses; (ii) the time that has passed since the conviction and/or completion of the sentence, and (iii) the nature of the job held or sought. Upon being hired, such employees shall be subject to such health examination as proper federal, state and local authority may require in connection with their employment. All persons employed by Chartwells will be the employees of Chartwells and will be covered by employee dishonesty insurance. In performing work required by this Agreement, Chartwells shall not discriminate against any employee or applicant for employment because of race, religion, sex, color, national origin, sexual orientation or age, in violation of federal, state or local law.

D. Chartwells shall perform all necessary mopping of the floors in the storage and food service preparation areas. Chartwells shall maintain conditions of sanitation and cleanliness. The Facilities, Services and food prepared by Chartwells will at all times be subject to inspection by an authorized, capable person or persons designated by the Client.

E. All records pertaining to work performed in accordance with this Agreement shall be kept on file by Chartwells for a period of three (3) years from the date the record is made. Chartwells shall, upon reasonable notice, give the Client or its authorized representative the opportunity at a reasonable time during normal business hours to inspect, examine, audit and copy such of Chartwells' business records which are directly relevant to the financial arrangements set forth in Exhibit A, which is attached hereto and incorporated herein by this reference. The cost of such inspection, examination and audit will be at the sole expense of the Client and such inspection, examination and audit shall be conducted at the Chartwells locations where said records are normally maintained.

F. Chartwells agrees that its employees and agents shall comply with and observe all applicable rules and regulations concerning conduct on the Premises that Client imposes upon Client's employees and agents.

4. CLIENT'S RESPONSIBILITIES

A. Client shall, without cost to Chartwells, provide Chartwells with the necessary space for the operation of the Services and shall furnish, without cost to Chartwells, all utilities and Facilities reasonable and necessary for the efficient performance of this Agreement

by Chartwells including, but not limited to, heat, hot and cold water, steam, gas, lights and electric current, garbage removal services, exterminator services, sewage disposal services, duct and vent cleaning, office space and equipment and telephone service.

B. Client shall, at its cost and expense, provide the Facilities, equipment and floor space necessary for the efficient provision of Chartwells' Services hereunder. The Client shall maintain, repair and replace said equipment and Facilities at its own expense. The Client shall keep such equipment and Facilities maintained in a safe operating condition such that no Chartwells employee is exposed to or subjected to any unsafe situation which would violate the Occupational Safety and Health Act including, but not limited to, the general duty and the specific duty clauses thereof or any other similar federal, state or local law or regulation. However, if equipment provided by Client becomes inoperative, hazardous or inefficient to operate, Chartwells shall have the right to undertake repairs or replacements at the expense of the Client if the Client fails to do so after having been given a reasonable amount of time to correct the equipment deficiency. Client shall permit Chartwells to have the use of all such equipment and Facilities in the performance of its obligations hereunder, subject to the duty to exercise reasonable care in the use thereof. Chartwells agrees that all equipment and items of equipment now or hereafter furnished by the Client to Chartwells are the sole property of the Client and Chartwells agrees not to change, deface, or remove any symbol or mark of identity upon said equipment or items of equipment furnished by the Client.

C. All employee benefits accrued by the Client or the previous food service management provider prior to the commencement date of this Agreement shall be paid as a cost to the Client. Chartwells will pay only those employee benefits accrued during the Term of this Agreement.

D. The Client shall be responsible for all necessary cleaning of walls, windows and electric light fixtures and all necessary scrubbing, mopping and polishing of floors in the dining room areas, as well as any areas adjacent to stands or carts used for Chartwells' Services, at no cost to Chartwells.

E. Client shall provide Chartwells with access to its board plan tracking systems to enable Chartwells to track and reconcile student meal plan participation in the meal plans, as well as actual meal plan and declining balance usage, and to enable Chartwells to generate reports to assess metrics of the Dining Service Program. Client shall notify Chartwells in writing of changes to meal plans.

F. A detailed responsibility summary of the Parties' responsibilities is set forth in Exhibit B, which is attached hereto and incorporated herein by this reference.

5. FINANCIAL ARRANGEMENTS

The financial arrangements of this Agreement are set forth in Exhibit A. The financial terms have been negotiated between the Parties upon the condition that Client will require all

students residing on the Premises to participate in a meal plan and that Chartwells will operate its Services at the same points of Service and remain in operation only the hours agreed to when Chartwells begins operations hereunder, and upon the assumptions set forth in Exhibit C. If Client changes the meal plan participation requirement or desires Chartwells to operate its Services for additional points of Service and/or additional hours, or if any of the assumptions set forth in Exhibit C are not met, Client and Chartwells shall mutually agree on the appropriate financial arrangements for the new level of meal plan participation and additional points of Service and/or additional hours.

The financial and operational terms of this Agreement are also based on conditions in existence on the date Chartwells commences service, including without limitation Client's student population; labor costs (including but not limited to benefits and insurance costs); food and supply costs; federal, state and local sales, use and excise tax. In addition, Chartwells has relied on representations regarding existing and future conditions made by Client in connection with the negotiation and execution of this Agreement. In the event of a change in the conditions or the inaccuracy or breach of, or failure to fulfill, any representation of Client, the Parties shall negotiate in good faith to adjust the financial and operational terms on a mutually agreeable basis to reflect the impact of such change, inaccuracy or breach.

In the event Client requests that Chartwells install a branded concept and subsequently requests that Chartwells remove or replace such concept, Client shall be responsible for the costs and expenses of such removal and/or replacement.

6. INDEMNIFICATION AND INSURANCE

A. To the fullest extent permitted by law, each Party shall indemnify, defend and hold the other harmless from any and all losses, damages or expenses, including reasonable attorneys' fees, arising out of or resulting from claims or actions for bodily injury, death, sickness, property damage or other injury or damage caused by any negligent act or omission of such Party, any willful misconduct of such Party, or any breach by such Party of its obligations under this Agreement.

B. The right of a Party (the "Indemnified Party") to indemnification under this Agreement shall be conditioned upon the following: prompt written notice to the Party obligated to provide indemnification (the "Indemnifying Party") of any claim, action or demand for which indemnity is claimed; control of the investigation, preparation, defense and settlement thereof by the Indemnifying Party; and such reasonable cooperation by the Indemnified Party, at the Indemnifying Party's request and expense, in the defense of the claim. The Indemnified Party shall have the right to participate in the defense of a claim with counsel of Indemnifying Party's choice and at its expense. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party (which shall not be unreasonably withheld), settle, compromise or consent to the entry of any judgment that imposes any liability upon the Indemnified Party.

C. Chartwells shall obtain and maintain insurance for the following risks in such amounts under such policies as appropriate: general liability with minimum policy limits of \$2 million per occurrence and general aggregate (including contract, liquor, products-completed operations and business automobile coverage) and Workers' Compensation (including employer's liability coverage). Minimum required policy limits may be provided through a combination of primary and excess insurance.

D. Certificates of insurance for such coverage and naming the Client as an additional insured will be furnished upon thirty (30) days prior notice.

E. Client shall obtain and maintain insurance for the Premises, equipment, offices and utilities against risks covered by standard forms of fire, theft and extended coverage in such amounts under such policies as agreed upon by Chartwells and the State of Louisiana Office of Risk Management.

F. Each Party has the obligation and responsibility to adequately insure its real and/or personal property against loss or damage caused by fire and extended coverage perils. The Parties waive all rights of recovery against each other and their subsidiaries, officers, directors, trustees, volunteers and employees, including subrogation rights, for such loss or damage to the waiving Party.

G. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY DAMAGES CONSTITUTING LOST PROFITS, SUFFERED BY EITHER PARTY UNDER THIS AGREEMENT.

7. TAXES AND ASSESSMENTS

A. Chartwells shall pay when due all federal, state, local and other governmental taxes or assessments in connection with the operation and performance of the Services, with the exception of sales, gross receipts or similar taxes. The Parties acknowledge that even if the Client is tax exempt, Client may be liable for the remittance of state sales tax for the sale of food, beverages, meals and/or Services.

B. Based on relevant statutes, the Parties will determine whether the sales of food and beverages ("Service Transactions") are subject to sales, gross receipts or similar tax. The Parties will then determine whether the sales, gross receipts or similar tax will be collected by Client or Chartwells for remittance to the appropriate state department of revenue. If Client is liable for such sales, gross receipts or similar tax, Client's tax liability will not be waived by Chartwells either collecting the tax or accounting for the tax in its operations. If the Parties are unable to resolve any dispute or controversy regarding the taxability of Service Transactions, such dispute or controversy shall be resolved by a ruling of the applicable state department of revenue.

C. The Client shall pay when due all federal, state, local and other governmental use and property taxes or assessments arising in connection with the Premises, Facilities, equipment, offices and utilities. Chartwells shall pay when due all license and permit fees in connection with Services. The Client shall reimburse Chartwells for all license and permit fees paid in connection with Services.

8. CONFIDENTIALITY

In the course of providing Services hereunder, the Parties may be exposed to trade secrets or other confidential or proprietary information and materials of the other Party which includes, but is not limited to, menus, recipes, signage, food service surveys and studies, management guidelines, procedures, operating manuals and software, all of which shall be identified as confidential ("Confidential Information"). The Parties agree to hold in confidence and not to disclose any Confidential Information during the Term of this Agreement and for two (2) years afterward, except that the Parties may use or disclose Confidential Information: (a) to its employees and affiliates or others to the extent necessary to render any service hereunder, provided that the other Party is first notified of the information that will be provided to any party outside of this Agreement and provided further that such information is disclosed only after such party is required to maintain it in confidence as required hereunder; (b) to the extent expressly authorized by either Party; (c) to the extent that at the time of disclosure, such Confidential Information is in the public domain, or after disclosure, enters the public domain other than by breach of the terms of this Agreement; (d) that is in the possession of either Party at the time of disclosure and is not acquired directly or indirectly from the other Party; (e) that is subsequently received on a non-confidential basis from a third party having a right to provide such information; or (f) as required by order during the course of a judicial or regulatory proceeding or as required by a government authority. The Parties agree not to photocopy or otherwise duplicate any Confidential Information without the express written consent of the other Party. Each Party's Confidential Information shall remain the exclusive property of the Party and shall be returned to the other Party upon termination or expiration of this Agreement. In the event of any breach of this provision, the Parties shall be entitled to equitable relief, in addition to all other remedies otherwise available to it at law. This provision shall survive the termination or expiration of this Agreement.

In the event Client receives a request or notice to produce this Agreement or any amendments hereto, Chartwells' proposal to Client, or information provided by Chartwells and marked as confidential, proprietary, or trade secret, Client shall (i) assert the confidential nature of the information to be disclosed, (ii) use reasonable efforts to obtain confidential treatment for any information so disclosed, including without limitation cooperating with Chartwells in asserting grounds to seek such confidential treatment, (iii) immediately notify Chartwells in writing of the requirement, order, or request to disclose in advance of such disclosure in order to afford Chartwells the opportunity to determine whether the requested information is protected from disclosure and to assist in the Client's efforts to obtain confidential treatment of such Confidential Information and to enable Chartwells to contest disclosure if allowable, (iv) absent a non-appealable final order, decree or judgment of any court or gov-

ernmental body having competent jurisdiction to the contrary, refrain from releasing Chartwells' information until at least seven (7) business days after the Client shall have provided Chartwells with advance written notice of such requirement, order, or request to disclose, so that Chartwells may take reasonable steps to preclude such disclosure, it being specifically understood that such notice must be provided not only upon the Client's receipt of a requirement, order, or request to disclose, but also upon the receipt of any appealable order, decree or judgment of any court or governmental body having competent jurisdiction directing the release of such information.

9. INDEPENDENT CONTRACTOR RELATIONSHIP

It is mutually understood and agreed that an independent contractor relationship is hereby established under the terms and conditions of this Agreement.

10. EMPLOYEES

It is mutually understood and agreed that employees of Chartwells are not nor shall they be deemed to be employees of Client and that employees of Client are not nor shall they be deemed to be employees of Chartwells. Chartwells' employees performing any work on the Premises shall be subject to the rules and regulations established by the Client as reasonable and necessary for its Premises, the Food Service Facilities, equipment, offices and utilities. Neither Party shall during the Term of this Agreement or for one (1) year thereafter solicit to hire, hire or contract with either Party's employees who manage any Services or who manage any employee or any other highly compensated employees, or any persons who were so employed by the other Party, whether at the Premises or at any other facility operated by the other Party ("Managerial Employees"), at any time within one (1) year prior to the termination or expiration of this Agreement, nor will the Client permit Managerial Employees of Chartwells to be employed on the Client's Premises, for a period of one (1) year subsequent to the termination or expiration of this Agreement (unless such employees were formerly employees of the Client) whether as an individual or as owner, partner, majority stockholder, director, officer or employee of a food service provider ("One-year Non-solicitation"). In the event of any breach of such One-year Non-solicitation, the breaching Party shall pay and the injured Party shall accept an amount equal to the annual salary of the relevant employee as liquidated damages.

11. SPONSORSHIP

Chartwells and Client recognize the value of securing sponsorship relationships for the Client. Notwithstanding the foregoing, Client will ensure that such sponsorship agreements do not impair the quality of the food and beverage Items served by Chartwells (as compared to comparable items served at other similar venues in which Chartwells or its affiliates provides food and beverage service) or increase the costs for such items (as compared to the Chartwells' pricing for comparable items of similar size and quality). Client and Chartwells agree that they will not compromise the quality of the food and beverage Items served in the

dining facilities in order to secure a sponsorship. In the event Client decides to enter into a sponsorship agreement (or enters into any other relationship) that increases the costs that Chartwells incurs, then Client shall fully reimburse Chartwells for such cost increases.

12. STUDENT WAGES

If the Client has a student work program, the Client may assign such number of student workers as waiters, dishwashers, cleaning personnel and other kitchen help as the Client and Chartwells shall agree, subject to the following terms and conditions.

A. Chartwells shall have full supervision of all such student help in connection with their employment hereunder.

B. Chartwells shall be responsible for the complete training of student employees as it relates to their specific job duties, in particular student waiter/waitress staff.

C. Student employees shall be compensated, by Chartwells, at the minimum wage as is in effect from time to time, unless otherwise agreed by the Client and Chartwells. In the event the compensation payable to student employees is greater than the minimum wage in effect on the date hereof, the Client and Chartwells agree to renegotiate the charges for Services set forth herein.

13. CHARTWELLS' TITLE TO EQUIPMENT

All equipment installed by Chartwells pursuant to the provisions of this Agreement is and shall at all times remain the property of Chartwells, with title vested in Chartwells. Client shall have no property interest in said equipment. Client agrees to permit only employees and agents of Chartwells to move, remove, open or tamper with Chartwells' equipment.

14. PROPRIETARY MARKS

The Client acknowledges that the names, logos, service marks, trademarks, trade dress, trade names and patents, whether or not registered, now or hereafter owned by or licensed to Chartwells or its affiliated and parent companies (collectively "Marks") are proprietary Marks of Chartwells. The Client will not use the Marks for any purpose except as expressly permitted in writing by Chartwells. Upon termination of this Agreement, the Client shall discontinue the use and display of any Marks and shall allow Chartwells to remove all goods bearing any Marks.

Chartwells acknowledges that the names, logos, service marks, trademarks, whether or not registered, now or hereafter owned by or licensed to Louisiana State University, or Louisiana State University at Alexandria or its affiliated campuses (collectively "Marks") are proprietary Marks of the Client. Chartwells will not use the Marks for any purpose except as expressly permitted in writing by the Client. Upon termination of this Agreement, Chartwells

shall discontinue the use and display of any Marks and shall allow the Client to remove all goods bearing any Marks. This section shall not be deemed to Chartwells from listing the Client as a customer in its sales and marketing materials and proposals to prospective customers.

15. INFORMATION TECHNOLOGY SYSTEMS

In connection with the services being provided hereunder, Chartwells may need to operate certain information technology systems not owned by Client ("Non-Client Systems"), which may need to interface with or connect to Client's networks or information technology systems ("Client Systems"). Chartwells shall be responsible for all Non-Client Systems, and Client shall be solely responsible for Client Systems, including taking the necessary security and privacy protections as are reasonable under the circumstances. If Chartwells serves as the merchant-of-record for any credit or debit card transactions in connection with any of the services provided hereunder, then Chartwells will be responsible for complying with all applicable laws, regulations and payment card industry data security standards related to the protection of cardholder data ("Data Protection Rules"). If Non-Client Systems interface with or connect to Client Systems, then Client agrees to implement forthwith upon request from Chartwells, at its own expense, the changes to the Client Systems that Chartwells reasonably requests and believes are necessary or prudent to ensure Chartwells' compliance with the Data Protection Rules. Client will promptly provide Chartwells with written notice of any change to its policies pertaining to Client Systems, or change in configuration of Client Systems, in order that Chartwells may assess the impact of such change upon the security of Non-Client Systems. Each party shall indemnify, defend and hold harmless the other party from all claims, liabilities, damages and costs (including reasonable lawyer's fees) to the extent caused by the indemnifying party's failure to comply with its obligations in this section.

16. EXCUSED PERFORMANCE

In the event that performance of any terms or provisions hereof (other than obligations to make payments that have become due and payable pursuant to this Agreement) shall be delayed or prevented because of compliance with any law, decree, or order of any governmental agency or authority, either local, state, or federal, or because of riots, war, public disturbances, strikes, lockouts, differences with workmen, fires, floods, Acts of God, pandemic, epidemic, or any other reason whatsoever which is not within the control of the Party whose performance is interfered with and which, by the exercise of reasonable diligence said Party is unable to prevent, the Party so suffering may at its option suspend, without liability, the performance of its obligations hereunder during the period such cause continues and may extend the Term of this Agreement for the period of such suspension of the performance of duties hereunder.

17. ASSIGNMENT

Neither Chartwells nor Client may assign or transfer this Agreement, or any part thereof, without the written consent of the other Party, except the Parties may assign this Agreement to an affiliated company or wholly owned subsidiary without prior approval and without being released from any of their responsibilities hereunder.

18. ENTIRE AGREEMENT AND WAIVER

This Agreement constitutes the entire Agreement between the Parties with respect to the provision of Chartwells' Services and supersedes all other written or oral understandings or agreements between the Parties with respect to the provision of Chartwells' Services on the Premises. No variation or modification of this Agreement or attached Exhibits and no waiver of their provisions shall be valid unless in writing and signed by the duly authorized officers of Chartwells and Client.

19. SEVERABILITY

Each term and condition, article, paragraph and subparagraph of this Agreement and any portion thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final ruling issued by any court, agency or tribunal with valid jurisdiction, that ruling will not impair the operation of or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the Parties and continue to be given full force and effect.

20. NOTICES

Any notice or communication required or permitted to be given hereunder shall be in writing and delivered personally, by overnight courier, by facsimile or by United States certified mail, postage prepaid with return receipt requested, addressed to the Parties as follows or to such other persons or places as either of the Parties may hereafter designate in writing. Such notice shall be effective when received or on the date of personal or courier delivery or on the day of deposit in the United States mail as provided above, whichever is earlier. Rejection or other refusal to accept such notice shall not affect the validity or effectiveness of the notice given.

To Client: Louisiana State University at Alexandria
Attention: G. Daniel Howard, Chancellor
8100 Highway 71 South
Alexandria, LA 71302
Facsimile No. (318) 473-6480

To Chartwells: Compass Group USA, Inc. d/b/a Chartwells

Attention: Steven M. Sweeney, President & CEO
3 International Drive
Rye Brook, New York 10573
Facsimile No. (914) 935-5553

with a copy to:

Compass Group USA, Inc.
Attention: General Counsel
2400 Yorkmont Road
Charlotte, North Carolina 28217
Facsimile No. (704) 329-4010

21. GOVERNING LAW

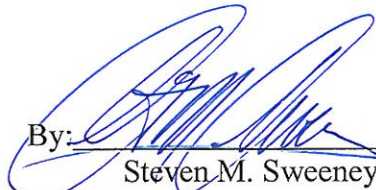
This Agreement shall be governed by the laws of the State of Louisiana, without giving effect to its choice of law principles.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals as of the day and year first above written.

BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY AND
AGRICULTURAL AND MECHANICAL
COLLEGE, FOR THE BENEFIT OF
LOUISIANA STATE UNIVERSITY AT
ALEXANDRIA

COMPASS GROUP USA, INC. BY
AND THROUGH ITS CHARTWELLS
DIVISION

By: 

By: 
Steven M. Sweeney
President & CEO

Name: G. DANIEL HOWARD

Date: _____

Date: 2/19/15

EXHIBIT A

FINANCIAL ARRANGEMENTS

Louisiana State University at Alexandria

A. Profit and Loss Basis

Chartwells will operate its Services for its own account on a profit and loss basis. Profits shall be the excess, if any, of Gross Sales during any fiscal year over the sum of (a) all direct and indirect costs of performing the Services, (b) the amortization expense described below, and (c) the cumulative operating deficit, if any, from prior operating periods during the term of this Agreement.

Prices shall be determined by mutual consent between Chartwells and Client; provided, however, that in the event of material cost changes, whether taxes, labor, merchandise, equipment, or otherwise, including but not limited to any change in any federal, state or local law including regulatory or legislative mandates, it is agreed that Chartwells shall have the right to adjust said prices to reflect said increases.

B. Meal Plans, Casual Meal Rates and Conference Rates

There will be 224 board days per year academic year. Client shall pay Chartwells the following reimbursements for each meal plan participant.

Academic year: 2014 - 2015

Plan	Rate
Unlimited Meals with \$100 of declining balance (DB) (Required for on campus residents)	\$1,600.00 per semester
Unlimited Meals No DB (Required for on campus residents)	\$1,500.00 per semester
200 Meal Block with \$200 DB (Required for on campus residents)	\$1,500.00 per semester
University Academy 90 Meal Block No DB	\$575.00 per semester
Commuter 60 Meal Block with \$100 DB	\$490.00 per block
Commuter 60 Meal Block with No DB	\$390.00 per block
Faculty Staff 5 Meal Blocks	\$25.00 per block

Casual meal rates will be as follows:

Academic year: 2014 - 2015	<u>Meal</u>	<u>Charge</u>
	Breakfast	\$7.50
	Lunch	\$8.50
	Dinner	\$9.50

Conference meal rates shall be agreed upon.

Board rates and prices for other Products and Services will increase in each subsequent year by an amount to be negotiated, taking into account population, hours of operation, other conditions, labor costs (including but not limited to benefits and insurance costs), product costs, fuel costs, federal, state and local tax structure, any change in federal, state or local law including regulatory or legislative mandates, any other levy or tax that impacts Chartwells' services, and variances between operating conditions as described by Client prior to execution of this Agreement and actual operating conditions during the Term, including without limitation student population, maintenance expenses and utility costs. Changes in board rates and prices shall be not less than the greater of the increase in the Employment Cost Index, Private Industry, Compensation, Not Seasonally Adjusted – CIU2010000000000A ("ECI") or the Consumer Price Index – Food Away From Home over the prior year. It is further agreed that with respect to national brands, pricing will be competitive with prices available in the community outside Client's campus, and price adjustments to such items will be permitted during the academic year.

C. Unused Meal Plan Dollars

Any student meal plan dollars left over at the end of fall semester roll will over to the spring semester. Any student meal plan dollars left over at the end of an academic year will not be credited to the student, but will expire and be credited to Chartwells. Faculty meal plan dollars left over at the end of an academic year may be carried forward provided the faculty member remains employed by Client. If the faculty member ceases to be employed by Client, unused faculty meal plan dollars at the end of an academic year will be credited to Chartwells.

D. Investment and Pre-Opening Expenses

Subject to the provisions of this Section, Chartwells will fund an investment in the Client's dining service program to fund capital improvements to the Client's premises to facilitate the dining service program, in a total sum not to exceed One Million (\$1,000,000) Dollars (the "Investment"). The Investment will be disbursed on a schedule as agreed upon by the Parties. The Investment shall be amortized on a straight line basis from August 2015 to June 2025. The Client shall hold title to items funded by the Investment. If the Agreement expires or is terminated for any reason prior to the full amortization of the Investment, the Client is liable for and promises to pay to Chartwells the unamortized portion of the Investment immediately upon expiration or termination.

In the event Client requests that Chartwells utilize Investment funds for purposes other than those described in Chartwells' proposal, or chooses to implement improvements on a schedule that differs from the schedule described in the proposal (collectively, "Client Elections"), it is acknowledged that adherence to such Client Elections may impact revenues, expenses, and/or operating efficiencies, and thus may impact the pro forma. In such event, Chartwells and Client shall mutually agree upon the potential effect of such Client Elections on Chartwells' ability to achieve its pro forma and the Parties will mutually agree to modify the financial arrangements between them in consideration thereof.

E. Future Investments

Future funding by Chartwells for enhancements to the Premises, construction, etc. may be generated by incorporating the amounts necessary to complete such projects into the primary daily rates. These additional special project amounts may be added to Chartwells' annual board rate increases for that year resulting in new primary board rates, due to inflation or other operational factors.

F. Rent and Commissions

Chartwells shall pay Client rent and commissions as follows: (a) Chartwells shall pay Client a fixed amount of fixed rent set forth in Column 2 of the table ("Fixed Rent"), together with commissions equal to the percentages of incremental Gross Sales in excess of the thresholds shown in the Column 3 of the table following this paragraph. ("Percentage Commission"). Provided that Gross Sales in any year (September 1 to August 31) exceed the thresholds shown in Column 3 of the table following this paragraph, Percentage Commission on Gross Sales in excess of the Threshold Amount in Column 3 of the table below shall be paid, beginning each year in the month following the period in which Gross Sales exceed the Threshold Amount reflected in Column 3 of the table below, and continuing on a monthly basis for the remainder of such year. In the event that Client does not meet the Additional Boarder Commitment by September 1, 2017, Fixed Rent and Percentage Commissions for 2017-2018 and thereafter shall remain at the amount shown for Year Two.

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<i>Contract Period</i>	<i>Fixed Rent</i>	<i>Threshold Amount</i>	<i>Percentage Commission Upon Gross Sales Above Threshold Amount</i>
Stub Year 4/1/15 to 8/31/15	\$300 per month	Not applicable	Not applicable
Year One: 9/1/15 to 8/31/16	\$36,000 per year	\$720,000	5.0%
Year Two: 9/1/16 to 8/31/17	\$40,000 per year	\$784,314	5.1%
Year Three: 9/1/17 to 8/31/18 and	\$60,000 per year	\$1,000,000	6.0%

thereafter			
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The Fixed Rent will be paid on a monthly basis, in equal monthly installments, due thirty (30) days after the end of the month to which it pertains.

“Gross Sales” shall mean all moneys received for sales or Services rendered at or from the Premises, excluding: (1) receipts from sales of meals to employees of Chartwells; (2) any service charge made, collected and turned over to employees; (3) the proceeds of the sale of any fixtures or equipment; (4) proceeds from the sale or liquidation of any inventory which is not sold at retail; (5) any commission or processing fee paid in connection with sales by credit or bank cards; and (6) sales, gross receipts and other taxes collected by Chartwells or any other vendor as required by governmental authorities.

With respect to Gross Sales made by subcontractors, Gross Sales shall include only the portion of subcontracted Gross Sales retained by Chartwells, and shall not include the portion of subcontracted Gross Sales paid to or retained by the subcontractor.

G. Contributions

(1) Commencing July 1, 2015, Chartwells shall provide Client with an in-kind contribution of catering services having a retail value of \$20,000 per year, each year that this Agreement remains in effect (July 1, through June 30), it being understood that such contribution has no cash value, and that unused amounts expire at the end of the contract year (i.e. June 30);

(2) Chartwells will provide refresh funds as set forth in this paragraph. Provided that Client completes new student housing and increasing and maintaining a resident board student population on mandatory board plans with at least 100 more boarders than 2017-2018 levels (“Additional Boarder Commitment”), Chartwells shall provide Refresh funding of \$50,000 per year in each of academic years 2019-2020, 2020-2021, 2021-2022, 2022-2023, and 2023-2024, accrued each year in twelve equal monthly installments. The Additional Board Commitment must be met by the start of the 2018-2019 academic year. If Client does not meet the Additional Boarder Commitment by the start of the 2018-2019 academic year, the Refresh Fund will be Twenty-five Thousand (\$25,000) Dollars each year in each of academic years 2019-2020, 2020-21, 2021-2022, 2022-2023, and 2023-2024, accrued each year in twelve equal monthly installments.

(3) Commencing July 1, 2015, Chartwells will fund a Preventative Maintenance Fund (“Maintenance and Repair Fund”), to be utilized for costs of repairs and replacements of Food Service equipment, in the amount of \$15,000 each contract year (July 1, through June 30), accrued each year in twelve equal monthly installments. Expenditures from the Maintenance and Repair Fund, will be mutually agreed upon by the Parties. At the end of each contract year, unused sums in the Maintenance and Repair Fund, if any, will be retained in the Maintenance and Repair Fund until used. At the expiration or termination of the Agreement, Client shall receive any unused balances in the Maintenance and Repair Fund.

H. Credit Terms

All amounts due to Chartwells shall be paid within thirty (30) days of the invoice date or will be considered past-due. With the exception of invoices for catering, which may be paid by credit card, all payments to Chartwells will be made by check or electronic funds transfer. Past-due amounts due to Chartwells will be subject, at Chartwells' option, to a service charge of up to 1.5% per month of the unpaid balance. All costs of collection of past-due amounts including, but not limited to, reasonable attorneys' fees and costs, shall be chargeable to and paid by the Client.

I. Advance Payment

Client shall provide to Chartwells an advance payment ("Advance Payment") equal to all meal plans sold, due on the thirtieth day of the start of each semester.

J. Catering

Chartwells shall provide catering services to Client on and off Premises as requested. Financial arrangements shall be negotiated by the Parties on an event-by-event basis. Chartwells shall invoice Client for catering services on the 15th and 30th day of each month, and Client shall pay said invoice within fifteen (15) days of receipt.

Catering performed for a third party shall require a fifty percent (50%) deposit upon booking with the remaining fifty percent (50%) due the day of the event.

K. Payroll - T & B Rates

A flat charge of 34.5 percent of gross payroll will be charged to cover payroll taxes and employee benefit costs. Such costs include medical plans, life insurance, FICA, FUI, SUI, Workers' Compensation insurance, state disability insurance, 401(k) and payroll and benefit plan preparation and processing, and costs imposed due changes in any federal, state or local law including regulatory or legislative mandates, and legal costs. This rate may change as benefit, tax and other associated costs change.

L. Volume Allowances/Discounts

Client accepts that Chartwells or its parent company, Compass Group USA, Inc. ("Compass") may receive volume, trade or cash discounts for items purchased as part of doing business at University/College and that those discounts will accrue to Chartwells and/or Compass and will not be credited back to Client. Client understands that certain charges reflected on the Profit and Loss statement are based on a portion of overall company expenses.

M. Termination

In the event of a termination for any reason, all amounts outstanding shall become due and payable to Chartwells immediately upon termination.

EXHIBIT B

RESPONSIBILITY SUMMARY

	<u>CHARTWELLS</u>	<u>CLIENT</u>
SECTION 1. FOOD		
Food Purchasing	X	
Processing of Invoices	X	
Payment of Invoices	X	
SECTION 2. NON-MANAGEMENT LABOR		
Payment of regular full-time salaries	X	
Payment of student (part-time) salaries (if through University Work Study Program)	X	X
Payment of sick leave pay earned after Chartwells starts services	X	
Payment of holiday pay	X	
Payroll taxes	X	
Fringe benefits and insurance	X	
Preparation of payroll	X	
Processing of payroll	X	
Training and development cost	X	
SECTION 3. MANAGEMENT		
Salaries	X	
Taxes, fringe benefits and insurance	X	
District and regional management costs	X	
Management relocation	X	
SECTION 4. ADDITIONAL ITEMS		
Telephone local		X
Telephone long distance	X	
Removal of trash and garbage from kitchen	X	
Payment for the removal of trash and garbage from Premises		X
Depreciation of equipment and investment	X	
Replacement of china, glass, flatware		X
Initial inventory of dishes, silverware, and other foodservice equipment	X	
Replacements of expendable equipment (pots, pans, etc.)		X
Repair to infrastructure (vents to outside, gas line)		X
Cost of repairing equipment	X	X
Fire insurance		X
Products and public liability insurance	X	
Gas and electric utilities metered to foodservice		X

EXHIBIT C

ASSUMPTIONS

- A minimum of 224 annual board billing days.
- Mandatory for all residential students to purchase a mandatory meal plan as described in Exhibit A, Section B.
- Flex Dollars tied to traditional meal plans roll to the next semester and then expire at the end of the academic year
- At the beginning of each semester, LSU-A shall provide a listing complete of all meal plan holders.
- Advance bill for all students on a meal plan for each semester required.
- Pest control shall responsibility of LSU-A.
- CaterTrax catering computer system and register system always remains property of Chartwells and will be depreciated over three years.
- Repairs capped at \$15,000 annually. Any repairs over that amount not caused by Chartwells negligence are the responsibility of LSU-A. Unused funds roll over from year to year.
- Office space and furniture shall be provided to Chartwells by LSU-A for use.
- Cleaning Floors in kitchen and service areas are responsibility of Chartwells.
- Floors in Dining Area will be spot cleaned by Chartwells but all other cleaning is responsibility of LSU-A
- Public Restrooms, walls, ceilings, windows, hoods, vents, exhaust fan cleaning is the responsibility of LSU-A.



**REQUEST FROM THE LSU AGCENTER TO APPROVE AN
ASSIGNMENT OF UNDIVIDED WORKING INTEREST AND AN
ASSIGNMENT OF OVERRIDING ROYALTY INTEREST
BY PENNINGTON OIL & GAS INTERESTS, LLC**

To: Members of the Board of Supervisors

Date: June 19, 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 and Assignment of Overriding Royalty Interest, by Pennington Oil & Gas Interests, LLC (Assignor). The Undivided Working Interest assignees are: Pennington Energy, LLC, Shoal Creek Minerals, LLC, D.B.P., LLC, Lakeshore Energy Louisiana, LLC, and Morganza Minerals, LLC. The Overriding Royalty Interest assignees are: Pennington Energy, LLC, Shoal Creek Minerals, LLC, D.B.P., LLC and Lakeshore Energy Louisiana, LLC.

The assignments are for State Agency Lease 21229 at the Ben Hur Research Station. Pennington Oil and Gas Interests 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 these Assignments.

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 Interest
- Assignment of Overriding Royalty Interest
- Conditions of Assignment

6. Parties of Interest

- LSU Board of Supervisors
- LSU AgCenter
- Pennington Oil & Gas Interests, LLC
- Assignees: Pennington Energy, LLC, Shoal Creek Minerals, LLC, D.B.P., LLC, Lakeshore Energy Louisiana, LLC, and Morganza Minerals, 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 Edward D. Hughes, Taylor Porter
- Assignment of Undivided Working Interest with Exhibit A and Exhibit B
- Assignment of Overriding Royalty Interest with Exhibit A and Exhibit B
- Conditions of Assignment

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 Pennington Energy, LLC, et al., as assignees concerning Overriding Royalty Interest and Undivided Working Interest 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.”



5/27/2015

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

RE: **Significant Board Matter**
Assignment of Undivided Working Interest and
Assignment of Overriding Royalty Interest
State Agency Lease 21229
LSU AgCenter Ben Hur Research Station/Firemen
Training E.B.R. Parish
Baton Rouge, Louisiana

Dr. Alexander,

The LSU AgCenter has received a request from Pennington Oil & Gas Interests, L.L.C. for Assignment of Undivided Working Interest and Assignment of Overriding Royalty Interest in State Agency Lease 21229 at the Ben Hur Research Station to assignees: Pennington Energy, LLC, Shoal Creek Minerals, LLC, D.B.P., LLC, Lakeshore Energy Louisiana, LLC, and Morganza Minerals, 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
Vice President for Agriculture
and Chalkley Family Endowed Chair
Dean of College of Agriculture

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

RECEIVED

MAY 27 2015

PROPERTY & FACILITIES

Development and
Corporate Relations
(225) 578-7360
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
106 Knapp Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
(225) 578-3659
(225) 578-5805

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
and 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

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

March 26, 2015

RECEIVED
APR 20 2015
PROPERTY & FACILITIES

Mr. Eddie Hughes
Taylor. Porter
Chase Tower -- South -- 8th Floor
451 Florida Street
Baton Rouge. Louisiana 70802

Re: Request for LSU -- Board of Supervisors of Assignment Approval
State Agency Lease No. 21229
University Field


Dear Eddie,

Please find attached the captioned Assignment whereby Pennington Oil & Gas Interests is assigning to the individual LLC's which are, in this lease, the Working Interests owners who drilled the well. Also, attached are the individual LLC's Conditions of Assignment.

We would appreciate your securing a letter of approval from the LSU -- Board of Supervisor so we can place it of record along with the Assignment.

Yours truly,

Pennington Oil & Gas Interests, LLC


By: Anne Hise

AH:pyl

Attachment

TAYLOR PORTER

ATTORNEYS AT LAW

Founded 1912

EDWARD D. HUGHES
Partner

(225) 381-0297 TELEPHONE
(225) 215-8717 DIRECT FAX
(225) 346-8049 FACSIMILE
eddie.hughes@taylorporter.com

May 27, 2015

Via Hand Delivery

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

RECEIVED

MAY 27 2015

PROPERTY & FACILITIES

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:

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, copies of the Assignment and Conditions of Assignment listed below 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.;
2. *Conditions of Assignment* executed by Pennington and Assignee, Pennington Energy, LLC;
3. *Conditions of Assignment* executed by Pennington and Assignee, D.B.P., LLC;
4. *Conditions of Assignment* executed by Pennington and Assignee, Shoal Creek Minerals, LLC;
5. *Conditions of Assignment* executed by Pennington and Assignee, Lakeshore Energy Louisiana, LLC; and,
6. *Conditions of Assignment* executed by Pennington and Assignee, Morganza Minerals, LLC.

The original *Assignment* and corresponding *Conditions to Assignment* are already in LSU's possession.

Danny Mahaffey
May 27, 2015
Page 2

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

Sincerely,

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



Edward D. Hughes

EDH:dp
Enclosures

cc: Anne Hise

RECEIVED

APR 20 2014

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

PROPERTY & FACILITIES

(S. University-East Baton Rouge Parish)

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 February 2, 2015.

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

PENNINGTON OIL & GAS INTERESTS, LLC

By William Hodgkins
Print Name William Hodgkins

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

PENNINGTON ENERGY, LLC

By [Signature]
Print Name [Signature]

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

D.B.P., LLC

By [Signature]
Print Name [Signature]

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

SHOAL CREEK MINERALS, LLC

By Rebecca P. de la Cruz Bratton
Print Name Rebecca P. de la Cruz Bratton

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

LAKESHORE ENERGY LOUISIANA, LLC

By Brian R. Hise
Print Name Brian R. Hise

Anne Hise
Print Name Anne Hise
Racheal Andean
Print Name Racheal Andean

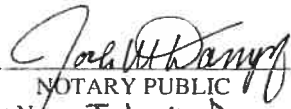
MORGANZA MINERALS, LLC

By William Hodgkins
Print Name William Hodgkins

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

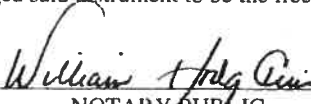
On this 2nd day of February, 201⁵, before me personally appeared William E. Hodgkins, to me personally known, who, being by me duly sworn, did say that he is the Vice President of PENNINGTON OIL & GAS INTERESTS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said William E. 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

PARISH OF EAST BATON ROUGE

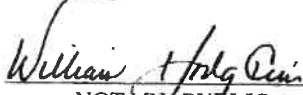
On this 11th day of March, 201⁵, before me personally appeared Claude B. Pennington, III, to me personally known, who, being by me duly sworn, did say that he is the Manager of PENNINGTON ENERGY, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Claude B. Pennington, III acknowledged said instrument to be the free act and deed of said limited liability company.


NOTARY PUBLIC
Print Name William Hodgkins
Bar Roll No./Notary Public No. 6888

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

On this 11th day of March, 201⁵, before me personally appeared Daryl B. Pennington, Sr., to me personally known, who, being by me duly sworn, did say that he is the Manager of D.B.P., LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Daryl B. Pennington, Sr. acknowledged said instrument to be the free act and deed of said limited liability company.


NOTARY PUBLIC
Print Name William Hodgkins
Bar Roll No./Notary Public No. 6888

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

On this 3rd day of February, 201⁵, before me personally appeared Bill R. Hise, to me personally known, who, being by me duly sworn, did say that he is the Manager of LAKESHORE ENERGY LOUISIANA, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Bill R. Hise 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. 6888

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

On this 11th day of March, 201⁵, before me personally appeared Paula P. de la Bretonne, to me personally known, who, being by me duly sworn, did say that he is the Manager of SHOAL CREEK MINERALS, LLC and that said instrument was signed on behalf of said limited liability company by authority of its membership and said Paula P. de la Bretonne 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. 6888

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

On this 2nd day of February, 201⁵, before me personally appeared William Hodgkins, to me personally known, who, being by me duly sworn, did say that he is the Manager of MORGANZA MINERALS, 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.

J. M. Dampf
NOTARY PUBLIC
Print Name Jack M. Dampf
Bar Roll No./Notary Public No. _____

Exhibit "A"

Attached to Assignment of Oil, Gas and Mineral Lease by and between Pennington Oil & Gas
Interests, LLC, assignor, and Pennington Energy, LLC, et al., assignees
(S. University-East Baton Rouge Parish)

Pennington Energy, LLC	15.245274% (Before Payout) 13.229649% (After Payout)
Shoal Creek Minerals, LLC	15.245274% (Before Payout) 13.229649% (After Payout)
D.B.P., LLC	15.245274% (Before Payout) 13.229649% (After Payout)
Lakeshore Energy Louisiana, LLC	1.209375% (Before Payout) 7.25625% (After Payout)
Morganza Minerals, LLC	1.429803% (Before Payout) 1.429803% (After Payout)

Exhibit "B"

Attached to Assignment of Oil, Gas and Mineral Lease by and between Pennington Oil & Gas Interests, L.L.C., assignor, and Pennington Energy, 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.

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

STATE OF LOUISIANA §
 § **KNOW ALL MEN BY THESE PRESENTS, That:**
PARISH OF EAST BATON §
ROUGE PARISH
(S. University)

PENNINGTON OIL & GAS INTERESTS, L.L.C. ("Assignor"), for and in consideration of the sum of Ten and No/100^{ths} Dollars (\$10.00) and other good and valuable consideration paid by the parties identified in Exhibit "A" attached hereto and made part hereof ("**Assignees**"), the receipt and full sufficiency of which is acknowledged and confessed, and subject to the terms and conditions hereinafter set forth, has transferred, assigned and conveyed and by these presents does hereby **TRANSFER, ASSIGN and CONVEY** unto Assignees, the overriding royalty interests described for them in Exhibit "A" on the oil, gas and other minerals which may be produced and saved from the lands described in and covered by the oil, gas and mineral lease identified on Exhibit "B" attached hereto, and by this reference made a part hereof ("**Said Lease**").

It is expressly agreed by and between Assignor and Assignees that this conveyance is made and accepted on the following terms and conditions, to-wit:

1. The overriding royalty interest hereby conveyed shall be free and clear of all cost and expense of drilling, development and operations, but shall bear and pay currently its proportionate share of all taxes assessed against it (including taxes upon production) and costs and charges incurred in compressing, dehydrating, processing and transporting production attributable to such interest.
2. Subject to the provisions hereof, payments attributable to the overriding royalty interest hereby conveyed shall be calculated and paid or delivered to Assignees in the same manner as provided in Said Lease with respect to the payment of lessor's royalty from production.
3. The overriding royalty interest hereby conveyed shall not apply to nor be payable upon oil, gas or other hydrocarbons used for recycling, repressuring or similar operations benefiting Said Lease, or any portion thereof, or other lands or leases pooled or unitized therewith, or which is unavoidably lost. Furthermore, if Said Lease provides that shut-in gas payments made thereunder shall be paid as royalty rather than as rental, Assignees shall nevertheless not be entitled to any such payment with respect to the overriding royalty interest hereby conveyed.

4. The overriding royalty interest hereby conveyed may be pooled or unitized with other lands, leases and interests in the same manner and on the same terms and conditions as the lessor's royalty may be pooled or unitized under the terms and conditions of Said Lease, and without the consent or joinder of the owner or owners of such overriding royalty interest, and in the event of such pooling or unitization, Assignees shall be entitled to receive, in lieu of the overriding royalty interest provided for herein with respect to a lease or leases affected by such pooling or unitization, only that portion of such overriding royalty interest as the amount of surface acreage covered by Said Lease as is so affected and included in the pooled or unitized area bears to the entire amount of surface acreage included in such pooled or unitized area.
5. The overriding royalty interest hereby conveyed is based upon the assumption that Said Lease covers the full and undivided fee simple mineral interest in the lands therein described. In the event Said Lease covers less than the full and undivided fee simple interest in the oil, gas and other minerals in and under the lands covered thereby, then the overriding royalty interest hereby conveyed shall be reduced proportionately. Furthermore, in the event that Assignor's interest in Said Lease is subject to reduction upon the occurrence of some future event under the terms and provisions of any contract, agreement or other instrument, recorded or unrecorded, to which Assignor's interest in Said Lease is subject, then the overriding royalty interest hereby conveyed with respect to Said Lease shall likewise be reduced proportionately.
6. There shall be no obligation, express or implied, on the part of Assignor to maintain Said Lease in force and effect by the payment of delay rentals, by drilling operations or by any other means, it being expressly understood by Assignees that payments from production attributable to the overriding royalty interest hereby conveyed shall be paid and delivered to Assignees if, as and when such production may occur.
7. The overriding royalty interest hereby conveyed shall extend and be applicable to any renewal, extension or new lease covering the same interest as Said Lease if taken or acquired by Assignor, its legal representatives, successors or assigns, within six (6) months after the termination of Said Lease.

TO HAVE AND TO HOLD the overriding royalty interest hereby conveyed unto Assignees, their successors and assigns, subject to and in accordance with the terms and

provisions hereof, forever; and Assignor does hereby bind itself, its successors and assigns, to warrant and forever defend the title to same against any person whomsoever lawfully claiming or attempting to claim the same, or any part thereof, by, through or under Assignor, but not otherwise.

This Assignment and its terms and provisions shall be binding upon and inure to the benefit of Assignor and Assignees, and their respective heirs, successors, legal and personal representatives and assigns, as applicable, forever.

IN WITNESS WHEREOF, this instrument is executed this 2nd day of February, 201~~7~~⁵ but effective the date of Said Lease.

WITNESSES:

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

Anne Hise
Print Name Anne Hise

By: William Hodgkins
Print Name William Hodgkins

Racheal Andean
Print Name Racheal Andean

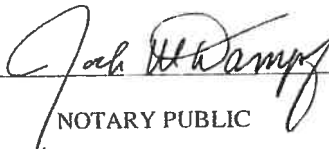
STATE OF Louisiana §

§

PARISH/COUNTY OF East Baton Rouge §

On this 2nd day of February, 201~~7~~⁵, before me 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, L.L.C.**, and that said instrument was signed in 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

EXHIBIT "A"

Attached to and made a part of that Assignment of Overriding Royalty Interest from Pennington Oil & Gas Interests, L.L.C., as Assignor, to Pennington Energy, LLC et al., as Assignees.

(S. University-East Baton Rouge Parish)

Pennington Energy, LLC	.162500% x 8/8 (bpo)
	.141668% (apo)

Shoal Creek Minerals, LLC	.162500% x 8/8 (bpo)
	.141666% (apo)

D.B.P., LLC	.162500% x 8/8 (bpo)
	.141666% (apo)

Lakeshore Energy Louisiana, LLC	.012500% x 8/8 (bpo)
	.075000% (apo)

Exhibit "B"

Attached to and made a part of that Assignment of Overriding Royalty Interest from Pennington Oil & Gas Interests, L.L.C., as Assignor, to Pennington Energy, LLC et al., as 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 43, 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.

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 ~~5.24524~~ % 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 Pennington Energy, 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 26th day of March,
2015.

WITNESSES:

Printed Name: _____

Printed Name: _____

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

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

WITNESSES:

Printed Name: _____

Printed Name: _____

ASSIGNEE:

PENNINGTON ENERGY, LLC

By: Claude B. Pennington, III
Name: Claude B. Pennington, III
Title: _____

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 _____, 2015.

**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 26th day of March, 2015, 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.

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

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 26th day of March, 2015, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Claude B. Pennington, III to me personally known, who by me being duly sworn, did say, that he is the Manager of Pennington Energy, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Pennington Energy, 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
William Hodgkins, Bar Roll # 6888

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

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 ~~52.4521~~ ^{52.4521} % 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 D.B.P., 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 11th day of March, 2015.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

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

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNEE:

D.B.P., LLC

By: Daryl B. Pennington, Sr.
Name: Daryl B. Pennington, Sr.
Title:

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 _____, 2015.

**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 11~~th~~ day of March, 2015, 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.

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

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 11~~th~~ day of March, 2015, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Daryl B. Pennington, Sr. to me personally known, who by me being duly sworn, did say, that he is the Manager of D.B.P., LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of D.B.P., 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 Hodgkins
Notary Public
William Hodgkins
Bar Roll # 6889

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

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 ~~15.2521~~ 15.2521% 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 Shoal Creek Minerals, 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 11th day of March,
2015.

WITNESSES:

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

Anne Hise

Printed Name: Anne Hise

Racheal Andean

Printed Name: Racheal Gondeau

By: William E. Hodgkins

Name: William E. Hodgkins
Title: Vice-President

WITNESSES:

ASSIGNEE:

SHOAL CREEK MINERALS, LLC

Anne Hise

Printed Name: Anne Hise

Racheal Andean

Printed Name: Racheal Gondeau

By: Paula P. de la Bretonne

Name: Paula P. de la Bretonne
Title:

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 _____, 2015.

**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 11th day of March, 2015, 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.

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

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 11th day of March, 2015, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared Paula P. de la Bretonne to me personally known, who by me being duly sworn, did say, that she is the Manager of Shoal Creek Minerals, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Shoal Creek Minerals, 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 Hodgkins
Notary Public
William Hodgkins
Bar Roll # 6898

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

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 ~~1.20935~~ % 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, 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 11th day of March,
2015.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

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

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNEE:

LAKESHORE ENERGY LOUISIANA, LLC

By: Richard Hise
Name: Richard 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 _____, 2015.

**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 11th day of March, 2015, 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.

Adrianne E. Hodgkins
Notary Public
Adrianne E. Hodgkins
Bar Roll No 29910

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 11th day of March, 2015, 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 Manager of Lakeshore Energy Louisiana, 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, 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 Hodgkins
Notary Public
William Hodgkins
Bar Roll # 6888

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

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 ~~1.4280%~~ ^{1.4280%} 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 Morganza Minerals, 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 11th day of March,
2015.

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNOR:

PENNINGTON OIL & GAS INTERESTS, LLC

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

WITNESSES:

Anne Hise
Printed Name: Anne Hise
Racheal Andean
Printed Name: Racheal Andean

ASSIGNEE:

MORGANZA MINERALS, LLC

By: William E. Hodgkins
Name: William E. Hodgkins
Title: 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 _____, 2015.

**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 11th day of March, 2015, 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.

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

STATE OF LOUISIANA §
PARISH OF EAST BATON ROUGE §

On this 25th day of March, 2015, before me the undersigned Notary Public in and for the Parish and State aforesaid, appeared William Hodgkins to me personally known, who by me being duly sworn, did say, that he is the Manager of Morganza Minerals, LLC, a Louisiana Limited Liability Corporation, and as such he is duly authorized to execute the above and foregoing instrument on behalf of Morganza Minerals, 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.

Jack M. Dampf
Notary Public
Jack M. Dampf
Bar Roll # 4481

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

TAYLOR PORTER

ATTORNEYS AT LAW

Founded 1912

EDWARD D. HUGHES
Partner

(225) 381-0297 TELEPHONE
(225) 215-8717 DIRECT FAX
(225) 346-8049 FACSIMILE
eddie.hughes@taylorporter.com

May 27, 2015

Via Hand Delivery

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

RECEIVED

MAY 27 2015

PROPERTY & FACILITIES

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

Dear Danny:

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, a copy of the Assignment described below is enclosed for the Board's review:

1. *Assignment of Undivided Working Interests* executed by Pennington Oil & Gas Interests, L.L.C., assigning Overriding Royalty Interest to Pennington Energy, LLC, Shoal Creek Minerals, LLC, D.B.P., LLC, and Lakeshore Energy Louisiana, LLC, in the percentages shown on Exhibit "A" attached thereto.

The original *Assignment* is already in LSU's possession.

Please let me know if you have any questions or concerns regarding the subject *Assignment*.

Sincerely,

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

Edward D. Hughes

EDH:dp

Enclosure

cc: Anne Hise

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

RECEIVED
4/1/15

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

March 31, 2015

Mr. Eddie Hughes
Taylor, Porter
Chase Tower South, 8th Floor
451 Florida Street
Baton Rouge, Louisiana 70802

Re: Request for LSU Board of Supervisors Assignment of ORRI Approval
State Agency Lease No. 21229
University Field

Dear Eddie:

Please find attached the captioned Assignment whereby Pennington Oil & Gas Interests is assigning to the individual LLC's which are, in this lease, Working Interest owners and Overriding Royalty Interest in the LSU No. 1 Well.

We would appreciate your securing a letter of approval from the LSU Board of Supervisors so we can place it of record along with the Assignment.

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


Anne Hise

AWH/rg
attachment

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

March 31, 2015

Mr. Eddie Hughes
Taylor, Porter
Chase Tower South, 8th Floor
451 Florida Street
Baton Rouge, Louisiana 70802

Re: Request for LSU Board of Supervisors Assignment of ORRI Approval
State Agency Lease No. 21229
University Field

Dear Eddie:

Please find attached the captioned Assignment whereby Pennington Oil & Gas Interests is assigning to the individual LLC's which are, in this lease, Working Interest owners and Overriding Royalty Interest in the LSU No. 1 Well.

We would appreciate your securing a letter of approval from the LSU Board of Supervisors so we can place it of record along with the Assignment.

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


Anne Hise

AWH/rg
attachment

Academic and Student Affairs Consent Agenda



REQUEST FROM LSU HEALTH SCIENCES CENTER SCHOOL OF GRADUATE STUDIES IN NEW ORLEANS FOR APPROVAL TO CONVERT FIVE PREVIOUSLY MATCHED, SINGLE-SLOT PROFESSORSHIPS TO THE ENDOWED SUPERIOR GRADUATE STUDENT SCHOLARSHIPS SUBPROGRAM

To: Members of the Board of Supervisors

Date: June 19, 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

Approved by the Board of Regents in September 2014, the Endowed Superior Graduate Student Scholarships Subprogram matches non-State contributions of at least \$60,000 with \$40,000 from the BoRSF to create endowed scholarships that may be used in support of graduate and first-professional students as well as post-doctoral fellows. Higher levels of endowment, in minimum increments of \$60,000, may be matched with additional \$40,000 contributions from the Support Fund. The initial corpus of the endowment must remain intact, while income above the corpus may be used to benefit the student recipient in the form of scholarships, fellowships, and/or experiential opportunities, including internships, externships, conference travel, and field work.

With approval of the donor and the higher education institution, the Board of Regents will allow existing professorships to be converted to endowed superior graduate student scholarships.

Dr. Marilyn Zimny created the five following professorships through a bequest:

- Frank Low, PhD Professorship in Graduate Studies
- H. Adele Spence Professorship of Graduate Studies
- Robert F. Dyer Professorship of Graduate Studies
- L. Allen Barker Professorship in Graduate Studies
- Herbert C. Dessauer Professorship in Graduate Studies

During the nine years she was Dean of the LSU Health Sciences Center School of Graduate Studies, Dr. Zimny found there was never sufficient travel funds available to provide assistance to the many outstanding students who applied for it. As such her bequest is better served by the Board of Regents Support Fund Endowed Superior Graduate Student Scholarships SubProgram than by the Endowed Professorships Program.

3. Review of Documents Related to Referenced Matter

This request has been reviewed and approved by the Foundation for the LSU Health Sciences Center and by all appropriate academic administrators at the LSU Health Sciences Center in New Orleans.

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

Appropriate certification has been provided by the campus and is available for review in the LSU Office of Academic Affairs.

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 hereby approves the request to convert five previously matched, single-slot professorships within the LSU Health Sciences Center in New Orleans School of Graduate Studies to the Endowed Superior Graduate Student Scholarships SubProgram, subject to approval by the Louisiana Board of Regents.”



Academic and Student Affairs Consent Agenda

REQUEST FROM LSU A&M FOR APPROVAL TO ESTABLISH A GRADUATE CERTIFICATE IN CLIMATOLOGY AND CLIMATE CHANGE

To: Members of the Board of Supervisors

Date: June 19, 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 proposed Graduate Certificate in Climatology and Climate Change will train both traditional and non-traditional students with on-campus courses. The program is designed to enhance career opportunities in industry, local, state, and federal government, laboratories, academia, and entrepreneurship by providing students and professionals with an interdisciplinary education focused on climate science, and climate communication and policy. The program will attract professionals and students to LSU, and provide them with an understanding of the basic principles in climatology. Graduates of this program will be well informed on the many varied topics in this arena and better prepared to interact with professionals in the field.

This certificate program will build on pre-existing relationships with Industry and State government. For example, the Southern Regional Climate Center at LSU works closely with Entergy by providing value climate data to assess energy needs. In addition, the Southern Climate Impacts Planning Program at LSU has developed links with the Louisiana Department of Health and Hospitals to establish a link between weather and visits to hospital emergency rooms. This certificate program will assist in formalizing these relationships and others by producing a more informed workforce. It will also provide a range of climatological knowledge, skills, and abilities that will give modern professionals a competitive edge in the workforce. The skills gained from the certificate include data interpretation, statistical climatology, analyzing climate patterns and trends, coping with climate variability, understanding both past, current and possible future climates, communicating climate issues with the public, and formulating climate policy.

The proposed program is important to Louisiana because the impacts of climate variability and potential climate change are as great here as anywhere in the nation. One of the most serious concerns is relative sea level rise. Louisiana already has rapid land loss from the combination of eustatic sea level rise compounded by subsidence. Climate change may accelerate the eustatic

sea level rise component making impacts even more severe since the state's largest city, New Orleans, has part of its land area situated below mean sea level. The coastal zone is also vulnerable to hurricane activity, which could change along with the overall climate. Louisiana agriculture will likely be affected as well by both subtle changes in climate, as well as by changing frequencies and intensities of extreme events. This inter-disciplinary certificate program will unite ongoing climate and climate change related programs at LSU including opportunities across several departments.

Currently only a few other institutions in the US offer climatology related graduate certificate programs including the University of Washington, University of Utah, and George Washington University. There are currently none in Louisiana.

Students:

Students will come from varied backgrounds, including Agriculture, Economics, Geography, Environmental Science, Anthropology, Oceanography, Sociology, and Communications. This program builds upon LSU's nationally recognized expertise in the field of climate science and climate communication and policy.

The program expects approximate 15 students per year including 10 degree-seeking students and 5 certificate-only students (professional) based on student interest in climate science. Applicants may include: professionals whose responsibilities include climatology or climate change who need additional training in this area; students considering a graduate degree in the climatology field, but who do not have time to complete a full graduate degree program; graduate students who already have or are pursuing a graduate degree in another discipline, but need to develop experience and/or expertise in climatology and climate change to apply within another discipline; and professionals with experience in climate science who would like to refine their skills.

3. Review of Business Plan

The Graduate Certificate in Climatology and Climate Change will leverage courses currently taught at LSU by several academic departments. The three units directly participating in program administration are the Department of Geography and Anthropology, the Department of Agricultural Economics, and the Coastal Sustainability Studio. In support of this program, the Graduate School has provided a commitment of three graduate assistantships, one each to the participating departments, allowing the recruitment of top talent to this program. The certificate program will be overseen by a committee made up of faculty from the two participating academic departments: the Department of Geography and Anthropology and the Department of Agricultural Economics. The committee will be coordinated by the Graduate School, which provides administrative oversight for all graduate certificate programs on campus. Courses for the program will be offered in frequent rotations with no need for new courses. No new faculty, facilities, or library resources will be needed for the program.

4. Review of Documents Related to Referenced Matter

The request to establish a Graduate Certificate in Climatology and Climate Change has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the LSU 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.

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 from LSU A&M to establish a Graduate Certificate in Climatology and Climate Change, subject to approval by the Louisiana Board of Regents.”



Academic and Student Affairs Consent Agenda

REQUEST FROM LSU A&M FOR APPROVAL TO ESTABLISH A MASTER OF SCIENCE AND DOCTOR OF PHILOSOPHY IN NUTRITION AND FOOD SCIENCES WITH FOUR AREAS OF CONCENTRATION: HUMAN NUTRITION, MOLECULAR NUTRITION, FOOD SCIENCE AND TECHNOLOGY, AND FOOD AND BIOPROCESSING SYSTEMS

To: Members of the Board of Supervisors

Date: June 19, 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

Description and Need

LSU A&M is requesting approval to establish a Master of Science and a Doctor of Philosophy in Nutrition and Food Sciences in the recently established School of Nutrition and Food Sciences. Although the M.S. and Ph.D. degrees are proposed as new degrees, these programs were previously part of the M.S. and Ph.D. degree offered in the School of Human Ecology. The areas of study included in the Human Ecology degrees were reorganized into other colleges and departments, and the School of Human Ecology was eliminated. Courses and faculty in the proposed programs previously were part of the M.S. and Ph.D. in Human Ecology, so no new funding, faculty, facilities, or administration are needed. Both the M.S. and Ph.D. in Nutrition and Food Sciences will consist of four concentrations: Human Nutrition, Molecular Nutrition, Food Sciences and Technology, and Food and Bioprocessing Systems.

Because the existing nutrition/food/food science degree programs have a common background, merging these degrees will benefit the students. Recent employment trends show that graduates routinely take jobs across the historic boundaries of these areas of study. This degree consolidation will result in more broadly trained students that will be able to fill a number of professional-level positions.

The minimum requirement for the M.S. degree in Nutrition and Food Sciences is 24 semester hours of graduate credit plus 6 credits for thesis research. Duration of the M.S. degree is estimated to be 1½ to 2 years, depending on the research project. The minimum requirement for the Ph.D. degree in Nutrition and Food Sciences is 48 semester hours of graduate credit plus 9 credits for dissertation research. Students should be able to

complete any of the concentrations in the Ph.D. degree within 3 to 4 years, depending on the research project chosen and whether the student enters the program with an M.S. degree.

There are no similar programs Louisiana, although an M.S. in Nutrition (but not combined with Food Science) is available at Louisiana Tech University and McNeese University. Graduates of the M.S. and Ph.D. programs will fill professional positions at state and federal agencies (e.g. the Office of Public Health, the Department of Education, Child Nutrition Programs, and USDA), as well as non-governmental agencies, including universities, hospitals, consulting firms, and food industries. Similar programs to the one we have designed are offered at other universities, including: Texas A&M University, Iowa State University, Purdue University, University of Illinois at Urbana-Champaign, and Colorado State University. The University of Southern Mississippi offers a M.S. in Nutrition and Food Systems, not Nutrition and Food Sciences.

According to the Bureau of Labor Statistics, employment of dietitians and nutritionists is projected to grow 21% from 2012 to 2022, faster than the average for all occupations. More dietitians and nutritionists will be needed to provide care for patients with various medical conditions and to advise people who want to improve their overall health. The requirements to become a Registered Dietitian by the Academy of Nutrition and Dietetics will include an advanced degree beginning January 1, 2024. Employment of agricultural and food scientists is projected to grow 9% from 2012 to 2022, about as fast as the average for all occupations. Agricultural and food scientists should have good job prospects overall. Job opportunities for graduates will increase, as will demand for the proposed graduate programs.

Students:

As a result of recent strategic planning activities, the School of Nutrition and Food Sciences is placing an increased emphasis on recruiting and funding M.S. and Ph.D. students with existing state, extramural, and fellowship funds. The School anticipates that the proposed programs will maintain the historic enrollments and graduation levels of these programs.

Students in the current Human Ecology and Food Science degrees come from a diversity of natural resource degree programs both within Louisiana and across the country. The newly consolidated program will attract similar students. Applicants must meet current Graduate School admissions requirements. Students admitted to the M.S. or Ph.D. must have a bachelor's degree from an accredited institution, be acceptable to a majority (51%) of the graduate faculty in the applicant's area of concentration, and have an identified major professor.

3. Review of Business Plan

No additional state appropriations will be required to support the proposed programs because they are a consolidation of existing programs. Faculty, library resources, courses, and facilities are in place. Currently, about 95% of graduate students are supported by research grants and contracts generated by faculty in the School of Nutrition

and Food Sciences. In addition, partial support for several teaching assistants comes from LSU College of Agriculture funds. These funding mechanisms will not change with the proposed degree consolidation. Students in the M.S. and Ph.D. program will be jointly administered within the College of Agriculture's School of Nutrition and Food Sciences and the LSU Graduate School. The current administrative structure will not be changed.

4. Review of Documents Related to Referenced Matter

The proposal has been reviewed and approved by the appropriate faculty and administrators at LSU A&M and the LSU Office of Academic Affairs.

5. Other

The Letter of Intent was waived by the Board of Regents since the proposed degrees and concentrations stem from existing programs and resulted from mergers. The requests are being sent to the Board of Supervisors and Board of Regents for formal consideration.

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

Appropriate certification has been provided by the campus and is available for review in the LSU Office of Academic Affairs.

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 from LSU A&M to establish a Master of Science and Doctor of Philosophy in Nutrition and Food Sciences with four areas of concentration: Human Nutrition, Molecular Nutrition, Food Science and Technology, and Food and Bioprocessing Systems, subject to approval by the Louisiana Board of Regents.”



Academic and Student Affairs Consent Agenda

REQUEST FROM LSU A&M FOR APPROVAL OF A LETTER OF INTENT FOR A MASTER OF SCIENCE IN AGRICULTURAL & EXTENSION EDUCATION

To: Members of the Board of Supervisors

Date: June 19, 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

Description and Need

The LSU College of Agriculture Department of Agricultural and Extension Education and Evaluation (AEEE) would like to offer a Master of Science in Agricultural & Extension Education. No other Master of Science programs in agricultural and extension education are currently offered in Louisiana and the proposed MS would benefit the state's secondary education system, the Cooperative Extension Service and community education by providing professionals with advanced research and training to support agriculture-related business and industry and education. The program would also meet an expressed need of current and former LSU students.

The LSU Board of Supervisors approved the creation of AEEE and its undergraduate program in the College of Agriculture in September 2014. AEEE prepares and supports highly-qualified agricultural and extension professionals to teach, lead and serve youth and adults. AEEE's focus is on two of the state's greatest assets—the agricultural industry and human capital. This new Master of Science program will provide advanced discovery, knowledge and research in areas deemed critical for advancement and success in related careers such as agricultural education, Cooperative Extension Service, and agriculture professions in business, industry and government, and in other non-profit agencies and organizations.

Students will be instructed on topics such as history and philosophy of agriculture and extension education; designing and delivering formal and non-formal programs; evaluating community programs; conducting social science research; and influencing behavior change in society. Options for focus areas will include general extension education, agricultural education, program evaluation, international agriculture, and youth development. All of the required classes in the degree program and many of the electives will be offered as either compressed video or online, or a hybrid of the two.

USDA estimates there are over 60,000 available jobs in agriculture and agriculture-related fields annually and only about 35,000 graduates to fill them. Louisiana has a need for qualified individuals to fill positions as high school agriscience teachers and extension educators to teach others about the importance of agriculture and food and fiber production to the state. In recent years, the pool of qualified applicants for agriculture-related positions in Louisiana has been shrinking dramatically and positions are often given to individuals who are underqualified or positions are left vacant. While McNeese State University and Louisiana Tech both offer undergraduate degree programs in agricultural education, no other institution in Louisiana offers graduate degrees in agricultural and extension education. AEEE has the faculty resources and expertise to turn this trend around by producing highly-qualified applicants with graduate degrees to fill these positions which are critical to the state's economy. This MS degree would also allow graduates to pursue careers in post-secondary positions such as technical school and community college instructors as well as instructors in adult and business education programs.

Students

Many Louisiana students seeking a MS degree in agriculture or extension education are currently pursuing degrees either on-line at institutions out of state, or in other disciplines in state due to the lack of a MS program in Louisiana. The development of this program will afford prospective students the opportunity to receive the desired education in state from an institution with a rich heritage of providing high-quality education and research experiences in agriculture and extension education. This degree program will also produce innovative discovery and development research as students seek to find answers to questions of interest to the profession.

According to surveys of current undergraduates and former graduates, there are between 30 and 50 students who would be interested in enrolling in a Master of Science program in agricultural and extension education in AEEE at this time. It is believed that as this program is marketed, enrollment of out-of-state students will increase.

3. Review of Business Plan

The estimated costs for the projected program will be absorbed by current sources of revenue which is shared between the College of Agriculture and the LSU AgCenter, and because the program meets student need and demand it has significant potential to increase student recruitment and retention. The Department of Agricultural and Extension Education and Evaluation currently has six faculty members with graduate faculty appointments who will teach and advise students in this Master of Science program. Additional LSU AgCenter faculty are available to teach courses off load as need arises. When enrollment in the program demonstrates need and resources are available, additional faculty positions will be considered. Three Ph.D. graduate teaching assistants will provide additional instructional support.

4. Review of Documents

The request to approve the Letter of Intent for a Master of Science in Agricultural and Extension Education has been reviewed and approved by appropriate faculty and administrators at LSU A&M and the LSU 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.

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 Letter of Intent from LSU A&M for a Master of Science in Agricultural and Extension Education, subject to approval by the Louisiana Board of Regents.”

**A. FINANCE, INFRASTRUCTURE, AND CORE
DEVELOPMENT COMMITTEE**

Mr. Scott Ballard, Chairman

1. Approval of FY 2014-15 Supplemental Appropriation, FY 2015-16 Institution Distribution, and Authorization to Increase Tuition and Fees
2. Recommendation to approve First Amendment to Cooperative Endeavor Agreement by and among LSU Research and Technology Foundation and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College
3. Request From LSU Health Science Center in Shreveport to Approve the FY 2015-2016 Expenditure of Carroll W. Feist Legacy Funds for the Feist Weiller Cancer Center and to Make a Determination of Acceptable University Purpose
4. Recommendation to amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors Pursuant to Organizational Changes
5. Request from the administrative officers of the campuses and hospitals to write-off uncollectible receivable accounts as of June 30, 2015

**Louisiana Postsecondary Education
FY 2015-2016 Executive Budget Financial Picture
With Amendments through Senate Floor**

	Gen Fund	IAT	SG	Stat Ded	Federal	Total
Existing at 12-1-14	924,149,675	33,798,908	1,367,785,171	196,171,912	101,532,604	2,623,438,270
Non-Recur Carryover BA-7's (BOR,ULM)	-105,920		-91,951			-197,871
IAT Increase for Lab Schools at LSU and SU		2,776,130				2,776,130
IAT Decrease for LSU HSC Legacy Costs		-8,000,000				-8,000,000
Move Self Generated Authority off Budget for Public/Private Contracts			-90,316,488			-90,316,488
Align Budget Authority with Estimated Activity		-2,541,828	737,972		-3,363,873	-5,167,729
Decrease LA GEAR Up and College Access Challenge Grant in LOSFA					-5,221,573	-5,221,573
Adjust TANF and Chafee Awards at LOSFA		-480,183			-68,835	-549,018
ULL - Procurement Technical Assistance Center (PTAC)	185,000					185,000
TOPS - MOF SWAP from TOPS Fund	24,151,680			-24,151,680		0
TOPS - Increase in TOPS funding	34,264,180					34,264,180
LOSFA - MOF SWAP from Federal Funds for scholarships	1,789,383				-1,789,383	0
Statutory Dedicated Adjustments	-1,201,895			230,479		-971,416
Total After Customary Adjustments	983,232,103	25,553,027	1,278,114,704	172,250,711	91,088,940	2,550,239,485
Non-Recur General Fund WISE	-11,150,000					-11,150,000
Increase WISE - CDBG		12,150,000				12,150,000
Non-Recur Equity Formula Funding	-6,100,000					-6,100,000
Non-Recur Stem Funding	-2,000,000					-2,000,000
Non-Recur Southern Legislative Projects	-4,500,000					-4,500,000
Reduce General Fund for Estimated Tuition Authority - GRAD Act	-70,000,000		70,000,000			0
Reduction Based on Division Estimated GEMS Savings	-24,319,617					-24,319,617
General Reduction to Higher Education	-474,271,746					-474,271,746
Total Higher Education FY 15-16 Funding (without legislation)	390,890,740	37,703,027	1,348,114,704	172,250,711	91,088,940	2,040,048,122
Difference (without tax credit legislation)	-533,258,935	-3,904,119	19,670,467	23,921,201	10,443,664	-583,390,148
Contingency Funding Based on Proposed Tax Credit Legislation	372,099,328					372,099,328
Difference (with tax credit legislation)	-161,159,607	-3,904,119	19,670,467	23,921,201	10,443,664	-211,290,820
Total Higher Education FY 15-16 Funding (with legislation) - Exec	762,990,068	37,703,027	1,348,114,704	172,250,711	91,088,940	2,412,147,450
House Appropriation Committee:						
Additional Revenue from Supplementary Sources	201,492,035					201,492,035
Lab School MFP Adjustment (LSU \$92,737; SU (\$431,551))		-338,814				-338,814
Increase Tuition & Fee Self Gen Authority (ULL)			2,000,000			2,000,000
Tumor Registry (HSCNO)	525,000					525,000
Racing Commission to Support Higher Education		2,800,000				2,800,000
Total Higher Education FY 15-16 Funding (with legislation - HAC)	965,007,103	40,164,213	1,350,114,704	172,250,711	91,088,940	2,618,625,671
House Floor:						
Louisiana Small Business Development Center (SLU)	350,000					350,000
Total Higher Education FY 15-16 Funding (with legislation - HF)	965,357,103	40,164,213	1,350,114,704	172,250,711	91,088,940	2,618,975,671

**Louisiana Postsecondary Education
FY 2015-2016 Executive Budget Financial Picture
With Amendments through Senate Floor**

	Gen Fund	IAT	SG	Stat Ded	Federal	Total
Senate Finance Committee:						
Means of Financing Swap TOPS fund for SGF	-9,135,904			9,135,904		0
Language amendment that \$5.7GF in Wise to be used for general operations						0
Removed Racing Commission to Support Higher Education		-2,800,000				-2,800,000
Additional Funds for Pennington Biomedical Research Center	4,000,000					4,000,000
Additional Funds for LSUAg Center	2,000,000					2,000,000
SAVE Credit Tax Program (if implemented SGF to be reduced)	-350,000,000			350,000,000		0
SELF Fund Reductions				-580,239		-580,239
Reduce LOSFA Loan Operations					-8,369,672	-8,369,672
Increase LOSFA IAT for Step Program		181,818				181,818
Increase LOSFA Scholarship/Grants Operating					308,529	308,529
Increase LOSFA John R. Justice Loan Program					30,262	30,262
Increase Self Generated Authority for LSU A&M			10,000,000			10,000,000
Increase in SD - Fireman's Training (\$1,228,696) and Tobacco Tax (\$1,545,269)				2,773,965		2,773,965
Increase funding for LSU HSC NO (includes \$490,000 for LCRC)	2,990,000					2,990,000
Increase funding for LSU HSC S (\$19,839,573 for legacy costs)	50,939,573					50,939,573
Restore Southern Legislative Projects	4,500,000					4,500,000
Adjust SD - Calcasieu Parish Fund (-\$40,353) and Calcasieu PHEI (\$100,000)				59,647		59,647
Removed Louisiana Small Business Development Center (SLU)	-350,000					-350,000
Additional Funds for Grambling State University	2,000,000					2,000,000
Increase SD - Orleans Parish Ex. Fund - Nursing & Allied Health Delgado				35,177		35,177
Core Competitive Funding to LCTCS for Lowest Funded Institutions	3,000,000					3,000,000
Total Higher Education FY 15-16 Funding (with legislation - SFC)	675,300,772	37,546,031	1,360,114,704	533,675,165	83,058,059	2,689,694,731
Senate Floor:						
Language Amendment to Move a Portion of Legacy Costs to Main Section						
Core Competitive Funding to LCTCS for Lowest Funded Institutions	2,000,000					2,000,000
Remove Extra Self Generated Authority at BOR			-33,500,000			-33,500,000
Remove Remaining General Fund for WISE program	-5,700,000					-5,700,000
Reduce Tops Funding to Senate Estimated Amount	-19,089,580					-19,089,580
Total Higher Education FY 15-16 Funding (with legislation - SF)	652,511,192	37,546,031	1,326,614,704	533,675,165	83,058,059	2,633,405,151



Recommendation to approve First Amendment to Cooperative Endeavor Agreement by and among LSU Research and Technology Foundation and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

To: Members of the Board of Supervisors

Date: June 19, 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 System or any of its campuses or divisions.

D.2.f Cooperative endeavor agreements pursuant to Article VII, Section 14 of the Louisiana Constitution, joint ventures, partnerships, and similar agreements, and agreements directly relating thereto.

1. Summary of the Matter

A Cooperative Endeavor Agreement (CEA) between the LSU Research and Technology Foundation (RTF) and the LSU Board of Supervisors (Board) on Behalf of its Research Campuses to provide services to the LSU Research Campuses was approved by the Board with an effective date of July 1, 2014. The terms of CEA with the LSU Research and Technology Foundation provided that the CEA should be amended in year 2 and year 3 to adjust the budget. The technology transfer offices of the Research Campuses have met and established the budget for the FY 2016 at \$1,326,816, which represents an increase of \$526,816 from FY 2015. This increase reflects the actual cost that have been incurred, an increase in services to be delivered as well as an increase in the activity at each of the research campuses. The campuses also adjusted the budget allocation based on the current year activity. Each research campus will fund the CEA through its budget for operations of technology transfer.

In addition, during the first year of the CEA, it was determined that there was on going technology transfer activity at the campus of Louisiana State University at Shreveport (LSU-S) and that LSU-S should be added to the CEA. The amendment to the CEA adds LSU-S to the agreement. The RTF will continue to provide administrative services to the University Administration under the amended CEA. There are a number of services that the RTF provides to the University Administration including legal and administrative oversight of LSU IP agreements, development of Standard Operating Procedures, management of equity held by LSU in private companies, maintaining and funding research and operational databases, maintaining records, managing the LIFT Grant program, managing the RE-LIFT Grant program and preparing metric reports.

It has also been determined by the research campuses that the current database that is in use for their activities needs to be replaced at a cost of approximately \$75,000.00.

2. Review of Business Plan

The technology transfer offices of the Research Campuses have discussed and accepted the budgetary needs of the CEA.

3. Fiscal Impact

The budget breakdown is as follows:

	FY 2016 Budget	FY 2015 Budget	Change in Budget
LSU A&M*	\$ 729,578	\$ 332,061	\$ 354,448
Ag Center	\$ 235,484	\$ 154,531	\$ 97,934
Pennington	\$ 96,390	\$ 87,960	\$ 15,381
HSC-NO	\$ 192,207	\$ 176,229	\$ 29,839
HSC-S	\$ 71,557	\$ 49,219	\$ 27,498
LSU-S	\$ 1,600	\$ 0	\$ 1,600
TOTAL	\$ 1,326,816	\$ 800,000	\$ 526,816

*LSU A&M allocation includes \$308,311 that will be provided from the President's tech transfer account to help minimize the cost increase to each of the research campuses.

4. Description of Competitive Process

Not Applicable.

5. Review of Documents Related to Referenced Matter

The proposed amendment has been reviewed and approved by campus legal and administrative staff.

6. Parties of Interest

Not Applicable.

7. Related Transactions

Not Applicable.

8. Conflicts of Interest

None.

ATTACHMENTS:

- Attachment I Proposed Amendment to the Original Cooperative Endeavor Agreement
- Attachment II Original Cooperative Endeavor Agreement

RECOMMENDATION:

The Staff recommends the Board consider and approve 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 hereby authorizes its President, F. King Alexander, or his designee to execute the Amended Cooperative Endeavor Agreement with the LSU Research and Technology Foundation and any related documents and to make any changes that he deems to be in the best interest of the University



Approval of FY 2014-15 Supplemental Appropriation, FY 2015-16 Institution Distribution, and Authorization to Increase Tuition and Fees

To: Members of the Board of Supervisors

Date: June 19, 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 System or any of its campuses or divisions

1. Summary of the Matter

House Bill 800, the Supplemental Appropriations Bill provides amended appropriations for the current fiscal year, 2014-2015. The original supplemental appropriation bill did not provide for items that pertained to the LSU institutions.

On February 27, 2015, 2014 the Commissioner of Administration presented the FY 2015-16 Governor's Executive budget to the Joint Committee on the Budget as follows (in billions):

Funding Source	FY 2014-15 as of 12/1/2014	Proposed Executive Budget 2015-16	Difference
State General Fund	\$8,734.0	\$9,042.8	\$308.8
Fees & Self-Generated	2,528.8	2,294.5	(234.3)
Statutory Dedications	4,505.7	3,534.5	(971.2)
Interim Emergency Board	.2	.0	(.2)
Total State Fund	15,768.7	14,871.8	(896.9)
Federal Funds	10,076.1	9,726.3	(349.8)
Grand Total	\$25,844.8	\$24,598.1	\$(1,246.7)

It is from these general calculations that the funding for Postsecondary Education was derived.

The original FY 2015-16 Executive Budget proposed \$2,040,048,122 total means of financing for Postsecondary Education. The proposed State funding of \$390,890,740 was provided to the Board of Regents for subsequent distribution to the Systems. A proposed additional \$372,099,328 in State funding was included based on the assumption that legislation would pass in the 2015 legislative session that would convert certain refundable tax credits into non-refundable tax credits, which would be allocated to Postsecondary Education.

As shown in Attachment I, although the Governor's FY 2015-16 budget portrayed a state general fund reduction of \$161,159,607 and \$533,258,935 with and without the passage of tax credit legislation respectively, the actual impact to base funding for public colleges and universities was \$209,092,035 (-29.4%) or \$581,191,363 (-81.7%) when additional funding requirements were considered.

On May 11, 2015, the House Appropriation Committee amended the executive budget as provided in Attachment I increase contingent state general funds to postsecondary education by \$201,492,035; to increase \$2,800,000 in interagency transfers from the Racing Commission to

support postsecondary education; to increase \$525,000 in general fund for the Tumor Registry at the LSU Health Science Center in New Orleans; to increase \$92,737 in Interagency Funds for the LSU Lab School; to decrease \$431,551 in Interagency Funds for the Southern University Lab School; and to increase fees and self-generated funds in the amount of \$2,000,000 for UL-Lafayette.

On May 21, 2015, the House Floor provided \$350,000 to Southeastern Louisiana University for the Louisiana Small Business Development Center and placed \$31,100,000 in the priority listing in schedule 19 for the LSU Health Science Center in Shreveport in the event that additional funds were raised beyond the current estimated revenue projections. This priority list also includes approximately \$56.4 million for the legacy costs associated with the State hospital transitions from LSU management to public-private partnerships.

On June 4, 2015, the Senate Finance Committee met and provided for a means of financing swap of \$9,135,904 from the general fund to the TOPS fund. In addition, the Senate Finance Committee provided additional general fund support as follows: \$4,000,000 to the Pennington Biomedical Research Center; \$2,000,000 to the LSU AgCenter; \$2,990,000 to the LSU Health Science Center New Orleans (\$490,000 of which is for the Louisiana Cancer Research Center); \$50,939,573 for the LSU Health Science Center (\$19,839,573 of which is for hospital legacy costs and \$31,100,000 for general operations); \$4,500,000 to restore legislative projects for the Southern University System Institutions; \$2,000,000 for Gambling; and \$3,000,000 to the Louisiana Community and Technical College System for its lowest formula funded institutions.

Funding provided to Southeastern Louisiana University for the Louisiana Small Business Development Center (\$350,000) by the House Floor and the \$2,800,000 in interagency transfers from the Racing Commission provided by the House Appropriation Committee were removed.

Language was provided that states that in the event that proposed legislation of the 2015 Regular Session of the Legislature provides for the Student Assessment for a Valuable Education (SAVE) Credit Program and such a program is enacted into law, then the commissioner of administration is hereby authorized and directed to adjust the general fund appropriation for Postsecondary Education by \$350,000,000 and to provide those funds through the Higher Education Initiatives Fund.

In addition to an increase of \$10,000,000 in self-generated authority to LSU A&M, the Senate Finance Committee made several other adjustments to other means of financing as provided for in Attachment I.

On June 8, 2015, the Senate Floor considered House Bill 1 and House Bill 800, the Supplemental Appropriation Bill. Pursuant to a request from LSU, the Senate transferred \$130,000 in self-generated authority for this fiscal year from LSU HSC in New Orleans to LSU Alexandria. Additionally for next fiscal year, the Senate Floor increased funding to the Louisiana Community and Technical College System for its lowest formula funded institutions by an additional \$2,000,000. General funds for TOPS and for the WISE programs and self-generated authority at the Board of Regents were also decreased by \$19,089,580, \$5,700,000 and \$33,500,000 respectively due to an overestimate of the cost of TOPS, the funding of WISE using only Community Development Block Grant (CDBG) funds and GRAD Act tuition increase needs for next year.

On June 10, 2015, the House rejected the Senate amendments and sent both House Bill 1 and House Bill 800 into conference committee. With the exception of changes to the underlying revenue bills that would be providing supplemental funding in the amount of \$548,591,363 in HB 1, no significant changes were provided in the conference report which was adopted by both chambers on June 11th and sent to the Governor for signature.

There is one active bill related to tuition and fees that may also affect the total resources available to meet institutional operating needs. House Bill 152 is a statutory authority provided to the LSU Board of Supervisors and other postsecondary management boards to assess additional fees on students within certain parameters in academic years 2015-16 and 2016-17. The parameters include the difference between each Louisiana public postsecondary institution and their respective national peers' average total means of financing (i.e., state and local appropriations plus tuition and fees) per full-time equivalent student. In addition, Louisiana postsecondary institutions must allocate at least five percent (5%) of the additional revenues generated by this fee to need-based student financial aid. These additional fees are not eligible for TOPS. As of the time of the Board agenda mailing, this legislation has passed both houses and awaits signature by the Governor.

In addition to the tuition and fee legislation highlighted above, HB 766 is another active bill that amends the GRAD Act to provide statutory authority for postsecondary institutions to avail themselves of the opportunity to exercise operational autonomies until June 30, 2020 from various State programs and regulations if they meet certain minimum operational standards. These autonomies cover risk management, procurement, the table of organization, investments, and carry-forward of unspent appropriated funds. As of the time of the Board agenda mailing, this legislation has passed both houses and awaits signature by the Governor.

On June 17, 2015, Board of Regents is scheduled to act on the initial allocation of the FY 2015-16 budget for postsecondary education. No further details on the Board of Regents' proposed FY 2015-16 allocation are available as of the time of this Board agenda packet mailing.

2. Review of Documents Related to Referenced Matter

N/A

ATTACHMENT(S):

- Attachment I Summary of FY 2015-2016 Governor's Executive Budget Financial Picture with Amendments through the Conference Committee.

RECOMMENDATION(S):

The Staff recommends the Board consider and approve the resolution(s) set forth below.

WHEREAS, Article VII, Section 5 [D] [4] of the Louisiana Constitution requires the Board of Regents to develop a funding formula as a component of the Master Plan for Public Postsecondary Education for the equitable distribution of funds to the institutions of postsecondary education; and

WHEREAS, Article VIII, Section 12 of the Louisiana Constitution states that appropriations for the institutions of higher education shall be made to their managing boards and the funds appropriated shall be administered by the managing boards and used solely as provided by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College that the Board authorizes the President of LSU with notice to the Board to act on behalf of the Board in presenting the methodology and distribution of appropriations and table of organization positions to the institutions of the System to the Board of Regents, the Legislature or its committees as required between meetings of the Board of Supervisors, and hereby delegates all such authority necessary to accomplish such purposes;

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

BE IT FURTHER RESOLVED that the Board authorizes the President of LSU, with prior notice to the Board Chair and Chair of the Finance, Infrastructure, and Core Development Committee, to act on behalf of the Board in approval of any additional tuition and/or fee increases beyond those already authorized through the GRAD Act up to 10 percent of an institution's 2014-15 resident tuition and fee rate that may be authorized as a result of the 2015 Legislative Session and to act on behalf of the Board in the approval or authorization of any additional autonomies that may be authorized as a result of the 2015 Legislative Session that he deems in the best interest of LSU.

**FIRST AMENDMENT TO
COOPERATIVE ENDEAVOR AGREEMENT BY
AND AMONG
LSU RESEARCH AND TECHNOLOGY FOUNDATION
AND**

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE,
which includes the following research campuses, Louisiana
State University and Agricultural and Mechanical College,
Louisiana State University Agricultural Center,
Pennington Biomedical Research Center,
Louisiana State University Health Sciences Center – New Orleans,
Louisiana State University Shreveport and Louisiana State University
Health Sciences Center – Shreveport**

BE IT KNOWN that on the date last signed below the LSU Research and Technology Foundation, a nonprofit Louisiana corporation, represented herein by Arthur R. Cooper, its duly authorized undersigned Chief Executive Officer (hereinafter referred to as the “**RTF**”), and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, its duly authorized undersigned President (hereinafter referred to as “**LSU**”), which includes the following research campuses, Louisiana State University and Agricultural and Mechanical College (“**LSU A&M**”), Louisiana State University Agricultural Center (“**LSU Agricultural Center**”), Pennington Biomedical Research Center (“**Pennington**”), Louisiana State University Health Sciences Center – New Orleans (“**LSU HSC – New Orleans**”), Louisiana State University Shreveport (“**LSU-S**”) and Louisiana State University Health Sciences Center – Shreveport (“**LSU HSC – Shreveport**”) (each an “**LSU Research Campus**” and collectively, the “**LSU Research Campuses**”). The RTF and LSU are each referred to herein as a “**Party**” and, collectively, as the “**Parties**,” do hereby enter into this **Amendment to Contract CMFS# 729262** under the following terms and conditions. This amendment shall become effective on July 1, 2015.

PURPOSE: To add LSU-S to agreement and extend the amend the budget per section C(1)(b).

SECTION AMENDED: C. Financial Terms

In consideration of the Services the RTF provides hereunder, the RTF will receive the annual fee (the “**Annual Fee**”) described in this Section C. Other than the Annual Fee, the RTF acknowledges that it is not entitled to any additional payments from either LSU or any of the LSU Research Campuses pursuant to this Agreement. The RTF may seek funding from other

sources to cover its start-up and any other costs it incurs in providing the Services provided such funding does not violate applicable law or the terms and conditions of the RTF's organizational documents.

1. Annual Fee Timing. The Annual Fee is payable to the RTF in twelve (12) equal monthly installments unless the Parties agree in writing to an accelerated or decelerated payment schedule.

(a) First Annual Fee. The First Annual Fee is Eight Hundred Thousand (\$800,000.00) Dollars and is payable by each LSU Research Campus as follows:

LSU A&M	\$ 332,061
LSU Agricultural Center	\$ 154,531
Pennington	\$ 87,960
LSU HSC – New Orleans	\$ 176,229
LSU HSC – Shreveport	\$ 49,219
TOTAL	\$ 800,000

(b) Second Annual Fee. The Second Annual Fee is One Million, Three Hundred Twenty Six Thousand, Eight Hundred Sixteen (\$1,326,816.00) Dollars and is payable by each LSU Research Campus as follows:

LSU A&M	\$ 729,578
LSU Agricultural Center	\$ 235,484
Pennington	\$ 96,390
LSU HSC – New Orleans	\$ 192,207
LSU HSC – Shreveport	\$ 71,557
LSU-S	\$ 1,600
TOTAL	\$ 1,326,816

(c) Subsequent Annual Fees. Each Annual Fee subsequent to the first Annual Fee as well as the percentage of each subsequent Annual Fee that will be paid by each of the LSU Research Campuses will be adjusted each year based on multiple factors to be discussed and agreed upon in advance in writing by the RTF, LSU and the LSU Research Campuses. ***Annual Fees and Payment Terms for year 3 will be added by an additional amendment approved by the Office of Contractual Review.***

2. Payment Terms. On and after the Effective Date of this Agreement, the RTF will invoice each LSU Research Campus for its respective monthly share of the Annual Fee ten (10) days prior to the first day of each ensuing calendar month, and each LSU Research Campus will pay the RTF its respective monthly share of the Annual Fee by the first day of each ensuing calendar month.

[Signature page follows]

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the ____ day of _____, 2015, to be effective as of the Effective Date.

WITNESSES:

**LSU RESEARCH AND
TECHNOLOGY FOUNDATION**

By: _____ Name: Arthur R. C
Title: Chief Executive Officer

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the ____ day of _____ 2015, to be effective as of the Effective Date.

WITNESSES:

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

By: _____
Name: F. King Alexander
Title: President

[Signature Page for 1st Amendment of Cooperative Endeavor Agreement]

REVISED EXECUTION VERSION

COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

LSU RESEARCH AND TECHNOLOGY FOUNDATION

AND

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE,
which includes the following research campuses,
Louisiana State University and Agricultural and Mechanical College,
Louisiana State University Agricultural Center,
Pennington Biomedical Research Center,
Louisiana State University Health Sciences Center – New Orleans, and
Louisiana State University Health Sciences Center – Shreveport**

DATED AS OF MAY 16, 2014

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (the “**Agreement**”) is made and entered into this 1st day of July, 2014 (the “**Effective Date**”), by and between LSU Research and Technology Foundation, a nonprofit Louisiana corporation, represented herein by Arthur R. Cooper, its duly authorized undersigned Chief Executive Officer (hereinafter referred to as the “**RTF**”), and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a public constitutional corporation of the State of Louisiana, represented herein by F. King Alexander, its duly authorized undersigned President & Chancellor (hereinafter referred to as “**LSU**”), which includes the following research campuses, Louisiana State University and Agricultural and Mechanical College (“**LSU A&M**”), Louisiana State University Agricultural Center (“**LSU Agricultural Center**”), Pennington Biomedical Research Center (“**Pennington**”), Louisiana State University Health Sciences Center – New Orleans (“**LSU HSC – New Orleans**”), and Louisiana State University Health Sciences Center – Shreveport (“**LSU HSC – Shreveport**”) (each an “**LSU Research Campus**” and collectively, the “**LSU Research Campuses**”). The RTF and LSU are each referred to herein as a “**Party**” and, collectively, as the “**Parties**.”

RECITALS

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

WHEREAS, in 2002, the RTF was organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and, since inception, has been affiliated with LSU as defined in La. R.S. 17:3390, with a principal purpose of supporting the programs, facilities and research and educational opportunities offered by LSU;

WHEREAS, in furtherance of this principal purpose, the RTF is authorized, among other things, to coordinate and manage the development, transfer, protection and maintenance of intellectual property and other intangible property and rights for, to or in the marketplace from research and technology derived from (a) LSU and other research institutions and facilities in Louisiana (the “**Research Entities**”) and (b) start up research, technology, life sciences and digital media businesses emanating from the Research Entities (the “**Start Up Businesses**”);

WHEREAS, in December 2012, an LSU Transition Advisory Team (“**LSU TAT**”) was formed and tasked with making recommendations in support of LSU2015, “a strategic effort [to] implement[] organizational and operational changes [to] collectively better position all Louisiana State University campuses to thrive in the rapidly changing environment of higher education;”

WHEREAS, in July 2013, the LSU TAT issued its final report to LSU (the “**TAT Final Report**”) identifying technology transfer as a key component of LSU2015 and suggesting development of “a new service model incorporating the best of technology transfer at the campus level and the best of a research foundation model designed to proactively and efficiently deliver

the technical administrative services and commercialization support vital to building a top tier commercialization and technology transfer system;”

WHEREAS, in response to, and as recommended in, the TAT Final Report, F. King Alexander, the President and Chancellor of LSU, formed a President’s Committee on Technology Transfer (“PCTT”) that was charged to, among other things, “[d]evelop strategies to more closely integrate technology transfer activities through collaboration between the [RTF] and [the LSU Research Campuses];”

WHEREAS, on December 20, 2013, the PCTT issued a report titled “A New Approach to Technology Transfer at LSU: Partnerships for Progress in Leveraging Innovation,” recommending, among other things, (a) establishment of “a new, shared-services partnership with the [RTF] for centralized administrative support functions, allowing each [LSU Research Campus] the ability to maintain and enhance its individual technology transfer operations;” (b) preparation of “a one year [agreement] between the RTF and each [LSU Research Campus]” pursuant to which “expenses for these centralized services will be shared according to a formula based upon each [LSU Research Campus]’ relative proportion of LSU’s total annual research expenditures;” and (c) “[a]fter the first year of operation,” an expected allocation in the agreement that will be adjusted based upon the actual accrued expenditures of each LSU Research Campus and other factors; and

WHEREAS, the RTF and LSU, including each of its LSU Research Campuses, are each willing and desires to enter into such a shared-services partnership and this Agreement;

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

Introduction

The Recitals set forth hereinabove are incorporated herein in their entirety.

For purposes of this Agreement, “**LSU Intellectual Property**” means “LSU Intellectual Property” as defined in Chapter VII of the LSU regulations, which includes any LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark or Other LSU Intellectual Property as also defined therein, but excluding those trademarks governed and/or licensed by the LSU Trademark Licensing program that protects, promotes and supports the use of the LSU name and trademarks on products in the marketplace.

A. LSU and its Research Campuses

1. **Autonomy.** Notwithstanding any provision to the contrary contained herein, the RTF shall have no decision-making authority in connection with the LSU Research Campuses’ technology transfer operations and activities.

2. **Reserved Powers and Responsibilities.** Each LSU Research Campus shall maintain, control and staff its own independent technology transfer office (each an “LSU

Research Campus Technology Transfer Office”) and shall have responsibility for (and the RTF shall have no responsibility for or authority concerning) the following in connection therewith:

- (a) Subject to all applicable LSU Bylaws, Regulations, and policies, preparing an annual operating and capital budget for its LSU Research Campus Technology Transfer Office;
- (b) Establishing policies and procedures for, and identifying employees or positions responsible for, the management of the LSU Intellectual Property developed by its faculty;
- (c) Monitoring and ensuring compliance with all procedures and obligations under the Bayh-Dole Act (PL-517) or other applicable laws, regulations, agreements or contracts with respect to the management of the LSU Intellectual Property developed by its faculty;
- (d) Developing, and providing to the RTF Designated Representative (as defined in Subsection B(3) of this Agreement), a normal operating protocol setting forth the assistance that it anticipates requesting in accordance with Subsection (B)(1)(a) of this Agreement, although the Parties acknowledge that each LSU Research Campus may deviate from its normal operating protocol as necessary; and
- (e) Developing, in conjunction with the other LSU Research Campuses, a disclosure form (the “**Disclosure Form**”) specifying the information that must be reported for inclusion in the KSS Database (as defined in Subsection B(1)(b) of this Agreement) in connection with any LSU Intellectual Property developed by its faculty and timely completing and submitting the Disclosure Form to the KSS Database Manager (as defined in Subsection B(1)(b)(ii) of this Agreement).

3. LSU Designated Representative; Monitoring Plan. For purposes of this Agreement, LSU designates LSU’s President and Chancellor or his or her designee or such other individual as may in the future be identified by LSU by written notice provided to the RTF in the manner provided for in Subsection S(3) of this Agreement to act on behalf of LSU (the “**LSU Designated Representative**”). The LSU Designated Representative will monitor compliance with the terms of this Agreement and, in connection therewith, will review each written report provided by the RTF to the LSU Designated Representative in accordance with Subsection B(1)(g)(ii) of this Agreement.

B. The RTF

1. Services. Subject to and in accordance with the terms and conditions set forth herein, the RTF will offer or provide the following technology transfer administrative support functions (the “**Services**”) to each of the LSU Research Campuses:

(a) Intellectual Property.

(i) Written Request Required. *Only on written request of the applicable LSU Research Campus Technology Transfer Office specifically identifying the relevant LSU Intellectual Property and the assistance requested,* the RTF, and/or legal advisors or other external advisors retained by the RTF, will assist the applicable LSU Research Campus Technology Transfer Office with one or more of the following:

A. Evaluation of the patentability and marketability of the LSU Intellectual Property;

B. In compliance with all applicable laws, retention of intellectual property counsel (with input from the applicable LSU Research Campus Technology Transfer Office), including independent intellectual property counsel (“**Independent IP Counsel**”) and/or in-house intellectual property counsel (“**RTF In-House IP Counsel**”), as appropriate, to evaluate and, if requested by the applicable LSU Research Campus Technology Transfer Office, obtain protection for the LSU Intellectual Property, including preparing and filing any necessary patent or copyright application(s) or registrations concerning any LSU Intellectual Property;

C. Identifying potential licensees of the LSU Intellectual Property;

D. Preparing, negotiating and obtaining any necessary approval for any licensing agreements concerning the LSU Intellectual Property;

E. Ensuring that any licensees meet their obligations under any licensing agreements executed in connection with the LSU Intellectual Property, including working in conjunction with the relevant LSU Research Campus’ collections department to ensure payment of licensing fees due thereunder, and otherwise monitoring such agreements; and

F. Preparing and negotiating any other agreements, including sponsored-research agreements, related to the LSU Intellectual Property.

(ii) Legal Advisors. Should the RTF retain a legal advisor(s), including Independent IP Counsel and/or RTF In-House Counsel, to provide any of the Services contemplated by this Subsection B(1)(a) to any LSU Research Campus Technology Transfer Office, the legal advisor(s), RTF and LSU, including the applicable Research Campus, will enter into a common interest or other agreement setting forth the terms of the legal relationship by and among each, including the privileges applicable to the exchange or disclosure of information pursuant thereto.

(b) Database. Each LSU Research Campus Technology Transfer Office currently shares, and inputs information concerning its technology transfer operations and activities into, the Knowledge Sharing System database (the “**KSS Database**”). On and after the Effective Date, the RTF will:

(i) Maintain the KSS Database;

(ii) Hire a database manager (with input from each of the LSU Research Campus Technology Transfer Offices) to manage the KSS Database (the “**KSS**”

Database Manager”) and, in connection with such management, input into the KSS Database the information contained on each Disclosure Form (as defined in Subsection A(2)(e) of this Agreement) submitted by each of the LSU Research Campuses; and

(iii) Upon specific request and as mutually agreed upon in writing by and between the RTF and the applicable LSU Research Campus, provide any LSU Research Campus Technology Transfer Office with reports or other information concerning the data contained in the KSS Database.

(c) Website. The RTF will host a website featuring all LSU Intellectual Property that is available for licensing by third parties.

(d) Marketing. At the request of the appropriate LSU Research Campus Technology Transfer Office, the RTF will market to, and recruit, potential partners to invest in or commercialize any LSU Intellectual Property that is available for licensing by third parties.

(e) Branding. The RTF will work to develop a national brand for LSU Intellectual Property and the LSU Research Campuses’ technology transfer operations and activities. The RTF and each of the LSU Research Campuses will coordinate with the Brand Management Team established by the LSU President to promote consistency of LSU’s branding efforts.

(f) Training and Resources. The RTF will provide training and resources to the LSU Research Campuses related to technology transfer as mutually agreed upon in writing by and between the RTF and each LSU Research Campus.

(g) Reporting. Through and including the date on which this Agreement terminates, the RTF will provide the following reports hereunder:

(i) No less than monthly, the RTF will provide the President and Chancellor of LSU and the leader of each LSU Research Campus Technology Transfer Office with a written report detailing the Services the RTF has provided to all LSU Research Campuses since issuance of the RTF’s last report and providing any other metrics concerning technology transfer concerning the LSU Research Campuses as mutually agreed upon in writing by and among the RTF, LSU and each LSU Research Campus; and

(ii) On or before each six month anniversary of the Effective Date of this Agreement, the RTF will prepare a written report concerning the use of funds the RTF receives hereunder as well as the specific goals and objectives for the use of such funds and forward this written report to the LSU Designated Representative.

2. Changed Services. The Services to be provided after the Effective Date may be reduced, additional services may be provided, and other changes to, or clarification of, the Services may be made by the RTF or LSU or the LSU Research Campuses according to the following procedures. If material reductions in, additions to, other changes to, or clarifications of the Services are required or desired by the RTF or LSU or the LSU Research Campuses (the “**Changed Services**”), the Party proposing the Changed Services shall prepare and deliver to the other Party a written statement describing the proposed Changed Services, the reason therefor,

and the anticipated change in cost resulting therefrom (the “**Written Statement**”). Implementation of the Changed Services shall require the written consent of the other Party to the Written Statement. If written consent of the other Party is obtained, the Written Statement shall constitute an amendment to this Agreement, shall be effective on the date of said consent unless a different effective date is stated therein and shall be subject to all of the terms and conditions of this Agreement except those which the Written Statement expressly supersedes. The RTF or LSU or the LSU Research Campuses may propose immaterial Changed Services verbally or in writing; however, implementation of any such services shall require the written consent of the other Party. *Amendments to this Agreement shall not be effective until approved by the Office of Contractual Review.*

3. RTF Designated Representative. For purposes of this Agreement, the RTF designates its Chief Executive Officer or his or her designee or such other individual as may in the future be identified by the RTF by written notice provided to LSU in the manner provided for in Subsection S(3) of this Agreement to act on behalf of the RTF (the “**RTF Designated Representative**”).

C. Financial Terms

In consideration of the Services the RTF provides hereunder, the RTF will receive the annual fee (the “**Annual Fee**”) described in this Section C. Other than the Annual Fee, the RTF acknowledges that it is not entitled to any additional payments from either LSU or any of the LSU Research Campuses pursuant to this Agreement. The RTF may seek funding from other sources to cover its start-up and any other costs it incurs in providing the Services provided such funding does not violate applicable law or the terms and conditions of the RTF’s organizational documents.

1. Annual Fee Timing. The Annual Fee is payable to the RTF in twelve (12) equal monthly installments unless the Parties agree in writing to an accelerated or decelerated payment schedule.

(a) First Annual Fee. The first Annual Fee is Eight Hundred Thousand (\$800,000) Dollars and is payable by each LSU Research Campus as follows:

LSU A&M	\$332,061
LSU Agricultural Center	\$154,531
Pennington	\$87,960
LSU HSC – New Orleans	\$176,229
LSU HSC – Shreveport	\$49,219
TOTAL	\$800,000

(b) Subsequent Annual Fees. Each Annual Fee subsequent to the first Annual Fee as well as the percentage of each subsequent Annual Fee that will be paid by each of the LSU Research Campuses will be adjusted each year based on multiple factors to be discussed and agreed upon in advance in writing by the RTF, LSU and the LSU Research Campuses. *Annual Fees and Payment Terms for years 2 and 3 will be added by an amendment approved by the Office of Contractual Review.*

2. Payment Terms. On and after the Effective Date of this Agreement, the RTF will invoice each LSU Research Campus for its respective monthly share of the Annual Fee ten (10) days prior to the first day of each ensuing calendar month, and each LSU Research Campus will pay the RTF its respective monthly share of the Annual Fee by the first day of each ensuing calendar month.

D. Additional RTF Support

In addition to the Services described in Section B of this Agreement, the RTF will offer and provide additional technology transfer administrative support functions to each of the LSU Research Campuses (the “**Additional RTF Support**”) pursuant to this Agreement. The RTF will not receive consideration of any kind from the LSU Research Campuses, and will not use the Annual Fee, to pay for provision of this Additional RTF Support. Specifically, the RTF will:

1. Provide RTF In-House Counsel (as defined in Subsection B(1)(a)(i)(B) of this Agreement) and the KSS Database Manager (as defined in Subsection B(1)(b) of this Agreement) with office space, equipment and supplies;

2. Provide RTF In-House Counsel and the KSS Database Manager with administrative support staff;

3. Reimburse RTF In-House Counsel and the KSS Database Manager for their travel and communication expenses;

4. Provide any additional legal services necessary to supplement the services provided by RTF In-House Counsel;

5. *Only on written request of the applicable LSU Research Campus Technology Transfer Office*, assist researchers form entrepreneurial organizations based on LSU Intellectual Property;

6. Assist LSU Research Campuses in obtaining additional funding and available tax credits in support of commercializing LSU Intellectual Property; and

7. Provide information to the LSU Research Campuses regarding best practices regarding technology transfer.

E. Expenses

Each Party shall be responsible for its own legal, consulting and other expenses incurred in connection with negotiation of this Agreement unless the Parties otherwise agree in writing to share specific expenses between them.

F. Indemnity

1. Indemnity Obligations of the RTF. The RTF agrees to protect, defend, indemnify, save, and hold harmless, LSU and the LSU Research Campuses and their board

members, officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person, or arising out of the damage, loss or destruction of any property which may occur, or arising out of any act or omission of the RTF, its agents, board members, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by LSU or the LSU Research Campuses as a result of any such claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of LSU and the LSU Research Campuses or their officers, agents, servants, employees and/or volunteers. The RTF agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agrees to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent.

2. Indemnity Obligations of LSU. LSU and the LSU Research Campuses agree to protect, defend, indemnify, save, and hold harmless, the RTF and its board members, officers, agents, servants, employees, and volunteers, from and against any and all claims, damages, expenses, and liability arising out of injury or death to any person, or arising out of the damage, loss or destruction of any property which may occur, or arising out of any act or omission of LSU or the LSU Research Campuses or their agents, board members, servants, and employees, or any and all costs, expenses and/or attorney fees incurred by the RTF as a result of any such claims, demands, suits or causes of action, except those claims, demands, suits, or causes of action arising out of the negligence of the RTF, its officers, agents, servants, employees and/or volunteers. LSU and the LSU Research Campuses agree to investigate, handle, respond to, provide defense for and defend any such claims, demands, suits, or causes of action at its sole expense and agree to bear all other costs and expenses related thereto, even if the claims, demands, suits, or causes of action are groundless, false or fraudulent. However, the Parties further agree that the costs and expenses incurred by LSU and the LSU Research Campuses in fulfilling their defense and indemnity obligations hereunder shall be limited to proceeds from the Office of Risk Management or other applicable LSU insurance plan which are available for this purpose.

G. Insurance

Insurance shall be placed with insurers with an A.M. Best's rating of no less than A-: VI. This rating requirement shall be waived for Worker's Compensation coverage only.

Contractor's Insurance: The Contractor shall not commence work under this contract until he has obtained all insurance required herein. Certificates of Insurance, fully executed by officers of the Insurance Company written or countersigned by an authorized Louisiana State agency, shall be filed with the State of Louisiana for approval. The Contractor shall not allow any sub-contractor to commence work on his subcontract until all similar insurance required for the subcontractor has been obtained and approved. If so requested, the Contractor shall also submit copies of insurance policies for inspection and approval of the State of Louisiana before work is commenced. Said policies shall not hereafter be canceled, permitted to expire, or be changed without thirty (30) days' notice in advance to the State of Louisiana and consented to by the State of Louisiana in writing and the policies shall so provide.

Compensation Insurance: Before any work is commenced, the Contractor shall maintain during the life of the contract, Workers' Compensation Insurance for all of the Contractor's

employees employed at the site of the project. In case any work is sublet, the Contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees, unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in work under the contract at the site of the project is not protected under the Workers' Compensation Statute, the Contractor shall provide for any such employees, and shall further provide or cause any and all subcontractors to provide Employer's Liability Insurance for the protection of such employees not protected by the Workers' Compensation Statute.

Commercial General Liability Insurance: The Contractor shall maintain during the life of the contract such Commercial General Liability Insurance which shall protect him, the State, and any subcontractor during the performance of work covered by the contract from claims or damages for personal injury, including accidental death, as well as for claims for property damages, which may arise from operations under the contract, whether such operations be by himself or by a subcontractor, or by anyone directly or indirectly employed by either or them, or in such a manner as to impose liability to the State. Such insurance shall name the State as additional insured for claims arising from or as the result of the operations of the Contractor or his subcontractors. In the absence of specific regulations, the amount of coverage shall be as follows: Commercial General Liability Insurance, including bodily injury, property damage and contractual liability, with combined single limits of \$1,000,000.

Insurance Covering Special Hazards: Special hazards as determined by the State shall be covered by rider or riders in the Commercial General Liability Insurance Policy or policies herein elsewhere required to be furnished by the Contractor, or by separate policies of insurance in the amounts as defined in any Special Conditions of the contract included therewith.

Licensed and Non-Licensed Motor Vehicles: The Contractor shall maintain during the life of the contract, Automobile Liability Insurance in an amount not less than combined single limits of \$1,000,000 per occurrence for bodily injury/property damage. Such insurance shall cover the use of any non-licensed motor vehicles engaged in operations within the terms of the contract on the site of the work to be performed there under, unless such coverage is included in insurance elsewhere specified.

Subcontractor's Insurance: The Contractor shall require that any and all subcontractors, which are not protected under the Contractor's own insurance policies, take and maintain insurance of the same nature and in the same amounts as required of the Contractor.

H. Non-Assignability

The Parties shall not assign any interest in this Agreement by assignment, transfer, or novation, without prior written consent of the other Parties; provided, however, the RTF may freely assign to its bank, trust company, or other financial institution any money due or to become due from approved agreements. However, notice of such assignment or transfer shall be furnished promptly to LSU, the LSU Research Campuses and LSU's Vice President for Finance & Administration/Chief Financial Officer.

I. Binding Effect

Except as otherwise provided herein, this Agreement, and the rights and obligations of the Parties hereunder, will be binding upon and inure to the benefit of the Parties' respective successors, assigns, heirs, legatees, executors, administrators and legal representatives.

J. Audit and Auditors

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

K. Record Retention

RTF agrees to retain all books, records, and other documents relevant to this Agreement and the funds expended hereunder for at least three (3) years after final payment hereunder, or as required by applicable Federal law if Federal funds are used to fund this Agreement.

L. Ownership

All records, reports, documents and other material delivered or transmitted to the RTF by LSU and/or the LSU Research Campuses shall remain the property of LSU and shall be returned by the RTF to LSU, at the RTF's expense, at termination or expiration of this Agreement. All records, reports, documents, or other material related to this Agreement and/or obtained or prepared by the RTF in connection with the performance of the services contracted for herein shall become the property of LSU, and shall, upon request, be returned by the RTF to LSU, at the RTF's expense, at termination or expiration of this Agreement.

M. Term

This Agreement shall begin on the Effective Date and shall terminate on June 30, 2017. The termination date may be extended by written amendment to this Agreement, which must be signed by each of the Parties after obtaining any necessary approvals.

N. Termination

LSU may terminate this Agreement at any time by giving thirty (30) days written notice to the RTF. The RTF shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

O. Fiscal Funding

The continuation of this Agreement is contingent upon the appropriation of funds to fulfill the requirements of this Agreement by the Legislature as determined by LSU in its sole discretion. If the Legislature fails to appropriate sufficient monies to provide for the continuation of this Agreement, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction

is to provide insufficient monies for the continuation of this Agreement, this Agreement shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated unless terminated earlier as otherwise provided in this Agreement.

P. Discrimination Clause

1. Applicable Non-Discrimination Acts. The Parties agree to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and the Americans with Disabilities Act of 1990.

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

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

Q. Independent Contractors

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

R. Tax Liability

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

S. Agreement Approval

This Agreement, as well as any amendments hereto, shall not be effective until it has been approved and signed by all parties and until it has been approved by the Director of the Office of Contractual Review or the Commissioner of Administration.

T. General Provisions

1. 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.

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

3. Notices. Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be deemed to have been duly provided upon delivery, if by hand; on the guaranteed delivery date, if by reputable overnight courier; or upon confirmation of successful transmission if by email. Notices must be addressed to the addressee, or the person then-holding the office of the addressee, at the following addresses or to such other person or address as a Party may give notice to the other Parties:

If to RTF:	LSU Research and Technology Foundation 340 East Parker Boulevard Baton Rouge, LA 70803 Attention: Arthur R. Cooper, Chief Executive Officer Email: acooper@laetc.com
with a copy to:	Kantrow, Spaht, Weaver & Blitzer (APLC) City Plaza, Suite 300 445 North Boulevard Baton Rouge, LA 70802 Attention: W. Scott Keaty, Esq. Email: scott@kswb.com
If to LSU:	Board of Supervisors of Louisiana State University and Agricultural and Mechanical College 3810 West Lakeshore Drive Baton Rouge, LA 70808 Attention: F. King Alexander, President and Chancellor Email: alexander@lsu.edu
with a copy to:	Taylor, Porter, Brooks & Phillips LLP 8th Floor Chase Tower South 451 Florida Street Baton Rouge, LA 70801 Attention: John P. Murrill, Esq. Email: john.murrill@taylorporter.com
If to LSU A&M:	Louisiana State University and Agricultural and Mechanical College

206 Louisiana Emerging Technology Center
340 East Parker Boulevard
Baton Rouge, LA 70808
Attention: Andrew J. Maas, M.S., J.D., LL.M.
Assistant Vice Chancellor for Research Technology
Transfer
Director, Office of Intellectual Property,
Commercialization & Development
Email: andrewm@lsu.edu

If to LSU

Agricultural Center: Louisiana State University Agricultural Center
104 J. Norman Efferson Hall
110 LSU Union Square
Baton Rouge, LA 70803-0106
Attention: Wade Baumgartner, Ph.D., J.D., Director
Office of Sponsored Programs and Intellectual Property
Email: WBaumgartner@agcenter.lsu.edu

If to Pennington:

Pennington Biomedical Research Center
6400 Perkins Road
Baton Rouge, LA 70808
Attention: Leslie M. Smith, M.S., J.D.
Licensing & Technology Officer
Office of Intellectual Property & Technology Transfer
Email: Leslie.Smith@pbrc.edu

If to LSU HSC –
New Orleans:

Louisiana State University
Health Sciences Center – New Orleans
433 Bolivar Street, Suite 827
New Orleans, LA 70112
Attention: Patrick E. Reed, M.S., RTTP, Director
Office of Technology Management
Email: preed3@lsuhsc.edu

If to LSU HSC –
Shreveport:

Louisiana State University
Health Sciences Center – Shreveport
1501 Kings Highway, Room 1-214
Shreveport, LA 71103
Attention: Annella Nelson
Office for Sponsored Programs and Technology Transfer
Email: anelso@lsuhsc.edu

4. Entire Agreement; Supersedure. This Agreement sets forth the entire agreement of the Parties with respect to the subject matter hereof and supercedes any and all

prior contracts, agreements and understandings between the Parties, whether written or oral, concerning the subject matter hereof and is a complete statement of the terms thereof.

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

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

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

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

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

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

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

[Signature page follows]

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 27th day of June, 2014, to be effective as of the Effective Date.

WITNESSES:

**LSU RESEARCH AND
TECHNOLOGY FOUNDATION**

Sandra Deslark
Boj

By: *[Signature]*

Name: Arthur R. Cooper

Title: Chief Executive Officer

THUS DONE AND SIGNED at Baton Rouge, Louisiana, on the 1st day of July, 2014, to be effective as of the Effective Date.

WITNESSES:

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

Dellie Richards
Vinh L. George

By: *F. King Alexander*

Name: F. King Alexander

Title: President & Chancellor

OK to Sign
AL

APPROVED
Office of the Governor
Office of Contractual Review

Admee Bristz AC
DIRECTOR

[Signature Page for Cooperative Endeavor Agreement]



Request from LSU Health Science Center in Shreveport to Approve the FY 2015-2016 Expenditure of Carroll W. Feist Legacy Funds for the Feist Weiller Cancer Center and to Make a Determination of Acceptable University Purpose

To: Members of the Board of Supervisors

Date: June 19, 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 System or any of its campuses or divisions.

The requested action is also required by the terms of a court order and agreement, and the Uniform Affiliation Agreement for foundations and support organizations.

1. Summary of the Matter

The Feist-Weiller Cancer Center (FWCC) is an administrative component of the LSU Health Sciences Center – Shreveport (LSUHSC – S). LSUHSC – S requests Board of Supervisors approval for expenditure of \$5,796,000 in Carroll W. Feist (CFeist) Legacy funds.

The Carroll W. Feist Legacy Account was established from the bequest of Carroll W. Feist to support cancer research at the Cancer Center. As stipulated in the Second Addendum to the Affiliation Agreement between the LSU Board of Supervisors and the LSU Health Sciences Foundation in Shreveport, a budget is required for the expenditure of Legacy Account funds with the budget to be initially approved by the LSU HSC – S Chancellor and then approved by the LSU System President. The matter is before the Board in accordance with the Second Addendum and related court order, which requires budget requests in excess of \$1,000,000 (one million dollars) to have Board of Supervisors review and approval.

The campus suggests that the requested expenditure of funds will help strategic initiatives of the Cancer Center in the area of Translational Research, Clinical Research, and Cancer Control and Prevention. In particular, requests for Intramural Grant Support, Research Infrastructure, and enhanced support for clinical research appear as well as funding for expansion of space/equipment for patient related research efforts.

Pursuant to the Uniform Affiliation Agreement actions taken, particularly those involving transactions in the nature of capital expenditures must be found to have a university, rather than foundation, purpose.

2. Review of Business Plan

The total budget request is for \$5,796,000. The requested funds would be drawn from CFeist Legacy earnings during FY 2014-15 and would not require any additional State General Fund Support above the current levels. In addition, the CFeist principal would remain intact. A summary of the Budget Request follows with more detailed information included as Attachment I.

Programs in Translational Research:	\$439,000
Innovative North Louisiana Experimental Therapeutics (INLET)	\$199,000
Developmental Therapeutics	\$40,000
Gene Expression/DNA Repair Focus Group (GEDRFG)	\$40,000
Hormone Related Cancer Focus Group (HRCFG)	\$40,000
Viral Oncology Program	\$40,000
Upper Aerodigestive Focus Group (UAFG)	\$40,000
New Program Development	\$40,000
Intramural Student & Fellowship Stipend and Internal Grant Support:	\$757,000
Visiting Scientist Program	\$100,000
Program Infrastructure:	\$900,000
Infrastructure Expansion	\$100,000
Cancer Clinical Trials Research Core	\$375,000
Equipment Maintenance and Replacement	\$100,000
Faculty and Trainee Research Support	\$325,000
Seed Packages:	\$1,000,000
Dr. Jason Bodily (year 5 of 5)	\$75,000
Dr. Rodney Shackelford (year 3 of 3)	\$75,000
Dr. Hazem El-Osta (year 3 of 3)	\$150,000
Dr. Yu (year 2 of 3)	\$150,000
Dr. Dragoi (year 2 of 3)	\$100,000
New recruitment packages	\$450,000
Cancer Genome Sequencing Core Research Lab:	\$200,000
PIW Infrastructure Expansion/Upgrades	\$275,000
Bioinformatics and Health Information Technology Research Facility:	\$250,000
Bio Repository Support	\$75,000
Medical School Research Support	\$800,000
Special Seed Package Request: ENT	\$500,000
Bone Marrow Transplant Program Support	\$500,000
Total Budget Requested	<u>\$5,796,000</u>

3. Fiscal Impact

The support provided by the Carroll W. Feist Legacy Account provides much needed funds to further the mission of the LSU Health Science Center.

4. Description of Competitive Process

The competitive process for expending funds for goods and services in excess of \$25,000 as required in Paragraph 7 of the Second Affiliation agreement was approved by Board action on October 27, 2006. The process provides for a streamlined approach for acquisitions requiring only written bids or RFPs.

5. Review of Documents Related to Referenced Matter

As noted in a March 2009 memorandum from the LSU System Office of General Counsel to the FWCC:

“Carroll Feist’s will left a generous donation for the benefit of the cancer center, but the identification of the specific entity (LSU or the Foundation) to which he intended to donate the funds was not clearly established. To responsibly resolve issues which may have been raised by this vagueness, LSU and the HSC – S Foundation entered into a Second Addendum to the original Affiliation Agreement to establish the control over those funds and the procedures which would be followed to use those funds for the benefit of the cancer center. The central goal was to maintain the level of responsibility and accountability that should reasonably be expected of state funds, were they deemed to be that, and, at the same time, reasonable flexibility of the funds by the use of a non-state LSU-affiliated foundation.”

The memorandum further mentioned that the Second Addendum is clear on the process to be followed for approval of budgets and major purchases. Paragraph 9 provides that the Foundation “may spend income of the CFeist Legacy Account up to a cumulative maximum in any one fiscal year, of \$1,000,000.00 with the prior approval of the Chancellor of LSUHSC-S and the President of the LSU System, which approval shall be deemed to have been given by the President if spent pursuant to a budget which has received the prior approval of the President. **Expenditures of income in excess of \$1,000,000.00 in any one fiscal year require the consent of the LSU Board of Supervisors**”.

6. Parties of Interest

Not Applicable

7. Related Transactions

Not Applicable

8. Conflicts of Interest

Not Applicable

ATTACHMENT(S):

- Attachment I Letter from Dr. Glen Mills, Director of the Cancer Center with approvals from Chancellor Barish, LSU HSC S and Chairperson Robert G. Pugh, Jr., LSU Health Sciences Foundation in Shreveport

RECOMMENDATION(S):

The Staff recommends the Board consider the resolution(s) set forth below:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby (a) approve the budget request of \$5,796,000 from the CFeist Legacy Account for the benefit of the Feist Weiller Cancer Center programs at the LSU Health Sciences Center – Shreveport and (b) that the Board determines that the use of those funds constitute an appropriate and acceptable university purpose.



Feist-Weiller Cancer Center
LSU Health Sciences-Shreveport

05/10/15

To: Robert A. Barish, MD
Chancellor, LSUHSC-Shreveport

From: Glenn M. Mills, MD
Director, Feist-Weiller Cancer Center

Re: Annual budget request from Carroll W. Feist Legacy funds for FY 2015-2016

The Carroll W. Feist Legacy Account was established from the bequest of Carroll W. Feist to support cancer research at the Feist-Weiller Cancer Center at LSUHSC in Shreveport. As stipulated in the Second Addendum to the Affiliation Agreement between the LSU Board of Supervisors and the LSU Health Sciences Foundation in Shreveport a budget is required for the expenditure of Legacy Account funds with the budget to be approved by the Chancellor of LSUHSC in Shreveport and the President of the Louisiana State University.

The following is our budget request for the fiscal year 2015-2016

The budget request will provide support for the Programs in Translational Research; Clinical Research; and Cancer Control and prevention. Included will be requests for Intramural Grant Support, FWCC Research Infrastructure including enhanced support for clinical research needs and expansion of space/equipment for patient related research efforts. A detailed explanation of the budget items follows the budget summary.

Summary of Budget Request

1. Programs in Translational Research	\$ 439,000
INLET:	\$ 199,000
Developmental therapeutics:	\$ 40,000
GEDFRG:	\$ 40,000
HRCFG:	\$ 40,000
Viral Oncology:	\$ 40,000
UACFG	\$ 40,000
New Program Development:	\$ 40,000
2. Intramural Student & Fellowship Stipend and Internal Grant Support:	\$757,000
3. Visiting Scientist program	\$ 100,000
4. Infrastructure:	\$ 900,000
Cancer Clinical trials research core	\$ 375,000
Equipment maintenance and replacement	\$ 100,000
Faculty and Trainee research support	\$ 325,000
Infrastructure expansion	\$ 100,000

5. Seed Packages	\$ 1,000,000
Dr. Jason Bodily (year 5 of 5)	\$ 75,000
Dr. Rodney Shackelford (year 3 of 3)	\$ 75,000
Dr. Hazem El-Osta (year 3 of 3)	\$150,000
Dr. Yu (2 of 3)	\$150,000
Dr. Dragoi (2 of 3)	\$100,000
New Recruitment Packages	\$450,000
6. Cancer Genome Sequencing Core Research Lab:	\$200,000
7. Bioinformatics and HIT Core Research Facility:	\$250,000
8. Special Seed package request: ENT	\$500,000
9. PIW Infrastructure Expansion / Upgrade	\$275,000
10. Bio Repository Support	\$ 75,000
11. Medical School Research Support	\$ 800,000
12. Bone Marrow Transplant Program Support	\$ 500,000
<u>Total Budget Requested:</u>	\$5,796,000

Details of Budget Request

1. PROGRAMS FOR BASIC AND TRANSLATIONAL RESEARCH – BUDGET REQUEST \$439,000

The Cancer Center has three Research Divisions: Basic and Translational Cancer Research, Clinical Cancer Research, and Cancer Control and Prevention. Within the Division of Basic and Translational Cancer Research there are three Programs: Tumor Virology, Cancer Cell Biology, and Translational Cancer Research. In the Cancer Cell Biology Program, we have three focus groups named the Gene Expression and DNA Repair Focus Group (GEDFRG) under the direction of Dr. David Gross, Viral Oncology group under the direction of Dr. Lindsey Hutt-Fletcher and the Developmental Therapeutics group under the direction of Dr. James Cardelli. Within the Program in Translational Cancer Research there are two focus groups that comprise a mix of basic and clinical scientists who apply their combined skills to do research directly applicable to clinical cancer problems. These focus groups are the Hormone Related Cancer Focus Group (HRCFG) under the direction of Dr. Hari Koul, and the Upper Aerodigestive Cancer Focus Group (UACFG) under the direction of Dr. Cherie-Ann Nathan. Much of the research of these focus groups is aided by the Innovative North Louisiana Experimental Therapeutics Program (INLET), established by the FWCC to facilitate cancer drug discovery and development directed by Dr. Jim Cardelli.

A. Support for the Innovative North Louisiana Experimental Therapeutics (INLET) Program (INLET): Request \$199,000

The Feist-Weiller Cancer Center's (FWCC) **Innovative North Louisiana Experimental Therapeutics** program (INLET) consists of a multi-institutional partnership between Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) and a variety of Louisiana Universities, which include Louisiana State University Shreveport (LSU-S), Centenary College, University of Louisiana at Monroe (ULM), Louisiana Tech University in Ruston (LaTech), the Pennington Biomedical Research Center in Baton Rouge (PBRC), LSU-N.O., and Louisiana State University New Orleans in New Orleans (LSUHSC-N.O.). *The long term goal of INLET is to discover, develop and market natural products and repurposed drugs which are used to treat one human disease and reposition them to treat other diseases in humans including (but not limited to): cancer, cardiovascular disease, diabetes, fungal infection, and neurological disorders.* The current mission of INLET is to aid investigators throughout the state generate preliminary data to aid in their preparations of grant applications. Currently, INLET is involved in a variety of projects and has helped investigators acquire millions of dollars in grant applications in the last few years (see below for details). The return on investment is now over 5 to 1. In addition, INLET is filing multiple patents in an attempt to develop a licensing stream of revenue.

Repositioning drugs is a timely, cost effective trend in drug development, which can ultimately lead to new patents to replace expired ones, as well as lowering time to market, risks and investment costs necessary to commercialize a drug to treat a new indication. Each INLET partner brings a unique skill set which drives INLET'S progress. These skills include business plan development (LSU-S), medicinal chemistry (ULM, UNO, SRI), toxicology (ULM, SRI), technical expertise (Centenary), nanotechnology (LaTech), Biomedical research (LSUHSC NO & S) and drug formulation approaches (ULM, SRI). INLET at LSUHSC-S is focused on drug screening assay development, drug screening, drug design and delivery, and a variety of *in vitro* and *in vivo* models of cancer. The INLET drug screening center is equipped with liquid handlers, robotic screening devices and high content, real time screening/assay platforms not found anywhere in the state (Cellomics and the Essen Bioscience Incucyte). We also have a number of

proprietary and reposition compound libraries available for screening. Research performed by INLET is supported primarily by the FWCC, Federal grant-based funds, contracts and company-sponsored research funds. INLET is also developing ties with business experts and pharmaceutical companies to aid in discovering and moving drugs from the discovery phase through commercialization. The long-range goals of the INLET are to generate a self-sustaining revenue stream and to foster translational research throughout Louisiana.

Currently the INLET program has 12 active projects primarily in Cancer but also in development of anti-fungals, antibacterials, neurological agents and agents that target diabetes. Since 2010, INLET has aided Investigators in acquiring grant funding for 15 grants totaling about \$5M with an additional \$4M pending for another 5 grants. The Director of INLET, DR. James A. Cardelli is P.I. on 3 proposals, co P.I. on 5 proposals and INLET receives money for work done for all the remaining grants. This money has helped to reduce the budget for this year from the FWCC while adding an additional member to the staff since the number of projects we have requires more investigators. This year INLET received its third sponsored research agreement with a new company, one of many we hope to receive in the future. INLET now holds a patent on a drug in both the US and Europe that targets inflammation pathways and may be useful for treatment of metastatic disease. We will out license this technology. We have a number of patents under development both for drug discovery and proprietary assays.

Based on our progress, business plans and increased staff, this year we request a total of \$199,000 to support personnel, travel to meetings, new equipment costs and repair, purchase supplies, purchase drug libraries, purchase computer hardware to store data and underwrite projects with a high probability of leading to extramural funding, licensing possibilities and/or to the commercialization of a treatment that could be used in the clinic.

B. Support for the FWCC Research Programs: Hormone Related Cancer Focus Group, Upper Aerodigestive Focus Group, Gene Expression and DNA Repair and Gene Expression Focus Group, Developmental therapeutics, New program development and the Viral Oncology Program: Request \$240,000

These groups have faculty from both clinical and basic science departments who facilitate development of cancer translational research approaches in a multi-disciplinary fashion. These monies will be used to support needs as determined by the focus group leaders.

-Developmental therapeutics: Our new Chair of the Department of Biochemistry and Molecular Biology, Dr. Hari Koul will head this research section. He is the Carroll Feist Professor of Cancer Research and serves as the Associate Director of Basic and Translational Research for the FWCC. Dr. Koul's research is centered on a better molecular understanding of prostate cancer and developing new treatments for this disease. Multiple FWCC faculty are investigating the efficacy of natural products as cancer therapeutics and/or chemopreventive agents as well as other new compounds/drugs to fight cancer. For instance, Dr. Cherie-Ann Nathan has been investigating the turmeric spice, curcumin, as an anti-cancer agent in head and neck cancer. Dr. Shile Huang explores the molecular mechanisms by which curcumin works as an anti-cancer agent. Dr. Jim Cardelli, Professor of Microbiology and Immunology, has developed several natural products including several polyphenol agents that appear effective in several pre-clinical and clinical trials. Part of the INLET budget will be used to fund natural product-based research needed to obtain critical preliminary data that can be used to apply for NCI grants and to start clinical trials.

Hormone Related Cancer Focus Group (HRCFG): The HRCFG is a multidisciplinary group of researchers from the clinical and basic sciences, formed with a common interest in and a desire to tackle the fundamental biological and clinical questions related to prevention and treatment of breast cancer. Dr. Hari

Koul will direct this group and lead the efforts to develop focused multi investigator teams to tackle breast and prostate cancer. Dr. Gary Burton and other clinicians guide the group in terms of clinical importance. Dr. Arrigo De Benedetti researches DNA repair and other enzymes that cause breast cancer to become resistant to chemotherapy/radiotherapy. Koul Laboratory is using a 3-dimensional model system for cancer cell culture to identify factors that cause progression of cancer as potential therapeutic targets. Dr. Koul is looking at targeting AR using new and novel agents. Some of the factors that the group is jointly analyzing include Rad9 and tousel-like kinase (DNA repair), Sirtuins (epigenetics), CXCR4 and ARRDC3 (tumor progression), EGFR, and Nrf2 (antioxidant defense). Finally, the group aims to identify new molecular targets that may aid in diagnosis and monitor therapeutic efficacy. In addition new targets may help define new treatment paradigms for Breast and prostate cancer.

Upper Aerodigestive Cancer Focus Group (UACFG): Dr. Cherie-Ann Nathan, Professor and head of the Department of ENT, heads this group. The UACFG focuses on combining innovative technologies in the clinic with molecular mechanisms of precancerous changes to further the clinical development of the switch from precancer to cancer of real time cellular visualization of the upper aerodigestive tract. One such technology, the confocal laser-induced endomicroscopy (CLE,) enables *in vivo*, real time visualization of the mucosa at a subcellular resolution of $\approx 1000\times$ magnification. The group aims to establish molecular imaging with this technology and determine *in vivo* expression of epidermal growth factor receptor (EGF-R) in the mucosa using probe-based CLE (pCLE) and topically applied FITC-labeled antibodies. The budget requested for this year will be used to enhance this program further.

Viral Oncology Program: Dr. Lindsey Hutt-Fletcher, Professor of Microbiology, heads this group. The viral oncology program focuses on the role that viruses play in initiation and progression of cancer and in the evolution of the tumor environment. Drs. Rona Scott, Martin Sapp, Jason Bodily, Lindsey Hutt-Fletcher and Cherie-Ann Nathan explore the synergism between human papillomaviruses and Epstein-Barr virus in the development of head and neck cancers. They will put the spotlight on the growing epidemic of oral cavity squamous cell carcinomas that is associated with these viruses. Dr. Andrew Yurochko's work on human cytomegalovirus has implications for cancer angiogenesis. Dr. Scott is also helping to establish the new NextGen Sequencing Core that will be applied, amongst other uses, to identification of mutations in tumors of patients being treated at the FWCC. The greatest need for the next year is for stipend support for graduate students who invigorate the group and play an important role in moving research forward.

Gene Expression/DNA Repair Focus Group (GEDFRG): Dr. David Gross, Professor of Biochemistry and Molecular Biology, heads this group. The common thread tying together the Gene Expression/DNA Repair Focus Group is the conviction that chromatin – with its dynamic regulation and virtually limitless epigenetic complexity – significantly impacts upon gene transcription and DNA repair in cancer cells, thereby promoting cellular proliferation, invasiveness and metastasis characteristic of the malignant state. In this regard, two labs (Bodily and Scott) are seeking to understand how human tumor viruses (Epstein-Barr virus and papillomaviruses) induce epigenetic alterations to their own genomes as well as those of host cells. Such epigenetic modifications may regulate the expression of genes central to the viral lifecycle and ultimately, to the oncogenic state of the infected cells. Two other labs (Pruitt and Gross) are investigating the role of chromatin in the regulation of transcription, with particular focus on the Cyp19A1 gene that encodes the protein aromatase which directly contributes to the malignancy of the majority of breast cancers, and on a eukaryotic model of HSF1-regulated genes, whose counterpart in human cancers is driven by a transcriptional program distinct from heat shock to support the highly malignant state. In addition, research into how gene activation occurs in silent heterochromatin may lead to insights into strategies for reactivation of tumor suppressor genes inappropriately silenced by epigenetically marked chromatin. Finally, two labs (De Benedetti and Harrison) are studying the role of chromatin and epigenetic

modification in regulating the repair of double-stranded DNA breaks. Money is requested to support collaborative group research efforts to generate preliminary data for Federal grant Submissions.

New Program Development: This year we are requesting a \$40,000 budget for new program development. As new faculty is recruited and new discoveries are made, new affinity groups form. These dollars will allow funding of these new research affinity groups as they are formed.

2. GRANTS & GRADUATE STUDENT STIPEND - BUDGET REQUEST \$757,000

LSUHSC-S has developed a system of peer-reviewed grants for graduate students working in cancer research laboratories. The FWCC has pledged to contribute to nine such grants (\$28,000/grant for a total of \$ 252,000 this year) for graduate students working in the laboratories of FWCC faculty. In addition, with the cuts in Federal research funding, successful laboratories are having increasing difficulties in supporting research efforts. We will fund bridging grants to help a FWCC faculty bridge to a successful new grant application. These grants will be reviewed and ranked by the LSUHSC-S Research Advisory Committee. The FWCC Research advisory committee will then make the awards based on center needs and ranking. Maximum for any one grant will be \$75,000 a year renewable for up to three years. Three such grants totaling \$225,000 may be awarded and/or renewed in the current year. Dr. Arrigo DeBenedetti, Dr. Martin Sapp and Dr. Andrew Yurochko will be in their second year of funding. We will also fund Intramural grants for innovative new cancer research. These grants will be for up to \$75,000 for one year. Two such grants are expected in the current year totaling up to \$150,000. The FWCC Research Advisory Committee will review all grants as above.

We have recently begun a new program of "Mini-Grants". These encourage faculty to explore new cancer research ideas. Small seed grants of \$5-\$10,000 each for a total annual support of \$50,000 are meant to cover supply costs to experimentally test these new hypotheses and see if they are worthy of future study.

We plan to continue the "Student Internship" program this summer. We will encourage undergraduate students to apply for these programs to explore cancer research as a future career goal. Awards totally \$25,000 will cover a small stipend and living expenses for the student.

We will support a new Breast Imaging Fellowship program up to \$35,000. The Breast Imaging Fellowship position will be a twelve month appointment beginning July 1st and ending June 30th of each academic year. The salary will follow the LSUHSC Department of Graduate Medical Education House Officer salary for a PGY6 position. The breast fellow will work under the direct supervision of the Breast Imaging Staff in their designated location, which may include, but is not limited to, Feist Weiller Cancer Center, LSU Ambulatory Care Center, University Hospital, Partners in Wellness, and FWCC Mobile Mammography Unit. Daily work schedule, vacation days, and sick leave will follow the schedule of the Radiology residents. This is subject to change at the discretion of the Director of the Breast Imaging Fellowship, in accordance with all ACR and ACGME regulations.

Lastly to promote Translational Research, we will award, travel grants up to \$20,000 annually to faculty and postdocs who submit their research for presentation at the American Association for Cancer Research (AACR).

Nine FWCC Graduate Fellowships	\$252,000
Bridging Grants	\$225,000
• Dr. Arrigo DeBenedetti Bridging Grant	\$75,000
• Dr. Andrew Yurochko Bridging Grant	\$75,000
• Dr. Martin Sapp Bridging Grant	\$75,000
Intramural Grants (postdoctoral awards)	\$150,000
Mini Grants	\$ 50,000
Student Internship Programs (5 @ \$5K)	\$ 25,000
Breast Imaging Residency Program	\$ 35,000
AACR Translational Research Workshop	\$ 20,000

3. VISITING SCIENTIST PROGRAM – BUDGET REQUEST \$100,000

The FWCC sponsor a visiting scientist program. Leading scientists in various fields of cancer research will be invited to visit our campus and deliver seminars in their area of expertise. They will also meet with the faculty on an individual basis to facilitate collaboration and growth in knowledge of cancer research processes and to develop collaborative research ideas. Funds will be used for an honorarium, travel expenses and faculty/guest dinner expenses.

4. FWCC INFRASTRUCTURE – BUDGET REQUEST \$900,000

The FWCC has funded entirely or in part various infrastructures vital to the translational and clinical cancer research interests of its faculty. While much of these infrastructures are perpetuated by grants, contracts, and fees some require additional support and we are requesting continuing support at \$900,000 for critical equipment, supplies and staffing needs.

<u>Clinical Research Core facility</u>	\$375,000
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The FWCC has the largest Clinical Research operation at LSUHSC-S. Changes in IRB and federal regulations have required an expansion of the number of personnel to allow for compliance with the new regulations and to meet the requirements of our ongoing NCI/NCORP grant. Funding will be used to fund salaries of clinical research staff, mandatory training, supplies, equipment (including computers), certification programs and travel to cancer research meetings.

<u>Research Equipment</u>	\$100,000
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The requested amount will be used to repair and replace old cancer research equipment as needed.

<u>FWCC Faculty and Trainee Research Support</u>	\$325,000
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FWCC Faculty and Trainee Research Support to include: travel to national meetings to present research results, Visiting professorships other than those listed above, faculty research salary supplements, administrative supplements, travel to obtain research training or to be involved in development of new research projects, publication costs, new cancer related research equipment training needs and other unforeseen expenses related to cancer research.

<u>Infrastructure Expansion</u>	\$100,000
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5. SEED PACKAGES – BUDGET REQUEST \$ 1,000,000

In order to recruit top notch faculty we must offer seed packages to enable them to establish a research program/laboratory. Seed packages range from \$50,000 – \$500,000 a year depending on the seniority of the faculty and the prior success of their research program. The following are requests for this year.

Dr. Bodily (year 5 of 5)	\$75,000
Dr. Rodney Shackleford (year 3 of 3)	\$75,000
Dr. Hazem El-Osta (year 3 of 3)	\$150,000
Dr. Yu (year 2 of 3)	\$150,000
Dr. Dragoi (2 of 3)	\$100,000
TBD	\$450,000
<u>Recruitment Packages</u>	1,000,000

6. TUMOR GENOME SEQUENCING LABORATORY – BUDGET REQUEST \$ 200,000

Cancer care and research is entering a new era – one of **Personalized Oncology**. We now have sequenced the entire human genome. A by-product of this research has been the development of new technology to quickly and relatively cheaply sequence the entire genome of a patient's cancer. We can tell exactly what genetic changes have occurred to cause an individual's cancer. Thus we can rapidly predict what chemotherapy drug or combination of drugs may have benefit in fighting that patient's cancer. This technology will allow us to design clinical research protocols that will specifically target these mutations. We are combining our research results on these cancers with drug screening in the INLET program to find new agents to treat cancer. Last budget year we expanded the Next-Generation sequencing equipment, computers and software to run the program, and provided for one Research Technician to process and analyze the specimens. The budget included the analysis of 150 cancer samples. As well we added new equipment to the FWCC cancer core research facility on the 6th floor of the BRI to analyze cancer DNA in the blood. Drs. Rodney Shackleford, Robert Chervinak, Hong Yin, Adam Greer and Rona Scott are supervising use. The ability to study the whole cancer genome will enhance the research efforts of the FWCC basic research faculty. This technology free of charge to all faculty of the FWCC for their research needs. This year we will continue to expand this technology's use and enhance data analysis.

The requested amount this year will be used as follows:

- a) Research Technician 3 salary. \$ 60,000
- b) Research related travel to meetings and training, supplies, computers software, networkable hard drives, equipment maintenance/repair, new equipment, & other unforeseen expenses related to cancer research. \$ 140,000

7. BIOINFORMATICS AND HEALTH INFORMATION TECHNOLOGY RESEARCH CORE FACILITY – BUDGET REQUESTED = \$ 250,000

Bioinformatics and Health Information Technology (HIT) are key tools needed in the analysis of cancer information and data both in the modern genomics cancer laboratories (Bioinformatics) and in the analysis of clinical patient data abstracted from the modern Electronic Health Records (HIT). Unfortunately both FWCC and LSUHSC do not have the necessary infrastructure in place to help our basic and clinical

researchers conduct these types of analysis. Results of the cancer research in our new Human Tumor Genome Sequencing lab will generate enormous amounts of data (320GB data per sample). We must develop the expertise to analyze this data. Currently we are partnering with bioinformatics/computer faculty at LSUS to assist us but we will need extra capacity with this project. As well, we have recently implemented the new EPIC EHR in our hospital and at EA Conway hospital. It is vital that we have the capacity to "mine" this data at both centers. This will be important in obtaining data in our current and future clinical research projects, studying cancer trends, care and health related expenses. These funds will be used to establish this new research core in the Cancer Control and Prevention section of the FWCC. Funds will be used to hire faculty/employees, supplies, computers, travel and other unforeseen expenses.

The requested budget will be used as follows:

a) Salaries	\$225,000
b) Computer servers for data analysis and data storage, computer related supplies, & travel.	\$ 25,000

8. SPECIAL SEED PACKAGE REQUEST (year 4) \$500,000

Dr. Cherie-Ann Nathan has been recruited to be the new Chair of the Department of ENT on our campus. The FWCC and the Chancellor have agreed to a seed package of \$500,000 per year for 5 years. This is currently the fourth year of that package

9 PIW Infrastructure Expansion / Upgrade \$275,000

PIW will be moving to an offsite location which will require startup costs including but not limited to renovations, equipment and an upgrade to our mobile vans.

10. Biorepository Support \$75,000

Our Biorepository is continuing to grow. We recently merged a large breast cancer biorepository with the FWCC biorepository. Budget will be used to support acquisition of new equipment, supplies, travel of key personnel to national meetings related to biorepositories and renovations as needed.

11. Medical School Research Support \$800,000

We will support research needs of the Office of Research.

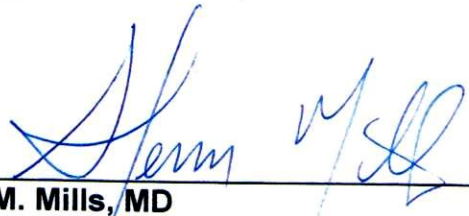
12. Bone Marrow Transplant Program Support \$500,000

As the inpatient research needs have grown we will support expansion/renovation of research space in this area.



Feist-Weiller Cancer Center
LSU Health Sciences-Shreveport

Approved:



Glenn M. Mills, MD
Professor of Medicine
Director, Feist-Weiller Cancer Center

5/26/15
Date


Approved:



Robert A. Barish, MD, MBA
Chancellor, LSU Health Sciences Center-Shreveport

5/27/15
Date

Approved:



LSU Health Sciences Foundation in Shreveport
By Robert G. Pugh, Jr., Chairman of the Board

5/27/15
Date



Recommendation to amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors Pursuant to Organizational Changes

To: Members of the Board of Supervisors

Date: June 19, 2015

This is a significant Board matter pursuant to Board Bylaws Articles IX and X, relating to amendments to the Bylaws and Regulations of the Board.

1. Summary of Matter

In late 2012, the LSU Board of Supervisors began the LSU2015 project, a strategic effort to consider and adopt organizational and operational changes to the overall LSU system and all of its campuses to best position the University for success. The Board appointed a 10-member Transition Advisory Team that produced a comprehensive report recommending a flatter organizational model and a streamlined administrative function to reduce costs and speak with one voice to promote LSU's interests. Under the leadership of President F. King Alexander, the University has implemented many of the recommendations contained in that report. These proposed revisions to the Board's Bylaws and Regulations are the next step in this on-going process. The primary purpose of the proposed revisions to the Board of Supervisors' Bylaws and Regulations is to merge the positions of President and Chancellor of the flagship LSU campus and make related changes. As required by Article IX of the Bylaws, notice of the proposed revisions was given on May 18, 2015 (<http://www.lsusystem.edu/wp-content/uploads/2015/05/Notice-Packet-for-Bylaws-Revisions-for-Realignment.pdf>).

Purpose of Proposed Revisions

A key recommendation of the Transition Advisory Team was to combine the positions of Chancellor of the flagship campus and President of the LSU System. While a single individual has held both positions since mid-2012, until the Bylaws are revised both positions continue to formally exist. This creates operational challenges and causes unnecessary paperwork and duplication of efforts. The revisions also recognize several realignments and reorganizations already made, such as the realignment of the Law Center with the flagship campus. In sum, the overall goals of the proposed revisions are to:

1. Combine the positions of Chancellor of LSU and President of the LSU System;
2. Eliminate references to the "LSU System" and the "LSU System Office" as a separate entity;
3. Make other changes needed to reflect the realignment; and
4. Avoid or minimize changes to substantive provisions beyond those immediately necessary for the realignment.

Key Changes

The systemic changes can be summarized with three key concepts:

1. The President of LSU is CEO of both the University and the flagship LSU campus;
2. The "LSU System" becomes "the University"; and
3. "System staff officers" become "University Officers."

The first of these is structural and substantive. The second is primarily stylistic, but important to moving forward with the LSU2015 vision. The third naturally follows from the collapse of the organizational structure. To touch briefly on this second point first, under this new nomenclature, all references in the Board's Bylaws and Regulations to the "LSU System" will be changed to "the University" to emphasize the more unified nature of the entire enterprise. Each campus will continue to maintain its own identity, with its own accreditation and its own chancellor, but the new terminology will highlight that each campus is part of a coordinated, comprehensive institution of higher education.

The formal title of the President will be the "President of LSU." The position of President of LSU will function as both the CEO of the entire University system that is governed by the Board of Supervisors as well as the CEO of the flagship campus in Baton Rouge. These are not two different "hats" that the President wears; the functions of both are fully embodied in the one position. In general, where the Bylaws or Regulations currently require a recommendation from a chancellor to the President before final action is taken by the President, under the proposed revisions the President is empowered to take that action directly but may, at his discretion, delegate another LSU campus official to make a recommendation. In a few cases, for legal reasons relating to providing a route for appeals, the President is required to designate someone to make recommendations or preliminary decisions for matters arising from the LSU campus.

The current Bylaws provide for "System staff officers." These have historically been positions such as the Vice President for Academic Affairs or the centralized System Office finance and administrative staff, the general counsel, and others. Collapsing the administrative structure by eliminating the formal "System Office" has been one of the key realignment initiatives, and this requires a change in nomenclature. The proposed revisions recognize several positions as having University-wide responsibilities in assisting the President fulfill his duties. These positions, like the President's own, may simultaneously have responsibilities for a particular campus. The current Bylaws required a chief academic officer and a chief business or financial officer. The revisions add the general counsel and the head of internal audit to that list. This merely recognizes positions that already exist and are expected to continue to exist indefinitely. The President is also authorized, with approval of the Board, to designate other positions as University Officers.

Other Changes

A few revisions are proposed to recognize the realignments that have already occurred and to simplify and modify language for consistency and modern styling:

1. The list of campuses is updated to include both Health Science Centers and Pennington and to recognize the Law Center's realignment;
2. "Chancellor or equivalent" has been replaced with simply "Chancellor," with a definition that clarifies that the term applies to the administrative head of the campus (other than LSU), regardless of the actual title used by the campus; and
3. "Chairman" becomes "Chair."

A detailed summary of the proposed changes has previously been distributed to members of the Board and published on its website. In the attached document, proposed additions are shown in blue, underlined text, while proposed deletions are shown in red, struck-through text.

2. Fiscal Impact

There will be no direct costs or savings associated with adoption of the proposed revisions, as many of these revisions simply recognize organizational changes that have already been adopted by the Board, as a practical matter.

3. Review of Legal Documents

The proposed amendments to both the Bylaws and Regulations were prepared by a task force established by President Alexander that included legal counsel for the University.

4. Related Transactions

If the Board adopts the proposed amendments, changes will be made to Permanent Memoranda issued by the President and Policy Statements adopted by the LSU campus during the next few months to reflect the intent and spirit of the revised Bylaws and Regulations.

ATTACHMENTS:

Attachment A Proposed Amendments to Bylaws and Regulations

Attachment B Letter from Dan Layzell, Vice President for Finance and Administration/CFO

RECOMMENDATION

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

Now, Therefore, Be It Resolved that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby amend the Bylaws and Regulations of the Board as provided in Attachment A as it relates to the positions of President and the Chancellor of Louisiana State University and Agricultural and Mechanical College and other matters, effective as of July 1, 2015.

BYLAWS & REGULATIONS



BOARD OF SUPERVISORS

LOUISIANA STATE UNIVERSITY ~~SYSTEM~~

~~December 12~~ June 19, 2014 2015

LOUISIANA STATE UNIVERSITY SYSTEM

The Louisiana State University System evolved with the establishment of the position of Chancellor for the Baton Rouge Campus on February 6, 1965.

The Louisiana State University System was officially recognized with the passage of the implementing legislation (RS 17:3202 and 3301) for the 1974 Louisiana Constitution.

The Louisiana State University System has the mission of creating an environment of learning and exploration which will provide the people of Louisiana with the opportunities and benefits of a full-scale university endowed with special responsibilities of a land grant institution to effect improvement in the quality of life of the people in the state. This mission involves development of the highest levels of intellectual and professional endeavor in programs of instruction, research, and service. The System, therefore, serves the people as an instrument for discovery as well as transmission of knowledge. Each campus has a unique but complementary role in the overall mission of the System. This principle of geographic as well as academic differentiation allows the campuses to extend basic as well as unique programs to citizens throughout the state.

The University System serves a multiracial and multi-cultural population and adheres to the principle of equal educational and employment opportunity to qualified persons without regard to race, creed, religion, color, national origin, handicap, marital status, veterans status, sex, or age.

CONTENTS

PART I.	Bylaws of the Board of Supervisors-----	1
Article I	Definitions-----	1
Article II	Meetings-----	2
Article III	Officers and Staff of the Board-----	2
Article IV	Order of Business-----	3
Article V	Committees-----	4
Article VI	Communications to the Board-----	6
Article VII	Rights, Duties, and Responsibilities of Principal Administrative Officers of the University System -----	7
Article VIII	Rights, Duties, and Responsibilities of the Academic Staff-----	14
Article IX	Amendment or Repeal of Bylaws-----	15
Article X	Rules and Regulations of the Board of Supervisors-----	1
Article XI	Adoption of Bylaws-----	15
Article XII	Repealing Clause-----	16
PART II.	Regulations of the Board of Supervisors-----	17
Chapter I	Academic and Administrative Organization-----	17
Chapter II	Appointments, Promotions, and Tenure-----	22
Chapter III	Leaves-----	31
Chapter IV	Insurance and Retirement-----	33
Chapter V	Financial and Business Procedures-----	35
Chapter VI	Gifts and Grants-----	40
Chapter VII	Intellectual Property-----	42
Chapter VIII	Affiliated Organizations-----	53
Chapter IX	Repeal and Amendment to Regulations-----	54

PART 1

BYLAWS OF THE LSU BOARD OF SUPERVISORS

ARTICLE I

Definitions

A. **The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.** The "Board of Supervisors of Louisiana State University and Agricultural and Mechanical College" or "Board" as used in the **Bylaws**, shall refer to the governing Board of the University ~~System~~ and shall be composed of the Board of Supervisors, duly appointed and qualified as provided by law.

B. **~~Chairman~~Chair of the Board.** The term "~~Chairman~~Chair of the Board," as used in these **Bylaws**, shall refer to the Supervisor who is the duly elected ~~Chairman~~Chair or acting ~~Chairman~~Chair of the Board of Supervisors.

C. **University ~~System and System.~~** The term "University ~~System~~" or "~~System~~," when used in these **Bylaws**, shall refer to the ~~System~~collective system of campuses and other facilities governed by the Board of Supervisors, which includes:

1. Louisiana State University and Agricultural and Mechanical College (~~including ("LSU"), the premier flagship university for the state, which includes the Paul M. Hebert Law Center and the School of Veterinary Medicine, Division of Continuing Education, and other units having statewide responsibilities), located at Baton Rouge.~~
2. Louisiana State University at Alexandria.
3. Louisiana State University at Eunice.
4. Louisiana State University in Shreveport.
5. ~~Louisiana State University~~LSU Health Sciences Center, ~~which administers the health-related schools (School of Medicine in _ New Orleans; School of Medicine in _~~
6. LSU Health Sciences Center – Shreveport, including University Hospital; School of Dentistry; School of Nursing; School of Allied Health Professions; and School of Graduate Studies), and the _
7. Health Care Services Division.
68. ~~Louisiana State University Agricultural Center, which carries out a large portion of the land grant college function by administering cooperative extension and agricultural research programs throughout the state.~~
7. ~~The Paul M. Hebert Law Center, located at Baton Rouge, which administers the legal education, legal research, continuing legal education, and legal service programs of the Board throughout the state.~~
8. ~~Louisiana State University School of Veterinary Medicine, located on the Baton Rouge campus, which administers the veterinary medicine and associated graduate education programs, basic veterinary medicine research, continuing veterinary medicine education, and veterinary medicine service and clinical programs of the Board throughout the state.~~
99. Pennington Biomedical Research Center.

10. Any other college, university, school, institution, or program now or hereafter under the supervision and management of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

D. **President of ~~the University System~~LSU.** The term "President of ~~the University System~~LSU" or "President," as used in these **Bylaws**, shall refer to the duly appointed President or acting President of ~~the University System~~LSU, who shall be the ~~principal~~chief executive officer of ~~both the University and~~ the ~~University System~~LSU campus, and ~~shall also be~~ Secretary to the Board of Supervisors.

E. **Chancellor.** The term "Chancellor," as used in these **Bylaws**, shall refer to the ~~chief~~ administrative ~~head~~officer of a campus or major administrative subdivision of the University ~~System, other than LSU~~, as designated by the Board, ~~regardless of the actual title held by the individual serving the campus in that capacity.~~

ARTICLE II

MEETINGS

Section 1. Regular Meetings. The Board of Supervisors shall hold at least six regular meetings in each calendar year, but at least one regular meeting shall be held in each quarter of the calendar year. Other meetings of the Board may be called and held as provided by any rule, regulation, or resolution adopted by the Board. All regular meetings shall be held at meeting places designated by prior action of the Board.

Section 2. Special Meetings. Special meetings of the Board may be called by the ~~Chairman~~Chair of the Board at any time, or by the Secretary upon receipt of a written request therefore signed by nine (9) members and specifying the purpose of the desired meeting. Notification shall be sent by mail to each member at least three (3) calendar days before the time of the meeting.

The Board shall not act upon any matter not embraced in the notice for a special meeting except upon the vote of two-thirds (2/3) of the entire membership of the Board.

Section 3. Recessed Meetings. All meetings may be recessed from day to day until the completion of business.

Section 4. Quorum. Ten (10) members of the Board, eligible to vote, shall constitute a quorum for the transaction of official business.

ARTICLE III

OFFICERS AND STAFF OF THE BOARD

Section 1. ~~Chairman, Chairman~~Chair, Chair-Elect and Immediate Past ~~Chairman~~Chair. At the second regular meeting in the third quarter of each calendar year, the Board shall elect from among its members a ~~Chairman~~Chair-Elect, who shall serve for a maximum term of one year only. The ~~Chairman~~Chair-Elect shall automatically succeed to the office of the ~~Chairman~~Chair, which office will be for a maximum one year term only. At the end of the ~~Chairman's~~Chair's term, the ~~Chairman~~Chair shall automatically become the Immediate Past ~~Chairman~~Chair and shall serve a one year term.

Should a vacancy occur in the office of ~~Chairman~~Chair, the ~~Chairman~~Chair-Elect will assume the position of ~~Chairman~~Chair. Should a vacancy occur in the office of ~~Chairman~~Chair-Elect, the Board shall elect a successor from its membership. Should a vacancy occur in the position of Immediate Past ~~Chairman~~Chair, it shall not be filled again until the ~~Chairman~~Chair completes his term and then becomes the Immediate-Past ~~Chairman~~Chair.

The ~~Chairman~~Chair of the Board shall preside over all meetings of the board, serve as an ex officio member of all committees, name the appointive members of all standing and special committees of the Board, and fill all vacancies in the membership of such committees, in accordance with the provisions of these Bylaws.

The ~~Chairman~~Chair-Elect of the Board shall perform the duties of the ~~Chairman~~Chair in the absence of the ~~Chairman~~Chair.

The Immediate Past ~~Chairman~~Chair shall perform the duties of the ~~Chairman~~Chair in the absence of the ~~Chairman~~Chair and the ~~Chairman~~Chair- Elect.

In the event all three such officers are absent from a Board meeting, the Board shall elect a temporary ~~chairman~~chair from those present to preside over such meeting.

Section 2. Secretary and Office Staff. The President of ~~the University System~~LSU shall be the Secretary to the Board, its Executive Committee, and other standing and special committees. There shall be an Administrative Secretary and an Assistant Administrative Secretary of the Board, and such other personnel as may be required for the efficient operation of the offices of the Board. The staff shall function under the supervision and direction of the Board.

Copies of all minutes, papers, and documents of the Board, or of its several committees, may be certified to be true and correct copies by either the ~~Chairman~~Chair, Secretary, Administrative Secretary, or Assistant Administrative Secretary.

ARTICLE IV

ORDER OF BUSINESS

Section 1. Rules of Order. When not in conflict with any of the provisions of this article, **Robert's Rules of Order** (latest revision) shall constitute the rules of parliamentary procedure applicable to all meetings of the Board.

Section 2. Order of Business. The order of business of regular meetings of the Board shall be as follows:

- a. Roll call and invocation.
- b. Correction and approval of minutes of preceding regular meeting and of all special meetings held subsequent thereto.
- c. Reports and recommendations of standing and special committees.
- d. Reports and recommendations of the President.
- e. Report of the Secretary.
- f. Reports for Board information.

Section 3. Reference to Committees. In cases where feasible and desirable, before taking action, the Board shall refer any subject or measure to the standing or special committee in whose purview the matter falls. The committee to which the matter is referred should submit to the Board its recommendations in writing, together with any resolutions necessary to facilitate such recommendations.

Section 4. Meetings. In order that all interested parties and the public may be informed of all activities of the Board, it shall be the policy of the Board that all meetings be open to all who wish to attend. Only when personnel or equally sensitive matters (e.g., litigation) are under consideration shall the Board enter into closed or executive session; provided, however, that no final or ~~biding~~binding action shall be taken in a closed or executive session. Prior to each regular meeting of the Board, the President shall prepare and forward to each member of the Board a tentative agenda for the meeting at least ten (10) days prior to such regular meeting. Upon written request of three (3) members of the Board that a particular item be included, the President shall place the subject or subjects upon the agenda. All matters requiring Board action, however, may be acted on even though not carried on the agenda.

Each resolution shall be reduced to writing and presented to the Board before it is acted upon. All official actions of the Board shall require the favorable vote of a majority of the Board members present and voting, and, in any event the favorable vote of at least seven (7) members. Proxy voting is prohibited.

Section 5. Minutes. The minutes of the Board meetings shall record official action taken upon motions or resolutions which are voted upon by the Board, and may contain a summary of reports and pertinent discussion. Where the Board action is not by a unanimous vote, the "ayes" and "nays" and abstentions of the individual members shall be recorded. The remarks, personal views, or vote explanations of an individual Board member shall be included in the minutes only upon request. The foregoing provisions relative to contents of the minutes shall, in general, also apply to minutes of committees of the Board. The minutes of meetings of the Board become official only when completed and approved by the Board.

ARTICLE V

COMMITTEES

Section 1. Standing Committees. Unless and until otherwise decided by the vote of a majority of the membership of the Board of Supervisors, the standing committees of the Board shall consist of the committees described in sections 6-18 below:

Section 2. Appointment and Term. Members of all standing committees, one of whom shall be designated as ~~chairman~~chair, and one of whom shall be designated as vice-~~chairman~~chair, shall be appointed by the ~~Chairman~~Chair of the Board at the time the ~~Chairman~~Chair assumes office. The term of committee appointments shall run concurrently with that of the ~~Chairman~~Chair.

Vacancies occurring among the appointive members of any committees, however arising, shall be filled by the ~~Chairman~~Chair of the Board for the remainder of the unexpired term.

Section 3. Officers of the Executive Committee, Absences, and Duties of Committee Chairmen. The ~~Chairman~~Chair and the Secretary to the Board shall be the ~~chairman~~chair and secretary respectively of the Executive Committee. The ~~Chairman~~Chair-Elect and the Immediate Past ~~Chairman~~Chair shall automatically be members of the executive committee. The ~~Chairman~~Chair-Elect of the Board shall perform the duties of the ~~Chairman~~Chair in the absence of the ~~Chairman~~Chair. The Immediate Past ~~Chairman~~Chair shall perform the duties of the ~~Chairman~~Chair in the absence of the ~~Chairman~~Chair and the ~~Chairman~~Chair-Elect. In the event all three such officers are absent from a Board meeting, the committee shall elect a temporary ~~chairman~~chair from those present to preside over such meeting.

It shall be the duty of the ~~chairman~~chair of each committee to call, and to preside over, the necessary meetings. The minutes of the meeting of the committee, showing its actions and recommendations, shall be deemed in compliance with the provisions of Article IV, Section 3, hereof, concerning the written recommendations of the committee.

Section 4. Quorum of Committee Meetings. A majority of the members of any committee of the Board shall constitute a quorum for the transaction of business. When a quorum is not present, the ~~ChairmanChair~~ of the committee, or vice-~~chairmanchair~~ in the ~~chairman'schair's~~ absence, may designate a member of the Board to serve as a substitute member of the committee concerned.

Section 5. Authority of Committees. The authority of committees of the Board shall be subject to these **Bylaws** and to the policies and direction of the Board.

Section 6. Executive Committee. The Executive Committee shall consist of not less than (7) members including the ~~ChairmanChair~~ of the Board, the ~~ChairmanChair~~-Elect and the Immediate Past ~~ChairmanChair~~, and such other members as the ~~ChairmanChair~~ may appoint. The Executive Committee shall consider such matters as shall be referred to it by the Board of Supervisors and shall execute such orders and resolutions as shall be assigned to it at any meeting of the Board. It shall be the further duty of the Executive Committee to take such action as may be necessary in the event that any emergency requiring immediate action shall arise between Board meetings. All acts of the Executive Committee shall be submitted to the Board for ratification, or rejection, at its next meeting, except in matters where the Board shall have delegated to the Executive Committee full power to act with respect to any matter. Affirmative action by a majority of the entire membership of the Executive Committee shall be required.

Section 7. Finance, Infrastructure, and Core Development Committee. Normally, to this committee shall be referred all matters related to administrative, financial and facility matters in support of issues or policies promoted or addressed by other committees. This committee shall develop strategies for revenue enhancement and diversification, expenditure efficiencies, and revenue reallocation. The committee in addition shall devise and coordinate employee benefit packages, oversee administrative operations and regulations, and coordinate facility and fixed asset management planning.

Section 8. Property and Facilities Committee. Normally, to this committee shall be referred all matters related to capital improvements, policies of management of all properties of the University ~~System~~, purchase or sale of land, lease or grant of rights in property, construction of buildings and other facilities, and other matters concerning the properties of the ~~System~~University.

Section 9. Academic and Student Affairs and Achievement and Distinction Committee. Normally, to this committee shall be referred all matters concerning the long-term academic goals of each campus, implementation strategies, analyses of campus enterprise-wide resources and mission objectives, student achievement issues, the review and approval of academic programs, centers, and institutes to advance the mission of the institution, faculty recruitment and development issues, issues of academic accountability, and the development of incentives for a competitive academic environment.

Section 10. Athletic Committee. Normally, to this committee shall be referred matters of policy concerning intercollegiate athletics of the University-~~System~~. In acting upon said matters, the Committee shall have the benefit of the advice and recommendation of the appropriate Athletic Councils.

Section 11. Research and Economic Development Committee. Normally, to this committee shall be referred matters relating to the university's role in developing the research enterprise and diversifying the state's economy through the commercial transfer and development of research results. Issues will include research advancement and growth, including basic, applied and clinical research; technology transfer; intellectual property; strategies to maximize educational and economic opportunities; and focusing the university's intellectual capital to solve problems that are specific to or will benefit Louisiana.

Section 12. Legislative, Public Policy, and Information Committee. Normally, to this committee shall be referred matters relating to coordinating, developing, and promoting unified communications and messages on significant policy matters; reviewing legislative issues and governmental initiatives; and interfacing with foundations and affiliated organizations.

Section 13. Audit Committee. Normally, to this committee shall be referred matters relating to the LSU-SystemUniversity Audit Plan, risk assessment, reviewing both internal and external audit reports, monitoring and auditing financial controls, and reviewing rules and regulations concerning compliance.

Section 14. Scholarship Review Committee. Normally, to this committee shall be referred matters relating to the LSU Board of Supervisors Scholarship Program.

Section 15. Flagship Committee. Normally, to this committee shall be referred matters relating specifically to the ~~LSU System's~~ University's national Flagship Agenda.

Section 16. Media Relations Task Force. Normally, to this committee shall be referred matters relating to developing a strategy to enhance the relationship between the ~~LSU System~~ University and the local, state, and national media.

Section 17. LSU Health Sciences Centers Committee. Normally, to this committee shall be referred matters of policy concerning the operation and management of the LSU Health Sciences Centers, including all components of the Health Care Services Division.

Section 18. Special Committees. As the necessity therefore arises, the ~~Chairman~~ Chair may create special committees with such functions, powers, and authority as may be determined. Unless otherwise provided in the action creating such a committee, the ~~Chairman~~ Chair of the Board shall determine the number of its members and designate the ~~chairman~~ chair and vice-~~chairman~~ chair thereof. The ~~Chairman~~ Chair may also appoint ad hoc committees for special assignments for specified periods of existence not to exceed the completion of the assigned task.

Section 19. Representative on Standing Committees of the Louisiana Board of Regents. In accordance with the provisions of R.S. 17:3399.5, the ~~Chairman~~ Chair shall appoint a member of the Board to represent the ~~LSU System~~ University on select standing committees of the Louisiana Board of Regents.

ARTICLE VI

COMMUNICATIONS TO THE BOARD

Section 1. All communications to the Board, or to any committee thereof, from persons having official relations with the University ~~System~~ shall be filed in writing with the President and duly transmitted by him to the Board; but all communications from a student organization, ~~teacher~~ faculty member, officer, or employee of any campus or ~~System~~ University-wide unit shall be transmitted to the President through the Chancellor or, for LSU, the President's designee, and transmitted by the President to the Board or any of its committees. The President, the President's designee, or the Chancellor, shall have the authority to read and comment upon the communication but shall not delay or withhold such communications, except as hereinafter provided. Such communications shall be filed with the Chancellor or the President's designee at least ten (10) days before the meeting of the Board or committee, and with the President at least seven (7) days before such meeting. Otherwise, the Chancellor, or the President or his designee, may either submit such communication at that time or withhold such communication until the next meeting. In the event a Chancellor or the President's designee elects to withhold any such communication until the next meeting, such communication, or a true copy thereof, shall be promptly forwarded to the President with the notation of the Chancellor or the President's designee concerning such withholding.

ARTICLE VII

RIGHTS, DUTIES, AND RESPONSIBILITIES OF PRINCIPAL ADMINISTRATIVE OFFICERS OF THE UNIVERSITY ~~SYSTEM~~

Section 1. Officers of the ~~System~~University. Officers of the ~~System~~University shall be the President and such other officers as the Board shall from time to time determine to be necessary for the administration of the ~~System~~University. It shall be the responsibility of the Board of Supervisors to establish procedures for the selection and appointment of major administrative officers within the University-~~System~~.

Section 2. President of ~~the System~~LSU.

- a. The President shall be the chief executive head~~officer~~ of the ~~System~~University in all its divisions and campuses, ~~and~~ shall serve as Secretary to the Board, and shall exercise complete executive authority for the LSU campus, subject to the direction and control of the Board. Except as herein otherwise provided, the President shall be responsible to the Board for the conduct of the ~~System~~University in all of its affairs, and shall execute and enforce all of the decisions, orders, rules, and regulations of the Board with respect to the conduct of the ~~System~~University. The President shall be appointed by, and shall hold office at the pleasure of, the Board. The President's salary shall be fixed by, and recorded in the proceedings of, the Board. The President's discretionary authority shall be broad enough to enable him to meet his extensive responsibilities.
- b. The President shall attend the meetings of the Board and its various committees.
- c. For a period of two years, commencing on December 12th, 2014, after consultation with appropriate academic and administrative staff, the President shall make recommendations to the Board for the personnel actions reserved to the Board and take action on the personnel actions reserved to the President. The President shall have discretionary authority to review personnel actions delegated to and taken by Chancellors and ~~equivalents and~~ others to whom authority for personnel actions has been delegated, In December 2016, the authority granted to the President in regards to ~~Principal Administrative Officers of the University~~ System Officers, 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. The President, or the President's designated agent, is authorized as the appointing authority to make and approve personnel actions relating to classified and unclassified personnel in positions exempt from the classified service by special action of the State of Louisiana, Department of Civil Service, including disciplinary actions required to be expressed in writing.
- d. Subject to the direction and control of the Board, the President shall
 1. ~~Define~~1. In consultation with the Chancellor, define the mission of each campus or institution and allocate functions and programs to each.
 2. Establish administrative policies and procedures.
 3. Implement educational policies.
 4. Coordinate the activities among the various campuses.
 5. Prepare and present a consolidated budget. In preparing and presenting this consolidated budget, the President will give appropriate consideration to the individual needs of each campus and will respect the significant level of authority needed by the Chancellors to operate their respective campuses, in accordance with institutional accreditation requirements.

6. Serve as governmental liaison and spokesman for the ~~System~~University to the alumni, news media, and the general public.
7. Promote the general welfare and development of the ~~System~~University in its several parts and as a whole.
- ee. Within the framework of the functions and programs assigned to LSU by the Board and the President, the President shall implement educational and administrative policies for LSU. He shall prepare an organizational chart of the major divisions of LSU and shall designate such duties and responsibilities as he deems proper.
- f. The President shall be responsible for the budget of LSU, including the functions of review and recommendation concerning the budgets of all divisions of the campus and preparation of a consolidated budget, as well as execution of the budget as approved by the Board.
- g. The President shall establish and maintain lines of communication with the ~~chief administrative officer~~Chancellor of each campus. The channel for official communications between the President and the various campuses, other than LSU, shall be through the ~~chief administrative officer~~Chancellor in charge of each campus.
- fh. The President, ~~as the chief financial officer of the System~~, shall assume and retain control at all times over all budgets of the ~~System~~University.
- gi. The President may, by written order, delegate to the Chancellor of each campus, authority to take action provided in Article VII, Section 2c. Any appointments so made shall be in accordance with existing policies of the ~~System~~University in effect at the time of such appointment.
- hj. The President shall have authority to appoint such committees from among the academic and nonacademic staff of the ~~System~~University as deemed desirable for the purpose of advising the President in connection with any problems of the ~~System~~University. The Chancellor of a campus shall be notified of all such appointments of personnel on his campus.
- ik. The President shall be a member of all faculties and shall serve as ~~Chairman~~chair of all Faculty Councils. For LSU, the President may designate another official to also serve as a member of all faculties on the campus and to serve as Vice-Chair of the Faculty Council.
- l. For clarity, where the Bylaws or Regulations of the Board or any policy or regulation issued or adopted under the authority of the Board or the President require consultation with or recommendation or approval by the Chancellor of a campus and approval or further recommendation of the President, for the LSU campus the action of the President shall fulfill such requirement, provided that the President may, in his discretion, choose to designate other appropriate officials to make recommendations or take other actions for the LSU campus.

Section 3. ~~System-Staff~~University Officers. ~~System-staff-officers~~University Officers shall be the executive officials who report directly to the President and/or the Board and have University-wide responsibilities, and shall include a chief academic officer ~~and~~, a chief ~~business~~financial officer, a general counsel, a chief internal auditor, and such other officers as deemed necessary for the efficient operation of the ~~System~~University, to be appointed by the President with approval of the Board. As designated in writing by the President and approved by the Board, University Officers may have both University-wide and campus-specific duties and responsibilities. The ~~System-staff-officers~~University Officers shall perform the duties outlined in writing by the President and approved by the Board.

Section 4. Chancellors.

- a. There shall be a Chancellor for each campus or major administrative subdivision of the ~~System~~University, other than LSU, who shall be appointed by the Board upon the recommendation by the President, and who shall hold office at the pleasure of the Board. The Chancellor shall administer the division for which he is appointed and shall exercise complete executive authority therein, subject to the direction and control of the President and the Board.
- b. As the administrative head of a campus, the Chancellor shall be responsible to the Board through the President for the effective execution of: all laws relating to Louisiana State University-~~System~~; all resolutions, policies, rules, and regulations adopted by the Board for the administration and operation of the ~~System~~University, and for the governance of all of its campuses; and all policies, rules, regulations, directives, and memoranda issued by the President. The Chancellor's discretionary power shall be broad enough to enable him to meet his extensive responsibilities. In the performance of his duties and responsibilities, the Chancellor shall have direct access to the President. He shall be the official medium of communication between the President and all personnel of his campus.
- c. Unless otherwise directed by the President, the Chancellor shall attend the meetings of the Board and its various committees. The Chancellor may invite members of his administrative or academic staff to aid him in his presentations to the Board.
- d. The Chancellor shall be a member of all faculties on his campus and shall be Vice-~~Chairman~~Chair of the Faculty Council of his campus.
- e. Within the framework of the functions and programs assigned to each campus by the Board and the President, the Chancellor shall implement educational and administrative policies for his campus. He shall prepare an organizational chart of the major divisions of the campus and shall designate such duties and responsibilities as he deems proper.
- f. The Chancellor shall be responsible to the President for the budget of his campus. This shall include the functions of review and recommendation concerning the budgets of all divisions of the campus and the preparation of a consolidated budget, as well as execution of the budget as approved by the President and the Board.

Section 5. The President's Advisory Council for the University-~~System~~. The President shall have an Advisory Council for the University-~~System~~. It shall consist of the President, ~~members of the President's staff~~any University Officers that he shall designate, and the Chancellors. The President shall serve as ~~Chairman~~Chair, or, in the President's absence a ~~member of his staff~~University Officer that he shall designate shall serve in his place. The functions of the Council shall be to discuss common problems, exchange information, review the operation of the University-~~System~~, and advise the President on matters of general policy and administration.

Section 6. Council of Chief Academic Officers. The Council shall consist of the chief academic officer of the ~~System-staff~~University, who shall serve as ~~chairman~~chair, and the chief academic officer of each major subdivision of the University-~~System~~. The Council shall act in an advisory capacity to the President in matters relating to academic standards, programs, and policies of the ~~System~~University.

Section 7. The Executive Graduate Council. There shall be an Executive Graduate Council of the University ~~System~~-Graduate Division. It shall consist of:

- a. The chief academic officer of the ~~System-staff~~University, who shall serve as ~~chairman~~chair.
- b. The chief graduate officer for each campus.

- c. An appointed member of the graduate faculty from each campus of the ~~System~~University offering resident graduate work. These appointees shall be recommended to the President for appointment by the Chancellor of each campus' chief administrative officer ~~campus or, for LSU, the President's designee~~ after consultation with the ~~Chairman~~chair of the Executive Graduate Council, in order to avoid a concentration of representation from any general subject area.
- d. A single member, representing those campuses not offering graduate work, appointed by the President.
- e. A single member-at-large of the Graduate faculty to be appointed from any campus of the ~~System~~University by the President.

The member-at-large shall be appointed for two years and the members from individual campuses shall be appointed for staggered terms of three years.

The Executive Graduate Council shall coordinate all graduate work and approve new programs and degrees recommended by the several chancellors and their graduate councils for transmittal to the President for review before presentation to the Board.

Section 8. Authority of the President, Submission of Proposals for ~~System~~University Approval, Setting of Board and Integrated Committee Agenda, Matters Requiring Express Board Approval, and Related Matters

A. Executive Committee

1. The Board, by formal resolution addressing that single purpose and not included within a particular substantive matter, may delegate to the Executive Committee final authority to act. All such delegated actions shall require a two-thirds majority of the entire membership of the Executive Committee. Prior to such final action by the Executive Committee, timely notice shall be provided to every Board member in writing, or, in emergency circumstances, by telephone, e-mail, or in person.

2. In the interim between regularly scheduled Board meetings, when either declaration of a state of emergency or disaster over an area which affects any campus, division, institution, or other component of the ~~LSU-System~~University has been declared pursuant to the provisions of La. R.S. 29:731 et seq., or (ii) the President, the Chair, and the Chair-Elect have certified a matter for which action is required before the next Board meeting, then the Executive Committee is authorized to take all required actions on behalf of the Board reasonably necessary for the safety and protection of persons, property, or the public health. The President shall report to the Board all actions taken pursuant to this authority within 3 business days.

3. When the Chair determines that the Executive Committee is not able to meet timely in the situations provided for in paragraph A.2, the President, after consultation with the members of the Executive Committee, shall be authorized to take actions on behalf of the Board reasonably necessary for the safety and protection of persons, property, or the public health. The consultation may be by telephone, e-mail, fax, or in person. The President shall report to the Board all actions taken pursuant to this authority within 3 business days.

B. Grant of Authority By Board to President

1. The President is authorized to take any action not expressly required to be presented to the Board by these Bylaws and not otherwise required by law, contract, or agreement to be acted upon by the Board.

2. The President additionally is authorized to delegate to Chancellors ~~and Chancellor-equivalents~~ or such other officials as he may designate authority vested in him when he deems it to be in the best interests of the University and consistent with the provisions and purposes of this Section. All such delegations shall be made in writing, with formal prior timely written notice to the Board. All prior delegations of such authority not inconsistent with this section shall remain in effect until amended or supplemented by the President or the Board.

C. Board, Executive Committee, and Integrated Committee Agenda

1. The agenda for the executive committee meetings, regular board meetings, and the integrated committee meetings shall be set by the Chair, after consultation with the Chair-Elect, and the President, with appropriate input from the chancellors. No matter shall be placed on any such agenda unless the procedures set forth in subsection E for submission of proposals for ~~System~~-approval by the Board or the President have been met, except in exceptional circumstances as determined by the Chair, after consultation with the Chair-Elect and the President.

2. Upon request of five ~~board~~Board members made in writing or at a regular Board meeting, an item shall be added to the next following regular Board meeting agenda.

3. The agenda for special committee meetings and special Board meetings shall be set by the Chair or the respective committee chairs.

D. Significant Board Matters Requiring Approval by the Board

The following matters shall require approval by the Board. No such matter shall be undertaken or approved by or for any campus or the [SystemUniversity](#) without prior review by the President and appropriate ~~System staff~~[University Officers](#) and formal approval by the Board.

1. **General Rule:** Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the [SystemUniversity](#) or any of its campuses or divisions.

2. **Matters related to contracts:**

- 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 the University](#). Provided however, a lease (or guarantee of a lease) wherein ~~an LSU System a~~ [University](#) entity is a lessee or lessor of building space not exceeding 5,000 gross square feet, upon recommendation of a chancellor or ~~equivalent, for LSU, the President's designee~~ with full particulars presented as provided in subsection E may be approved by the President. Reasonably related leases may not be structured to avoid Board approval requirements. All such transactions shall contain the maximum protections reasonably afforded by law in favor of [LSU the University](#).
- b. Any contract or series of related contracts for the design, construction, repair, or renovation of any building or other structure involving a total of \$500,000 or more. The authority of the President to approve any such contracts involving a total of less than \$500,000 submitted in substantial compliance with the requirements of subsection E is recognized. The President may delegate ~~to chancellors or equivalents, in writing,~~ the authority to approve any such contracts involving a total of less than \$125,000, as well as establish any procedures appropriate for such approvals.
- c. Any contract or series of related contracts for design, acquisition, or implementation of major academic, administrative, or billing software systems and applications involving a total of \$500,000 or more. The authority of the President to approve any such contracts involving a total of less than \$500,000 submitted in substantial compliance with the requirements of subsection E is recognized. The President may delegate ~~to chancellors or equivalents, in writing,~~ the authority to approve any such contracts involving a total of less than \$250,000, as well as establish any procedures appropriate for such approvals.
- d. Use agreements relating to the granting of rights to any [SystemUniversity](#) or campus property or property rights involving a total of \$100,000 or more, in one fiscal year or an aggregate of \$150,000, or more, in two or more fiscal years.
- e. Any contract or series of related contracts for the construction of new fraternity and sorority houses, original leases and substantial amendments or modifications thereto or arising out of same.
- f. Cooperative endeavor agreements pursuant to Article VII, Section 14 of the Louisiana Constitution, joint ventures, partnerships, and similar agreements, and agreements directly relating thereto.
- g. Acceptance of donations to an entity of the ~~LSU System~~[University](#) made by a non-governmental person or entity of: (i) any immovable property or (ii) movable property in an amount greater than \$125,000.

3. **Matters related to personnel:**

- a. Appointments and all other personnel actions relating to the President, Head Coaches and Athletic Directors.

- b. Appointments and all other personnel actions relating to Coaches other than Head Coaches with a salary of \$250,000 or above.
- c. Appointments, salary increases greater than 15%, salary decreases, and terminations for Chancellors and for University Officers.
 - ~~— terminations for Chancellors and equivalent positions and for University~~
 - ~~— Administration executive level positions that report directly to the President and~~
 - ~~— have LSU-wide responsibility.~~
- ~~d. —~~ Upon approval by the President of a Personnel Action Approval Policy, and in
 - conformance with such policy, the President shall have authority to approve all
 - other actions and to delegate approval to the ~~chancellors or equivalent~~ Chancellors or their
- d. — designees.
- e. The Board authorizes and approves the payment of supplemental benefits to its employees by the support organizations with whom the Board has affiliation agreements. The supplemental compensation for each employee shall be authorized and approved by the same administrators responsible for the other personnel actions relating to that employee, or by the Board for employees for whom the Board has reserved final authority.
- f. Except as specifically provided in the Personnel Action Approval Policy established by the President, Board approval is not required for personnel actions which are governed by the laws and rules promulgated by the Department of State Civil Service affecting the Classified Service.
- 4. **Other matters:**
 - a. New academic degree programs.
 - b. Non-academic affiliation agreements.
 - c. Such other matters that are not expressly delegated herein or hereafter by the Board to the President or a ~~chancellor or equivalent~~ Chancellor and which reasonably should be considered to require Board approval as generally defined above and as construed in light of the illustrative listings.
 - d. Any matter the Board hereafter determines to require Board approval.

E. Submission of proposals for approval by the President or the Board

All matters submitted to the ~~System by any campus~~ President for approval either by him or by the Board ~~or the President~~ shall be submitted timely by the Chancellor or ~~equivalent~~, for LSU, the President's designee(s) to the President. The President and ~~System staff~~ officials designated by the President or the University Officers shall review all such submissions. If Board approval is required, the President and ~~System staff~~ University Officers designated by the President shall prepare an executive report, including a recommendation to the Board, regarding the submission. All such submissions to the President ~~by the Chancellor or equivalent~~ shall include the following listed items:

- 1. A summary of the matter in reasonable detail;
- 2. A full description of the business plan or equivalent, as applicable, including a clear statement of the fiscal impact upon the campus in question and the ~~LSU System~~ University;
- 3. Where the success or fiscal feasibility of a proposal depends on estimates or

predictions of future usage of a program, service, or facility, such as the number of persons expected to use a facility or the number of students expected to enroll in a program, a description of the data and other factors used to make the relevant estimates or predictions, and an analysis of the consequences should the actual usage be substantially higher or lower than predicted or estimated;

4. Where applicable, a description of the competitive process followed to set the price or amount of any lease, purchase, or sale or, if no competitive process was followed, a description of the process followed to assure that the price or amount is consistent with, or more advantageous to [LSUthe University](#) than, the fair market value of the property, goods, or services being leased, purchased, or sold;

5. The legal documents proposed to be entered into by [LSUthe University](#);

6. A list of all persons and legal entities with an interest in the proposal, including the names of the [LSUUniversity](#) employees responsible for supervising the proposal if it is approved and the precise legal name, as recorded with the Secretary of State, of any corporation, LLC, partnership, or other legal entity participating in the proposal;

7. A list of any related existing or contemplated future transactions, whether such future transactions will be legally required or are merely expected or desired to occur as a result of the submitted proposal;

8. A disclosure of any known relationships between any [LSUUniversity](#) employee and ~~any~~ [any](#) private contractor or other party to the matter and the steps taken to avoid any conflicts of interest; if no such contrary disclosure is made, the submission shall be deemed to constitute an express certification by the ~~Chancellor or equivalent~~ [individual making the submission](#) that a reasonable inquiry has been made and no such conflicts of interest exist;

9. Any other material the President, the Board, or the Executive Committee determines will assist in understanding the matter presented.

The act of submission of a matter in accordance with the provisions of this section shall constitute an express certification by the ~~Chancellor or equivalent~~ [individual making the submission](#) that the information submitted is complete and accurate. The submission shall include a brief acknowledgment of compliance with this Section, signed by the ~~Chancellor or equivalent~~ [individual making the submission](#).

~~The Chancellors~~ [All officers](#) and ~~equivalent~~ [employees of the University](#) shall cooperate with the President and the ~~System staff~~ [University Officers](#) (who are acting on behalf of both the President and the Board) in their review of any proposal submitted, and shall promptly supply any additional information which the President and ~~System staff~~ [University Officers](#) believe will be needed by the Board for proper consideration of the proposal.

The Chancellors and the President and ~~System staff~~ [University Officers](#) shall cooperate to develop standard reporting formats for providing information to comply with this subsection E.

F. Deadlines for submission of proposals

1. Except as provided below, all proposals for Significant Board Matters shall be submitted to the ~~System office~~ [President](#) no less than ~~30~~ [15 business](#) days prior to the scheduled meeting date of the Board or Executive Committee at which action is requested. In exceptional circumstances, which should be rare, the Chair, in consultation with the Chair-Elect and the President, may authorize a later submission of a Significant Board Matter, but in no event should such submission, including all information required by subsection E, be made less than 5 business days prior to the meeting of the Board or Executive Committee, or such other period of time necessary to allow appropriate review, whichever is greater.

2. Except as provided below, all proposals for matters which may be approved by the President without Board action shall be submitted to the ~~System office~~President no less than 20 days prior to the date by which approval is needed. In exceptional circumstances, the President may, upon written justification, authorize in writing later submission of a matter which may be approved by the President. In exceptional circumstances when a later submission is requested, all information required by subsection E must be submitted to, and received by, the President at least 3 business days prior to the date by which approval is needed.

3. When a major project is contemplated by a campus, such as construction of a new facility, major renovation of an existing facility, or creation of a new program, the campus shall formally notify the President in writing of the proposed project prior to making any commitments, formal or informal, to any person or entity regarding that project. The President shall, in his discretion, promptly notify the Chair, the Chair-Elect, and the immediate past Chair of the contemplated project. Contemplated major projects should not be pursued to near completion, or a public announcement thereof made, by a campus without this prior notice to and approval of the President.

G. Board Approval of Capital Outlay Requests and Operating Budgets Shall Not Constitute Board Authority to Proceed

1. Capital outlay requests need not be submitted in accordance with the procedures of this Section. Board approval of any capital outlay request or item, or approval of an operating budget, shall not be considered direct or indirect approval of any program or action, or authority to anyone to proceed in undertaking such matter, unless such matter relating to an approved capital outlay is separately and expressly approved by the Board after full compliance, review, and specific approval by the Board or President as required by this Section.

2. Capital outlay prioritization must be approved by the Board or by the Executive Committee.

H. The provisions of this section shall create no rights in third parties. The failure to follow the procedures set forth herein shall not affect the validity of any Board action.

I. All other provisions of the Bylaws, Regulations, permanent memoranda (including conflicting portions of PM-69) and policy statements, general grants of authority from the Board to the President or to any Chancellor or ~~equivalent or~~ other writings in conflict with this Section are repealed, cancelled or withdrawn.

J. This section of the Bylaws is effective upon approval by the Board, and upon such approval the President shall disseminate this new section of the Bylaws to all ~~chancellors or equivalents~~Chancellors and deans or equivalents for their review and further dissemination as appropriate.

ARTICLE VIII

RIGHTS, DUTIES, AND RESPONSIBILITIES OF

THE ACADEMIC STAFF

Section 1. Academic Freedom. The University-~~System~~ is committed to the principle of academic freedom. This principle acknowledges the right of a teacher to explore fully within the field of assignment and to give in the classroom and elsewhere such exposition of the subject as the teacher believes to represent the truth. This principle also includes the right of a member of the academic staff of the University ~~System~~ to exercise in speaking, writing, and action outside the University the ordinary rights of a citizen, but it does not decrease the responsibility which the member of the academic staff bears to the University-~~System~~, the State, and the Nation. When a member of the academic staff is not officially designated to represent the University-~~System~~, the staff member must indicate clearly that he or she is speaking as an individual citizen.

Among the many implicit responsibilities which must be assumed by those enjoying the privileges of academic freedom shall be that of refraining from insisting upon the adoption by students or others of any particular point of view as authoritative in controversial issues.

Section 2. Duties of Academic Staff. Each member of the academic staff is expected to be devoted to the accomplishment of the purposes for which the University ~~System~~ exists: instruction, research, and public service. Those members of the academic staff who comprise the faculty of the University ~~System~~ are charged to determine the educational policy of the ~~System~~University through deliberative action in their respective units and divisions.

Section 3. Appointment and Promotion of Academic Staff. Each appointment or promotion of a member of the academic staff shall be made upon the basis of merit and the special fitness of the individual for the work demanded by the position. The terms of the appointment of each member of the academic staff shall be reduced to writing and a copy thereof furnished to each of the contracting parties.

Section 4. Tenure of Academic Staff. Members of the academic staff may be appointed for specified terms (term appointments) or for indeterminate terms (tenured appointments). Term appointments are utilized at the lower academic ranks and ordinarily for initial appointments at all levels. Associate Professors and Professors and those holding equivalent ranks are tenured except as noted in ~~System~~University regulations. Under certain circumstances tenure may be awarded to those holding lower ranks.

The provisions of tenure apply to full-time faculty members with respect to their academic rank and not to administrative titles or assignments. Tenure applies only on the campus on which the tenure is earned.

The foregoing shall not be construed to exclude contracts between the Board and members of the academic staff on mutually acceptable terms other than those stated herein.

Any appointment, whether tenured or term, may be terminated for cause.

Section 5. Responsibilities of Academic Staff. It is a basic principle that every member of the academic staff of whatever rank shall at all times be held responsible for competent and effective performance of appropriate duties. No principle of tenure shall be permitted to protect any person from removal from a position after full and careful investigation, according to procedures of due process, has revealed that the person has not met and does not give promise of meeting the responsibilities of the position.

ARTICLE IX

AMENDMENT OR REPEAL OF BYLAWS

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

ARTICLE X

RULES AND REGULATIONS OF THE BOARD OF SUPERVISORS

Section 1. Any action by the Board establishing policy or methods of procedure, administrative, business, academic, or otherwise, shall be known as **Rules and Regulations of the Board of Supervisors.**

Section 2. Rules and Regulations of the Board of Supervisors may be adopted by the Board, or may be amended or repealed, in whole or in part, at any meeting of the Board

Section 3. All policies and procedures of the Board, falling within the definition of rules and regulations, as herein defined, and in existence upon the date of the adoption of these **Bylaws**, shall be a part of the **Rules and Regulations of the Board of Supervisors**.

ARTICLE XI

ADOPTION OF BYLAWS

These **Bylaws** shall be and become effective on the 20th day of March, 1977.

ARTICLE XII

REPEALING CLAUSE

All rules, orders, regulations, and resolutions heretofore enacted or adopted by the Board, which are in conflict of these **Bylaws**, are hereby repealed.

PART II
REGULATIONS OF THE BOARD OF SUPERVISORS

CHAPTER I
ACADEMIC AND ADMINISTRATIVE ORGANIZATION

Section 1-1. Order of Communications and Reports. The official recommendations and communications of any member of the academic or nonacademic staff shall be sent through channels to the appropriate officer. An administrative officer shall, when so requested, promptly transmit any such recommendations or communications, with the officer's own comments and recommendations thereon, to the next higher office.

Section 1-2. Academic Organizational Units.

1-2.1. THE FACULTY OF THE UNIVERSITY-~~SYSTEM~~.

The faculty of the University-~~System~~ shall consist of the faculties of the several campuses as defined below (Sec. 1-2.2). The President and the academic officers of the ~~System~~University shall be members of the University-~~System~~ faculty and the former shall be its highest officer.

1-2.2. THE FACULTIES OF THE SEVERAL CAMPUSES.

- a. **Membership.** Full-time members of the academic staff having the rank of Instructor or higher (or equivalent ranks¹) shall constitute the faculty of the campus on which they are appointed. The faculty may organize itself into a Faculty Council which shall include all full-time members of the faculty and members of the Administrative Council- (see sec. 1-3.1). As a class, part-time members of the academic staff having the rank of Instructor or higher (or equivalent ranks) may be enfranchised to the degree deemed appropriate by the faculties of the several campuses. Members of the Administrative Council, not holding academic rank, shall be non-voting members of the Faculty Council.
- b. **Duties.** The faculty or Faculty Council² shall establish curricula, fix standards of instruction, determine requirements for degrees, and generally determine educational policy, subject to the authority of the Board. Except as otherwise provided, each faculty shall establish its own educational policies. It shall, within the framework of the educational policy of the ~~System~~University, have legislative power over all matters pertaining to its own meetings and may delegate its own authority to an elected Senate and/or to standing committees, whose authority shall be limited to matters which are proper to the faculty and which have been specifically delegated by the faculty. It shall make recommendations for the granting of degrees through its respective colleges or schools not within a college.

¹See Section 2-6.

²The terms "faculty" and "Faculty Council" are used interchangeably in this Section (1-2-2).

- c. **Actions.** Any action of a faculty or Faculty Council which, in the judgment of the ~~chief administrative officer of the campus~~Chancellor, or of the President, is administrative or which seriously affects the interests of another faculty of the ~~LSU System~~University or of the ~~System~~University itself, may be suspended by the President and such action shall be reported to the Board at its next meeting. All questions of jurisdiction among colleges, schools not within colleges, or divisions shall be determined by the ~~chief administrative officer of each campus~~Chancellor, or, for LSU or in inter-campus situations, by the President.

Minutes of all actions taken by the faculties or Faculty Councils, together with appropriate recommendations of the major administrative officer concerned, shall be reported to the President. The President may then refer any such action on academic matters of general ~~System~~University concern to the appropriate council, or a committee thereof, for consideration.

- d. **Meetings.** Each faculty or Faculty Council shall meet at least once each academic year at the call of the President as ~~chairman~~chair or of the ~~chief administrative officer~~Chancellor of the campus or, for LSU, the President's designee, as vice-~~chairman~~chair, or upon the written request of 50 members or 20 percent of the membership, whichever is the smaller number. At least five days notice of meeting shall be given. It shall be the prerogative of the President to preside; otherwise, the ~~administrative head~~Chancellor of the campus or, for LSU, the President's designee, will preside.
- e. **Quorum.** Not less than 25 percent of the membership of the faculty or Faculty Council shall be necessary to constitute a quorum, provided, however, that any faculty or Faculty Council (at a meeting at which a quorum of 25 percent of the members is present) may, by majority vote, establish a higher percentage of the membership as a quorum for future meetings.

1-2.3. THE FACULTIES OF COLLEGES AND SCHOOLS.

- a. **Membership.** The faculty of each college or school not within a college, except the Graduate School, shall consist of all members of the academic staff having the rank of Instructor or higher (or equivalent rank) who are appointed full-time and a part of or all of whose current work is in that particular college or school. As a class, part-time members of the academic staff having the rank of Instructor or higher (or equivalent rank) may be enfranchised to the degree deemed appropriate by the faculty of the college.
- b. **Duties.** The faculty of each college or school not within a college shall define and recommend degree programs for units under its jurisdiction. The faculty shall recommend candidates for degrees to be awarded by the college or school not within a college.
- c. **Meetings.** The dean of each college and the dean or director of each school not within a college shall call a faculty meeting when it seems advisable to do so, provided there be at least one meeting during each semester and summer term. The dean or director shall be required to call a faculty meeting upon the written request of one-fourth of the members of the faculty. At the time the faculty members are notified of a meeting, the ~~chief administrative officer~~Chancellor of the campus or, for LSU, the President and the chief academic officer shall receive the same notification.
- d. **Quorum.** Not less than 25 percent of the membership of the faculty of a college or school not within a college shall be necessary to constitute a quorum, provided, however, that such faculty (at a meeting at which a quorum of 25 percent of the members of such faculty is present) may, by majority vote, establish a higher percentage of the membership as a quorum for future meetings.

1-2.4 THE DEPARTMENTAL FACULTY.³

- a. **Membership.** The departmental faculty shall consist of all members of the academic staff of a department having the rank of Instructor or higher (or equivalent rank) who are appointed full-time for at least a one-year period and a part or all of whose work for the current year is in that particular department. As a class, part-time members of the academic staff having the rank of Instructor or higher (or equivalent rank) may be enfranchised to the degree deemed appropriate by the faculty of the department.
- b. **Duties.** The departmental faculty shall have jurisdiction over matters concerning its educational policies insofar as these do not conflict with the policies of other departments, the rules and regulations of its own college or school, the campus, or the University-System.
- c. **Meetings.** The ~~Chairman~~Chair or head of the department shall call a meeting of the departmental faculty when it seems advisable to do so.

1-2.5. THE GRADUATE FACULTY.

- a. **University ~~System~~—Graduate Division Faculty.** The Graduate Faculty of the ~~System~~University shall consist of the graduate faculties of the several campuses. Election to the graduate faculty of one campus shall automatically mean election to the University ~~System~~—Graduate Division Faculty.

The principal officer of the Graduate Faculty of the ~~System~~University shall be the chief academic officer of the ~~System~~staffUniversity, who shall preside over the Executive Graduate Council (Sec.1-2.6) as its ~~chairman~~chair.

- b. **Individual Campus Graduate Faculty.** The Graduate Faculty on each campus shall consist of those members of the teaching, research, and extension faculties who have been so designated by the Chancellor upon the recommendation of the Graduate Council (Sec. 1-2.7) acting upon appropriate nominations. Such designation shall provide for classification of the Graduate Faculty as members or associate members according to their qualifications and experience.
- c. **Voting Powers.** Voting power at faculty meetings is vested in the members on matters of educational policy, and in the members and associate members in recommending candidates for degrees.

1-2.6. THE EXECUTIVE GRADUATE COUNCIL. (See **Bylaws**, Article VII, Section 7.)

1-2.7. THE CAMPUS GRADUATE COUNCIL.

- a. **Establishment.** Each campus offering graduate work shall have a Graduate Council, which shall advise the Dean of the Graduate School in the administration of the academic affairs and policies of the Graduate School. Each campus shall formulate a policy regarding the operation of the Graduate Council, including membership, length of terms, and functions.
- b. **Approval.** Each campus shall submit its policy and any subsequent amendments concerning the Graduate Council to the President ~~of the LSU System~~ for review and approval. Until such campus policies are approved, the existing provisions shall control.

³Including faculties of schools within colleges.

Section 1-3. Administrative Units.

1-3.1. THE ADMINISTRATIVE COUNCIL.

- a. **Membership.** The Administrative Council shall be composed of the principal administrative officers of a campus (as designated by the ~~chief administrative officers~~ Chancellors or, for LSU, the President); three members of the faculty of tenured rank elected annually for one-year terms by the faculty or a delegated body thereof; and such other persons as may be specifically designated by the ~~chief administrative officer~~ Chancellor or, for LSU, the President.
- b. **Duties.** The Administrative Council shall advise the Chancellor or, for LSU, the President in the administration of the affairs of that campus.
- c. **Officers.** The Chancellor or, for LSU, the President or his designee shall be the ~~chairman~~ chair of the Administrative Council on his campus, and shall appoint a secretary who shall keep minutes of all meetings and shall maintain a roll of the members of the Administrative Council.
- d. **Time of Meeting.** The Administrative Council of each campus shall meet at the call of the Chancellor or, for LSU, the President or his designee. The President may, at his discretion, call upon and preside over any or all of the Administrative Councils of the University ~~System~~ to advise him concerning the affairs of the ~~System~~ University.

1-3.2. COUNCIL OF ACADEMIC DEANS AND DIRECTORS.

The deans and directors of colleges, or of schools not within colleges, together with other academic officers of equivalent rank, responsible to the chief academic officer, shall constitute the Council of Academic Deans and Directors of a campus, and shall meet at the call of the chief academic officer as ~~chairman~~ chair. The Council shall advise the chief academic officer in the administration of the academic affairs of the campus.

1-3.3 THE ATHLETIC COUNCIL.

- a. **Establishment.** There shall be established an Athletic Council on campuses having organized athletic programs and participation in inter-collegiate competition. Each campus shall formulate a policy regarding the operation of the Athletic Council. This policy shall address membership, terms of office, voting and bylaws, and functions of the Council. This policy shall be in compliance with the rules and regulations of the appropriate athletic oversight organization.
- b. **Approval.** Each campus shall submit its policy concerning the Athletic Council to the President ~~of the LSU System~~ for review and approval as well as any subsequent amendments to this policy.

~~Section 1-4. The Paul M. Hebert Law Center.~~

~~1-4.1. The Paul M. Hebert Law Center is designated as a separate major administrative subdivision of the University System whose administrative head shall be its Chancellor.~~

~~1-4.2. The Paul M. Hebert Law Center, including its Center for Civil Law Studies, shall continue to carry on all of the instructional, research, and public service activities formerly within the jurisdiction of the Louisiana State University Law School and to expand such services to the State of Louisiana as personnel and financial resources permit.~~

- ~~1-4.3. The Center for Civil Law Studies, within the Paul M. Hebert Law Center, shall promote and encourage the scientific study of the civil law system in the modern world, its history, structure, principles, and actualities, with a view toward facilitating a better understanding and further development of the private law of the State of Louisiana and other civil law jurisdictions by means of theoretical and practical activities of all kinds, including publications, translations, the sponsorship of faculty and student exchanges and visiting scholars, and the presentation of specialized programs, seminars and lectures.~~
- ~~1-4.4. The Louisiana State University Law School shall be continued and recognized as a major unit within the Paul M. Hebert Law Center, charged with the responsibility for conducting the primary educational and degree-granting functions of the Law Center.~~
- ~~1-4.5. The faculty of the Paul M. Hebert Law Center shall consist of all present members of the Law Faculty, together with all persons who shall be appointed in the future with the academic rank of Instructor or higher.~~

CHAPTER II

APPOINTMENTS, PROMOTIONS, AND TENURE

Section 2-1. Classification of Employees, General.

Employees of the ~~System~~University are grouped as follows:

a. **Nonstudent Employees.**

(1) **Academic Employees.**

- (a) **Faculty.** Full-time members of the academic staff on the various campuses with the rank of Instructor or above and equivalent ranks.
- (b) **Other Academic.** Part-time members of the academic staff; members of the academic staff below the rank of Instructor or equivalent; and other personnel with academic responsibilities not holding faculty rank.

(2) **Nonacademic Employees.**

(a) **Unclassified.**

- (i) Administrative officers and professional staff, and positions specifically exempt from the classified service under Article X of the **Constitution** of the State of Louisiana.
- (ii) Other positions exempt from the classified service by special action of the State of Louisiana, Department of Civil Service.

- (b) **Classified.** All employees in positions covered by the provisions of the Civil Service System of the State of Louisiana.

b. **Student Employees.**

- (1) **Graduate Assistants.** Full-time graduate students who are employed part-time for services supportive of the graduate education experience.
- (2) **Students.** Those full-time undergraduate, graduate, and professional students who are employed on a part-time basis on the various campuses of the ~~System~~University and not classified as graduate assistants.
- (3) **Interns, Residents.** These and other such students employed in programs designed to fulfill professional and specialty requirements.

Section 2-2. Personnel Actions. The President shall establish a Personnel Action Approval Policy which shall establish the requirements for approval of all personnel actions except those reserved for Board approval under Article VII, Section 8, of the Bylaws.

Section 2-3. Terms of Employment, Nonacademic Staff.

- a. **Classified Personnel.** Classified personnel hold their positions according to the terms of their appointment under the provisions of the Civil Service System of Louisiana and the classified procedures of the University ~~System~~.

- b. **Unclassified Employees.** Unclassified employees hold their positions at the pleasure of the Board. Services of unclassified employees may be terminated by giving such employees reasonable notice with the approval of the ~~chief administrative officer~~ Chancellor of the campus ~~and/or, for LSU,~~ the President ~~or his designee~~. "Reasonable notice" shall be interpreted to mean written notice given at the time the action is instituted by the employee's immediate supervisor and effective after a period of time equivalent in days to the usual payroll period of the employee.

Section 2-4. Personnel Actions, Academic Staff. In all personnel actions related to academic staff the principle of academic freedom shall be recognized. See **Bylaws**, Article VIII, Sections 1 and 5.

All personnel actions relating to faculty and other members of the academic staff shall be ~~initiated~~ initiated in accordance with the Personnel Action Approval Policy. Actions shall be taken after appropriate consultation with the faculty.

Section 2-5. Personnel Actions Requiring Board Approval. Except as otherwise provided in the Bylaws, and notwithstanding any other provisions of these *Regulations*, all personnel actions made by any campus or institution of the ~~LSU System~~ University shall be made in accordance with the following provisions and the Personnel Action Approval Policy established by the President.

A. Personnel Actions Requiring Board Approval

The following personnel actions shall require approval by the Board of Supervisors:

1. Appointments and all other personnel actions relating to the President, Head Coaches and Athletic Directors.
2. Appointments and all other personnel actions relating to Coaches other than Head Coaches with a salary of \$250,000 or above.
3. Appointments, salary increases greater than 15%, salary decreases, and terminations for Chancellors and ~~equivalent positions and for University Administration executive level positions that report directly to the President and have LSU wide responsibility~~ for University Officers.
4. Upon approval by the President of a Personnel Action Approval Policy, and in conformance with such policy, the President shall have authority to approve all other actions and to delegate approval to the chancellors or ~~equivalent or~~ their designees.
5. Except as specifically provided in the Personnel Action Approval Policy established by the President, Board approval is not required for personnel actions which are governed by the laws and rules promulgated by the Department of State Civil Service affecting the Classified Service.

B. Personnel Actions Not Requiring Board Approval

1. Approval of other personnel actions shall follow the Personnel Action Approval Policy established by the President ~~or~~.
2. Authority to take all other personnel actions is hereby delegated by the Board to the President, who may further delegate such authority, under the Personnel Action Approval Policy, as he deems to be in the best interests of ~~LSU~~ the University.

C. Reporting

Quarterly reports will be developed and provided to the Board providing necessary information required to fulfill the Board's fiduciary and oversight responsibilities.

D. Submission of Actions for Approval by the Board or President

Any submission for approval by the Board or President shall be made in accordance with the deadlines established in Art. VII, sec. 8.F of the Bylaws. All such submissions shall include the following information:

1. All sources of compensation;
2. The nature of the appointment;
3. All proposed letters of employment, contracts of employment, or other written employment agreements pertaining to compensation or benefits; and
4. Any additional information required by the President.

E. Miscellaneous

1. For purposes of this policy and the ~~Permanent Memorandum to be issued by the President~~ [Personnel Action Approval Policy](#), "compensation" includes all income covered on any check issued (or electronic transmittal) by ~~Louisiana State~~ [the University](#) for any compensation purposes as well as all income from other sources, including affiliated foundations, paid as compensation for work done on behalf of ~~LSU~~ [the University](#) or pursuant to the employment agreement with ~~LSU~~ [the University](#). This includes any income paid pursuant to any faculty group practice plan or program. It does not include royalty, licensing, or other payments made pursuant to ~~LSU's~~ [the University's](#) intellectual property policies.
2. Nothing herein shall be construed to alter, amend, or in any way affect PM-11 or the policies and procedures set forth therein, which are required by La. R.S. 42:1123(9)(b).
3. In the event of any conflict between the provisions of this Section 2-5.1 and any other provisions of the *Regulations* of the Board of Supervisors or any Permanent Memorandum, the provisions of this Section 2-5 shall control.
4. Nothing herein creates any rights, procedural or substantive, in employees, prospective employees, or other persons.

Section 2-6. Academic Ranks. The following academic ranks shall be recognized.

Instructional and Research Ranks-full-time (1,2,4)	Instructional and Research Ranks - Part-time(5)	Library/Museum(10) Ranks - Full-time	Cooperative Extension Service	AgCenter Communications
Boyd Professor Designated Professorships(3) Professor	Professor, part-time(6) Adjunct Professor(7) Consulting Professor(8)	Librarian Curator	Professor	Communications Specialist (12)
Associate Professor	Associate Professor, Part-time(6) Adjunct Associate Professor(7)	Associate Librarian Associate Curator	Associate Professor Agent (4)	Associate Communications Specialist (12)
Assistant Professor	Assistant Professor, Part-time(6) Adjunct Assistant Professor(7)	Assistant Librarian Assistant Curator	Assistant Professor Associate Agent (4)	Assistant Communications Specialist (12)
Instructor	Instructor, Part-time(6)	General Librarian	Instructor Assistant Agent (4)	
Associate	Associate, Part-time(6)	Library Associate	Extension Associate	
Assistant	Assistant, Part-time(6)			
	Cooperating Teacher(9)			
	Special Lecturer(5)			

FOOTNOTES:

(1) The titles "Visiting Professor," "Visiting Associate Professor," and "Visiting Assistant Professor" are courtesy titles given to holders of visiting full-time appointments at those respective ranks. No changes shall be made in the titles of regular members of the instructional and research staff holding part-time appointments during the summer term. The "Visiting" title may also be used for individuals who are not on leave from another institution but who meet the standards for the rank specified and who are hired for a limited period.

(2) The full-time faculty shall consist of the full-time University faculty and the members of the full-time staff at affiliated hospitals who have academic responsibilities equivalent to the full-time University faculty. The full-time affiliated faculty who are gratis or whose University contribution to salary is less than 25 percent shall be considered as volunteer faculty to the University insofar as employee benefits are concerned. However, if the University contributes 25 percent or more of their total salary, percentage of University contribution should be indicated and employee benefits appropriate to that percentage provided. Full-time faculty in the professions whose primary responsibility is in teaching or service programs associated with coordinating fieldwork and supervising students in the field are to be appointed as Assistant Professor-Professional Practice, Associate Professor-Professional Practice, or Professor-Professional Practice. Full-time affiliated faculty do not acquire tenure.

(3) The title of Professor may be modified to indicate particular distinction as approved by the Board in special instances.

(4) Full-time faculty whose primary responsibility is conducting research and who normally are paid from grant or contract funds are to be appointed as Assistant Professor-Research, Associate Professor-Research, or Professor-Research or Assistant Professor-Extension, Associate Professor-Extension, Professor-Extension. Full-time faculty in the clinical sciences with responsibility to teaching and service programs and who are essential for patient care are to be appointed as Assistant Professor of Clinical (discipline), Associate Professor of Clinical (discipline), or Professor of Clinical (discipline), Extension field faculty employed primarily to conduct educational programs are appointed as Assistant Agent, Associate Agent, and Agent. The faculty in these ranks do not acquire tenure.

Full-time faculty in the professions whose primary responsibility is in teaching or service programs associated with coordinating field work and supervising students in the field are to be appointed as Assistance Professor-Professional Practice, Associate Professor-Professional Practice, or Professor-Professional Practice.

(5) Part-time academic personnel in the Medical Center whose primary role is related to a clinical setting may be designated by the title "Clinical" preceding their academic rank, except department heads, who may be given their appropriate professorial rank without the designation "Clinical".

Part-time academic personnel in the Law Center whose primary role is related to a clinical setting in any internship program or other clinical or skills instructional program which has been or may be established by the Law Center may be designated by the title Adjunct Clinical Instructor, Part-time.

(6) The title 'Special Lecturer' is authorized and limited to part-time appointments without rank designation and is restricted to specialists and professional men and women whose primary occupation is practice of their profession.

(7) The designation "part-time" indicates that the appointee is to serve less than 100 percent basis.

(8) On the recommendation of appropriate campus officers, the ranks of Adjunct Professor, Adjunct Associate Professor, etc., may be conferred upon persons whose primary employment is outside the department. The basis of such recommendation shall be that the [SystemUniversity](#) can benefit from the talents, abilities, and experience of persons in various fields as consultants; for the conduct of formal courses, occasional lectures, or seminars; or for other similar activities. Recommendations for such appointments shall be made in the same manner as for other academic ranks. Individuals appointed as Adjunct Professors, Adjunct Associate Professors, or Adjunct Assistant Professors, are ineligible to participate in the University Retirement System or other University-funded employee benefits accorded other academic employees of the [SystemUniversity](#).

(9) A person of exceptional distinction who performs the services of an Adjunct Professor may be designated a Consulting Professor.

(10) The title of Cooperating Teacher is used for off-campus public school teachers who supervise teachers in the teacher training program.

(11) The titles of 'Curator', 'Associate Curator' and 'Assistant Curator' are authorized and limited to those individuals holding full-time appointments on the museum staff. The ranks of Curator, Associate Curator and Assistant Curator shall be equivalent to those of Professor, Associate Professor and Assistant Professor, respectively. The rules and rights of appointment, promotion and tenure shall be the same as for the professorial ranks.

(12) The titles of Assistant Communications Specialist, Associate Communications Specialist and Communications Specialist are non-tenure track titles for LSU AgCenter Communications Department faculty who perform professional level research, education, and outreach responsibilities which are an integral part of the research and outreach programs of the LSU AgCenter.

Section 2-7. Tenured and Term Appointment, Academic Staff.

Faculty Ranks. Faculty members and other members of the academic staff of comparable rank, including librarians, may be appointed for a specific term ("term appointment") or indefinitely ("tenured appointment") depending on rank and experience. Appointment or tenure on one campus of the [LSU System University](#) carries no implication of appointment or tenure on another campus. Academic employees are tenured only with respect to their academic ranks and not with respect to administrative titles or assignments.

Tenure is not a guarantee of lifetime employment, particularly in the face of institutional change or financial exigency. It does assure that the employee will not be dismissed without adequate justification and without due process.

Term employees are appointed for specified periods of time as indicated on the appointment form.

Professors and Associate Professors are tenured and are appointed for an indefinite period of time, except that the initial appointment and subsequent reappointments through not more than five years of total service to the [LSU University](#) campus involved may be made for a stipulated term. Persons promoted to the rank of Professor or Associate Professor after less than five years of service on the campus may be continued to term appointment through no more than the fifth year. Persons holding a professorial rank (Professor, Associate Professor or Assistant Professor) while being paid by a grant or contract do not acquire tenure through the passage of time but may become tenured only by specific individual recommendation through appropriate channels and approval by the President.

Assistant Professors are appointed for terms no longer than three years. Upon reappointment after seven years of service in rank on a particular campus, Assistant Professors receive tenure. A thorough review will be made during the sixth year of service so that notice of termination may be given if necessary no later than the end of the sixth year of service. Individual campuses have the option of conducting the thorough review prior to the sixth year, provided that appropriate written notification is given to the faculty member. The University may, at its discretion, count prior service on the same campus toward the seven-year evaluation period for an Assistant Professor to achieve indeterminate tenure. The ultimate decision shall be left with the President, to be applied in each individual case for which the respective campus recommends granting indeterminate tenure counting prior service favorably.

Those who rank as Associate or Instructor shall be appointed for a specified term and shall not be considered for indeterminate tenure; provided, however, Associates and Instructors hired for an initial term greater than two years may be terminated at the end of the first year if given notice during the first nine months of that year. Otherwise, the provisions of Section 2-7(1)-(4) shall apply.

Exceptions: The rules pertaining to tenure and term appointments are subject to the following exceptions:

At the Pennington Biomedical Research Center, persons holding the rank of Professor, Associate Professor and Assistant Professor, while being paid by a grant or contract, do not acquire tenure through the passage of time. Upon individual recommendation and approval by the President, such persons at the rank of Professor and Associate Professor may receive rolling tenure, i.e., they may be appointed for terms of 5 years. Faculty with rolling tenure are reviewed annually and reappointments of Associate Professor and of Professor faculty are for 5-year terms. At such annual review, a recommendation not to reappoint the Associate Professor or Professor is with a 5-year terminal appointment. The faculty member will be notified of a decision not to renew the appointment at least 5 years before the end of the appointment. Faculty members with rolling tenure or on terminal appointments may be terminated for cause at any time with due process.

At the Paul M. Hebert Law Center, the rank of Associate Professor may or may not carry with it the status of tenure, depending upon the timing and circumstances of the individual appointment. Individuals receiving an initial three-year appointment as Assistant Professor will be reviewed in their third year for a second three-year appointment for promotion to Associate Professor without tenure. No later than their sixth year, they will be considered for tenure and for promotion to Professor of Law. Typically, successful candidates will both be tenured and promoted to Professor of Law, although there may be cases in which tenure will be granted but the promotion to Professor of Law deferred for later determination. In such cases, they will hold the rank of Associate Professor of Law (with tenure), pending subsequent procedures addressing their promotion to Professor of Law.

At those campuses employing full-time faculty members in the professions (e.g. Education) whose primary responsibility is in teaching or service programs associated with coordinating fieldwork and supervising students in the field, the ranks of Assistant Professor-Professional Practice, Associate Professor-Professional Practice or Professor-Professional Practice may be designated. Individuals with these academic ranks shall not be eligible for tenure and may be enfranchised to the degree deemed appropriate by the faculty unit (system, campus, college, division or department).

Expiration of Appointment. Upon expiration of a term appointment, the employee is a free agent to whom the University ~~System~~ has no obligation. The University ~~System~~ may reappoint the employee to the same or a different position. Non-reappointment carries no implication whatsoever as to the quality of the employee's work, conduct, or professional competence.

When an employee, other than an Associate, is not to be reappointed, written notice to the employee will ordinarily be provided in accordance with the following schedule:

1. Not later than March 1 of the first academic year of service, if the appointment expires at the end of the year; or, if an initial one-year appointment terminates during an academic year, at least three months in advance of its termination.
2. Not later than December 15 of the second academic year of service, if the appointment expires at the end of that year; or if an initial two-year appointment terminates during the academic year, at least six months in advance of its termination.
3. At least 12 months before the expiration of an appointment after two or more years service on that campus.
4. When an Associate is not reappointed, the Associate shall be given written notice of termination no less than ninety (90) days prior to the expiration of the employment contract.

Section 2-8. Terms of Employment - Part-Time Academic Staff. Members of the part-time academic staff on the various campuses shall be given term appointments only, not exceeding one academic or fiscal year.

Section 2-9. Terms of Employment - Academic Staff, General. The foregoing provisions shall not be construed to exclude existing contracts between the ~~System~~[University](#) and academic staff on mutually acceptable terms.

Section 2-10. Basis of Pay. ~~System~~University employees may be employees for the academic year, fiscal year, summer term, or other stipulated terms. Employees shall be paid in accordance with procedures established for their employment.

Section 2-11. Regular Appointment. An employee on "regular appointment" or one deemed to be "regular" is defined as (1) an employee whose appointment is for a period of more than 180 calendar days, or (2) one who has been employed for more than 180 consecutive calendar days by successive uninterrupted appointment.

Section 2-12. Holding of Political Office. A full-time employee of the ~~System~~University shall not accept any appointive political office nor seek or hold any elective remunerative political office, without the consent of the President.

Section 2-13. Nepotism.

- a. No member of the immediate family of an agency head shall be employed by that agency.

"Immediate family" as the term relates to a public employee means children, the spouses of the children, brothers, sisters, parents, spouse, and the parents of the spouse.

"Agency" means a department, office, division, agency, commission, board, committee, or other organizational unit of a government entity.

"Agency head" means the chief executive or administrative officer of any agency as defined above or any member of a board or commission who exercises supervision over the agency.

- b. The provisions of this policy shall not prohibit the continued employment of any public employee nor shall it be construed to hinder, alter, or in any way affect normal promotional advancements for such public employee where a member of the public employee's immediate family becomes the agency head of such public employee's agency, provided that such public employee has been employed in the agency for a period of at least one year prior to the member of the public employee's immediate family becoming the agency head.

- c. Any person serving as an ~~LSU-System~~University employee on April 1, 1980, whose employment otherwise would have been in violation of this policy, may continue in such employment and the provisions of this section shall not be construed to hinder, alter, or in any way affect normal promotional advancement in public employment for such employees.

- d. This policy shall apply to all forms of employment; regular full-time employment, regular part-time employment, temporary full-time employment, temporary part-time employment, etc., and will apply to all employees, including student workers.

- e. Exceptions to the restrictions outlined in this policy are not permitted. However, employees of an agency who marry may continue to work in that agency even though one of the employees is the agency head, provided that the supervising spouse avoids participating in transactions in which the subordinate spouse has a substantial economic interest.

- f. Individual campuses may adopt more restrictive provisions to this policy provided that those provisions are approved by the President ~~of the LSU System~~.

Section 2-14. Boyd Professorships.

- a. **Eligibility.** A faculty member on one of the various campuses of the University ~~System~~ who has attained national or international distinction for outstanding teaching, research, or other creative achievement may be designated a "Boyd Professor." The "Boyd Professorship" shall be regarded as the highest professorial rank awarded by the University. No Professor holding an administrative position of the rank of director or above shall be eligible for designation as a "Boyd Professor."

- b. **Procedure for Nomination.** Nomination of a Professor for designation as a "Boyd Professor" shall originate with a dean or deans (in the case of split appointments) or a director of a school, which is not a college, in which a nominee holds professorial status. The nomination shall be addressed to a review committee through the Chancellor of the campus on which the nominee is a faculty member: or, for faculty members of LSU, through the President or his designee. The nomination by deans or directors shall be reviewed by a committee comprised of the chief academic officer of the ~~System-staff~~University, who shall serve as chair, two **emeriti** members, and three faculty members appointed by the President from throughout the University-System.

CHAPTER III

LEAVES

Section 3-1. Sabbatical Leave. Full-time academic employees [Sec. 2-1a(1)] at the rank of Instructor (or equivalent) or above, who have completed six years of service on the campus without having received leave with pay, may petition for sabbatical leave for study and research, the object of which is to enable them to increase their professional efficiency and usefulness to the ~~System~~University. Adequate justification setting forth the plan for each sabbatical leave shall be stated, and report of the accomplishments under each leave granted shall be made promptly upon return from sabbatical leave. Sabbatical leave shall normally be approved for the purpose of seeking a higher degree only under unusual circumstances. Persons employed on a 12-month basis may be granted 12 months' leave with one-half pay or six months' leave with full pay. Persons employed on nine-month basis may be granted nine months' leave with one-half pay or four and one-half months' leave with full pay. Approval of sabbatical leaves shall be in accordance with the Personnel Action Approval Policy. A member of the academic staff who is granted sabbatical leave shall be required to return to his University duties for at least a year before accepting employment elsewhere. A condition for granting of a sabbatical leave is the potential benefit the University will receive as a result of the sabbatical.

Under unusual circumstances, persons may accept employment during sabbatical leave if such employment is approved in advance by the ~~chief administrative officer~~President upon recommendation of the ~~campus, and~~Chancellor or, for LSU, the ~~President~~President's designee as supportive of the purposes of the leave.

Section 3-2. Leave to Obtain Advanced Degree. Members of the instructional, research, and extension staff on full-time regular academic appointment, who have completed two consecutive years of service at the rank of Instructor (or equivalent) or above, may petition for a leave of absence with part pay for not more than one year of study which will culminate in the receipt of an advanced degree. Such petition shall set forth the course of study to be pursued, the institution to be attended, an account of the petitioner's prospect for securing an advanced degree, and such other information as may be required. Approval shall be granted only after it has been determined that the interests of the ~~System~~University will be best served by granting such leave and that the petitioner will return to his University duties for at least two years before accepting employment elsewhere. Approval of sabbatical leaves shall be in accordance with the Personnel Action Approval Policy. The amount of pay to be allowed under such a grant shall be determined in each individual case, but in no event shall it exceed one-half of the regular salary which would accrue to the petitioner during the period of leave.⁴ If the petitioner, upon taking educational leave, does not return to the University for the required two years, the petitioner shall pay back to the University the amount paid to the petitioner for the leave. The period of service completed prior to granting of leave under this section shall not be counted in considering eligibility for sabbatical leave.

Section 3-3. Annual Leave and Sick Leave.

- a. **Annual Leave.** Annual leave is leave with pay granted an employee for the purpose of rehabilitation, restoration, and maintenance of work efficiency, or the transaction of personal affairs.
- b. **Sick Leave.** Sick leave is leave with pay granted an employee who is suffering with a disability which prevents him from performing his usual duties and responsibilities or who requires medical, dental, or optical consultation or treatment.

⁴For the academic-year employee, the term "regular" refers to the salary of the academic year, without presumption of summer term appointment.

- c. **Academic and Unclassified Employees.** Regular full-time and part-time members of the academic staff on fiscal appointment and regular unclassified employees are entitled to annual leave. Regular full-time and part-time members of the academic staff on fiscal- or academic-year appointment and regular unclassified employees are entitled to sick leave. The amount of accumulation and other provisions concerning annual leave and sick leave shall be in accordance with regulations or policies approved by the Board, appropriate State statutes, or policies applicable to the [SystemUniversity](#), with such provisions to be issued by memorandum from the President.
- d. **Classified Personnel.** Annual leave and sick leave of classified personnel shall be governed by the Civil Service Regulations.
- e. **LSU Laboratory School Faculty.** Members of the LSU Laboratory School Faculty on academic year appointments teaching grades K-12 may, during each fiscal year designate no more than two days of earned sick leave to be used as personal or annual leave and may be used in accordance with the definition of such leave as listed above. Personal or annual leave for LSU Laboratory School Faculty may not be accumulated from one fiscal year to the next.

Section 3-4. Civil, Emergency, and Special Leave. An employee shall be given time off without loss of pay, annual leave, or sick leave under such conditions as outlined:

- a. **Academic and Unclassified Employees** - as provided in policy memorandum from the President.
- b. **Civil Service Employees** - as provided in Civil Service Regulations.

Section 3-5. Military Leave. An employee of this [SystemUniversity](#) who is ordered to duty with troops or at field exercises or for instruction with any branch of the Armed Forces (including the National Guard) for periods not to exceed fifteen (15) working days in any one calendar year is entitled to leave of absence from duties without loss of pay, time, annual leave, or efficiency rating, and when relieved from duty shall be restored to the position held when ordered to duty. Any portion of a military leave in excess of fifteen (15) working days during a calendar year shall be leave without pay, unless chargeable against accrued vacation with pay.

Section 3-6. Leave of Absence Without Pay.

- a. **Academic and Unclassified Administrative Officers and Professional Staff.** Leaves of absence without pay may be granted for good cause. Approval of leaves of absence shall be in accordance with the Personnel Action Approval Policy. During leaves of absence without pay no allowance for sick leave or vacation shall accumulate. For academic employees, the period of absence without pay may, upon appropriate administrative recommendation, be credited toward tenure.
- b. **Classified and Unclassified Employees Exempt from the Classified Service by Special Action of the State of Louisiana, Department of Civil Service.** Leaves of absence without pay may be granted in accordance with Civil Service regulations.

Section 3-7. Report of Absences. Academic and Nonacademic employees shall not absent themselves from their duties without proper authorization.

Report of absence for academic and unclassified employees shall be governed by ~~administrative regulations of the Office of~~ [policies established by](#) the President. Report of absence for classified employees shall be governed by Civil Service Regulations.

CHAPTER IV

INSURANCE AND RETIREMENT

Section 4-1. Group Insurance Program. ~~System~~University employees, including retirees, may participate in the State of Louisiana Employees' Uniform Group Insurance Program in accordance with the rules and regulations established for that program. The University will pay the appropriate employer portion of the cost of its employees who elect to participate in this program.

Section 4-2. Other Group Insurance or Benefit Programs. The University-~~System~~ may make available to employees, through payroll deduction procedures or otherwise, other types of group coverage or benefit programs that are considered to be of particular interest and benefit to its employees. The inauguration of any such plan will be made only upon approval of the President, and no contribution will be made toward the cost of such additional programs without the approval of the Board.

Section 4-3. Retirement Plans. All Non-student regular employees of the University-~~System~~ will be members of one of the following retirement plans, unless ineligible by provisions of the retirement system.

- a. **LSU Retirement System.** The LSU Retirement System as provided by L.R.S. 17:1611, et seq. was abolished effective January 1, 1979, by the provisions of Act 643 of the 1978 Louisiana Legislature. Members of the LSU Retirement System on December 31, 1978, continuing in employment were required under the provisions of Act 643 of 1978 to become members of either the Teachers' Retirement System of Louisiana or the Louisiana State Employees' Retirement System.
- b. **LSU Retirement Plan.** Employees who were members of this plan on December 31, 1978, except certain employees referred to in d. below, were required to become members of either the Teachers' Retirement System of Louisiana or the Louisiana State Employees' Retirement System effective January 1, 1979. Provisions for benefits from this plan are contained in "LSU Retirement Plan" authorized by the Board.
- c. **Teachers' Retirement System of Louisiana and the Louisiana State Employees' Retirement System.** Persons becoming employed by any unit of the ~~LSU~~ ~~System~~University on or after January 1, 1979, shall as a condition of employment, if eligible, become a member of either the Teachers' Retirement System of Louisiana or the Louisiana State Employees' Retirement System.
- d. **United States Civil Service Retirement System.** Personnel of the Cooperative Extension Service who are required to become members of the United States Civil Service Retirement System shall be members of that system. Such personnel whose date of employment was prior to December 15, 1950 (and who were employees of the Cooperative Extension Service on that date) shall also be members of the LSU Retirement Plan, notwithstanding their membership in the United States Civil Service Retirement System. Such personnel whose date of employment was subsequent to December 14, 1950, may be entitled to supplemental benefits from the Teachers' Retirement System of Louisiana in accordance with the provisions of that system.

Section 4-4. Conditions of Retirement.

- a. Eligibility for retirement will be in accordance with the provisions of the respective retirement system.
- b. No employee of the University-~~System~~ shall be separated from public service by his appointing authority because of the employee having attained any particular age following employment by the appointing authority.

Section 4-5. Emeritus Ranks. Upon recommendation by the appropriate campus, the title Professor Emeritus shall be conferred upon all persons who upon retirement have attained the title of Professor and who have been in the service of the University for a period of at least ten (10) years. The said title may also be conferred, upon recommendation of the appropriate campus, upon a person who upon retirement has attained the title of Professor even though the period of service is less than ten (10) years, if it is determined that the person has made outstanding contributions to the University in either the field of scholarship or public service.

Any person who has held the position of academic dean, director, or department head for a period of ten (10) years may be retired with the title Dean, Director, or Department Head Emeritus. Where applicable to other positions within the University, an Emeritus title may be conferred upon the recommendation of the President in appropriate cases.

Approval of emeritus status shall be governed by the Personnel Action Approval Policy.

CHAPTER V

FINANCIAL AND BUSINESS PROCEDURES

Section 5-1. Budget. The annual operating budget of the University-System represents a primary instrument of fiscal control. It provides a firm estimate of resource availability and specifies the manner in which available revenues shall be allocated for effective support of goals and objectives. The general plan of the budgetary requests by the University-System for the ensuing fiscal year shall be presented to the Board for final approval prior to presentation to the appropriate state agencies.

Following passage of the appropriation acts by the Legislature and approval by the Governor, the President shall submit a revised budgetary plan to the Board for approval, recommending those changes which are occasioned by legislative action.

After approval of such budgetary plan by the Board, a detailed budget shall be prepared in accordance therewith and distributed to the Board. The execution of the detailed budget shall be exercised by the President through the Chancellor concerned or, for LSU, by the President or the President's designee.

Section 5-2. Internal Budgetary Control. General policies for internal budgetary controls shall be established by the President. No obligation shall be entered into except on the authority of a general or specific budget approved by the Board. All appropriations shall lapse at the end of the fiscal year, June 30, unless otherwise especially provided by State statutes and/or the Board.

Adjustments within an approved budget entailing transfers between the principal categories (e.g., personal services, supplies and expenses, travel, and capital outlay; between income accounts only) of departmental budgets shall be made in accordance with policies established by the President. Budget adjustments entailing an overall increase or decrease in the total of the general University budgets and allocations from or additions to general University reserve accounts (restricted fund accounts, revolving funds, or gifts and grants-in-aid excepted) shall be made only on the authority of the President. All budget adjustments of restricted fund accounts, revolving funds, and gifts and grants-in-aid shall be in accordance with general policies established by the President.⁵

Section 5-3. Audit. Continuous audit shall be conducted of the transactions and records of all employees for the receipt and disbursements of funds; for the sale or purchase of materials, services, and property; for the keeping of accounts; and for the custody of property.

The Internal Auditor, under the direction and control of the chief business officer of the SystemUniversity Staff, shall review the business activities of the University-System and shall assess the effectiveness of its records and insure appropriate accountability of University System-resources.

Section 5-4. Execution of University System-Contracts. All University-System contracts shall be executed as follows:

- a. Contracts involving the purchase or sale of land, mineral rights, and other immovables; those involving significant University System-policy; and major construction contracts shall be signed by the President only after approval of the Board or a specifically designated committee thereof.
- b. All other contracts may be executed on the authority of an official of the University System or of its various campuses as designated by the President unless directed to be otherwise executed by the Board or a specifically designated committee thereof.

⁵A summary of all budget adjustments, except those relating to restricted fund accounts, increasing or decreasing expenditure authorizations by allocation from or to the University Reserve accounts, or by changes in income accounts, affecting overall budgetary totals, shall be completely and regularly reported to the Board.

Section 5-5. Purchasing. No purchasing or contracting for goods and contractual services may be made except through specifically designated purchasing officials of the University-~~System~~.

All purchase of goods and operating services are to be made in accordance with applicable ~~State~~ and Federal Laws, rules and regulations, as well as University ~~System~~ policies relative to purchasing.

Section 5-6. Travel. Travel at University-~~System~~ expense shall be made within the purposes for which funds are allotted and with the approval of the head of the department and the individual shall be reimbursed in accordance with University travel regulations, as prescribed by the President.

Section 5-7. Entertainment and Expenses of Visitors and Guests of the University-~~System~~. Visitors and guests shall be reimbursed for costs of transportation only when such visitors and guests have rendered a definite service to the University-~~System~~. Costs of entertainment of visitors and guests shall be drawn only from funds designated by the Board for such purposes.

Exception to this rule may be granted by the President or appropriate official designated by the President when entertainment and expenses are paid from restricted funds provided for such purposes.

Section 5-8. Custody and Control of University ~~System~~ Property. No one shall use for his or her own benefit or for any other personal purposes any University ~~System~~ property of whatever description; and no one shall be permitted to remove from the buildings or grounds any property belonging to the University-~~System~~, unless approved by the President or appropriate official designated by the President.

Section 5-9. Use of University ~~System~~ Vehicles. All transportation equipment of the University ~~System~~ shall be used only on official business and shall be operated only by employees of the University ~~System~~ and others authorized by the President.

Section 5-10. Use of University ~~System~~ Facilities. The facilities and premises of the University ~~System~~ are for use in accomplishing its educational objectives and programs. The Board shall establish general policy under which permission shall be granted for the use of ~~System~~University facilities by departments and divisions of the University-~~System~~, recognized campus groups, or non-University affiliated organizations. The administrative head of each campus shall prepare and file with the Office of the Board of Supervisors such detailed procedures as deemed desirable and necessary for compliance with the established general policy.

Section 5-11. Sale of Goods or Services and Operation of Business Enterprises. No department or agency of the ~~System~~University shall make sale of goods or services for cash or on account, other than those of a nature recurring for the activity, or operate a business enterprise without the approval of the President or appropriate official designated by the President.

PROCEDURES FOR HANDLING COMPLAINTS OF UNREASONABLE COMPETITION FROM COLLEGES AND UNIVERSITIES:

The following procedures are intended to meet the letter and spirit of Senate Concurrent Resolution 125 of the 1985 Regular Session of the Louisiana Legislature:

1. Private business or industry complaints of unreasonable competition from a public college or university under the jurisdiction of this Board shall be submitted in writing to the ~~campus head~~Chancellor whose college/school/department/personnel/activity is allegedly competing unreasonably with the private entity- or, for LSU, the President. The ~~campus head~~Chancellor shall forward a copy of any complaint to the ~~System~~President-~~or executive director~~ who shall then inform the Board members of the complaint. If, however, the complaint is initially given to the ~~System~~President-~~executive director~~, or a Board member, the complaint shall be transmitted to the appropriate ~~campus head~~Chancellor to initiate the process.

2. The complaint shall contain specific incidents complained of with all particulars thereto. If documentation evidencing the alleged unreasonable competition is available, it shall be attached to the complaint.
3. The ~~campus-head~~Chancellor or, for LSU, the President shall communicate with the person or persons filing the complaint and with the personnel against whom the complaint is made. If the complaint is resolved to the mutual satisfaction of the ~~campus-head~~Chancellor or, for LSU, the President and the complainant, the ~~campus-head~~Chancellor shall notify the ~~System-chief-executive-officer~~President of the means and terms of the resolution. If the complaint cannot be resolved, within 45 days of receipt, to the mutual satisfaction of the ~~campus-head~~Chancellor and complainant, the ~~campus-head~~Chancellor shall submit the matter in the form of a report to the ~~System-President-or-executive-director.~~ The 45-day period may be extended by mutual consent of the ~~campus-head~~Chancellor, the President and the complainant.
4. In the event that the ~~campus-head~~Chancellor is unable to resolve the matter, the President ~~or-executive-director~~ shall communicate with all parties. If the complaint is resolved to the mutual satisfaction of the ~~System-chief-executive-officer~~President and the complainant, the ~~System-chief-executive-officer~~President shall notify the ~~campus-head~~Chancellor and the Board of the means and terms of the resolution. If the complaint is not resolved, within 30 days, to the mutual satisfaction of the President ~~or-executive-director~~ and the complainant, the ~~System-chief-executive-officer~~President shall submit the complaint, ~~his~~the President's report, and the ~~campus-head's~~Chancellor's report, if any, to the appropriate committee of the Board. The 30-day period may be extended by mutual consent of the ~~System-chief-executive-officer~~President and the complainant.
5. For any complaint submitted to the appropriate committee of the Board through the proper channels, the committee shall afford representatives of the complainant and the institution the opportunity for a public hearing in which they may present their complaints and explanations. The President ~~or-executive-director~~ shall officially notify all parties of said hearing at least 30 days in advance. The hearing shall be held within 60 days of the committee's receipt of the ~~System-chief-executive-officer's~~President's report.
6. At the conclusion of the hearing, if there is no need for further investigation, the appropriate committee of the Board shall make a determination as to the validity of the complaint. Each case shall be decided on its merits. The committee shall issue within 60 days after the hearing a report containing its findings and recommendations. The report shall be subject to full Board approval.
7. The Board shall issue a final report within 45 days of the committee's action.
8. The Committee report and the final report of the full Board shall be transmitted to the complainant immediately upon issuance, with a copy forwarded to the Board of Regents for informational purposes only. Additionally, a copy of each campus or ~~System~~University head's report on the resolution of a complaint shall be forwarded to the Board of Regents for informational purposes only.

Section 5-12. General. Student religious centers located on a campus of the University ~~System~~ may be furnished heat, electricity, water, and gas, all at the expense of the campus, when they can conveniently be supplied by the campus utility distribution systems. This policy shall not apply to utilities required for air-conditioning and similar services.

Fraternity and sorority houses located on a campus may be furnished heat, light, water, and gas at cost by the campus, and when minor repair work is performed, it shall be furnished at cost.

Self-supporting auxiliary enterprises (designated as Restricted Fund Accounts) shall be charged with the cost of all utilities, equipment, repairs, and alterations to buildings incident to their operations.

Section 5-13. Financial Exigency. Anything in the Regulations of the Board of Supervisors to the contrary notwithstanding, if the Board of Supervisors finds that a condition of Financial Exigency exists at an institution, within an academic or other unit of an institution, or in the [LSU-SystemUniversity](#) generally, then the furlough, layoff, or termination of tenured faculty, non-tenured faculty or other contract employees before the end of their contract term will be handled in accordance with the Financial Exigency policy set forth below. As used herein, the term "unit" means any identifiable component of the [LSU-SystemUniversity](#) at any level of its organization which has an annual budget for the operation of such component.

- a. **Definition of Financial Exigency.** A condition of financial exigency shall exist whenever the financial resources of a campus are not sufficient to support the existing programs and personnel of the campus without substantial impairment of the ability of the campus to maintain the quality of its programs and services. Financial exigency may result from a reduction in financial resources or from the failure to receive increases in financial resources sufficient to maintain quality. Evidence of financial exigency may include, among other factors, reduction of state appropriations, faculty and staff salary levels substantially below national and regional averages, significant loss of personnel or inability to attract new personnel apparently due to inadequate salary and other support, and substantial threat of deterioration of facilities due to lack of resources for maintenance.
- b. **Board of Supervisors Action.** The Board of Supervisors, in the exercise of fiscal responsibility, may decide to declare financial exigency with respect to the [SystemUniversity](#) as a whole, to one or more institutions of the [SystemUniversity](#), or to any unit or program within an institution. Reasonable efforts shall be made to insure that students affected will be allowed to complete their programs, within the limits of budgetary restraints, at the institution or by transfer to another institution.

A declaration of financial exigency shall represent a determination by the Board of Supervisors, upon recommendation of the Chancellor and President, that the financial condition of a unit, institution or system has reached a crisis in which the entity must carefully re-examine its priorities and reduce programs or personnel or both to effect a cost savings sufficient to alleviate the financial exigency.

The determination of financial exigency affecting the [SystemUniversity](#) or any institution or within an academic or other unit of an institution shall be the sole responsibility of the Board of Supervisors, but the [President, upon request from the Chancellor of an institution, or, for LSU, on the President's own initiative, and](#) after consultation with representative faculty members ~~and approval by the President,~~, may request such a determination by the Board. A request for the declaration of a financial exigency at any level before the institution level must originate at the institution. When such determinations are made, this policy, along with any implementing procedures, will take precedence over those applicable Board policies which govern normal operating procedures.

Implementation of a declaration by the Board of Supervisors of financial exigency shall be developed with the understanding that action taken will be consistent with the basic mission of the [SystemUniversity](#) to provide the best possible education, research and public service.

- c. **Implementation of Declaration of Financial Exigency.** Upon a declaration of financial exigency by the Board of Supervisors, the Chancellor at each institution [or, for LSU, the President's designee](#), after consultation with faculty and staff, and approval by the President, shall determine whether furloughs, layoffs or terminations are required and which employees will be affected. This determination shall be made in accordance with procedures established by the President, which will give primary consideration to the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the institution.

Faculty and other employees under contract who are furloughed, laid off, or terminated before the end of their contract terms for reasons of financial exigency shall, whenever possible, be notified at least ninety (90) days in advance of the date of the furlough, layoff, or termination. The notice of furlough, layoff, or termination shall be delivered personally or by certified mail, with return receipt requested. Notice shall be complete upon delivery or mailing. This notice shall include, in writing, a statement of the conditions requiring furlough, layoff, or termination, a general description of procedures followed in making the decision and a statement of the employee's right to respond orally and in writing to a designated official or committee of the institution and to review by the Chancellor or, for LSU, the President's designee within the time specified in the notice as to the reasons for the furlough, layoff, or termination. The employee(s) shall also have the right, upon written request within twenty (20) days from the date of notification of the final decision of the Chancellor or, for LSU, the President's designee, to apply in writing to the ~~Office of the LSU System~~ President for a review of the decision.

The term "furlough" as used in this policy, is defined as temporary leave without pay for any employee, including tenured faculty members or non-tenured faculty or other contracted employees, before the end of their contract term. The term "layoff," as used in this policy, is defined as the temporary dismissal of any employee, including tenured faculty members or non-tenured faculty or other contracted employees, before the end of their contract term. Layoffs may lead to eventual termination. Layoffs or terminations may occur within an academic unit or other unit of an institution without a net loss of faculty members or other personnel at the institution; that is, layoffs or terminations in some academic or other units may occur with simultaneous authorization of new positions for different duties in academic or other units, depending upon the needs of such units.

- d. **Approval Required.** Anything in the regulations of the LSU Board of Supervisors to the contrary notwithstanding, if the Board of Supervisors declares financial exigency, either at an institution, within an academic or other unit of an institution, or in the ~~System~~University, as provided in section (b) above, program modifications or discontinuances recommended by the institution and approved by the President must be approved by the Board of Supervisors. With respect to the implementation of such program modifications or discontinuances upon a declaration of financial exigency, decisions with respect to furlough, layoff, or termination of any tenured faculty, non-tenured faculty, or other contract employee before the end of their contract term must be approved by the Chancellor or, for LSU, the President's designee and the President, and the decisions are final upon approval of the President. Review of such decisions by the Board of Supervisors is at its sole discretion.
- e. **Termination of Financial Exigency.** Financial Exigency shall terminate at the end of the fiscal year in which it was declared.

CHAPTER VI

GIFTS AND GRANTS

Section 6-1. Conditions of Acceptance. The Board stands ready to receive in the name of the University ~~System~~:

- a. Memorials, such as buildings, laboratories, or other facilities, to be placed on the campus either for beautification or for practical service and memorials in land which extend the boundaries of the campuses or other facilities.
- b. Gifts for instruction or research.
- c. Gifts for scholarships, fellowships, or student loan funds.
- d. Other gifts for special purposes (e.g., library) which will enrich the life of the University ~~System~~ and its students.

However, the Board shall be the final authority in the determination as to whether the freedom and functions of the University ~~System~~ and its responsibilities to the public are curtailed by the terms of any gifts.

Instruction and research are so inseparable and essential to the highest efficiency of a university that the University ~~System~~ looks with favor upon acceptable proposals for research and related contracts with State and Federal agencies and with private individuals and corporations.

Section 6-2. Commercial Testing. When the gift or grant proposed by a private individual or corporation for research or other educational function has a direct bearing upon the business of the donor, or is a routine job deemed to be without educational or research value, then it becomes essential that the proposal be considered in the light of the public interest, the relationship to the efficiency of, and the probable cost to the University ~~System~~.

In determining whether to undertake for an individual or private concern commercial testing or special research having a direct bearing upon the business of the individual or corporation, the ~~System~~ University will give special consideration to the following:

- a. Whether the problem has industry-wide implications;
- b. Whether the problem will contribute to the professional development of its faculty and students;
- c. Whether the problem will interfere in any material way with the obligations and responsibilities of the ~~System~~ University;
- d. Whether the donor is willing to grant full publication rights after termination of each research phase of the problem.

Section 6-3. Payment for Indirect Costs. When the University ~~System~~ undertakes such cooperative research, the extent of indirect cost to be assessed for use of facilities shall depend upon the extent that the ~~System~~ University determines its instructional and research programs are enriched or its responsibilities to the people are fulfilled by acceptance of the gift.

The ~~System~~ University makes a distinction between grants which are made by established federal agencies and foundations, in support of research which has been proposed by one or more faculty members, and for which money is received essentially as a grant-in-aid, on the one hand, and payments for contract research on the other, in which the direction taken by research is determined by the desires of outside persons or agencies.

Section 6-4. Protection of Public Interest. In general, all results of experimental work, including patentable discoveries, carried on by or under the direction of the faculty of the ~~System~~University belong to the ~~System~~University and to the public and shall be used and controlled to produce the greatest benefit to the public. If patentable discoveries grow out of the investigation and such discoveries have commercial value, the grantor shall receive preferential consideration as a prospective licensee with a view to compensating in part the grantor for the assistance rendered in the investigations.

Grants may be received on the condition that rights to patentable discoveries will be in the name of grantor but only when the acceptance of the gift has advantages to the University ~~System~~ and to the people of the State of Louisiana which outweigh the rights thus relinquished.

Section 6-5. Use of Name of the University~~System~~. In no event shall gifts and grants be received with the understanding that the name of the University ~~System~~ or any of its components may be used in any advertisement without the express written permission of the ~~System~~University.

Section 6-6. Use of ~~System~~University Facilities for Private Gain. It shall be understood that no member of the faculty or staff may use ~~System~~University facilities in conducting research for private gain.

CHAPTER VII

INTELLECTUAL PROPERTY

Section 7-1. General Policy.

[LSUThe University](#) encourages and expects its personnel to engage in creative, scholarly activities as part of their duties. All [LSUUniversity](#) Personnel are required to disclose to the appropriate campus officer, at an early date, any discoveries, inventions, and works potentially subject to legal protection under patent, copyright, or other law. The inventor, the inventor's department, and the inventor's campus gain prestige, and in some cases financial benefits, from commercializing an invention or discovery. Such commercialization is consistent with, and complementary to, [LSU'sthe University's](#) academic mission; through such activities, [LSUthe University](#) provides new benefits to the public and enhances economic development.

Section 7-2. Definitions.

- a. **"LSU Invention"** shall mean an invention or discovery that is either conceived, created, designed, developed, conducted or first reduced to practice, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where conception or reduction to practice occurs; **or (2)** are supported by funds under the control of [LSUthe University](#); **or (3)** are performed with the use of [LSUUniversity](#) facilities, equipment, or supplies. The term **"LSU Invention"** shall also include any patent application or issued patent containing at least one claim reading on such an invention or discovery. As a limited exception, the following shall not be considered an **"LSU Invention"**: an invention or discovery that is wholly conceived and wholly first actually reduced to practice during activities that: **(1)** occur during the personal, off-duty time of all involved LSU Personnel; **and (2)** are not supported by funds under the control of [LSUthe University](#); **and (3)** are not performed with the use of [LSUUniversity](#) facilities, equipment, or supplies; **and (4)** are unrelated to any current or past field or area of expertise, responsibility, or employment of any involved LSU Personnel.
- b. **"LSU Work"** shall mean any original work of authorship that is fixed in any tangible medium of expression, and that is created or produced during an activity that is supported by [LSUthe University](#), in whole or in part. The term **"LSU Work"** shall also include any copyright or other legal rights derived from such a work. The support by [LSUthe University](#) may, for example, take the form of financial support, use of facilities, use of supplies, payment of salary, the consideration provided in a particular contract, or otherwise. **"LSU Work"** shall not, however, include any work deemed to be LSU Software.
- c. **"LSU Software"** shall mean any software created or developed, in whole or in part, during activities that: **(1)** are carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; **or (2)** are supported by funds under the control of [LSUthe University](#); **or (3)** are performed with the use of [LSUUniversity](#) facilities, equipment, or supplies. The term **"LSU Software"** shall also include any source code pertaining to such software; any copyright derived from such software; any patent application or issued patent containing at least one claim reading on such software, or having at least one claim reading on a process or apparatus incorporating such software; and any other legal rights derived from such software.
- d. **"LSU Digital Media"** is a collective term that encompasses all LSU Software, as well as some LSU Works. All LSU Software is considered **"LSU Digital Media."** An LSU Work is considered **"LSU Digital Media"** if it is fixed in a tangible digital medium (including, by way of example, a magnetic tape, a floppy disk, a hard disk, a compact disk, a digital video disk/digital versatile disk/DVD, or an Internet website) that is intended to be used by third parties in digital form or that is intended to be distributed in digital form to third parties for consideration. An LSU Work that is transmitted to a publisher in digital form at

the request of the publisher or for the convenience of the author or publisher, but that will not be distributed by the publisher to third parties in digital form (e.g., a conventional printed book whose text is prepared on a word processor) is not considered “**LSU Digital Media**.” However, any digital media that otherwise satisfies the above definition, and that is intended to be distributed to third parties with a printed book (for example, a compact disk read-only-memory packaged with a book) is considered “**LSU Digital Media**.” An LSU Work that is published electronically as part of a peer-reviewed scholarly journal on the Internet shall not be considered “**LSU Digital Media**.” Some “**LSU Digital Media**” will be treated as LSU Works, and some “**LSU Digital Media**” will be treated as LSU Software, as provided in greater detail in Section 7-7(b).

- e. “**LSU Database**” shall mean a digital database that has commercial value, or that reasonably may be considered to have potential commercial value, regardless of whether the database is the subject of copyright, where the database is created or developed, in whole or in part, during activities that are: **(1)** carried on by, or under the direction of, LSU Personnel, regardless of when or where the creation or development occurs; **or (2)** supported by funds under the control of [LSUthe University](#); **or (3)** conceived, created, designed, developed, or conducted with the use of [LSUUniversity](#) facilities, equipment, or supplies. The term “**LSU Database**” shall also include any source code pertaining to such database; any copyright derived from such database; any patent application or issued patent containing at least one claim reading on such database, or having at least one claim reading on a process or apparatus incorporating such database; and any other legal rights derived from such database, including by way of example any statutory legal protection for a database, whether the statute is enacted before or after the provisions of these *Bylaws* concerning LSU Databases take effect.
- f. “**LSU Mark**” shall mean any trade name, trademark, service mark, design, or trade dress: **(1)** that is associated with [LSUthe University](#), or with any campus or other part of [LSUthe University](#); **or (2)** that is created or produced during an activity that is supported by [LSUthe University](#), in whole or in part; **or (3)** that is created or produced by LSU Personnel and is associated with any other LSU Intellectual Property. The term “LSU Mark” shall also include any goodwill associated with any such mark, and any registrations or other legal rights derived from such a mark.
- g. “**Other LSU Intellectual Property**” shall mean any intellectual property, other than an LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, or LSU Mark, where the events giving rise to the creation of that intellectual property are supported by [LSUthe University](#) in whole or in part. By way of illustration only, such “**Other LSU Intellectual Property**” may include plant variety protection applications or certificates; semiconductor mask works; trade secrets; know how; and tangible research property (e.g., semiconductor chips, software, biological organisms, prototypes, drawings, original research records, notebooks, data, and other corporeal property that can be physically or electronically distributed). In interpreting this paragraph, the principles of paragraphs (a) through (f) above shall apply by analogy where appropriate.
- h. “**LSU Intellectual Property**” shall mean, collectively, any LSU Invention, LSU Work, LSU Software, LSU Digital Media, LSU Database, LSU Mark, or Other LSU Intellectual Property.
- i. “**Course Materials**” shall mean any copyrights in underlying educational materials or course content used in the *bona fide* teaching or instruction of a regularly scheduled course for credit offered by [LSUthe University](#), to the extent that an author of those materials, himself or herself, uses those materials in teaching the course; including portions, subsets, drafts, revisions, updates, versions, and instructional components of such materials; whether printed, digital, Internet based, CD/DVD-based, audio- or video-based, or otherwise. “**Course Materials**” may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media. “**Course Materials**” shall not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention. “**Course Materials**” shall not include any rights that are derived from a co-author who is not also directly involved in the teaching or

instruction of a regularly scheduled course for credit at [LSUthe University](#) using those materials.

- j. **"Distributable Royalties"** shall mean any consideration, whether in the form of money, corporate stock or other equity in a business organization, or any other thing of value, actually received by and in the control of [LSUthe University](#) pursuant to an authorized agreement granting any rights in any LSU Intellectual Property, after deduction of [LSU'sthe University's](#) legal, professional and patent expenses directly expended in support of and allocable to that LSU Intellectual Property, except that "Distributable Royalties" shall **not** include:
- (1) Any such consideration received by [LSUthe University](#) in reimbursement of or allocated for direct, out-of-pocket expenses paid or owed by [LSUthe University](#) to third parties which are directly allocable to the LSU Intellectual Property for which the consideration is received, such as expenses for past, present, or future attorney fees and other legal expenses, and amounts paid to outside contractors, regardless of whether the authorized agreement expressly provides for such reimbursement; provided that such expenses shall not include any internal expenses of [LSUthe University](#), such as salaries, administrative overhead, building rent, equipment purchases, and similar expenses;
 - (2) Any consideration deemed a Research Grant or deemed as Litigation Proceeds, as defined herein; and
 - (3) Any amounts received by [LSUthe University](#) that are attributable to an LSU Mark.
- k. **"Research Grant"** shall mean (for purposes of this Section 7 of the *Regulations of the Board*) any consideration received by [LSUthe University](#) under an authorized sponsored research agreement that, along with any other provisions, grants another party any rights in any LSU Intellectual Property, where [LSU'sthe University's](#) disposition of that consideration is restricted by that contract to use for conducting research.
- l. **"Litigation Proceeds"** shall mean any money or other property received by [LSUthe University](#) as a result of any resolution of a dispute over another's use, infringement, or licensing of any LSU Intellectual Property, whether received by way of judgment, arbitration, or settlement -- and in the case of a settlement, regardless of whether any arbitration or lawsuit has been instituted.
- m. ~~"LSU"~~ **"University"** shall mean the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, including all of its campuses, centers, institutions, facilities, and other property.
- n. **"LSU Personnel"** shall mean all [LSUUniversity](#) Supervisors, Officers, Faculty, Staff, Research Associates, Postdoctoral Fellows, Instructors, Graduate Students, and other employees of [LSUthe University](#), whether part-time or full-time. **"LSU Personnel"** shall include, for example: (1) faculty or other LSU Personnel who are on nine-month appointments, who shall be considered **"LSU Personnel"** throughout the calendar year for purposes of this Section 7 of the *Bylaws*, (2) visiting faculty, and (3) adjunct faculty, emeritus faculty, and [LSUUniversity](#) undergraduate and professional students employed by [LSUthe University](#) when those persons act within the course and scope of their employment by [LSUthe University](#). **"LSU Personnel"** shall not include adjunct faculty and [LSUUniversity](#) undergraduate and professional students when those individuals are not acting as employees of [LSUthe University](#).

Section 7-3. Ownership and Management of LSU Intellectual Property

a. Right to Own and Manage LSU Intellectual Property

- (1) ~~LSU~~The University holds all right, title, and interest to all LSU Intellectual Property in all countries. LSU Personnel shall execute any formal assignments to ~~LSU~~the University of all right, title, and interest to any LSU Intellectual Property, and shall execute such other documents and perform such other lawful acts (at no out-of-pocket expense to the LSU Personnel) as may be requested by ~~LSU~~the University fully to secure ~~LSU's~~the University's interest in LSU Intellectual Property.
 - (2) As owner of LSU Intellectual Property, ~~LSU~~the University may manage, license, patent, register, sell, abandon, or otherwise dispose of any LSU Intellectual Property as ~~LSU~~the University in its discretion sees fit, including but not limited to all decisions concerning potential financial benefits to be derived from any LSU Intellectual Property.
 - (3) Only ~~LSU~~the University, acting through the procedures set forth in this Section 7, has the authority to enter into any agreement relating to LSU Intellectual Property. Any purported assignment, transfer, license, assertion of ownership, or other disposition of LSU Intellectual Property by the inventor(s) or author(s), without the prior written approval of ~~an LSU~~a University official authorized pursuant to these Regulations, is void and will not be recognized by ~~LSU~~the University -- including, by way of example and not limitation, any such purported assignment or other disposition in a consulting agreement, research agreement, material transfer agreement, or confidentiality agreement.
 - (4) If ~~LSU~~the University elects not to manage, license, patent, register, sell, or otherwise dispose of any item of LSU Intellectual Property, then on written request from the affected inventor(s) or author(s), in ~~LSU's~~the University's sole discretion, ~~LSU~~the University may, with any required concurrence from a research sponsor, by written agreement with the respective inventor(s) or author(s), relinquish and assign that item to the inventor(s) or author(s), subject to such conditions as the parties find mutually agreeable and to such conditions as may be required by a research sponsor.
- b. Each Chancellor or ~~or equivalent,~~ for LSU, the President shall establish policies and procedures for, and identify employees or positions responsible for, the management of LSU Intellectual Property on that campus. Each campus shall be responsible for compliance with all procedures and obligations under the federal Bayh-Dole Act (PL 96-517) or any other applicable laws, regulations, agreements or contracts with respect to the management of LSU Intellectual Property.
- c. (1) In exceptional circumstances, ~~LSU~~the University may waive its rights to certain items that would otherwise be LSU Intellectual Property, in favor of an outside employer of one or more LSU Personnel, if ~~LSU~~the University expressly approves in writing and in advance a valid consulting agreement between that employer and the LSU Personnel, and if the consulting agreement expressly states in writing that such items shall become the property of that employer, and if the consulting agreement and all activities conducted under the consulting agreement are in full compliance with the Code of Governmental Ethics and all pertinent rules and regulations of ~~LSU~~the University. Any such waiver may only be made in writing by the Chancellor or ~~or equivalent,~~ for LSU, the President or the President's designee (or the President, if PM-11 or PM-67 require approval by the President of the related consulting agreement), which authority may not be further delegated, based on a written finding setting forth the reasons that such a waiver is in the best interests of ~~LSU~~the University.
- (2) ~~LSU~~The University will ordinarily grant to a non-governmental sponsor of funded research at ~~LSU~~the University an exclusive right, for a limited period of time, to negotiate with ~~LSU~~the University for a royalty-bearing license under inventions

that may result from the funded research, under mutually agreeable terms. Royalty rates or other consideration to be paid for a licensed invention will not ordinarily be determined before the invention has been made, except where justified in writing, in light of exceptional circumstances, to be in the best interests of [LSUthe University](#).

d. Restrictions on Publication

- (1) Nothing in this Section 7 shall be construed to prohibit or restrict LSU Personnel from publishing in academic channels any material that [LSUthe University](#) and those Personnel are otherwise free to publish. LSU Personnel are cautioned that early publication can destroy or impair the legal protection that might otherwise be available for intellectual property, and where appropriate are advised to consult with their campus technology transfer officers well before the first planned publication to discuss this question further.
- (2) As a matter of [policy, the University](#)~~policy, LSU~~ shall not normally accept restrictions or prohibitions on publications, other than a requirement for delaying publication for a reasonable period of time, from research sponsors and intellectual property licensees. Before [LSUthe University](#) can consent to any such restrictions on publication, both of the following conditions must be satisfied and documented: (1) the restrictions are tailored to be the least restrictive conditions which will satisfy the legitimate concerns of the sponsor or licensee, and (2) all LSU Personnel likely to be affected by the proposed restrictions have consented to the restrictions.

Section 7-4. Allocation of Distributable Royalties

a. Distribution to Inventor or Author

- (1) Forty percent (40%) of all Distributable Royalties as defined in Section 7-2(j) shall be paid or transferred to the respective inventors or authors within thirty days of receipt by [LSUthe University](#), unless a different schedule is otherwise agreed in writing by [LSUthe University](#) and the inventor(s) or author(s).
- (2) For as long as [LSUthe University](#) receives such Distributable Royalties, payment of this allocation of Distributable Royalties shall continue to the respective inventors or authors, regardless of whether they continue employment at [LSUthe University](#), or to their heirs, as applicable.
- (3) Provided, however, that the Chancellor ~~or equivalent~~ of the appropriate campus (or campuses) [or, for LSU, the President or the President's designee](#) may direct that no part (or a reduced part) of Distributable Royalties shall be paid or transferred to the inventors where those Distributable Royalties are attributable to one or more Plant Patents or Plant Variety Protection Certificates.
- (4) Further provided, that upon the written request of any inventor or author, all or part of that inventor's or author's share of Distributable Royalties may be (1) retained by [LSUthe University](#) to support research under the direction of that inventor or author, or (2) paid to any other LSU Personnel who made a non-inventive contribution to the LSU Intellectual Property, according to a written agreement. Assessing and managing any personal tax implications of any such requests shall be the sole responsibility of the inventor or author.
- (5) In recognition of the administrative costs that are associated with distributing small Distributable Royalty payments, the following procedures shall be used where applicable. At any time when the cumulative total of undistributed Distributable Royalty payments received on account of a particular license of LSU

Intellectual Property in a given fiscal year is less than \$250, the Distributable Royalties for that license shall not be distributed as otherwise provided, but shall instead be held by the University until the end of the current fiscal year. If, at any time during that fiscal year, the cumulative undistributed total reaches \$250, then the accumulated Distributable Royalties shall at that time be distributed as otherwise provided herein.

b. Distribution to the Office of the President, the LSU LIFT Fund and the Campus

- (1) Five percent (5%) of all Distributable Royalties shall be allocated to the Office of the President.
- (2) Five percent (5%) of all Distributable Royalties shall be allocated to the *LSU LIFT (Leveraging Innovation for Technology Transfer) Fund* in the Office of the President for support of proof-of-concept grants to faculty at any [LSU University](#) institution in furtherance of commercial development of inventions.
- (3) Fifty percent (50%) of all Distributable Royalties shall be allocated within the appropriate campus as directed by the Chancellor ~~or equivalent~~ of that campus or, for LSU, the President or his designee.
- (4) None of the allocation of Distributable Royalties to either the Office of the President or to the campus may be allocated directly to any individual.
- (5) In accord with [LSU's the University's](#) obligations under the federal Bayh-Dole Act and with [LSU's the University's](#) commitment to investing in its researchers and advancing discoveries to benefit the public, all allocations of Distributable Royalties to the Office of the President, to the LSU LIFT Fund or to a campus will be used only in further support of scientific research, education and commercialization activities.

c. Distribution and Management of Equity

- (1) Corporate stock or other equity shares within Distributable Royalties which comprises the inventor's allocation as described above shall be transferred to the respective authors or inventors as soon as reasonably practicable after [LSU the University](#) is legally able to transfer title to such equity, and until that time [LSU the University](#) shall be the sole owner of such equity. [LSU The University](#) shall have no liability in the event the value of such equity changes before it is distributed to the inventors or authors.
- (2) All stock or other equity owned by [LSU the University](#) as [LSU's its](#) portion of Distributable Royalties shall be managed and disposed of by the President, in consultation with the Chair and Chair-Elect. The President shall have the authority to perform all acts that a stockholder or other equity holder lawfully may perform under applicable law. The President or his designee shall regularly review all equity that [LSU the University](#) has acquired as [LSU's its](#) portion of Distributable Royalties, to decide when it should be held and when it should be sold or otherwise transferred. The President is authorized to confer with one or more financial professionals in reaching these decisions, and to rely on the advice of such professionals in making these decisions. The President shall notify the affected campus(es) prior to selling stock or other equity, except where exigent circumstances prevent prior notice.
- (3) To avoid potential conflicts of interest, the appearance of conflicts of interest, and potential liability:
 - (a) No LSU Personnel shall act as an officer, director, manager, or the like in any business entity in which [LSU the University](#) acquires stock or other

equity under this Section 7; except that where the pertinent contract granting the business entity rights in LSU Intellectual Property has been approved under the provisions of [LSU'sthe University's](#) Permanent Memorandum 67, the affected inventor(s) or author(s) may hold such managerial roles in the business entity in their personal capacities, but not as representatives of [LSUthe University](#); and

(b) [LSUThe University](#) shall not otherwise attempt to influence the management or operation of any such business entity in which [LSUthe University](#) owns equity. Exercising any voting rights associated with equity owned by [LSUthe University](#) shall not be considered to be prohibited by this subsection. In exceptional circumstances, the President, after consultation with the Board Chair and Chair-elect, may authorize a departure from this requirement; upon a written finding that doing so will be in the best interests of [LSUthe University](#).

(4) Any equity owned by [LSUthe University](#) as [LSU'sits](#) portion of Distributable Royalties shall not be further distributed within [LSUthe University](#), but instead shall be managed by the President. Any cash benefits received by [LSUthe University](#) arising from such equity ownership (for example, cash dividends, or proceeds from the sale of the equity) shall be distributed within [LSUthe University](#) in the same relative proportions as other Distributable Royalties; except that the inventor(s) shall receive no portion of any such cash, because the inventor(s) will ordinarily have already received 40% of the equity originally received by [LSUthe University](#) under Section 7-4(b)(1).

d. Distributions Involving Multiple Parties

(1) Distribution to Multiple Inventors or Authors. When more than one inventor or author is entitled to share in Distributable Royalties, the inventors or authors as a group shall receive the forty percent of Distributable Royalties specified above, and the allocation of Distributable Royalties among those individuals will be determined as follows. That inventor's share of Distributable Royalties shall be distributed equally among the inventors or authors unless either: (i) all affected inventors or authors unanimously agree in writing on a different distribution, or (ii) if the affected inventors or authors are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the President based upon the merits of the individual case. This allocation by the President shall be final and unappealable.

(2) Distribution to Multiple Entities. Where more than one entity is entitled to share in Distributable Royalties, the allocation of Distributable Royalties will be determined as follows:

(a) By contract, negotiation, litigation or otherwise, [LSUthe University](#) and any party not affiliated with [LSUthe University](#) shall resolve any apportionment between [LSUthe University](#) and that other party. Only [LSU'sthe University's](#) part of this apportionment shall be considered Distributable Royalties.

(b) In the absence of any agreement by [LSUthe University](#) to the contrary, each unique invention, related patent, patent application or other form of uniquely identifiable intellectual property associated with a particular license which generates Distributable Royalties will be presumed to have contributed equally to those Distributable Royalties.

(c) The respective contributions to Distributable Royalties from different departments or campuses will be presumed to be the sum of the contributions for the inventors associated with each department or campus. If one inventor has appointments with more than one

department or campus, each such department or campus will be deemed to participate equally in the departmental or campus contribution to Distributable Royalties associated with that inventor, unless the invention clearly resulted from work done in association with only one department or campus.

- (d) The unique circumstances of individual cases involving multiple entities may require an unequal distribution of Distributable Royalties. Deviation from the equal distribution provided for in subsections (b) or (c), above, may be made either: (i) by unanimous written consent of all affected entities, or (ii) if the affected entities are unable to reach unanimous agreement on a different distribution, then in proportions and under procedures established by the Chancellor, or ~~equivalent~~, for LSU or if more than one campus is involved, by the President, based upon the merits of the individual case. This determination shall be final and unappealable.

e. Distributions in Special Circumstances

- (1) A Research Grant shall be administered by ~~LSU~~the University in accordance with the terms of the contract establishing the Research Grant, and in accordance with any applicable laws, rules, and regulations. Authors and inventors shall not be entitled to any portion of a Research Grant, except in some cases for that portion of a salary that is customarily paid from such a source, and then only in accordance with the terms of the contract establishing the Research Grant.
- (2) Litigation Proceeds shall be administered and distributed as follows. That unit of the ~~LSU-System~~University which funds expenses related to litigation or other means of dispute resolution related to LSU Intellectual Property first shall be entitled to recover double its legal and other associated expenses, before any other distribution of Litigation Proceeds. After such recovery of double expenses, any excess Litigation Proceeds shall be treated as Distributable Royalties and allocated accordingly.
- (3) If ~~LSU~~the University directly sells research materials (not including agricultural products) to third parties, in greater than nominal quantities and for more than a nominal charge; **and** if those research materials incorporate an LSU Invention (patented or unpatented) that is not in the public domain at the time (for example cell lines or laboratory animals that are not otherwise publicly available), **and** if ~~LSU~~the University therefore has no agreement with a third party as to royalties attributable to the LSU Invention; then in such a case ~~LSU~~the University and the inventors shall agree in writing as to a reasonable royalty rate to be imputed to net sales of the research materials. The agreed-upon royalty rate and any proceeds arising therefrom will be treated thereafter as Distributable Royalties for all purposes.
- (4) Activity conducted by ~~LSU~~the University for educational, research, or non-commercial purposes shall not give rise to any "Distributable Royalties."

Section 7-5. General Requirements for Licenses and Other Agreements

- a. As a matter of policy, ~~LSU~~the University will not license or otherwise encumber rights in future LSU Intellectual Property whose conception is not complete as of the date the license or other encumbrance is executed; except for the strictly limited rights that may be

granted to a sponsor of funded research respecting inventions resulting from the funded research, as provided in greater detail in Section 7-3(c)(2).

- b. As a matter of policy, [LSUthe University](#) shall require that each licensee of rights in LSU Intellectual Property may not *assign* or *transfer* the licensed rights without [LSU'sthe University's](#) express prior written approval, which [LSUthe University](#) may agree, in its sole discretion, not to unreasonable withhold. Further, [LSUthe University](#) shall require that a licensee may *sublicense* the licensed rights in LSU Intellectual Property only if (i) the sublicense agreement includes express provisions requiring the sublicensee to abide by the terms of the license between [LSUthe University](#) and the licensee, (ii) the sublicense agreement specifies that no sublicensee shall issue any further sublicenses without the express written consent of [LSUthe University](#), and (iii) the licensee agrees to provide [LSUthe University](#) with copies of each sublicense, and all subsequent amendments thereto, within a reasonable time period from date of execution of such documents.
- c. As a matter of policy, [LSUthe University](#) shall require each licensee of LSU Intellectual Property, and ordinarily each sublicensee, to obtain reasonable levels of liability insurance or to have adequately capitalized self-insurance, in an amount to be included in the license or other agreement and to be determined in view of the reasonably perceived risks presented by the particular technology being licensed. This insurance coverage shall commence no later than the date when the first commercial sale under the license is made, or the date of the first clinical trials of a human drug or medical device, whichever is earlier, and shall continue in effect until the expiration of all applicable periods of prescription or statutes of limitation. [LSUThe University](#) shall be named as an additional insured in each such insurance policy. On a case-by-case basis, after reviewing all pertinent facts, the requirement of liability insurance may be waived where [LSUthe University](#) assigns all rights in LSU Intellectual Property to another party, with [LSUthe University](#) retaining no residual rights or residual share of royalties; except that in such a case [LSUthe University](#) may retain a nonexclusive right to practice the assigned intellectual property right for experimental, educational, or noncommercial purposes.
- d. As a matter of policy, [LSUthe University](#) shall require that each licensee and assignee, and ordinarily each sublicensee, of LSU Intellectual Property shall indemnify [LSUthe University](#) against claims and lawsuits arising as a result of activities related to the licensed or assigned intellectual property, whether the claim or lawsuit arises under tort law, products liability law, intellectual property law, or otherwise, the indemnity to include reasonable costs of litigation and attorneys' fees.
- e. As a matter of policy, [LSUthe University](#) does not ordinarily permit brokerage of LSU Intellectual Property. Rather, [LSUthe University](#) expects [LSU'sits](#) licensees to be directly active in developing and commercializing licensed LSU Intellectual Property. Exceptions to this policy will be permitted only upon the written authorization of the Chancellor or [equivalent, for LSU, the President or his designee](#) upon a written finding that exceptional circumstances exist such that brokerage of a particular LSU Intellectual Property is in the University's best interests.
- f. In circumstances where [LSUthe University](#) assigns or waives certain intellectual property rights in favor of the authors or inventors, whether under Section 7-3(a)(4), Section 7-7.a, or otherwise, then, unless there is an authorized written agreement by [LSUthe University](#) that expressly provides otherwise, in each such case the assignment or waiver shall be without representation or warranty from [LSUthe University](#) of any kind, including no warranty or representation as to validity; scope; enforceability; inventorship; authorship; title; or absence of infringement of third party patents, copyrights, trademarks, or other third party rights. As examples: **(1)** In such a case it shall be an author's sole responsibility to obtain any necessary copyright clearances from third parties; and **(2)** In such a case it shall be an inventor's sole responsibility to obtain any necessary patent licenses from third parties. Furthermore, authors and inventors in such cases are cautioned that the waiver or assignment of such intellectual property rights by [LSUthe University](#) does not include the right to use any LSU Mark.

- g. Except as otherwise expressly provided herein, any substantial deviation from the general policy requirements set forth in this Section 7-5 must be approved by the President, upon a written recommendation from the Chancellor ~~or equivalent~~ which documents that the deviation is in the best interests of [LSUthe University](#) and is adequate to protect [LSU'sthe University's](#) interests.

Section 7-6. Uniform Process for Managing Technology Transfer at [LSUthe University](#)

Except as otherwise provided in the Bylaws, and notwithstanding any other provisions of these Regulations, all purchases, sales, transfers, assignments, or licenses (collectively, "Commercialization") of LSU Intellectual Property made by any campus or institution of the ~~LSU System~~[University](#) shall be conducted in accordance with the following uniform process.

a. Presidential Approval of License Agreements

License agreements shall require approval and execution by the President, which authority may be further delegated at the discretion of the President, pursuant to Article VII, Section 8.B.2 of the Bylaws, as is deemed to be in the best interests of [LSUthe University](#).

b. Standard Forms, Reporting, and Procedures

- (1) Standard templates for the commercialization of LSU Intellectual Property have been developed and may continue to be developed and refined through use. Each campus or institution shall use these templates in all transactions related to the commercialization of LSU Intellectual Property and shall justify deviations from the template as necessary.
- (2) Actions related to the Commercialization of LSU Intellectual Property shall be reported to the President and the Board, in a format, on a timeframe, and with information prescribed by the President after consultation with the Board. Such reporting requirements may be fulfilled by any such entity as is designated to manage that activity.
- (3) All license agreements submitted by a campus for approval and execution by the President or his designee shall be accompanied by a certification from appropriate campus officials and a checklist which provides:
 - (i) a description of any potential conflicts of interest and a certification that all applicable disclosure forms required by any [LSUUniversity](#) policy have been executed, or a certification that no such potential conflicts are known to exist; and
 - (ii) a description of the due diligence performed to evaluate the commercial potential of the LSU Intellectual Property which is the subject of the proposed agreement; and
 - (iii) a description of the due diligence activities performed to evaluate the proposed licensee; and
 - (iv) a description of any significant deviations from the standard template agreements and justification for such changes.

Section 7-7. LSU Works, LSU Software, LSU Databases, LSU Digital Media, and Course Materials.

The various provisions of Sections 7-3 through 7-6 shall apply to LSU Works, LSU Software, LSU Databases, and LSU Digital Media. In addition, the provisions of this Section 7-7 shall also apply to LSU Works, LSU Software, LSU Databases, and LSU

Digital Media, but not to other forms of LSU Intellectual Property. This Section 7-7 shall also apply to Course Materials.

- a. Notwithstanding the provisions of Section 7-3(a) above, [LSUthe University](#) releases to the respective author(s) all of ~~LSU's~~[the University's](#) interest in any copyright to a book, article, lecture, thesis, dissertation, other literary work, work of art, Course Material, or musical composition that would otherwise be an LSU Work; except that ~~LSU's~~[the University's](#) interest shall not be so released: (i) if [LSUthe University](#) publishes the work itself; or (ii) if [LSUthe University](#) publishes or produces a derivative work based on that work, where the derivative work is an audio, video, or digital production or broadcast, including by way of example video recordings of lectures, other recordings of lectures, distance learning activities, or other course-related activities; or (iii) if [LSUthe University](#) is required to deliver the work to a third party under a research contract or other contract between [LSUthe University](#) and the third party. This release of certain rights to the author(s) does not apply to LSU Software or to LSU Databases. [LSUThe University](#) reserves a nonexclusive, paid-up, royalty-free right to distribute copies of Course Materials, theses and dissertations, both internally and to third parties, whether by electronic means, microfilm, or otherwise.

The release of rights to Course Materials only applies to the extent that an author or co-author himself or herself uses those materials in the *bona fide* teaching or instruction of a regularly scheduled course for credit at [LSUthe University](#), and does not extend to rights that are derived from a co-author who is not involved in the teaching or instruction of a regularly scheduled course for credit at [LSUthe University](#). The release of rights to Course Materials may include copyrights in items that would otherwise constitute LSU Works, LSU Software, or LSU Digital Media; such a release does not, however, include rights in any patent, patent application, LSU Database, LSU Mark, or LSU Invention.

- b. Prior to submitting any LSU Digital Media to an entity outside [LSUthe University](#), the author(s) shall first submit a disclosure of the LSU Digital Media to an office or committee on the author(s)' campus to be appointed by the Chancellor or ~~equivalent or~~ the Chancellor's designee or, for LSU, the President or his designee. The disclosure shall include a detailed description of the proposed LSU Digital Media, a copy of the LSU Digital Media, or both, and shall also include a statement specifying what resources (Personnel, funds, equipment) were used to prepare the LSU Digital Media. The designated office or committee ~~designated by the Chancellor or equivalent~~ shall then determine, on a case-by-case basis, whether the LSU Digital Media shall be treated as an LSU Work or as LSU Software for purposes of these *Bylaws*, including whether or not an express, written release of copyright to the author(s) is appropriate by analogy to Section 7-7(a). In deciding this question, the office or committee shall consider such factors as whether the LSU Digital Media more closely resembles an electronic version of a traditional printed book, versus a work substantially enhanced with multimedia; the extent to which University resources and Personnel were used; the extent to which the resources and Personnel of an outside party such as a publisher were used; and any other factors that the committee or office considers relevant in reaching an equitable decision.
- c. If [LSUthe University](#) publishes an LSU Work or LSU Database itself, or if [LSUthe University](#) directly provides others access to an LSU Work or LSU Database in exchange for consideration received directly by [LSUthe University](#), and if [LSUthe University](#) therefore has no agreement with a third party concerning royalties attributable to the LSU Work or LSU Database, then twelve-and-one-half percent (12.5%) of the net sales attributable to the LSU Work or LSU Database shall be treated as Distributable Royalties for all purposes. For example, the respective author or authors (as a group) shall be entitled to receive a total of $40\% \times 12.5\% = 5.0\%$ (five percent) of such net sales as the authors' portion of Distributable Royalties.
- d. If an LSU Work, LSU Database, LSU Digital Media, or Course Material is used by the University as part of course instruction, including without limitation Course Materials posted on the Internet and Course Materials used in distance learning, then the author(s)

of the LSU Work, LSU Database, LSU Digital Media, or Course Material shall not be entitled to receive any portion of any tuition, fees, or other amounts received by ~~LSU~~the University on account of that course, regardless of whether an author is substantively involved in the teaching of that course. ~~LSU~~The University shall be free to use the LSU Work, LSU Database, LSU Digital Media, or Course Material as part of the course instruction in ~~LSU's~~the University's discretion. By contrast, if ~~LSU~~the University should receive any royalties on account of an LSU Work, LSU Database, or LSU Digital Media -- for example, royalties for videotapes, audiotapes, or digital media licensed to a third party for distribution independently of the ~~LSU~~University course -- then those royalties will be treated as Distributable Royalties for purposes of Section 7-4 above.

Section 7-8. Confidential Materials.

~~LSU-System~~University and ~~LSU-Campus~~campus officials are authorized to protect the confidentiality of materials that are exempt from the Louisiana Public Records Law, pursuant to La. R.S. 44:4(16) or otherwise, to the full extent permitted by law. The President, the Chancellor ~~or equivalent~~, the technology transfer officer for each campus, and any other individual designated by the President or by the Chancellor ~~or equivalent~~, may certify in writing that particular materials that have been requested under the Public Records Law are subject to a particular statutory exemption under the Public Records Law.

Section 7-9. Miscellaneous.

- a. Nothing herein shall be construed to alter, amend, or in any way affect either PM-11 or PM-67, or the policies and procedures set forth therein, which are required by La. R.S. 42:1123(9) and (10).
- b. In the event of any conflict between the provisions of this Section 7 and any other provisions of the *Regulations* of the Board of Supervisors or any Permanent Memorandum, the provisions of this Section 7 shall control.
- c. Nothing herein creates any rights, procedural or substantive, in any third parties.

CHAPTER VIII

AFFILIATED ORGANIZATIONS

Section 8-1. Relationship to the University-System. Private support organizations can enhance the programs, facilities, and research and educational opportunities offered by institutions of higher education. The Board promotes the activities of alumni associations, foundations, and other private, nonprofit organizations that raise private funds for the support of the various campuses in the ~~LSU-System~~University. A nonprofit corporation, whose principal purpose is to support one or more programs, facilities, or research or educational opportunities offered by public institutions of higher education, shall be a private entity provided that it meets the criteria enumerated in all applicable state and/or federal statutes.

Section 8-2. Alumni Organizations. All affiliated organizations, such as alumni associations, foundations, and other nonprofit groups, whose principal interest is to provide public support to enhance the programs, facilities, and research and educational opportunities offered by ~~LSU System~~[University](#) campuses must be officially recognized by the Board. This official recognition requires compliance with ~~LSU System~~[University](#) and Louisiana Board of Regents policies and all applicable state/federal statutes. All affiliated organizations seeking official recognition by the Board shall make application through the Office of the President ~~of the LSU System.~~ Such application shall include the necessary documentation to establish full compliance with all applicable policies and laws.

CHAPTER IX

REPEAL AND AMENDMENT TO REGULATIONS

Section 9-1. Repealing Clause. All rules, orders, regulations, and resolutions heretofore enacted or adopted by the Board which are in conflict with these **Regulations** are hereby repealed.

Section 9-2. Amendment. These **Regulations**, except as they include provisions specifically covered by the Statutes of the State of Louisiana and the **Bylaws** of this Board, may be amended by receiving an affirmative vote of a majority of the members of the Board after receiving recommendations of the appropriate committee of the Board.

INDEX

Academic and Student Affairs and Achievement and Distinction Committee, 5
Academic Freedom, 14, 23
Academic and Administrative Organization, 18
Academic Organizational Units, 17
Academic Ranks, 15, 25, 26, 28
Administrative Council, 17, 20
Adoption of Bylaws, 15
Affiliated Organizations (Chap. VIII), 5, 36, 53
Alumni Organizations, 53
Amendment or Repeal of Bylaws, 15
Annual & Sick Leave, 31, 32
Appointments, Promotions, & Tenure, 22
Article I, 1
Article II, 2
Athletic Committee, 5
Athletic Council, 5, 20
Audit, 5, 35
Basis of Pay, 29
Boyd Professorships, 29
Budget, 7, 8, 14, 35, 37, 38
Civil, Emergency, & Special Leave, 32
Classification of Employees, General, 22
Commercial Testing, 40
Committees, 2, 3, 4, 5, 6, 7, 8, 17
Communications to the Board, 6
Conditions of Retirement, 33
Contents, ii
Council of Chief Academic Officers, 9
Council of Academic Deans & Directors, 20
Custody & Control of [SystemUniversity](#) Property, 36
Definitions, 1, 42
Departmental Faculty, 19
Digital Media, LSU, 43
Distributable Royalties, 44, 46, 47, 48, 49, 52
Duties of Academic Staff, 14
Emeritus Ranks, 34
Entertainment & Expense of Visitors and Guests of the University [System](#), 36
Execution of University [System](#) Contracts, 35
Executive Committee, 3, 4, 5, 10, 13, 14
Executive Graduate Council ([SystemUniversity](#)), 9
Executive Graduate Council (Campus), 19
Expiration of Appointment, 28
Faculties of Colleges and Schools, 18
Faculties of the several campuses, 17
Faculty of the University [System](#), 14, 17
Finance, Infrastructure, and Core Development Committee, 5
Financial Exigency, 27, 37, 38, 39
Financial & Business Procedures (Chap. V), 35
Gifts and Grants (Chap. VI), 35, 40, 41
Graduate Faculty, 9, 19
Group Insurance Program, 33

Group Insurance or Benefit Programs, 33
Holding of Political Office, 29
Insurance & Retirement (Chapter IV), 33
Intellectual Property (Chap. VII), 5, 24, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51
Internal Budgetary Control, 35
Invention, LSU, 43
Leave of Absence w/o pay, 32
Leave to Obtain Advanced Degree, 31
Leaves (Chapter III), 31, 32
Litigation Proceeds, 44, 48
LSU Health Sciences Centers Committee, 6
Mark, LSU, 43, 44, 50, 51
Meetings, 2, 3, 4, 5, 7, 8, 10, 17, 18, 19, 20
Military Leave, 32
Mission of the [SystemUniversity](#), I, 38
Nonacademic Employees, 22, 32
Nonstudent Employees, 22
Officers and Staff of Board, 2
Officers of the [SystemUniversity](#), 7, 17
Operation of Business Enterprises, 36
Order of Business, 3
Paul M. Hebert Law Center, 1, 20, 21, 28
Payment for Indirect Costs, 40
Personnel Actions 7, 11, 12, 22, 23
Personnel Actions, Academic Staff, 23
President's Advisory Council, 9
Procedures for Handling Complaints, 36
Property and Facilities Committee, 5
Protection of Public Interest, 41
Purchasing, 36
Quorum, 2, 5, 18
Regular Appointment, 29
Repeal & Amendment to Regulations, 54
Repealing Clause, 16, 54
Report of Absences, 32
Research Grant, 44, 49
Retirement Plans, 33
Rules & Regulations of the Board, 15
Rules of Order, 3
Sabbatical Leave, 31
Sale of Goods/Services, 36
Software, LSU, 42, 43, 51, 52
Special Committees, 2, 3, 6
Staff Officers of the [SystemUniversity](#), 8
Student Employees, 22
Tenure of Academic Staff, 15
Tenured & Term Appointment (Acad. Staff), 27
Terms of Employment (Nonacademic Staff), 22
Terms of Employment (Academic Staff), 28
Travel, 35, 36
Use of Name of University [System](#), 41
Use of [SystemUniversity](#) Facilities for Private Gain, 41
Use of University [System](#) Vehicles, 36
Work, LSU, 43, , 52



Finance & Administration

To: F. King Alexander
President and Chancellor

Date: June 8, 2015

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

A handwritten signature in black ink, appearing to read "Daniel T. Layzell", is placed over the printed name and title.

Subject: Recommendation to amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors Pursuant to Organizational Changes

In late 2012, the LSU Board of Supervisors began the LSU2015 project, a strategic effort to consider and adopt organizational and operational changes to the overall LSU system and all of its campuses to best position the University for success. The primary purpose of the proposed revisions to the Board of Supervisors' Bylaws and Regulations is to merge the positions of President and Chancellor of the flagship LSU campus and make related changes. As required by Article IX of the Bylaws, notice of the proposed revisions was given on May 18, 2015.

I respectfully request, should you concur, the resolution be submitted for placement on the agenda for the June 2015 meeting of the Board of Supervisors.

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

Attachments



Request from the administrative officers of the campuses and hospitals to write-off uncollectible receivable accounts as of June 30, 2015

To: Members of the Board of Supervisors

Date: June 19, 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 System or any of its campuses or divisions.

1. Summary of the Matter

In the normal course of business, campuses are involved in transactions that result in monies being owed to the University for which they are unable to collect. Once each year the campuses submit summaries of debts which are to be considered for write-off as of the end of fiscal year (June 30). The write-off prevents the campus from overstating assets and helps to concentrate collection efforts on the more recent debt which is more likely to be collected. This write-off is made in accordance with Business Affairs Policy Memorandum C-8, which provides for write-off of all accounts which have been inactive for three (3) years, where "inactive" is defined as non-payment and in accordance with the AICPA's Hospital Audit Guide, which provides for prior allowance discounts and adjustments to patient care accounts.

Although ongoing collection effort is abandoned on these accounts, the campuses reserve the right and duty to collect should the opportunity arise. For example, even though the account is written-off, the debtor remains obligated to the campus. Lists are maintained of students and vendors who have debts written-off, and the various campuses will prohibit them from reenrolling, securing transcripts, or doing further business with the university until such debts are paid in full.

2. Review of Business Plan

The administrative officers of the campuses and hospitals have reviewed and provided these amounts for write-off.

3. Fiscal Impact

Total unrestricted and restricted receivables being sought for write-off are \$978,663 and \$553,933 respectively. Combined, this represents .15% of the receivables booked in the prior year.

4. Description of Competitive Process

Not Applicable

5. Review of Legal Documents

The administrative officers of each campus desiring to write-off uncollectible receivables

have sent in detailed information on the accounts. The actual write-off requests follow the format used by the Office of Statewide Reporting and Accounting Policy (OSRAP) in its quarterly report on receivables.

6. Parties of Interest

Not Applicable

7. Related Transactions

The campuses of the LSU System have adopted the collection policies and procedures developed by OSRAP and as codified in the Louisiana Register, Volume 28, Number 11, dated November 20, 2002.

For medical accounts receivable only, the LSU Health Sciences Center New Orleans, LSU Health Sciences Center Shreveport, and LSU Health Sciences Center Health Care Service Division have developed separate procedures which have been approved by the Louisiana Cash Management Review Board.

8. Conflicts of Interest

Not Applicable

ATTACHMENTS:

- Attachment I Summary schedule of proposed write-offs
- Attachment II LSU System procedures for collection of accounts receivable
- Attachment III History of accounts receivable write-offs as a percentage of total accounts receivable, FY 2005 through FY 2014

RECOMMENDATION

The Staff recommends the Board consider the resolutions(s) set forth below.

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize the write-off of accounts receivable for fiscal year 2014-15 which are deemed to be uncollectible and chargeable against the respective funds, without prejudice to the continuing right to collect such sums.

**Presentation to the Board of Supervisors
Summary Schedule of Proposed Write-offs**

	Unrestricted			Restricted			Total Funds		
Campus	Total Write-Off	Less Contractual Allowances	Requested Write-off	Total Write-Off	Less Contractual Allowances	Requested Write-off	Total Receivables Booked in Prior Fiscal Year	Total Requested Write-off	Requested Write-off as a % of Total Receivables in Prior Fiscal Year
Systemwide Totals									
Student Fees	\$905,364	\$0	\$905,364	\$111,537	\$0	\$111,537	\$360,408,798	\$1,016,901	0.28%
Short Term Loans	\$0	\$0	\$0	\$1,965	\$0	\$1,965	\$26,624	\$1,965	7.38%
Hospitals	\$0	\$0	\$0	\$71,488,571	\$71,488,571	\$0	\$83,350,899	\$0	0.00%
Clinics	\$0	\$0	\$0	\$207,013,635	\$206,804,632	\$209,003	\$304,821,322	\$209,003	0.07%
Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$237,481,565	\$0	0.00%
Sales & Services	\$22,806	\$0	\$22,806	\$196,107	\$0	\$196,107	\$18,959,174	\$218,913	1.15%
Other	\$50,493	\$0	\$50,493	\$35,321	\$0	\$35,321	\$27,418,140	\$85,814	0.31%
Totals	\$978,663	\$0	\$978,663	\$278,847,136	\$278,293,203	\$553,933	\$1,032,466,522	\$1,532,596	0.15%

LSU SYSTEM PROCEDURES FOR COLLECTION OF ACCOUNTS RECEIVABLE

STUDENT ACCOUNTS							
CAMPUS	Withholds Grades & Transcripts; Prevents Registration, Etc.	Office Responsible For Collection	Number Of Notifications	Drop Students *	Refers To A Collection Agency Or Credit	Agency/Bureau	Cost To Campus
LSU A&M	Yes	Bursar Operations	Monthly (3)	No	Yes (2)	National Recovery Agency	8.25% of collections
LSU HSCNO	Yes	Accounting Services	At Least 2	Yes	Yes	National Recovery Agency	8.25% of collections
LSU HSCS	Yes	Comptroller	At Least 2	Yes	Yes	University Attorney	Contractual hourly rate
LSU Law Center	Yes	Bursar Operations	Monthly (3)	No	Yes (2)	First Revenue Assurance	10% of collections
LSU S	Yes	Accounting Services	2	No	Yes (1)	National Recovery Agency	8.25% of collections
LSU A	Yes	Accounting Services	2	No	Yes	National Recovery Agency; Attorney General	8.25% of collections
LSU E	Yes	Business Affairs	3 (3)	Yes	Yes	Attorney General's Office	Up to 25% of collections

* Students are terminated on the last day of the semester to withdraw and receive a grade of "W"

(1) Accounts must be over \$50.00.

(2) Delinquent Perkins Student Loan accounts are submitted to the Office of the Attorney General.

(3) Certified letters sent to students who present an NSF or otherwise uncollectible check, and to those whose deferred payments are late.

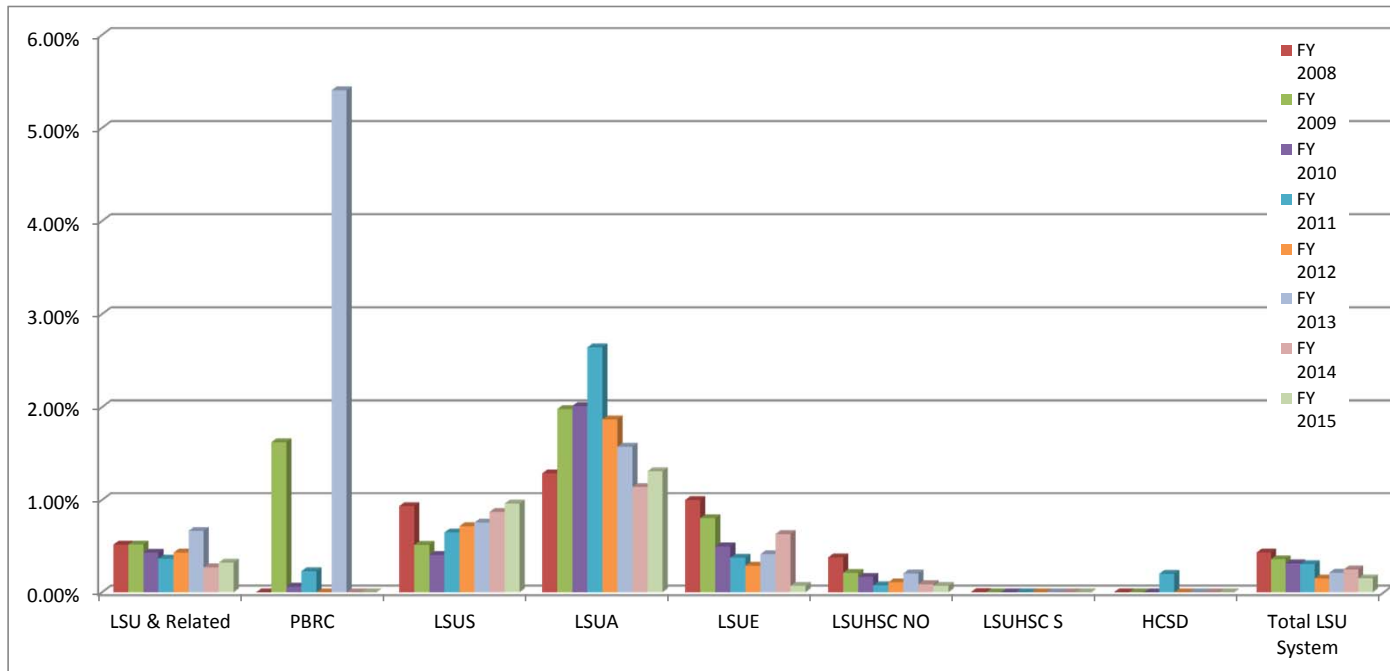
VENDOR ACCOUNTS	
CAMPUS	PROCEDURE
LSU A&M	Monthly statements are sent. Letters requesting payment are sent. If no response, they are turned over to a collection agency.
LSU HSCNO	Follow-up with calls and in writing within 90 days. Thereafter, attorney consulted to see if the pursuit of A/R is advisable.
LSU HSCS	Follow-up with calls and in writing within 90 days. Thereafter, attorneys consulted to see if their pursuit of A/R is advisable.
LSU Law Center	Has general policy of "cash and carry." If accounts did become delinquent, they would be turned over to collection agency.
LSU S	Notify vendors by certified letter. If no attempt to pay is made, the account is turned over to a collection agency. Continue to send past due bills.
LSU A	Follow-up statements are sent. Letters are sent requesting payment within 15 days. If no response, they are turned over to the Attorney General's Office.
LSU Ag Center	Monthly statements are sent. Letters requesting payment are sent. If no response, they are turned over to a collection agency.
LSU PBRC	Second notice invoices sent, 3rd & 4th requests accompanied by letter. Thereafter, attorneys consulted to see if their pursuit of A/R is advisable.
LSU E	Three letters requesting payment are sent. If no response, account is turned over to a collection agency.

LSU SYSTEM PROCEDURES FOR COLLECTION OF MEDICAL RECEIVABLES

Medical Receivables								
Campus	Office Responsible For Collection	Policy Approved by	First Billing	First Follow-up	Statements Mailed	Faculty Review	Refers To A Collection Agency Or Credit Bureau	Other
LSUHSC NO								
Physician Services	LSU Healthcare Network	CMRB	Automated to medicare,caid or ins. carrier	By Phone to insurer	At 30 day intervals	yes	yes and no further service	
Allied Health Faculty Practice Plan	Dean's Office	CMRB	Automated to medicare,caid or ins. carrier	By Phone to insurer	At 30 day intervals	yes	yes and no further service	
Dental Faculty Practice Plan	Dean's Office	CMRB	Automated to medicare,caid or ins. carrier	By Phone to insurer	At 30 day intervals	yes	yes and no further service	
Sch. of Dent. Stud. Clinic	Dean's Office	CMRB	Automated to ins. Carrier or collect at time of service	By Phone to insurer	At 30 day intervals	yes	No	No further service
Nursing Faculty Practice Plan	Dean's Office	CMRB	Generally services are provided to a facility rather than a specific patient. Services are billed according to agreement	By Phone to insurer	At 30 day intervals	yes	yes and no further service	
LSUHSC SHREVEPORT								
Faculty Practice Plan	Patient Accounting	CMRB	Automated to medicare,caid or ins. carrier	By Phone to insurer	At 10 to 36 day intervals	yes	Yes 10 days after final notice	Med. Ass't. Program to help Patients qualify for medicaid
Hospitals	Patient Accounting	CMRB	Automated to medicare,caid or ins. carrier	By Phone to insurer	At 10 to 36 day intervals	NA	Yes 10 days after final notice	Med. Ass't. Program to help Patients qualify for medicaid
Civil tort or workmen's compensation claims for medical services which we provided	In-house Legal Counsel (Hospital Billing is responsible for workmen's compensation claims unless an attorney is involved; if an attorney is involved, the claim is referred to In-house Legal Counsel.	General Counsel	When our providers learn of a third-party claim, a notice of privilege is sent in accordance with law to all parties involved	As necessary	Yes	No	AG or other outside counsel may be used for complicated cases.	When the patient's suit is settled, or a judgment obtained, medical bills are paid. If notified by the court of no liability, the legal file is closed.
LSUHCSD								
Hospitals	Hospital and Central Business Office (HCSD Admin) Billing	CMRB	Automated to medicare,caid, ins or workmen's comp. carrier	Phone contacts to insurer by Central Business Office (HCSD Admin)	At 30 day intervals	NA	Yes, after 90 days placed with first collection agency	Placed with second collection agency after 180 days with first collection agency and no payment arrangement
Civil tort or workmen's compensation claims for medical services which we provided	In-house Legal Counsel (Hospital Billing is responsible for workmen's compensation claims unless an attorney is involved; if an attorney is involved, the claim is referred to In-house Legal Counsel.	General Counsel	Same as LSUHSC Shreveport	As necessary	Yes	No	AG or other outside counsel may be used for complicated cases.	Same as LSUHSC Shreveport

LSU
History of Accounts Receivable Write-offs
As a Percentage of Total Accounts Receivable
For Fiscal Years 2008 - 2015

Campus	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
LSU & Related	0.52%	0.52%	0.43%	0.36%	0.43%	0.66%	0.27%	0.32%
PBRC	0.00%	1.62%	0.06%	0.23%	0.00%	5.40%	0.00%	0.00%
LSUS	0.93%	0.51%	0.40%	0.65%	0.72%	0.75%	0.87%	0.96%
LSUA	1.29%	1.98%	2.01%	2.64%	1.87%	1.57%	1.14%	1.31%
LSUE	1.00%	0.80%	0.50%	0.37%	0.29%	0.41%	0.63%	0.07%
LSUHSC NO	0.38%	0.21%	0.17%	0.07%	0.11%	0.20%	0.09%	0.07%
LSUHSC S	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HCSD	-	-	-	0.20%	0.00%	0.00%	0.00%	0.00%
Total LSU System	0.43%	0.36%	0.31%	0.31%	0.15%	0.21%	0.25%	0.15%



NOTE: LSU & Related includes LSU and A & M, Hebert Law Center, LSU Ag Center, and LSU Board of Supervisors

PROPERTY AND FACILITIES COMMITTEE

Mr. Rolfe McCollister, Jr., Chair

Mr. Scott Ballard, Vice Chair

Mr. Scott Angelle

Mr. Brandon Crain

Mr. Hank Danos

Mr. Stanley Jacobs

Mr. Jack E. Lawton, Jr.

Mr. Jim McCrery

Mr. Stephen Perry

AGENDA

1. Presentation on the Nicholson Gateway Project by the Project Manager
2. Status Report on LSU A&M Housing, Parking, and Energy Management Initiatives
3. Request from LSU A&M to approve the Schematic Design of the LSU Football Operations Center Addition
4. Request from LSU AgCenter to approve a lease agreement with the Companion Animal Alliance for the construction and operation of an animal shelter on LSU AgCenter property



**REQUEST FROM LSU A&M TO APPROVE
THE SCHEMATIC DESIGN OF
THE LSU FOOTBALL OPERATIONS CENTER ADDITION**

To: Members of the Board of Supervisors

Date: June 19, 2015

Pursuant to Article VII, Section 8, D.5(c) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter."

D.5(c) - Such other matters that are not expressly delegated herein or hereafter by the Board

1. Summary of Matter

It is recommended to approve the submitted exterior elevations for the above referenced project prepared by the design consultant, Remson-Haley-Herpin Architects.

The exterior elevations were approved by the University's Facility Design and Development Committee at their May 12, 2015 meeting.

2. Review of Business Plan

The project will be financed with self-generated funds from the Tiger Athletic Foundation. A review of the Business Plan and Proforma indicates the program is financially capable of funding the project.

3. Fiscal Impact

The project will have a financial impact on the program with increased operating and maintenance cost due to the larger size of this facility.

4. Description of Competitive Process

Not applicable

5. Review of Legal Documents

Not applicable

6. Parties of Interest

None

7. Related Transactions

None

8. Conflicts of Interest

None

ATTACHMENTS:

- Attachment I Letter from Vice President Dan Layzell
- Attachment II Project Summary & the Exterior Elevations

RECOMMENDATION

The Staff recommends 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 exterior elevations for the Football Operations Building Additions.



Finance & Administration

To: F. King Alexander
President and Chancellor

Date: May 27, 2015

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

A handwritten signature in purple ink, reading 'Daniel T. Layzell', is placed to the right of the 'From:' field.

Subject: Board Recommendation to Approve Schematic Design Exterior Elevations Football Operations Building Additions

Attached please find a Recommendation from LSU A&M to Approve Schematic Design Exterior Elevations Football Operations Building Additions.

The Football Operations Building Additions project is in the Schematic Design phase of development. The exterior elevations require approval by the Board of Supervisors to assure campus development is in accordance with adopted design standards.

The project was approved by the Facilities Design and Development Committee (FDDC) at its meeting on May 12, 2015.

Funding for the project is being provided by the Tiger Athletic Foundation.

I respectfully request, should you concur, the resolution be submitted for placement on the agenda for the June 2015 meeting of the Board of Supervisors.

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


Attachments




Office of Facility Services
Planning, Design & Construction

May 19, 2015

To: Daniel T. Layzell,
Vice President for Finance & Administration

Through: Tony Lombardo, Associate Vice President 
Office of Facility Services

From: Roger Husser, Director
Planning, Design & Construction 

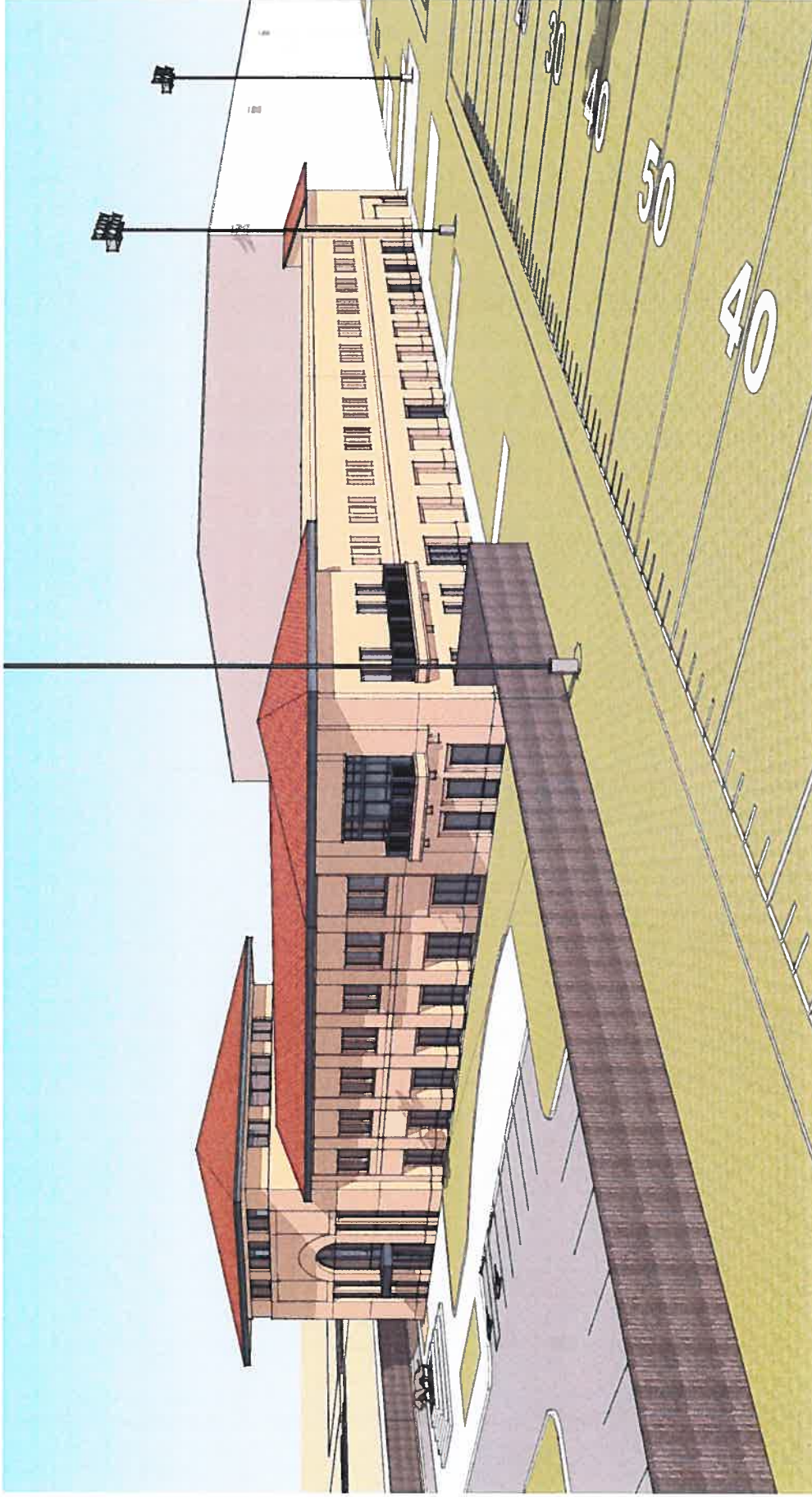
Subject: **Board of Supervisors Agenda, June 19, 2015 Meeting**
Football Operations Building Additions, Schematic Design Elevations

The Football Operations Building Additions project is in the Schematic Design phase of development. The exterior elevations require approval by the Board of Supervisors to assure campus development is in accordance with adopted design standards. It is therefore requested that this project be placed on the agenda for the June 19, 2015, meeting of the Board of Supervisors.

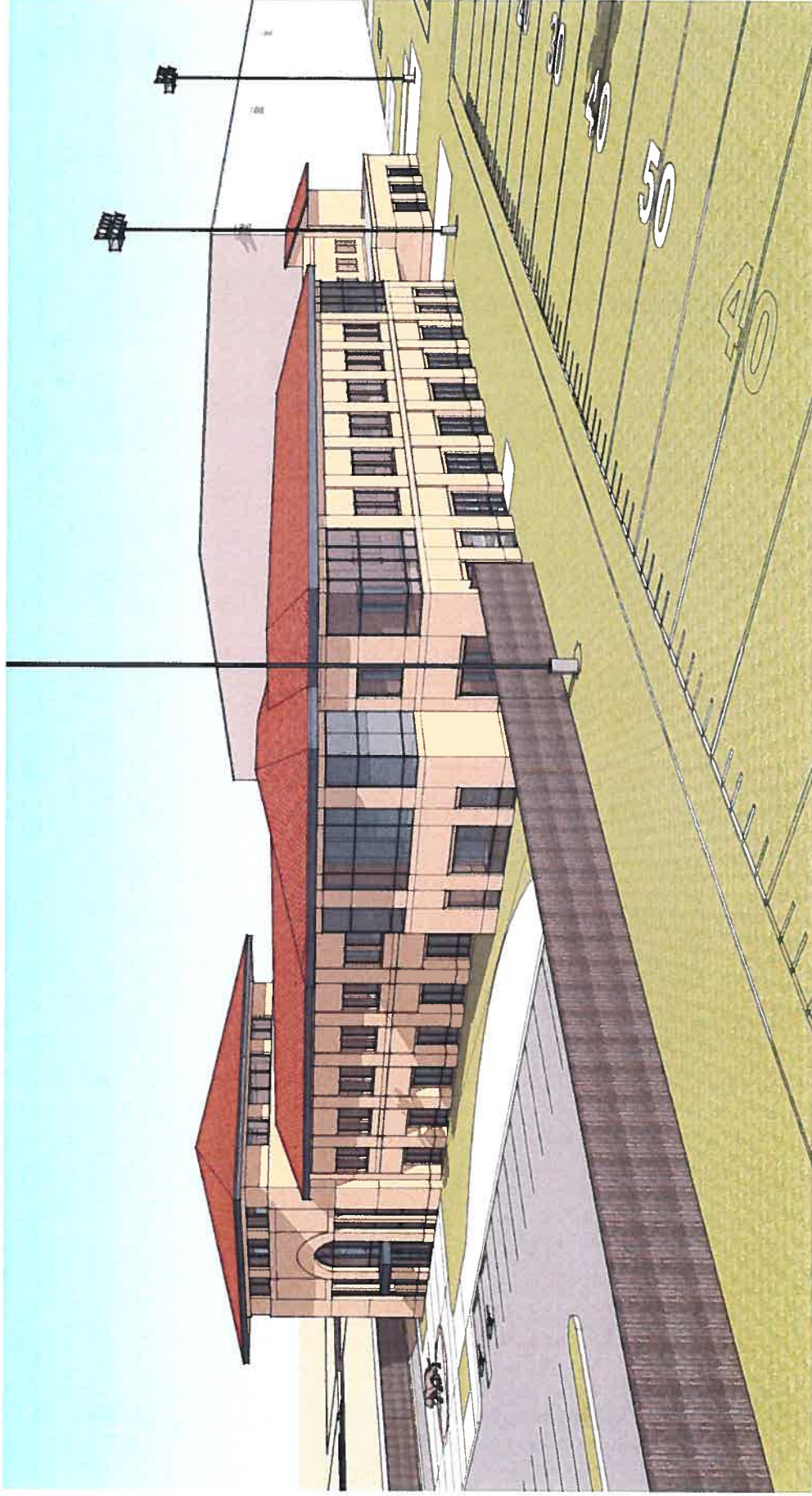
The project was approved by the Facilities Design and Development Committee (FDDC) at its meeting on May 12, 2015. Enclosed are copies of reduced images of the planned additions and the designer, Remson-Haley-Herpin Architects will attend the meeting to make the presentation to the Board.

Funding for the project is being provided by the Tiger Athletic Foundation.

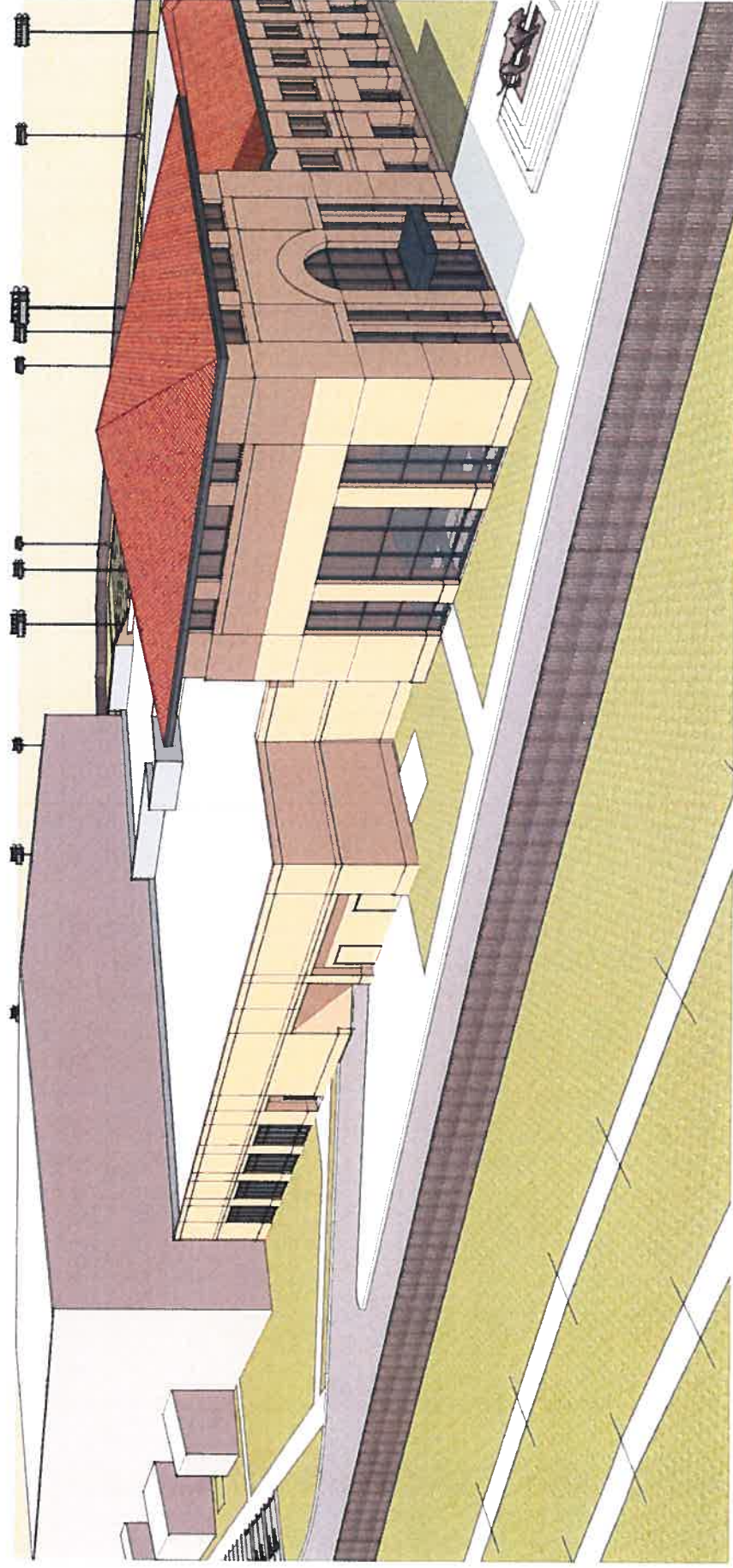
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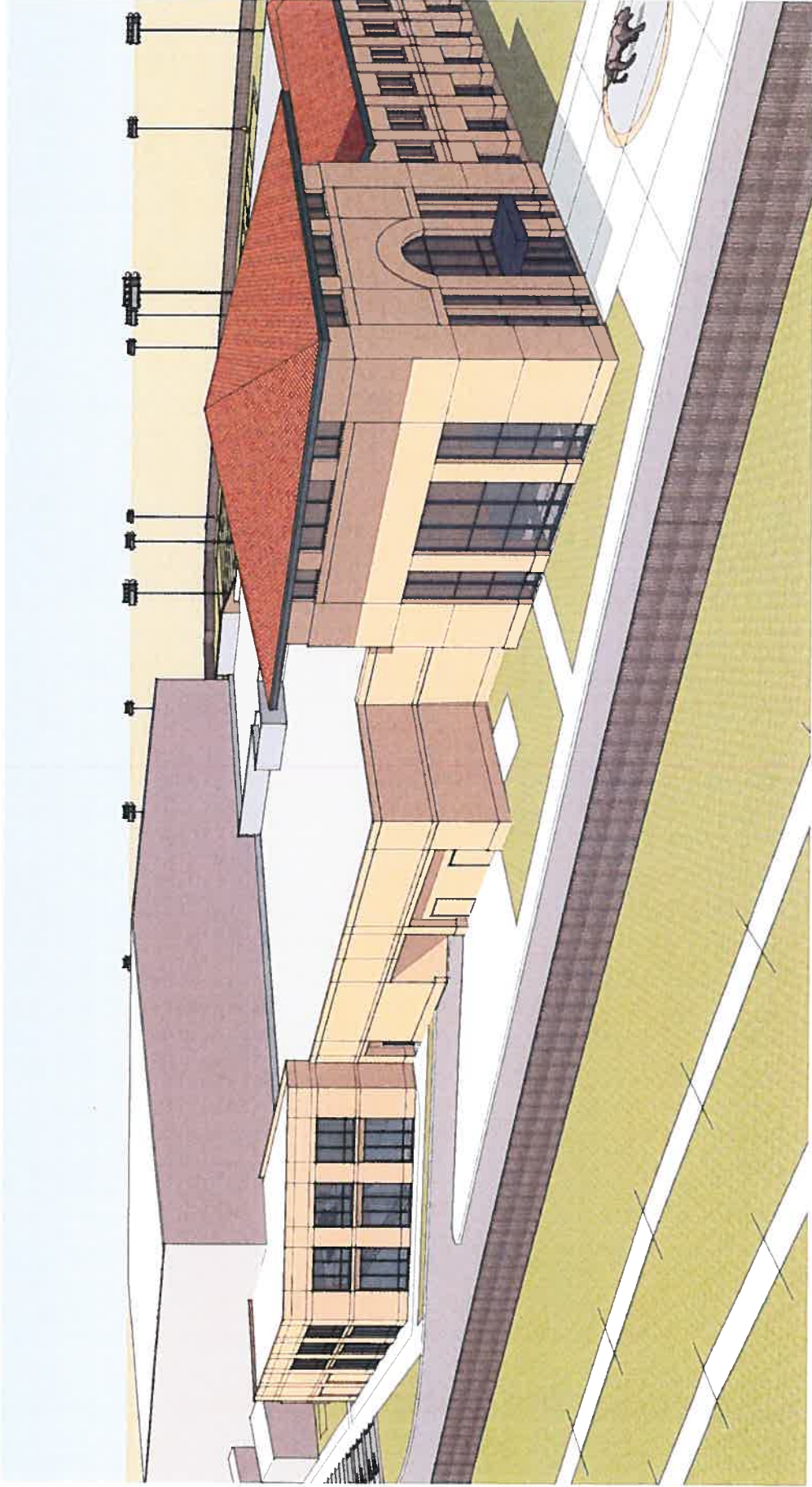
Existing View From Northwest Corner



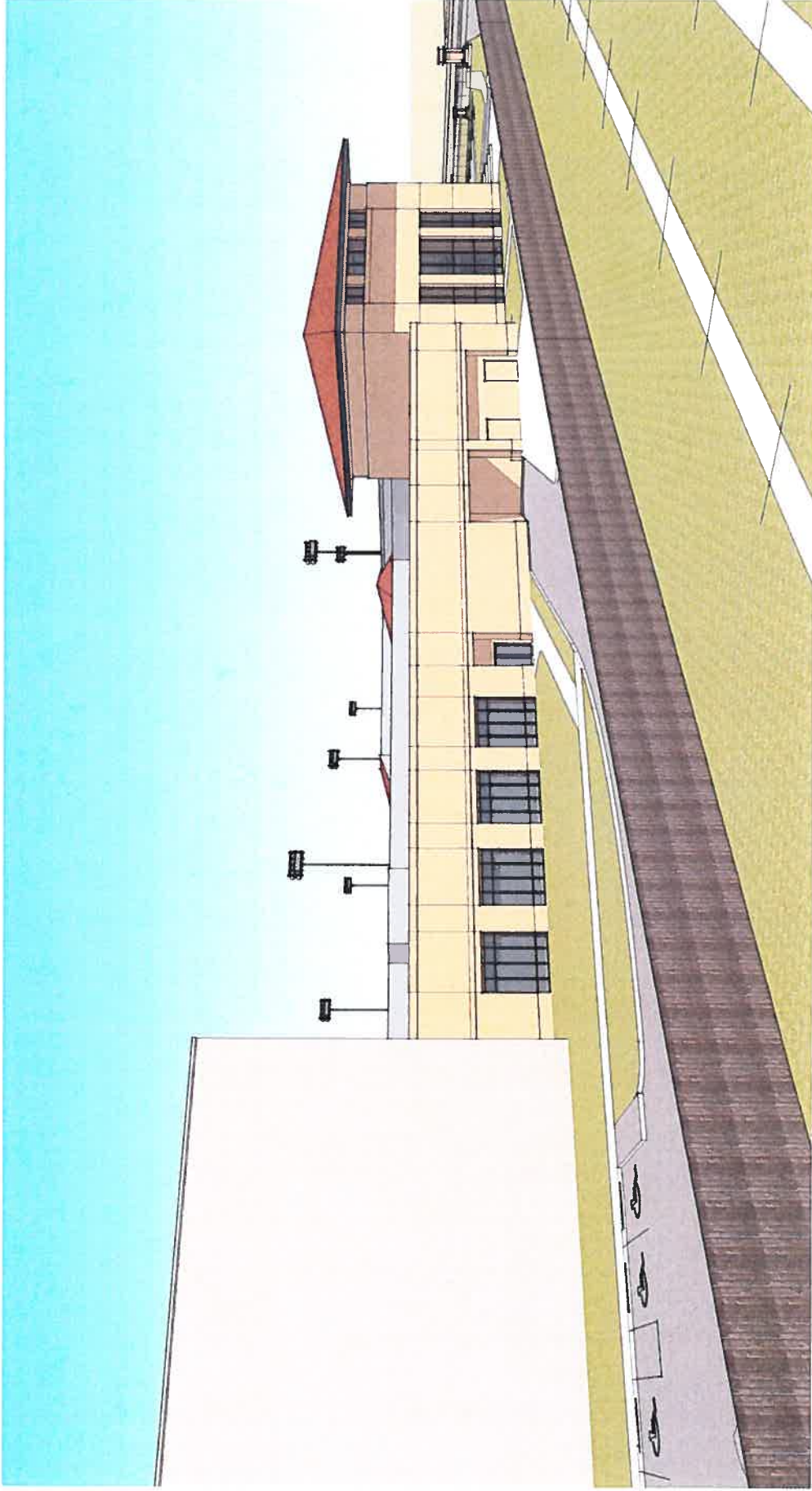
New View From Northwest Corner



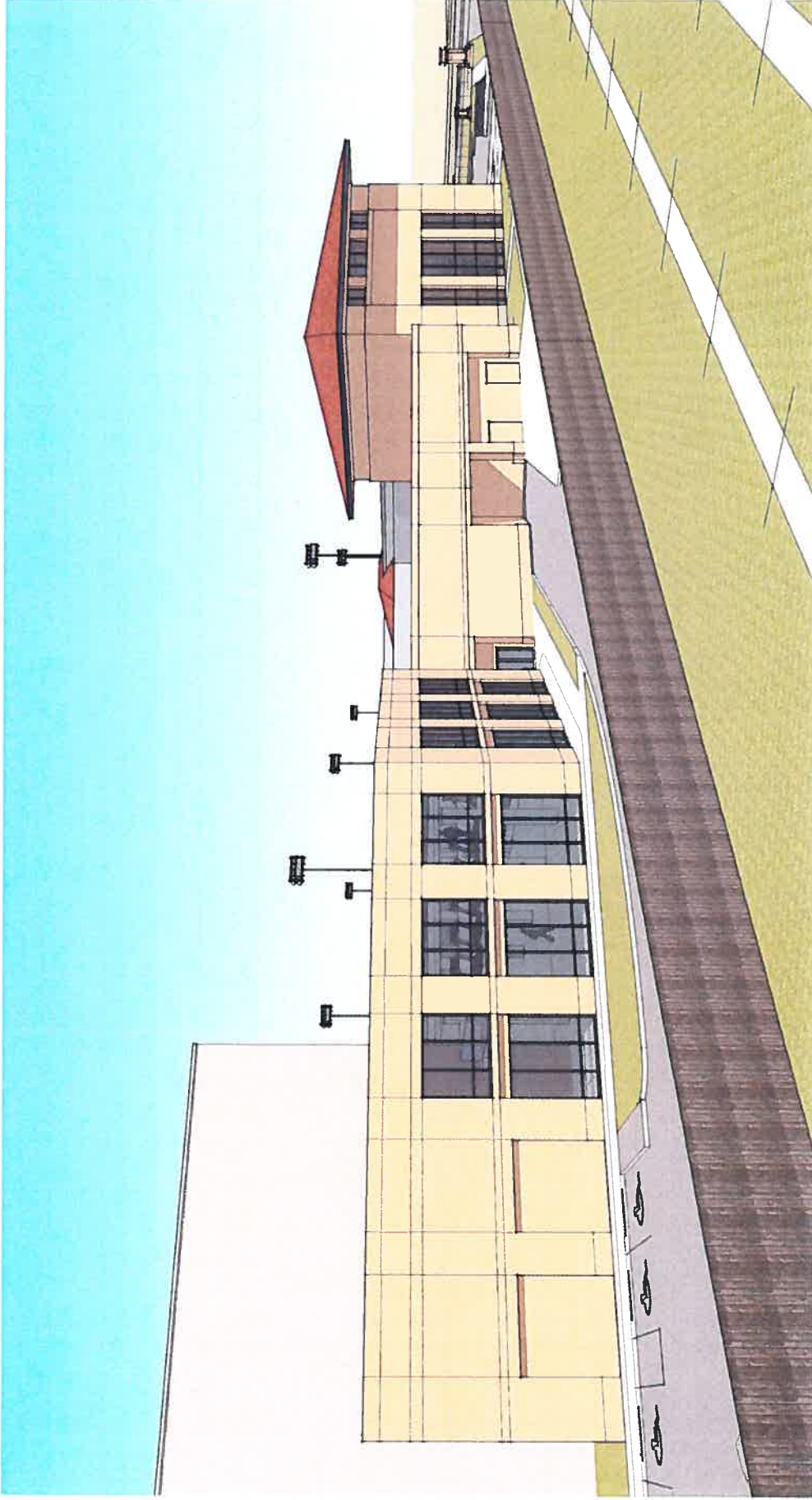
Existing Weight Room



New Weight Room



Existing View From Player Parking



New View From Player Parking



**REQUEST FROM LSU AGCENTER
TO APPROVE A LEASE AGREEMENT
WITH COMPANION ANIMAL ALLIANCE FOR THE
CONSTRUCTION AND OPERATION OF
AN ANIMAL SHELTER ON LSU AGCENTER PROPERTY**

To: Members of the Board of Supervisors

Date: June 19, 2015

This is a significant Board matter pursuant to Board Bylaws Article VII, Section 8:

D.2.a The assignment or lease of land owned by LSU

1. Summary of the Matter

The Companion Animal Alliance (CAA) is a non-profit corporation that currently operates the animal shelter for East Baton Rouge pursuant to a contract with the City-Parish. For the past two years, CAA and LSU officials have discussed the potential for relocating the animal shelter from its current site at the airport to land owned by the Board. In March, the Board approved an "Intent to Lease" agreement with CAA contemplating the construction of an animal shelter on land owned by the Board and maintained by the LSU Agricultural Center on Gourrier Ave. between River Road and Nicholson Drive. Since that approval, LSU officials and CAA have engaged in extensive negotiations and conducted the review required by the Intent to Lease Agreement. While some minor details remain to be ironed out, we have now reached agreement on the location of the shelter on campus, the operating standards that CAA will meet, staffing levels, financial requirements, and other matters to protect the interests LSU, CAA, and the animals that will be sheltered at the facility. It is appropriate for the Board to authorize the President to execute a lease agreement with CAA.

Locating the animal shelter at LSU in proximity to the Vet School has the potential to further LSU's teaching, service, and research missions. Currently, LSU vet students have the opportunity to see patient animals primarily in the Veterinary Teaching Hospital. Because the hospital sees primarily animals that have been referred for specialist care, LSU students have limited opportunities to experience the clinical appearance and management of the every day problems encountered in a veterinary primary care setting. With the animal shelter located at the proposed location, LSU students would have the opportunity to see large numbers of primary care patients and become more adept in that arena, making them more proficient and ready to practice on "Day 1" after graduation.

Further, shelter medicine is a rapidly expanding field of expertise in veterinary medicine, as animal shelters become a significant component of community wellness. Animal control, animal rescue, and animal shelters are pivotal in the development and maintenance of animal and human health in western society. A major trend in the mission and operation of animal shelters includes a transition from control of stray and feral animal populations to placement of stray animals in "forever" homes, reducing shelter euthanasia rates. Veterinarians play a pivotal role in the organizational structure required to implement this changing mission, and the education of LSU's veterinary students must include shelter management and operations. Over time, LSU anticipates that it will add additional instructional programming in this area, including efficient spay/neuter surgery, disease recognition, biosecurity (disinfection, quarantine, etc.), and proper animal handling skills.

Operating at the proposed location will also provide LSU students with convenient service learning opportunities. Modern shelter operations involve many facets beyond veterinary medicine itself, including community education, community wellness, population control, owner counseling, and animal socialization/behavior. Being in such close proximity to the shelter will allow LSU students to have significant participation in these aspects of shelter operations as service learning projects, especially when coupled with current service learning courses offered by the Vet School.

This location for the animal shelter also offers research opportunities. The Vet School already has a track record of publishing significant research data from the existing animal shelter. One of the first and often-quoted publications in this area documented the prevalence of heartworm disease in stray animals in the South. Current shelter animal research involves refinements in the anesthetic agents used for typical minor surgeries such as spay/neuter operations, prevalence of intestinal parasites in the shelters of southeast Louisiana, and prevalence of tick-borne diseases in shelter animals. Vet School researchers are also investigating further educational opportunities that shelters can offer students unique to that environment, such as surveillance for diseases that can be transmitted between animals and humans. All such studies are reviewed and approved by the LSU Institutional Animal Care and Use Committee and involve tests on specimens and tissue and procedures that are normally collected and performed in the course of standard shelter operation.

LSU currently supports a unique shelter medicine instructional program where students, under the guidance of a faculty member with expertise in shelter medicine, regularly visit multiple not-for-profit shelters throughout southern and central Louisiana. These shelters operate at different levels of funding and resources, from the most basic to the very advanced. At each visit, shelter operations are reviewed and suggestions are made regarding improvements that could be implemented before the next visit. In this way, the standard operations of all shelters in the program have been gradually upgraded over time, with participating students reaping great benefit from the experience. Application of these same principles in a state-of-the-art shelter could provide an opportunity to model shelter management, and a unique opportunity for veterinary student learning.

Location of the animal shelter at the proposed location also has the potential to increase connection between the shelter and the local community. The current location is not ideal for supporting adoption and placement of shelter animals. The central location of LSU to the community will make shelter services more readily available to residents of East Baton Rouge.

2. Fiscal and Other Impacts; Business Plan

The location of the animal shelter on the LSU campus, in addition to the potential benefits, poses potential risks. While CAA is a private entity and LSU will not be directly responsible for overseeing its operations, its mere presence on campus will likely cause the public to associate the shelter and its operations with LSU. A significant portion of the negotiations, therefore, has been aimed at ensuring that the shelter will follow the leading best practices for its operation. The Guidelines for Standard of Care in Animal Shelters, published by the national Association of Shelter Veterinarians, has been attached to the proposed lease agreement, and failure to operate the shelter in accordance with those standards would be a breach of the lease requirements. The staffing levels have also been vetted with guidelines provided by the National Animal Care & Control Association.

Based on information provided by the Vet School, it is not anticipated that the Vet School will sustain any significant additional costs if the animal shelter is ultimately located at the proposed location. Under the proposed lease agreement, CAA will pay LSU an annual rent of \$12,000 (with a CPI-based adjustment each year for inflation).

The Intent to Lease agreement required CAA to provide LSU with projected revenues and expenses needed to operate the shelter at a gold standard level. CAA has provided a detailed financial pro forma.

In summary, CAA has adequately projected the expenses necessary to operate the shelter to the gold standard required, and has identified revenue sources to meet those needs. To do so, they will have to increase the amount of grants and donations they raise from private sources, which they anticipate can be accomplished with the new shelter, new location, and deeper relationship with the Vet School.

CAA's projected 5-year financial pro forma:

	2016	2017	2018	2019	2020
Revenue					
City-Parish	\$1,231,000	\$1,254,150	\$1,278,366	\$1,303,650	\$1,324,002
Private (Donations, grants, etc.)	\$493,000	\$525,650	\$555,483	\$596,788	\$639,655
Subtotal (Revenue)	\$1,724,000	\$1,779,800	\$1,833,849	\$1,900,437	\$1,963,658
Expenses					
Salaries/Benefits	\$963,000	\$991,890	\$1,021,647	\$1,052,296	\$1,083,865
Food and Medicine	\$199,000	\$211,800	\$225,780	\$241,027	\$257,635
Other	\$548,500	\$564,770	\$581,618	\$599,065	\$617,134
Subtotal (Expenses)	\$1,710,500	\$1,768,460	\$1,829,045	\$1,892,388	\$1,958,633
Net (Revenue - Expenses)	\$13,500	\$11,340	\$4,804	\$8,049	\$5,024

CAA's most recent 5 years of fundraising:

	2011	2012	2013	2014	2015 YTD
Private Funds Raised	\$181,207	\$382,977	\$308,232	\$384,463	\$148,626

CAA believes that it will be able to increase its private funds raised in an amount sufficient to meet the pro forma requirements by hiring additional development staff, devoting some portion of the capital funds raised for construction to an endowment for on-going operational expenses, increased revenue from having a nicer, more desirable shelter, and other efforts. They also anticipate that increased cooperation with LSU will lead to additional grant opportunities, the revenues of which would be shared between LSU and CAA as provided for in applicable policies, laws, and regulations governing the grants.

It is important to note that none of these revenues or expenses belong to LSU. The financial risk is entirely on CAA; LSU is not responsible for its staff or the operations of the shelter. However, if CAA is unable to operate the shelter to the gold standard required by the proposed lease. LSU is reviewing them solely in its capacity as a potential landlord evaluating a prospective tenant.

3. Review of Documents Related to Reference Matter

An initial draft of the proposed lease is attached. CAA and LSU are continuing negotiations on the final details and specifics of the lease agreement. While some technical changes to the attached draft are anticipated as we work out final details, there is agreement on all of the key, substantive provisions. In general, the lease will follow normal LSU practices, and is very generally patterned on the lease agreement used for the Emerge facility constructed and operated by the private Baton Rouge Speech and Hearing Foundation. It will require a certification by CAA to the President, prior to start of construction, that CAA has the funds in hand to complete the construction, and that construction be started and completed within certain time limits. Our normal provisions regarding approval of plans and specifications for private construction on our campus will apply. LSU will be able to terminate the lease for cause if CAA fails to operate the shelter in accordance with the identified and agreed upon standards. If CAA's agreement to operate the Baton Rouge City-Parish animal shelter were to terminate, LSU and CAA would sit down at the table and negotiate new terms that would allow the facility to continue operating as a purely private shelter.

Final plans, specifications, and schematic design of the facility have not yet been prepared. The FDDC committee has not yet reviewed the location or any specific site plans or building design. Such approval (including approval by the Board of the schematic design) will be obtained before CAA is authorized to proceed with construction.

ATTACHMENTS:

- Attachment A – Proposed Lease Agreement

RECOMMENDATION

It is recommended that the Board adopt the following resolution:

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize its President, Dr. F. King Alexander, or his successor or designee, to execute a lease agreement with the Companion Animal Alliance to construct and operate an animal shelter on Gourrier Ave. near River Road, containing terms and conditions that the President considers to be in the best interests of the University.

Draft – June 9, 2015 at 4pm

Note: This draft is intended to show the general framework for the lease agreement. Details remain to be negotiated with CAA. A number of changes in principle have already been agreed to by LSU officials and CAA that have not yet been reflected in this draft, due to time constraints. For example, if the final lease version will provide that if CAA no longer has a contract with the City-Parish to operate the animal shelter, CAA and LSU will negotiate, perhaps with some type of assistance from mediation, whether CAA will be able to continue to successfully operate a purely private shelter on the site. Other changes will also be made to fully protect the interests of both LSU and CAA.

**GROUND LEASE AND CONSTRUCTION AGREEMENT
WITH COMPANION ANIMAL ALLIANCE**

THIS GROUND LEASE AND CONSTRUCTION AGREEMENT WITH
COMPANION ANIMAL ALLIANCE (the “Agreement”) is entered into by and between

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

and

COMPANION ANIMAL ALLIANCE (alternatively “CAA” and/or “Lessee”), a nonprofit corporation organized and existing under the laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through _____, President of CAA, duly authorized and empowered by said Foundation,

(each a “Party” and collectively the “Parties”), to be effective as of the date on which the Agreement has been fully executed by both Parties hereto as reflected on the signature page (the “Effective Date”), and provides as follows:

WHEREAS, CAA is a private nonprofit Louisiana corporation afforded status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, whose tax-exempt purpose includes but is not limited to building a better future for area animals by setting standards of excellence and leadership in animal care, humane education, and progressive animal welfare programs, and

Draft – June 9, 2015 at 4pm

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

WHEREAS, the Board is the owner of certain lands located in East Baton Rouge Parish, State of Louisiana, and

WHEREAS, at the direction of the Baton Rouge Metro Council, CAA contractually assumed the management of the East Baton Rouge Parish Animal Control & Rescue Center and shelter (the “EBR Shelter”) on August 1, 2011, and

WHEREAS, CAA desires to lease and to construct certain buildings and improvements on the aforementioned property at CAA’s sole expense, in accordance with the requirements of La. R.S. 17:3361 and plans and specifications to be approved by the Board or its duly authorized designee (the “LSU Representative”) and pursuant to all applicable LSU design and other standards, for the operation of the EBR Shelter, and

WHEREAS, the Board desires to grant to CAA a ground lease and certain rights of use and access in order to facilitate the use of the property and construction of the aforementioned buildings and improvement by CAA, and

WHEREAS, having CAA’s facility on Board property will further the mission of the Board and its LSU School of Veterinary Medicine (the “Vet School”) by providing opportunities for enhanced clinical experience to LSU students, collaborative research with LSU students and faculty members, and potential employment, internship, and service opportunities for students at the undergraduate, graduate, and doctoral levels, all while providing high-quality care to animals housed in the shelter, and

Draft –June 9, 2015 at 4pm

WHEREAS, the buildings and improvements to be constructed by CAA pursuant to the terms of this Agreement will be donated by CAA to the Board without further consideration upon the expiration of and in accordance with the terms of this Agreement.

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

ARTICLE I
LEASE OF THE PROPERTY

In consideration of the covenants, agreements, and conditions herein set forth, which CAA hereby agrees shall be kept and performed, the Board does hereby lease unto CAA, and CAA does hereby lease from the Board, certain property owned by LSU and located in the Parish of East Baton Rouge, State of Louisiana, approximately ____ acres in size, all as depicted and described in more detail on the attached Exhibit “A” (the “Leased Premises”).

ARTICLE II
TERM

Unless sooner terminated as herein provided, this Agreement shall be and continue in full force and effect for an initial term of thirty (30) years (the “Initial Term”), such Initial Term commencing on the Effective Date, with two (2) separate and successive options to renew the Agreement, (each a “Renewal Term”), with each such Renewal Term being for a period of ten (10) additional and subsequent years (for a total possible Term of up to fifty (50) years). In the event and on each occasion that CAA desires to renew the Agreement for either Renewal Term as provided for above, then provided CAA is not then in default of this Agreement, CAA may exercise its right by providing written notice of same to the Board no later than one hundred twenty (120) days prior to the expiration of the then-current Term. In the event that CAA fails to provide the Board with written notice within said one hundred twenty (120) day period, then this Agreement shall automatically expire at the end of the then-current Term. “Term” as used in this Agreement shall include the Initial Term and any exercised Renewal Term.

ARTICLE III
INSPECTION PERIOD

3.1 Objectives During the Inspection Period. The “Inspection Period” shall

commence on the Effective Date of this Agreement and shall expire upon the Parties' accomplishment of the following objectives and CAA's commencement of construction, or upon the passage of twelve (12) months from the Effective Date of this Agreement, whichever occurs first, unless this Agreement is terminated per this Article III. During the Inspection Period, the Parties to the extent provided for herein shall work in good faith and take all reasonable actions as reasonably necessary to accomplish the following objectives:

a. CAA shall to the extent deemed necessary, at its sole expense, inspect the Leased Premises, arrange for any survey work, soil borings, and other site investigations, review title to the Leased Premises, and perform other studies and, investigations deemed necessary by CAA;

b. CAA shall at its sole expense provide for the preparation of all design and supporting documentation for the construction of the Facility as defined hereinbelow, including but not necessarily limited to the plans and specifications for the Facility and the exterior architectural and site plans for the Leased Premises and Facility, and to obtain all necessary approvals for such plan, specifications, contracts and other documents as required by this Agreement;

c. CAA shall at its sole expense obtain all necessary permits, licenses, and other approvals from all regulatory agencies or bodies necessary to commence construction of the Facility;

d. CAA shall at its sole expense enter into a Construction Contract for the construction of the Facility and obtain the advance written approval of the Construction Contract from the Board or the LSU Representative, all as defined and set forth hereinbelow;

e. CAA shall certify in writing to the Board and provide all supporting documentation reasonably requested by the Board that the total amount of money needed to complete the Facility has been collected and/or appropriate financing acquired by CAA, that such funds have been and will be dedicated to that use and will not be expended for any other purpose, and that CAA has prepared adequate business, financial, and operational plans for the proper operation of the Facility and has a source of funding which shall be sufficient for the proper operation of the Core Facility Activities;

f. CAA shall determine if all utilities are available at the Leased Premises and sufficient for CAA's use (as determined by CAA in its reasonable discretion); and

g. The Parties shall satisfy all other conditions expressly provided for in this Agreement which are to be satisfied during the Inspection Period, or they may waive any such conditions at their discretion.

3.2 Termination Rights During the Inspection Period. During the Inspection Period, CAA and the Board to the extent provided for herein shall work in good faith and take all actions reasonably necessary to accomplish the aforementioned objectives; however, each Party shall

Draft – June 9, 2015 at 4pm

also have the right to terminate this Agreement at any time during the Inspection Period by providing notice to the other pursuant to Article XI, in which event both Parties shall be released from any further liability hereunder. In the event the Parties are unable despite their best efforts to accomplish the aforementioned objectives during the Inspection Period, then each Party shall have the right to declare this Agreement terminated by providing notice to the other pursuant to Article XI, in which event both Parties shall be released from any further liability hereunder. If this Agreement is terminated during the Inspection Period, CAA shall deliver to the Board copies of all reports, studies and investigations as additional consideration for this Agreement.

ARTICLE IV CONSIDERATION

5.1 Rent. In consideration of the Board leasing the Leased Premises, CAA agrees to pay the sum of \$12,000 as annual rent (the “Rent”); provided, however, that no Rent shall be owed for the period covered by the Inspection Period, it being understood and agreed that the Board is receiving other good and valuable consideration during the Inspection Period by CAA entering into this Agreement with the Board and undertaking at CAA’s sole and significant cost and expense certain tasks as provided for in this Agreement. Upon completion of the Inspection Period, the entirety of the first annual rental payment shall be due on the first business day of the first full calendar month following the expiration of the Inspection Period (the “Rent Commencement Date”), and the entirety of each subsequent year’s rent shall be due each subsequent year on the anniversary of the Rent Commencement Date.

5.2 CPI Adjustment of Rent. Beginning immediately after the payment of the first annual rental payment on the Rent Commencement Date, the Rent shall be increased annually, effective as of each anniversary of the Rent Commencement Date during the Term (each an “Adjustment Date”), by an amount equal to the product obtained by multiplying the then-current Rent times a fraction the numerator of which shall be the CPI in effect as of thirty (30) days prior to the Adjustment Date and the denominator shall be the CPI in effect as of the date which was one (1) year and thirty (30) days prior to the Adjustment Date. In no event shall the CPI adjustment to the Rent increase by an amount greater than five (5%) percent for any one year during the Term of the Lease, and in no event shall the Rent decrease. “CPI” shall mean the Consumer Price Index – U.S. City Average For All Items For All Urban Consumers (1982-1984 = 100) (the “Index”), published monthly in the “Monthly Labor Review” of the Bureau of Labor Statistics of the United States Department of Labor, or if the current Index is no longer available, then the current equivalent of the Index.

ARTICLE V AGREEMENT TO CONSTRUCT BUILDINGS AND IMPROVEMENTS ON THE PROPERTY

CAA does hereby agree at its sole expense to direct the preparation of the design and all supporting documentation for the construction of a state-of-the-art animal shelter and veterinary

clinical facility on the Leased Premises, and to construct certain buildings and improvements on the Leased Premises pursuant to said design, all in accordance with plans, specifications, and exterior architectural and site plans approved by the LSU Representative and/or the Board and pursuant to all applicable LSU design and other standards (the “Facility”). CAA further agrees to donate, without any further consideration whatsoever, the entirety of its interest in the Facility to the Board upon expiration of this Agreement or in accordance with Section 13.2 hereof, and to execute all reasonably necessary paperwork requested by LSU to effectuate said donation. It is estimated that the total cost of the renovations and improvements, including the design thereof, will be approximately \$_____, all of which cost and expense shall be paid by CAA; however, should the final cost differ from said amount, it shall not affect any other terms of these Agreement, except that said amount may not be increased above \$_____ or decreased below \$_____ without the advance written consent of the LSU Representative, subject to the requirements of Section 6.11 hereof. CAA shall own the Facility during the Term of this Agreement.

ARTICLE VI

CONSTRUCTION

At its sole cost and expense, CAA shall design and construct the buildings and improvements constituting the Facility on the Leased Premises in a good and workmanlike manner, in accordance with the following provisions:

6.1 Plans and Specifications. The Facility to be constructed by CAA pursuant to this Agreement is generally described as _____ to _____ square foot single or multi-story building, together with all appurtenant parking and related improvements, at an estimated cost of approximately \$_____, all of which cost and expense shall be paid by CAA, and no material deviation therefrom shall be implemented without the prior written consent of the LSU Representative. During the Inspection Period and at least one hundred eighty (180) days prior to commencement of any part of the construction of the Facility on the Leased Premises, CAA shall deliver plans, specifications, and exterior architectural and site plans for the Facility to the LSU Representative, which shall then be subject to review as follows:

a. The LSU Representative shall promptly forward the plans and specifications for the Facility to the Office of Facility Planning and Control (“OFPC”), which shall review and approve said plans and specifications for the purpose of determining compliance with applicable building codes, space standards where appropriate, and standards assuring quality of construction. OFPC approval shall be obtained prior to commencement of construction. In the event that OFPC has not approved CAA’s plans and specifications during the Inspection Period, then either Party may elect to terminate this Agreement per Article III; and

b. The Board shall conduct its own independent review of the plans, specifications, and exterior architectural and site plans (which independent review may proceed at the same time as the OFPC review of the plans and specifications referred to in Section 6.1(a) above), to determine whether they comply with all applicable standards

of the Board. If the Board disapproves of any part of the plans, specifications, exterior architectural plans, or site plans, then the Board shall provide CAA with sufficient written reasons and justification therefore to allow CAA to attempt to address any deficiencies in the submission. In the event that the Board has not approved CAA's plans, specifications, and exterior architectural and site plans in writing during the Inspection Period, then either Party may elect to terminate this Agreement per Article III.

6.2 Change Orders. No Change Orders to the Construction Contract (as defined herein) or changes to the plans, specifications, and/or exterior architectural and site plans which materially deviate therefrom shall be implemented without the prior written consent of the LSU Representative. Any request for Change Orders to the Construction Contract (as defined herein) or changes to the plans, specifications, and/or exterior architectural and site plans shall be made in writing to the LSU Representative in sufficient detail to allow the LSU Representative to respond thereto; the LSU Representative shall within ten (10) business days of receipt approve or disapprove such request in writing, employing a commercially reasonable standard and upon compliance with all applicable standards of the Board. If LSU disapproves any requested Change Orders or requested changes to the plans, specifications, or exterior architectural and site plans, then LSU shall provide CAA with sufficient written reasons and justification therefore to allow CAA to attempt to address any deficiencies in the request(s).

6.3 Commencement and Completion of the Facility. Unless delayed by Force Majeure (defined as (a) any act of God, lightning, hurricane, tropical storm, tornado, and/or other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, insurrection, riot or civil disturbance, (b) any labor dispute, strike, work slow-down or work stoppage, (c) unreasonable delay or unavailability of materials needed for the Facility, (d) unreasonable governmental delay, (e) unreasonable delay by the Board, or (f) any other similar cause or similar event beyond the reasonable control of CAA), CAA agrees to commence construction of the Facility on the Leased Premises no later than fourteen (14) months after the Effective Date of this Agreement, and shall make best efforts to complete the Facility no later than (3) years after the Effective Date of this Agreement. Construction of said Facility shall not commence until LSU has approved in writing the plans, specifications, and exterior architectural and site plans for the Facility, and OFPC has approved in writing the plans and specifications for the Facility. The commencement and completion dates set forth Agreement herein may be extended by a written change order issued by CAA and approved in writing by the LSU Representative. Notwithstanding anything to the contrary provide for herein, in the event that CAA is delayed from meeting any deadline provided for in this Agreement as a result of any event of Force Majeure, then the time period provided to CAA shall be extended by the number of days that CAA is delayed by an event of Force Majeure.

6.4 Construction Contract. Construction of the Facility shall be performed on behalf of CAA pursuant to one or more written contracts between CAA and a contractor or contractors (the "Construction Contract"). The Construction Contract(s) and bond(s) shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Facility. CAA shall include in every Construction Contract a liquidated damages clause acceptable to the LSU Representative. CAA shall not enter into any Construction Contract without the LSU Representative's prior written approval of the proposed Construction Contract.

The LSU Representative shall approve or disapprove such Construction Contract within ten (10) business days of receipt of a copy of the Construction Contract from CAA. If the LSU Representative disapproves the submission, the LSU Representative shall provide sufficient written reasons and justification to allow CAA to attempt to address any deficiencies in the submission. The Board and CAA hereby acknowledge the following, and to the extent practically and legally possible, each Construction Contract and all subcontracts entered into by the general contractor(s) shall acknowledge expressly that the contractor and subcontractors have been informed of the following:

- a. Construction of the Facility will be performed solely and exclusively for CAA;
- b. CAA is a separate legal entity from the Board, and CAA has no authority to obligate the Board to any extent whatsoever;
- c. Neither the Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the construction of the Facility performed pursuant to this Agreement;
- d. CAA has no ownership interest in the Leased Premises upon which the Facility will be constructed. Any renovations and improvements placed on the Leased Premises of the Board, including the Facility, shall be owned by CAA during the Term of this Agreement and shall become owned by the Board without further consideration upon termination or expiration of this Agreement as provided for herein. Construction of the Facility shall not give rise to any rights against the Leased Premises or the Board.

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

6.6 Rights Concerning the Leased Premises During Construction. To the extent necessary, CAA and its contractors shall have the right to occupy and use the Leased Premises, with reasonable ingress to and egress from the Leased Premises and as otherwise provided herein during the term of this Agreement. CAA shall fence or block off in a safe and secure manner acceptable to the LSU Representative (as evidenced by the LSU Representative's prior written consent) that area of the Leased Premises necessary to construct the Facility. CAA assumes all responsibility for the condition of the Leased Premises used by it during the term of this Agreement. CAA and its contractors shall maintain the Leased Premises and all buildings and improvements and thereon in a reasonably prudent manner at all times. CAA will take prudent care of the Leased Premises and return same to the Board upon expiration or termination of this Agreement in as good a condition as when received, as modified by construction of the Facility, ordinary wear and tear excepted. CAA accepts the Leased Premises for the purposes herein outlined without any warranty of title or recourse whatsoever against the Board, except as

otherwise specifically provided for in this Agreement.

6.7 Access over Adjoining Property During Construction. CAA shall be entitled to reasonable access to the Leased Premises over and across adjoining property owned by the Board as is reasonably necessary in order for CAA to fulfill its obligations hereunder; provided, however, that the Board shall designate in advance during the Inspection Period specific adjoining property/properties that may be used by CAA pursuant to this paragraph. The Board shall be entitled to designate different comparable replacement adjoining properties to be used for access from time to time as circumstances dictate. CAA will not unreasonably interfere with the Board's use of such other property / properties.

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

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

6.10 Acceptance of The Facility. CAA will not accept the Facility without the written approval of the LSU Representative. CAA agrees to complete all warranty and punch list items within the first year following approval by the LSU Representative of the acceptance of the Facility. The Board reserves the right to refuse, itself or through the LSU Representative, the acceptance of the Facility unless CAA certifies in writing to the LSU Representative that monies equal to the value of the punch list deficiencies have been withheld by CAA for payment to the

contractor for completion of the punch list items and that such monies shall not be expended for any other purpose. Final payment shall not be made to the contractor until the LSU Representative agrees in writing that the punch list items have been completed. Prior to acceptance of the Facility, CAA shall deliver the following to the LSU Representative:

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

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

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

6.12 No Liens or Sale; Release of Recorded Liens. CAA shall not suffer or permit any liens to be enforced against the Leased Premises, the Facility, or the Board by reason of a failure to pay for any work, labor, services, or materials supplied or claimed to have been supplied to CAA or to anyone through or under CAA related to the Facility or the Leased Premises. If any such liens shall be recorded, CAA shall cause the same to be released of record, or in the alternative, if CAA in good faith desires to contest the same, CAA shall be privileged to do so, but in such case, CAA hereby agrees to defend, indemnify and save the Board harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of said judgment. Furthermore, at the LSU Representative's request, CAA shall promptly deposit with the Recorder of Mortgages for East Baton Rouge Parish a bond guaranteeing payment of any such liens.

6.13 Financing or Sale of Leased Premises. Except as may otherwise be provided for in Section 3.1(e), CAA shall not agree to any financing arrangements with respect to the funding of the construction of the Facility or any encumbrances on the Facility or otherwise related to the Leased Premises without the prior written approval of the LSU Representative. CAA shall not sell or transfer title to the Facility or any improvements related to the Leased Premises without the prior written approval of the Board.

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

ARTICLE VII
USE, MAINTENANCE, AND REPAIRS

7.1 Permitted Use. Subject to the terms and provisions hereof, CAA shall use the Leased Premises and the buildings and improvements thereon solely for the purposes set forth in subsections 7.1(a) and 7.1(b) below, which purposes shall be collectively referred to as the “Permitted Use.”

a. Core Facility Activities. The following purposes shall be referred to as the “Core Facility Services” and shall constitute the basic, mandatory uses which CAA is obligated by this Agreement to make of the Leased Premises and Facility:

(i) To operate, pursuant to a written contract with the City of Baton Rouge and Parish of East Baton Rouge (collectively the “City-Parish”) and at all times in a manner consistent with Exhibit “___,” the EBR Shelter;

(ii) To provide high-quality care to animals housed in the shelter, at all times in a manner consistent with Exhibit “___”; and

(iii) To provide clinical experience to students of the LSU School of Veterinary Medicine, thereby promoting the LSU School of Veterinary Medicine’s missions of education, research, and service.

b. Other Facility Activities. The following purposes shall be referred to as the “Other Facility Services” and are potential permissive uses that may be made of the Leased Premises and Facility by CAA and/or LSU, provided that neither Party shall use the Leased Premises and Facility for any Other Facility Service except pursuant to a separate signed written agreement negotiated in advance between the Parties:

(i) To provide for the creation and operation of a private animal shelter that may provide pet adoptions. [

(ii) To provide for the formation of a strategic partnership with the LSU School of Veterinary Medicine to develop the School’s current and future program offerings into nationally recognized intensive training programs, potentially including on-site rotating residencies at the Leased Premises and Facility as well as providing students with the opportunity to perform significantly more surgeries and providing opportunities to treat a large number of general medicine cases;

(iii) To provide clinical research opportunities through collaborative efforts between the CAA Director and staff in conjunction with the LSU School of Veterinary Medicine’s faculty, interns, and residents to identify shelter animals who may benefit from participation in clinical research protocols and/or advanced diagnostic treatment and provide the LSU School of Veterinary Medicine with excellent and unique research opportunities;

(iv) To promote opportunities for joint fundraising and grant participation to enhance programming for the LSU School of Veterinary Medicine and the CAA facility; and

(v) To provide veterinary services on a full- or part-time basis within the Leased Premises and Facility, provided that: (i) such services shall be limited to those normally associated with and required for effective and humane operation of an animal shelter; or (ii) are performed by student, faculty, residents, and other appropriate staff of the LSU School of Veterinary Medicine as part of its educational, research, and service mission.

7.2 Prohibited Uses. CAA shall not use the Leased Premises and/or Facility for the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. CAA shall not make any use of the Leased Premises in violation of any applicable statutes, ordinances, regulations or laws and shall not permit any contamination or pollution on or about the Leased Premises or increase the fire or insurance hazard by any use thereof. Before beginning any work on the Leased Premises, CAA shall obtain any permits required by the State of Louisiana, the Parish of East Baton Rouge, the United States of America or any of their subdivisions, agencies or departments related to the sale, distribution, storage, transportation, or handling of petroleum or synthetic products. CAA shall not install or otherwise place storage tanks in or on the Leased Premises and/or Facility without the LSU Representative's prior written consent, which, in addition to any other conditions required by the Board, shall be subject to the condition that any such tank shall be located on a concrete slab and shall be surrounded by a retaining wall that shall retain the products stored in the tanks in the event of any spill, discharge, leak, overfill, or other release.

7.3 Compliance. CAA's use of the Leased Premises and Facility shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish, or municipal government now or hereafter in effect, including all environmental laws and regulations, and with the standards and guidelines attached hereto in Exhibit "____." The Board represents and warrants that to the best of its knowledge there are no restrictions by zoning ordinance or otherwise restricting CAA's use of the Leased Premises and Facility as provided for in this Agreement.

7.4 Utilities. CAA shall be solely responsible for connection and payment of all utilities related to the Leased Premises, including but not limited to charges for electricity, energy, light, heat, air conditioning, power, telephone, garbage, or other trash removal and disposal, water, and sewer user fees. It shall be the responsibility of CAA to make all necessary arrangements to tap into all utility services. All utilities will be billed directly to and in the name of CAA.

7.5 Operating Expenses. CAA shall pay all expenses, costs, premiums, and disbursements of any nature whatsoever accrued or incurred in connection with the ownership, lease, management, operation, maintenance, repair and insurance of the Leased Premises, including any and all improvements.

7.6 Maintenance and Repairs. CAA shall maintain the Leased Premises, the grounds,

and all buildings and improvements thereon in good condition and make all necessary repairs to the improvements thereon to maintain them in the same or better condition as they were at the beginning of the Term and after completion of the Facility, ordinary wear and tear excepted.

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

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

7.9 Waiver and Disclaimer of Warranties. Subject to CAA’s right to terminate during the Inspection Period in Article III, CAA accepts the Leased Premises in its “as is” and existing condition, at CAA’s sole risk and without any warranty of any kind or nature, whether express or implied, contractual or statutory and whether as to the condition (patent or latent) or state of repair of the Leased Premises or the fitness of same for CAA’s purposes or for any other purpose whatsoever, except as may otherwise be specifically provided for herein. The Board warrants only against eviction, and all other warranties are expressly disclaimed by the Board and waived and renounced by CAA.

ARTICLE VIII
INSURANCE

8.1 Required Insurance. Throughout the Term of this Agreement, CAA shall at all times maintain or cause to be maintained, with respect to the Leased Premises and all buildings and improvements thereon, commercial insurance in the following types and amounts. Such insurance shall be with commercial insurance companies duly licensed to do business in the State of Louisiana and, to the extent available on commercially reasonable terms, bearing a rate of _____ in the latest Best Casualty Insurance Reports.

TYPE	AMOUNT
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Commercial General Liability Insurance for the following where the exposure exists: (a) premises-operations (b) broad form Lease liability (c) products/completed operations (d) use of Contractors and subcontractors (e) personal injury (bodily injury and death) (f) broad form property damage (g) explosion, collapse and underground property damage (h) independent Contractors (i) sprinkler leakage legal liability	Coverage in an amount not less than: \$2,000,000.00 per occurrence; \$5,000,000.00 General Aggregate; and \$5,000,000.00 Products & Completed Operations Aggregate; less a commercially reasonable deductible. “Claims Made form is not acceptable.
Business Automobile Liability Insurance for bodily injury and property damage, covering owned, hired, rented, and leased automobiles.	Combined single limit of Two Million Dollars (\$2,000,000.00) per occurrence.
Worker’s Compensation & Employer’s Liability Insurance.	Limits as required by the Labor Code of the State of Louisiana and Employer’s Liability coverage. Employer’s liability limit is to be \$1,000,000.00 when work is to be over.
Business Interruption Insurance covering loss of rents by reason or total or partial suspension of, or interruption in, the operation of Leased Premises caused by the damage thereof.	12 months guaranteed rental revenue.
Flood insurance, if applicable.	In amounts determined by LSU to be reasonable, but no more than the amount available under the National Flood Insurance Program.
Property damage insurance	Special form (also known as “all risk”) property insurance, including loss or damage caused by fire, lightening, earthquake, named storm, collapse, sewer backup, vandalism and malicious mischief, flood and storm surge, which insurance shall be in an amount not less than one hundred percent (100%) of the full replacement cost of the Facility, without

	deduction for depreciation.
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8.2 Additional Insurance Requirements During the Facility. Unless otherwise approved in writing by the LSU Representative, during construction of the Facility, CAA shall maintain or require its contractor to maintain the following insurance in addition to the coverages provided by 8.1 above:

- a. Builder’s Risk Insurance. CAA or Contractor shall provide an “All Risk” builder’s risk insurance policy, including but not limited to fire and extended coverage insurance including wind, earthquake, collapse, vandalism, malicious mischief, and theft including theft of materials whether or not attached to any structure, for not less than one hundred percent (100%) of the full replacement value of the Facility, the Leased Premises, and all buildings and improvements located on the Leased Premises, to protect against any damage or loss during construction of the Facility. This policy shall be taken out prior to commencement of construction and discontinued upon final completion of all Punch List items to the satisfaction of the LSU Representative. The coverage shall include the architect’s and engineer’s fees to provide plans, specifications and supervision of work for the repair and/or replacement of property damage following a loss during construction. Written evidence of such insurance shall be provided to the LSU Representative prior to commencement of construction of the Facility. The policy shall include coverage for and shall run in favor of the Board, CAA, and CAA’s contractor(s) and any subcontractors as their interests may appear.
- b. General Liability and Property Damage Insurance. CAA and its contractors, before commencing construction of the Facility, shall procure such comprehensive liability and property damage insurance, including, but not limited to Commercial General Liability, Personal and Advertising Injury Liability, Products and Completed Operations Liability and insurance for the operation of motor vehicles, which will cover, to the extent allowed by law, CAA’s, the Board’s, and the architect’s legal liability (but not the architect’s professional liability) arising out of the construction of the buildings and improvements performed by CAA or any of its contractors or subcontractors and by anyone directly or indirectly employed by any of them, for claims for damages for personal injury, including accidental death, as well as claims for property damage, including but not limited to damage to surrounding structures and buildings. Unless otherwise agreed to in writing by the Board, such policy or policies of insurance shall provide minimum liability limits of Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) general aggregate. CAA shall also require its contractors and subcontractors to have in full force and affect a policy of workers’ compensation and employer’s liability insurance before proceeding with the construction under this Agreement, which insurance shall be in compliance with the Louisiana Workers Compensation Act. Employer’s liability coverage shall be included with

a minimum limit of \$500,000 per accident/per disease/per employee.

- c. Architect's Design, Errors and Omissions. Upon execution of this Agreement, CAA shall provide to the Board evidence that the architect for the Facility has procured architect's design, errors and omissions insurance coverage for the Facility in an amount acceptable to the LSU Representative.
- d. Pollution Liability. Pollution Liability Insurance, including gradual release as well as sudden and accidental releases, shall be obtained by CAA and/or its contractors prior to commencement of construction of the Facility and shall include a minimum limit of not less than \$1,000,000.00 per claim.

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

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

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

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

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

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

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

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

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

Draft –June 9, 2015 at 4pm

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

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

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

8.14 Additional Insureds. The Board and its board members, employees, and agents shall all be named as additional insureds and loss payees (as applicable) on all policies required hereby.

ARTICLE IX

DONATION OF FACILITY AND IMPROVEMENTS AND TITLE THERETO

Upon the expiration of this Agreement, CAA shall donate, without any further consideration, the entirety of the Facility, including all buildings and improvement constructed and/or located on the Leased Premises, to the Board. The Parties agree to execute any and all documents reasonably requested by the Board to effectuate the donation and the acceptance thereof by the Board and will record the donation and acceptance in the records of East Baton Rouge Parish. CAA shall own all Facility during the Term of this Agreement.

Draft – June 9, 2015 at 4pm

ARTICLE X
INDEMNIFICATION

To the extent allowed by law, CAA agrees to defend, indemnify, and hold the Board and its board members, employees, agents and attorneys (the “Board Indemnitees”), harmless from and against any and all claims arising out of or in any way connected to CAA’s use and occupancy of the Leased Premises and Facility and the performance of all of its rights, duties, and obligations set forth in this Agreement, specifically including but in no way limited to the construction of the Facility, except to the extent such claims and any resulting damages were caused by the sole fault and/or negligence of the Board Indemnitees. Said obligation shall include but shall not necessarily be limited to defending the Board Indemnitees in any legal action against them, paying in full and satisfying any claims, demands, or judgments made or rendered against the Board Indemnitees, and reimbursing the Board Indemnitees for any legal expenses, as incurred, including attorney fees and court costs, which may be incurred by them in defense of any claim or legal action arising hereunder.

ARTICLE XI
NOTICES

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

The Board: Board of Supervisors of
Louisiana State University and
Agricultural and Mechanical College
Attention: President
3810 West Lakeshore Drive
Baton Rouge, Louisiana 70803

With copies to: Vice President for Finance & Administration / CFO
Finance & Administration Office
330 Thomas Boyd Hall
Baton Rouge, Louisiana 70803

CAA, prior to CAA’s occupancy of the Leased Premises:

2680 Progress Road
Baton Rouge, Louisiana 70807
Attn: Executive Director

Draft –June 9, 2015 at 4pm

After CAA's occupancy of the Leased Premises:

The physical address of the Leased Premises.
Attn: Executive Director

ARTICLE XII

DEFAULT

12.1 CAA Event of Default. The Board may declare CAA to be in default upon one or more of the following events, any of which shall constitute a "CAA Event of Default" hereunder:

- a. Failure of CAA to make any payment on the date required under this Agreement, which failure has continued for a period of three (3) business days after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied, provided that CAA shall only be entitled to one (1) cure period during each contract-year;
- b. Failure of CAA to obtain and continuously maintain all insurance required under this Agreement and/or to furnish evidence thereof to LSU;
- c. Failure of CAA to complete the Facility as set forth herein within three (3) years from the Effective Date of this Agreement, including any extended time period which has been mutually agreed in writing by the LSU Representative and CAA, and as may be extended due to Force Majeure delays per Section 6.3;
- d. A material deviation, unauthorized in writing by the LSU Representative, from the plans, specifications, and exterior architectural and site plans approved by the Board, which has continued for a period of thirty (30) days (or longer period of time as reasonably required in the event that the default cannot be reasonably cured within the deadline and CAA is diligently working to cure the default) after receipt of written notice from the LSU Representative specifying such deviation and requesting that it be remedied;
- e. Failure of CAA to comply with the standards and guidelines attached hereto in Exhibit "____," which has continued for a period of thirty (30) days (or longer period of time as reasonably required in the event that the default cannot be reasonably cured within the deadline and CAA is diligently working to cure the default) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied;
- f. Failure of CAA to materially observe or materially perform any other covenant, condition, or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days (or longer period of time as reasonably required in the event that the default cannot be reasonably cured within the deadline and

CAA is diligently working to cure the default) after receipt of written notice from the LSU Representative specifying such failure and requesting that it be remedied;

g. The taking by execution of the Facility for the benefit of any person or entity other than the Board;

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

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

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

k. The termination or expiration, for any reason, of CAA's contract to operate the EBR Shelter, or any amendment, modification, revision, or other change to said contract that has the effect of materially reducing, decreasing, limiting, or impairing CAA's obligation to operate the EBR Shelter, or the assignment, subletting, or other transfer of any of CAA's rights and responsibilities under said contract, or the seizure, assumption, garnishment, execution, or other taking of any of CAA's rights and responsibilities under said contract..

12.2 Board Event of Default. CAA may declare the Board in default upon the failure of the Board to materially observe or materially perform any covenant, condition or agreement upon its part to be observed or performed under this Agreement for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied.

12.3 Remedies Upon Default. Whenever an Event of Default shall have occurred and be continuing beyond any specified cure period, then in addition to any other remedies herein or by law provided, the non-defaulting Party (the Board in the event of a CAA Event of Default, CAA in the event of a Board Event of Default) shall have the right to recover reasonable damages and to give written notice to the defaulting Party declaring this Agreement immediately terminated without further action or notice. Furthermore, and without limiting the applicability of the foregoing, the non-defaulting Party shall have the following additional rights and

remedies:

a. Board Rights and Remedies. In the event the Board elects to terminate this Agreement due to a CAA Event of Default under Section 12.1(k) above, then, during the Wind Down Termination Period, the Parties may consider whether (but shall be under no obligation) to assign CAA's interest in this Agreement to the City-Parish or to any other third-party then providing similar shelter services for the benefit of the EBR Shelter, which assignment will require LSU's prior written consent pursuant to Section 13.8 below. In the event the Board elects to terminate this Agreement for any reason, CAA expressly waives any notice to vacate. In the event the Board elects to terminate this Agreement based on an Event of Default by CAA prior to approval by Board or the LSU Representative of final acceptance of the Facility, the Board, at its sole option, shall have the right to accept full ownership of and title to the Facility as well as all funds dedicated to complete the Facility, and CAA shall execute any and all documents necessary to effectuate same; provided, however, that the, Board, at its sole option, may require CAA to transfer its rights and obligations under this Agreement, as well as any funds CAA has dedicated to complete the Facility, to another nonprofit corporation or entity which meets the requirements of either La. R.S. 17:3361 or La. R.S. 17:3390 and which is acceptable to the Board. Furthermore, in the event of the termination of this Agreement during construction of the Facility due to the default of the contractor, the Board may call on the surety under the performance bond to complete the Facility, and the Board, at its sole option, shall either become the owner of all renovations and improvements made on or to the Leased Premises, or shall require CAA to transfer its rights and obligations under this Agreement and any funds CAA has dedicated to complete the Facility to another nonprofit corporation or entity which meets the requirements of either La. R.S. 17:3361 or La. R.S. 17:3390 and which is acceptable to the Board.

b. CAA Rights and Remedies. CAA shall have the right to be reimbursed the unamortized costs of the Facility and other authorized improvements made by CAA to the Leased Premises.

12.4 Wind-Down Period. Any early termination of this Agreement allowed under this Article XII shall be subject to a twelve (12) month wind-down period (the "Termination Wind Down Period"), during which CAA will continue to operate the Facility at the Leased Premises according to the terms and conditions of this Agreement while the Parties work together to provide for the orderly winding down of CAA's operations. The Termination Wind Down Period shall begin immediately upon the giving of the written notice of immediate termination set forth in Section 12.3 above and continue for twelve months. During the Termination Wind Down Period, the Parties will establish a wind-down committee consisting of at least eight (8) people, with each Party appointing an equal number of members to the committee, to direct the orderly wind-down of CAA's operations.

Draft – June 9, 2015 at 4pm

ARTICLE XIII
MISCELLANEOUS

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

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

13.3 Louisiana Law to Apply. This Agreement shall be construed under and in accordance with the laws of the State of Louisiana without regard to choice-of-law provisions, and the sole forum for all disputes arising out of this Agreement shall be the Nineteenth Judicial District Court for the Parish of East Baton Rouge.

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

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

13.6 Name, Logo, or Marks. Neither Party shall make use of the other Party's name, logo, or marks without its prior written consent.

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

13.8 Assignment and Sub-Letting. CAA shall not assign or sublease this Agreement or any part hereof without the prior written consent of the LSU President, which shall not be unreasonably withheld, and any attempted assignment or sublease without such consent shall be null and void as to the Board.

13.9 Books, Records and Audit. The books, accounts and records of CAA which pertain directly to the Facility shall be maintained at the principal office of CAA. The Board may at its option and at its own expense during customary business hours, conduct internal audits of the books, bank accounts, records and accounts of CAA and its contractor(s) to the extent

necessary to verify compliance with this Agreement or insofar as said books, bank accounts, records and accounts directly relate to CAA's performance of its obligations under this Agreement. Audits may be made on either a continuous or periodic basis or both and may be conducted by employees of the Board, by independent auditors retained by the Board to conduct such audit, by the Louisiana Legislative Auditor or by the Office of the Governor, Division of Administration, but any and all such audits shall be conducted without materially or unreasonably or unnecessarily interrupting or interfering with the normal conduct of business affairs of CAA.

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

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

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

13.13 Entire Agreement. This Agreement, including any exhibits attached hereto, contains the final and entire agreement between the Parties hereto with respect to the Leased Premises and the Facility, and contains all of the terms and conditions agreed upon with respect to the Leased Premises and the Facility, and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the Parties hereto; it being the intent of the Parties that neither shall be bound by any term, condition, or representation not herein written.

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

holding a valid perfected UCC security agreement with respect to CAA Property and agrees, if confirmation of said subordination is requested by CAA or Secured Party, to promptly sign and deliver to any such Secured Party a subordination, in a commercially reasonable form, of any privilege the Board may have on CAA Property (“the Board's Subordination”).

13.15 Leasehold Mortgage. With the advance written approval of the Board, which approval shall not be unreasonably withheld, CAA may mortgage, collaterally assign or otherwise encumber any interest that CAA has in this Agreement or in the Facility located on the Leased Premises (“CAA Mortgage”) as security for any indebtedness (“Debt”) that is incurred for the purpose of constructing the Facility in accordance with this Agreement or for the purpose of directly improving and/or enhancing the value of the Leased Premises and the Facility. CAA has no authority to and shall not attempt to mortgage or encumber the Board's fee title to the Leased Premises.

13.16 Representations and Warranties of the Parties. To induce the other Party to execute, deliver and perform this Agreement, and without regard to any independent investigations made by the other Party, each Party represents and warrants to the other Party on and as of the date of execution and delivery of this Agreement that they are entities validly existing, duly constituted and in good standing under the laws of the jurisdiction in which they were formed and in which they presently conduct business; that they have full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents to be executed pursuant hereto, which shall be binding upon and enforceable against the other Party in accordance with their respective terms; that all acts necessary to permit them to enter into and be bound by this Agreement have been taken and performed; that the persons signing this Agreement and all documents to be executed pursuant hereto are and shall be duly authorized to sign the same on that Party's behalf and to bind that Party thereto; that the execution and performance of this Agreement and all documents to be executed pursuant hereto by the Parties are and and the transaction contemplated hereby will not result in a breach of, or constitute a default or permit acceleration of maturity under, any indenture, mortgage, deed of trust, loan agreement or other agreement to which each respective Party is subject or by which each respective Party is bound. Additionally, the Board represents and warrants as follows:

c. The Board owns the Leased Premises in fee simple, free of any liens, claims or encumbrances other than the title exceptions acceptable to CAA;

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

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

Draft –June 9, 2015 at 4pm

f. To the best of the Board's knowledge, the Leased Premises is currently zoned to permit the development of the Leased Premises for CAA's use per this Agreement;

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

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

13.18 Fiscal Funding. The continuation of this Agreement is contingent upon the appropriation of funds by the Legislature to fulfill LSU's obligations under the Agreement. If, as determined by the Board in its sole discretion, the Legislature fails to appropriate sufficient monies to provide for the continuation of the Agreement, the Agreement shall terminate on the last day of the fiscal year for which funds have been appropriated. Such termination shall be without penalty or expense to LSU.

Draft –June 9, 2015 at 4pm

*Signature page for Ground Lease And Construction Agreement
with Companion Animal Alliance*

IN WITNESS HEREOF, the Parties hereto have executed this Agreement effective as of
the Effective Date.

WITNESSES:

Name: _____
Date: _____

Name: _____
Date: _____

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

By: _____
F. King Alexander, LSU President

Date: _____

WITNESSES:

Name: _____
Date: _____

Name: _____
Date: _____

COMPANION ANIMAL ALLIANCE

By: _____
_____, President

Date: _____

June 18, 2015

**C. HEALTHCARE AND MEDICAL EDUCATION
COMMITTEE**

Mr. Bobby Yarborough, Chairman

1. Request from LSU Health Sciences Center Shreveport to approve a Memorandum of Understanding between LSU Board of Supervisors and LSU Health Sciences Center Shreveport Faculty Group Practice
2. Update on the hospital public private partnerships and discussion of the Cooperative Endeavour Agreement between Biomedical Research Foundation of Northwest Louisiana (BRF), BRF Hospital Holdings, LLC (BRFHH), LSU and the State of Louisiana through the Division of Administration
3. ~~Request from LSU Health Care Services Division for Approval to sell its technology asset to LaHIT and review of LaHIT and HarmonIQ Term Sheet~~

MEMORANDUM OF UNDERSTANDING

By and between

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

(“University”), a constitutional body of the State of Louisiana, organized and existing under the constitution and laws of the State of Louisiana, herein appearing through its authorized representatives, F. King Alexander, President, Louisiana State University, and Robert A. Barish, M.D., M.B.A., Chancellor, Louisiana State University Health Sciences Center – Shreveport (“LSUHSC-S”), whose mailing address is

3810 West Lakeshore Drive, Room 107
Baton Rouge, Louisiana 70808

And

**LSU HEALTH SCIENCES CENTER – SHREVEPORT
FACULTY GROUP PRACTICE**

(“FGP”), herein appearing through its duly authorized representative, whose mailing address is

1501 Kings Highway
P.O. Box 33932
Shreveport, Louisiana 71130-3932

WHEREAS, FGP is a private, tax-exempt faculty group practice affiliated with the University pursuant to Louisiana Revised Statute 17:3390, and established to support the University and LSUHSC-S in the attainment of its mission and goals, particularly as they relate to the LSUHSC-S Schools of Medicine and Allied Health Professions in their clinical practice functions; and

WHEREAS, the University is entering into this agreement with FGP to support and assist University, through LSUHSC-S, in its mission to provide high-quality academic programs to the State of Louisiana, including providing access to clinical care; and

WHEREAS, this Agreement establishes the principles which will define the relationship between the University and the FGP; and

WHEREAS, University and FGP are separate, autonomous organizations, with separate and autonomous but complementary missions, with University’s missions including the provision of community health services by making available the expertise of its faculty members who are physicians or other health care professionals to the public and to educate future health

professionals for the State, and with the mission of FGP being to assist University and LSUHSC-S in fulfilling its health, education, and research missions; and

WHEREAS, University desires to utilize the expertise and infrastructure of FGP in order to assist University in the provision of its academic mission by developing and managing a health care delivery system and assisting the University in having its faculty members generate additional revenue to support its academic mission as well as providing a patient population to support the academic and research missions of the University; and

WHEREAS, FGP further desires to provide University's health care professionals with appropriate academic and clinical environments in which to provide education and health care services to the general population; and

WHEREAS, University and FGP each desire to provide high quality health care to their patient population and to use the FGP's expertise and management to assure University are focused on professional quality standards and quality clinical outcomes; and

WHEREAS, FGP has also entered into an Uniform Affiliation Agreement ("Affiliation Agreement") with University for organizations which are affiliated with and in support of the University; and

WHEREAS, agreements between public entities and private associations, corporations or individuals for a public purpose, including those in support of the University, are authorized by law; and

WHEREAS, this Agreement furthers the public purpose of University of improving the level of professional education and health care provided to persons in Louisiana by delivering high quality healthcare consistent with national quality standards; and

WHEREAS, the missions of both University and FGP include the provision of quality health care to the indigent population of the State of Louisiana; and University and FGP now wish to enter into this Agreement to fulfill their complementary missions;

NOW, THEREFORE, in consideration of the mutual agreements, objectives, and purposes of the Parties, the Parties enter into the following Agreement:

I. PURPOSE AND GOVERNING PRINCIPLES

A. General

University and FGP enter into this Agreement for the purposes set forth above. This Agreement contemplates a relationship whereby University will provide the professional services of its clinical faculty, as defined more fully below ("Clinical Faculty"), through clinics and other health care facilities operated by FGP in return for FGP billing and collecting for these services and making certain payments to University and, for providing other support for University academic programs, including providing access to a patient base and care facilities which

would not otherwise be available to University, and providing other support, all as set forth more fully elsewhere in this Agreement.

B. Quality of Care; Appointment to FGP Medical Staff

This Agreement establishes a mechanism by which University health care professionals, under the auspices of LSUHSC-S, while remaining employees of and remaining under the ultimate direction, control, and supervision of University, shall provide clinical faculty services, as set forth in Section II(A) below (“Clinical Faculty Services”), on behalf of and under the management of FGP in order to fulfill each Party’s mission and goals. The provision of those services shall be subject to the following:

1. The provision of the Clinical Faculty Services will be subject to regulations and guidelines established in writing by both University and FGP, including, but not limited to, compliance with federal and State health care program requirements and national quality standards. Both University and FGP agree to mutually cooperate in establishing regulations and guidelines that are mutually beneficial and not in conflict. University shall be ultimately responsible for the general overall supervision of any University faculty, fellow, or resident providing services as part of University’s training programs. Notwithstanding, FGP shall not remain obligated to use the services of any Clinical Faculty member not in compliance with the regulations and guidelines mutually established, including compliance issues and/or failure to adopt or follow national quality standards.
2. Clinical Faculty shall have a moral, ethical and legal responsibility to FGP and University for the responsible management of the care of patients. The power of appointment to FGP Medical Staff remains with FGP.
3. In all cases, medical staff appointments to FGP is conditioned on the Clinical Faculty member holding an academic appointment in at least one of LSUHSC-S’s academic departments within one of the Health Professional Schools. The power of appointment to the faculty remains exclusively with University.
4. All full-time faculty of the Health Professional Schools shall be eligible to participate in the programs contemplated under this Agreement upon approval of the appropriate Health Professional School Dean as provided for in Section II(A). Upon the written request of a Department Head and with the consent of the Chancellor and appropriate Health Professional School Dean, faculty with less than full-time effort to a Health Professional School may be allowed to participate in FGP.

5. Faculty members at other institutions of the University are eligible to participate in the programs contemplated under this Agreement upon approval of the faculty member's dean, the Chancellor of LSUHSC-S, and the President of the University.

II. RESPONSIBILITIES OF FGP

A. Governance

1. FGP shall be under the management and control of a board of directors (the FGP Board) as further described in the FGP Articles of Incorporation and Bylaws as such may be amended from time to time, provided that at all times the composition of the FGP Board and the process for selecting members of such board shall comply with the requirements of LSA-RS 17:3390.
2. A majority of the voting members of the FGP Board shall consist of individuals who are not members or employees of University or its Board of Supervisors.
3. The President of the University shall appoint a designee who shall be a voting member of the FGP Board and of the Executive Committee of such Board (or equivalent).
4. The Chancellor of LSUHSC-S shall be a non-voting ex-officio member of the Board and the Executive Committee of FGP. The Dean of the LSU School of Medicine shall be a voting member of the FGP Board. The other deans of the Health Professional Schools will not be members of FGP Board, but shall be given notice and the right to be present at all meetings of the FGP Board and to receive all materials transmitted to the FGP Board.
5. Members of the FGP Board and its Executive Committee (or equivalent) shall have reasonable access to all books and records of FGP in accordance with its generally applicable confidentiality and non-disclosure policies, provided that members who are "public servants" as defined in La. R.S. 42:1102(19) shall not have legal custody of FGP's books and records. Requests for access to books and records shall be made via written request directed to FGP's Chief Executive Officer.
6. No FGP director, officers or employee shall participate in any transaction involving FGP in which such director, officer or employee, or any related party to such director, officer or employee, has a substantial economic interest.
7. FGP shall adopt a conflicts of interest policy which is acceptable to University and which includes, without limitation, requirements and procedures with respect to: (1) regular annual statements and periodic supplements thereto by the FGP Board, members of all Subsidiary Boards, FGP officers, professional advisors, key employees, and other officials of FGP, disclosing any existing and potential conflicts of interest; (2) limitations on permitted external positions and interests; (3) limitations on the solicitation and acceptance of gifts from persons having or seeking to obtain contractual or other business or financial

relationships with FGP; (4) corrective action with respect to transgressions of such policies; and (5) any disclosures required by law, regulation or applicable auditing standards, including laws, regulations or auditing standards regarding the maintenance of FGP's tax-exempt status.

B. General Responsibilities

All subject to the terms and conditions set forth in more detail elsewhere in this Agreement, FGP will generally be responsible for the following.

1. Developing and managing and operating a health care delivery system to support the clinical functions of the University and the Clinical Faculty.
2. Supporting the basic research and teaching missions of the Health Professional Schools by providing University with access to patient populations to which University would not otherwise have access. University requires access to these patient populations to support its programs. This access to patients will be provided through FGP's development and participation in the various forms of managed care such as HMO's, IPA's and PPOs, as well as the traditional fee for service delivery of health care model.
3. Providing clinical office space and support personnel, including, but not limited to, management services, nursing services, technical support services, clerical services, and other support personnel in support of the Clinical Faculty Services provided pursuant to this Agreement.
4. Providing all necessary and reasonable equipment and supplies, and incurring operational expenses reasonably necessary to support the Clinical Faculty Services and the provision of health care services pursuant to this Agreement.
5. Preparing an annual budget and any necessary amendments thereto which shall, after review by the Dean of the School of Medicine, be submitted through the Chancellor of LSUHSC-S for approval by the President of University, unless the President has delegated final approval in writing to the Chancellor.
6. In accordance with the approved budget and any approved amendments to such budget, expending funds for the establishment and operation of FGP and for any reasonable expenses incidental to the conduct of its affairs and to creating reasonable cash reserves for contingent or other liabilities, all subject to the terms and conditions relating to expenditures of funds set forth elsewhere in this Agreement.
7. Providing professional health care billing and collection functions for all Clinical Faculty Services and other health services provided pursuant to this Agreement, maintaining custody of medical records as required by Louisiana law, and responding to appropriate inquiries and requests for reports and information.
8. Providing University with data relating to the services provided, such as clinical information and statistics. FGP shall develop and participate in

national quality incentives and work with the Clinical Faculty in the development of and compliance with clinical outcome standards.

III. RESPONSIBILITIES OF UNIVERSITY

A. Clinical Faculty Services

University shall provide medical services to patients through the health care delivery system developed, maintained, and operated by FGP. FGP shall maintain a comprehensive list of each Clinical Faculty member authorized by University and credentialed by FGP to perform Clinical Faculty Services pursuant to this Agreement and the provisions of Section 1B, above. University shall notify FGP within five (5) days of the termination of any Clinical Faculty member credentialed by FGP. As used in this Agreement, the term "Clinical Faculty" refers to the University faculty members whose services are provided to FGP patients pursuant to the terms of this Agreement, and the term "Clinical Faculty Services" refers to the collective services of the Clinical Faculty provided pursuant to this Agreement. The provision of the Clinical Faculty Services is subject to the following:

1. The Clinical Faculty shall continue to perform their education and research functions for the University.
2. University retains the right to utilize the Clinical Faculty in the fulfillment of its mission and goals. University is not limited in any manner as to its use of its faculty but such use shall, at all times, take into consideration the clinical needs of FGP.
3. University reserves the right to refuse or withdraw the services of any Clinical Faculty, with or without cause, upon thirty-day written notice of such intention to so refuse, as signed by the Clinical Faculty member's Department Chair and Dean subject to compliance with the terms and conditions of any applicable "Clinic Facilities and Staffing Agreement", as more fully described in Section V of this Agreement.
4. Clinical Faculty shall retain all of the rights and privileges that they currently enjoy as employees of University, including, but not limited to, pension and benefits expressly granted to them pursuant to University policy and action. FGP shall not be liable, nor shall it pay, any compensation or benefits to such Clinical Faculty.

B. Use of Facilities and Equipment

University, in its sole discretion, may enter into separate written agreements with FGP to make available medical equipment or office space owned or leased by University for use by FGP in relation to the Clinical Faculty Services which is not needed by University for its own operations. All such equipment shall remain at all times the property of University. Both the Chancellor of LSUHSC-S and the CEO of FGP shall be responsible for maintaining a current inventory of all such medical equipment in a format consistent with state inventory control requirements. FGP shall maintain adequate insurance coverage for damage to or loss of all such equipment to the extent not covered by insurance required of the University in accordance with law.

IV. FGP REVENUES

A. FGP Revenues to be Paid to University

1. In return for the provision of the Clinical Faculty Services and the other obligations of University set forth in this Agreement, FGP will pay to University all of its Net Revenues.
2. In this Agreement, the following terms shall have the meaning shown:
 - a. "Net Revenues" shall mean Gross Revenues less Approved Expenses.
 - b. "Gross Revenues" shall mean all revenues from any source collected or received by FGP after allowances for (i) bad debt, (ii) insurance rebates, and (iii) charitable write-offs, plus any other revenues including, but not limited to, the receipt of investment dividends.
 - c. "Approved Expenses" shall mean all expenses which are incurred by FGP pursuant to the provisions of this Agreement and which have been mutually approved in writing by both FGP and University pursuant to Sections V and VI, below, and other provisions of this Agreement including, but not limited to (i) all capital expenses, (ii) all operating expenses, and (iii) all amounts set aside as reserves.

B. Payment Schedule and Data to be Provided

1. Payments of Net Revenues shall be made by FGP to University no less than monthly or as otherwise agreed to in writing by the Chancellor.
2. With each payment, FGP shall transmit to LSUHSC-S data necessary for University to determine what portion of the funds are attributable to each Clinical Faculty member to assist University with determining how to allocate the funds received among its various institutions, schools, departments, and faculty. FGP and the Chancellor of LSUHSC-S shall mutually agree on the data required and the appropriate format. Distribution of funds within University is subject solely to the control of University in accordance with law and applicable University Bylaws, Regulations, policies, and procedures.
3. FGP shall prepare and provide, no less than monthly, financial reports to the Chancellor and the Dean of the School of Medicine, showing all billings, collections, and payments made, in a format mutually agreed upon by FGP and the Chancellor of LSUHSC-S.
4. On an annual basis, not later than 90 days after the close of FGP's fiscal year, FGP will provide University with an audited report of its financial activity during the immediately preceding fiscal year.

V. CLINIC FACILITIES AND STAFFING SCHEDULES

A. Planning and Accountability for Clinic Operational Needs and Expenses

To facilitate long-term planning and proper accountability for decision-making, and to ensure that both LSUHSC-S and FGP are aware of and agree to leases and

other long-term financial or other commitments being made by FGP when opening a new clinic site or adding a substantial new medical service not previously offered by FGP, whether at an existing clinic location or new clinic location, for each new clinic or other health care facility operated or proposed to be operated by FGP, or if adding a substantial new medical service not previously offered by FGP or LSUHSC-S, and FGP shall enter into a "Clinic Facilities and Staffing Schedule" which sets forth staffing and location, budget, and other information relating to the operation of such clinic or the provision of such substantial new medical service, as set forth in subsection C, below. FGP shall use the Clinic Facilities and Staffing Schedule in its budget planning and preparation process. FGP and University shall maintain a comprehensive file containing a written record of all current approved Clinic Facilities and Staffing Schedules. Within 6 months of the execution of this Agreement, FGP shall create Clinic Facilities and Staffing Schedules for all existing FGP clinics, subject to approval pursuant to section V.B., below.

B. Approvals Required

Each Clinic Facilities and Staffing Schedule shall be approved in writing by the Department Chair for each department in the School of Medicine, which is or will be providing Clinical Faculty for that clinic location and representative of FGP. Each Clinic Facilities and Staffing Schedule must also be approved in writing by the Department Chairmen of the School of Medicine and by the Chancellor of LSUHSC-S. A Clinic Facilities and Staffing Schedule may be subdivided into multiple parts, with each part pertaining to particular department or medical specialty. If that is done, each Department Head need only approve the part which involves his or her department and only the general part which applies to the location of the clinic. Amendments to a Clinic Facilities and Staffing Schedule may be made at any time, subject to the same signature and approval requirements.

C. Contents of Schedules

Unless there is mutual written agreement determining that such is not required, each Clinic Facilities and Staffing Schedule shall contain substantially the following information, in a format mutually agreed by LSUHSC-S and FGP.

1. The physical location where the clinic will be operated, and the length and cost of the lease (or, if purchased, the terms of any financing used to acquire the facility).
2. The medical services or specialties which will be offered at the clinic.
3. For each medical service or specialty offered, the number of Clinical Faculty members which LSUHSC-S will provide.
4. The scheduled hours for the clinic, including schedules for each medical service or specialty offered (for example, 2 pediatricians will be available on Monday, Wednesday, and Friday from 1pm to 5pm, and 2 internal medicine specialists or general practitioners will be scheduled from 8am to 5pm Tuesdays and Thursdays).

5. The support staff which FGP will provide for the location and, if appropriate, for each medical service or specialty offered (for example, 1 receptionist from 8am to 5pm daily, 2 screening nurses from 8am to 5pm daily, 1 records clerk daily, one pediatric nurse scheduled for when pediatric services are offered).
6. The medical and other significant equipment needs for the clinic.
7. For Schedules relating to proposed new clinics, or for proposed amendments to existing Schedules which would add substantial new medical services, a financial plan and feasibility analysis must be prepared showing (i) the projected start-up costs, (ii) patient population over the first 5 years of operation, (iii) all health professional staffing needs, (iv) operating revenues and expenses over the first 5 years of operation, (v) all information described in Exhibit A to this Agreement, "Financial Analysis for New Services," and (vi) any other information necessary to evaluate the financial feasibility of the new clinic or new services and the financial risks faced by LSUHSC-S and FGP in doing so. Any such proposed Schedules shall include a description of the data and other factors used to make the relevant estimates or projections, and an analysis of the consequences should the actual usage be substantially higher or lower than predicted or estimated.
8. Such other information relating to the operation of the clinic or other health care facility and the medical services provided as mutually agreed by FGP and the Chancellor of LSUHSC-S.

VI. DISBURSEMENTS AND EXPENDITURE OF FUNDS AND OTHER TRANSACTIONS

A. FGP Board Policies and Procedures

All disbursements and expenditures by FGP for administrative, operating, and capital expenses shall be in accordance with policies adopted by the FGP Board and in accordance with its annual budget, as may be modified by policies adopted by the FGP Board. Such policies shall provide for sound and prudent business practices, and the payment or reimbursement of ordinary, necessary and reasonable business expenses and shall address the content of this Agreement. The annual budget shall be prepared in consultation with the Chancellor of LSUHSC-S and the Dean of the School of Medicine, and may only be modified in accordance with written procedures established by the FGP Board and after timely written notice and opportunity for the President or his designee to provide written comment.

B. Review by University of Certain Transactions

In light of the purpose of FGP to be in support of the University and its health care missions, University's responsibility to determine if significant transactions of FGP affecting or potentially affecting it are in support of University and its missions, and the interrelated nature of the services provided by both FGFP and University pursuant to this Agreement, the following disbursements, expenditures, and transactions require review and a finding of an acceptable University purpose by University, through the personnel specified.

1. Purchasing, leasing or otherwise acquiring any rights in any immovable property for use as a clinic or other healthcare facility shall require a finding of an acceptable university purpose by the LSU Board of Supervisors, unless delegated by the Board in writing to the President; provided that a finding of an acceptable University purpose for a lease of 5,000 square feet or less of building space, and the lease of parking spaces may be made by the Chancellor after giving timely prior notice to the LSU System President or his designee.
2. Entering into a legal partnership or joint venture with, or acquiring any ownership interest in any for profit corporation, limited liability company, or other business entity shall require a finding of an acceptable university purpose by the LSU Board of Supervisors, provided that this shall not be construed to apply to routine transactions between FGP and its vendors, and insurance companies, managed care plans, health maintenance organizations and/or preferred provider organizations to provide medical services to patients covered by such entities.
3. Any other transaction which requires a finding of an acceptable university purpose pursuant to section 6.3 or any other provision of the Uniform Affiliation Agreement to which University and FGP are parties.

C. Submission of Proposed Transactions to University

Requests by FGP for a determination of acceptable University purpose shall be submitted in accordance with the requirements of section 6.5 of the Uniform Affiliation Agreement. Where the request is related to the opening of or modification to a clinic or other healthcare facility, the proposed Clinic Facilities and Staffing Schedule shall be included with the submission.

VII. Status of the Parties and the Parties' Employees

- A. At all times, Clinical Faculty provided by University to FGP pursuant to this Agreement shall remain employees of University, and shall not be entitled to employment benefits from FGP including, but not limited to, sick leave or the fringe benefits available to employees of FGP, and shall not be entitled to participate in any pension plan, life insurance, or any other compensation, welfare or benefit plan maintained by FGP. University understands and agrees that (1) University and University professionals will not be treated as employees of FGP for federal tax purposes; (2) FGP will not withhold on behalf of University or University professionals or employees pursuant to this Agreement any sums for

income tax, unemployment insurance, social security or any other withholding pursuant to any law, or make available to University or University professionals any of the benefits afforded to employees of FGP; and (3) all of such payments, withholdings, and benefits, if any, are the sole responsibility of University.

- B. University's services pursuant to this Agreement shall be as an independent contractor. Clinical Faculty will be acting in the course and scope of their employment, appointment or assignment for or on behalf of University, and shall not be entitled to receive or accept from FGP any remuneration or other compensation whatsoever. It is expressly acknowledged and stipulated by University and FGP that each Clinical Faculty member assigned in any capacity to FGP pursuant to this Agreement is and shall be an employee solely of University and shall not for any purpose whatsoever, be or be considered an employee, representative or agent of FGP.
- C. Likewise, FGP professionals or employees shall not be entitled to any employment benefits whatsoever from University including any pension, life insurance or any other compensation, welfare or benefit plan maintained by University. FGP understands and agrees that: (1) FGP and FGP employees will not be treated as University employees for federal tax purposes; (2) University will not withhold on behalf of FGP or FGP employees pursuant to this Agreement any sums for income, unemployment insurance, social security or any other withholding pursuant to any law or make available to FGP or FGP employees any of the benefits afforded to employees of University; and (3) all of such payments, withholdings, and benefits, if any, are the sole responsibility of FGP.
- D. FGP's services pursuant to this Agreement shall be as independent contractors. FGP non-physician professionals such as nurses and other technicians, and all other employees of FGP will be acting in the course and scope of their employment, appointment or assignment for or on behalf of FGP, and shall not be entitled to receive or accept from University any remuneration or other compensation whatsoever for services provided to University of FGP and shall not, for any purpose whatsoever, be or be considered an employee, representative or agent of University.
- E. Nothing in this Agreement is intended nor shall be construed to allow FGP to exercise control or direction over the medical decisions of University Clinical Faculty performing professional services pursuant to this Agreement; provided that any University Clinical Faculty who fail to comply with FGP compliance and quality standards shall be subject to removal pursuant to the terms of section LB of this Agreement.
- F. Nothing in this Agreement is intended nor shall be construed to allow University to exercise control or direction over the manner or method in which FGP or FGP employees perform the services which are the subject matter of this Agreement, except as set forth herein.

G. Nothing in this Agreement is intended nor shall be construed to create an employer/employee relationship. In the event the Internal Revenue Service or any other governmental agency should question or challenge the status of University, FGP or University or FGP professionals, the Parties mutually agree that both University and FGP shall have the right to timely notice from the other and to participate in any discussion or negotiation occurring with such agency or agencies, irrespective of whom or by whom such discussions or negotiations are initiated.

VIII. ASSIGNMENT; BILLING AND COLLECTIONS

A. University shall require that Clinical Faculty provide accurate, complete, proper and timely documentation of all medical services rendered. This documentation shall be in conformity with applicable professional standards, third-party payer requirements, if any, governmental record-keeping and reporting requirements, and FGP policies and procedures. Such documentation shall be appropriately organized, legible, and available for audit review.

All Billing codes utilized shall accurately describe the items and/or services provided or performed and shall confirm to any applicable payer requirements, including, without limitation, the Medicare and Medicaid programs. All services shall be billing under the FGP's group number and shall identify the Clinical Faculty member providing services.

B. FGP shall bill and collect, or subcontract to bill and collect all fees for the services that are provided for patients of FGP at its practice sites. The fees for services rendered by the Clinical Faculty shall be established by the FGP. The fee rates for services may be changed from time to time by FGP to reflect charges that have been agreed upon between FGP, or third-party payers, including insurance companies, managed care plans, health maintenance organizations, and/or preferred provider organizations. FGP shall bill Clinical Faculty's charges and collect payments for all of Clinical Faculty's services utilizing the FGP billing number assigned, and University shall require Clinical Faculty to cooperate with the FGP staff or their designees to bill all patients promptly for all services rendered and to use the Clinical Faculty's best efforts to help office staff collect all patient accounts. Clinical Faculty charges shall mean all billings for physician or other billable health professional services from all phases, including, but not limited to, office cells, surgical hospital practice, consultations, and emergency room treatments. Such fees shall not include fees for medical review services, contracts PM-11 services, or payments from medical school teaching.

C. University assigns all accounts receivable, fees, money, co-payments earned or accrued by FGPs use of the Clinical Faculty Services pursuant to this Agreement to FGP. If necessary, University shall require Clinical Faculty to expressly authorize

FGP or any of its duly authorized administrators, to accept on clinical Faculty's behalf, any assignment made by any individual who receives medical treatment from Clinical Faculty, of the amount payable to such individuals under Part B of Title XVIII and Title XIX of the Social Security Act and to receive on Clinical Faculty's behalf, any payments which may be made pursuant to such assignment.

- D. University shall require Clinical Faculty to be responsible for the proper CPT/ICD-9 coding for patients under their care. In the event any third-party payor reduces or refuses to pay fees based on improper or unlawful CPT/ICD-9 coding, such information shall be included in the data provided pursuant to Section IV.B.2, above, to allow for adjustment of distribution of Net Revenues among the various Health Professional Schools and their departments. All reasonable efforts will be made to avoid coding problems and to solve any identified coding issues.

IX. PRIVACY; HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

A. Confidentiality in General

Both University and FGP shall comply with all applicable federal and state laws, roles, and regulations which pertain to patient/client confidentiality.

B. Health Insurance Portability and Accountability Act

Both University and FGP, and their agents and employees, shall comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 ("HIPAA") and the requirements of any regulations promulgated thereunder, including, without limitation, the federal practice regulations as contained in 45 CFR Part 164 ("Federal Privacy Regulations") and the federal security standards as contained in 45 CFR Part 164 ("Federal Security Regulations"). The Parties shall not use or further disclose any protected health information as defined in 42 U.S.C. § 1320d (collectively "Protected Health Information Act"), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA or regulations promulgated under HIPAA, including without limitation, the Federal Privacy Regulations and the Federal Security Regulations. The Parties will implement appropriate safeguards to prevent the use of disclosure of a patient's Protected Health Information other than as provided by this Agreement. The Parties will make their internal practices, books, and records relating to the use and disclosure of a patient's Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations and the Federal Security Regulations.

X. INSURANCE AND INDEMNIFICATION

A. Professional Liability Coverage

University employees performing professional services pursuant to this Agreement are acting within the course and scope of their employment, and shall be provided professional liability coverage through the Office of Risk Management in accordance with the provisions of Louisiana Revised Statutes 40:1299.39, *et seq.* With respect to liability arising out of medical malpractice, the obligations on behalf of any individual shall not exceed the amount payable by the State Health Care Provider Fund pursuant to the provisions of Louisiana Revised Statute 40:1299.39, *et seq.*

B. Insurance

University shall continue to name, as an additional insured, FGP as an affiliate of University on insurance policies issued by the State Office of Risk Management, including but not limited to, Public Officials and Employees Liability Insurance, General Liability (occurrence) and Workers' Compensation. Notwithstanding FGP shall have the ability to procure insurances, including General Liability, Directors & Officers, and Workers' Compensation.

C. Indemnification

1. To the extent permitted by law, University shall hold harmless and indemnify FGP from any claim, suit, or loss, including expenses of litigation and attorney fees sustained, by FGP or any of its officers, directors, or employees for any injury or death of any person to the extent that it results from, or is caused by, the negligence, error, or omission of University or any of its officers, directors, employees or agents, including but not limited to any member of the Clinical Faculty, provided, however, that University shall not hold harmless and indemnify FGP to the extent that the claim, suit, or loss results from, or is caused by, the willful misconduct, negligence, error, or omission of FGP or its officers, directors, employees, or agents.
2. To the extent permitted by law, University shall hold harmless and indemnify FGP from any claim, suit, or loss, including expenses of litigation and attorney's fees, paid to or for an attorney of University's choice, sustained by FGP or any of its officers, directors, employees or agents for any claim under either Title XVIII or Title XIX of the Social Security Act; to the extent that it results from or is caused by the negligence, error, or omission of University or any of its officers, directors, employees, or agents, including but not limited to any member of the Clinical Faculty; provided, however, that University shall not hold harmless and indemnify FGP to the extent that the claim, suit, or loss results from, or is caused by, the willful misconduct, negligence, error, or omission of FGP or its officers, directors, employees or agents.

3. To the extent permitted by law, FGP shall hold harmless and indemnify University from any claim, suit, or loss, including expenses of litigation and attorney's fees sustained by University or any of its officers, directors, employees, or agents, including but not limited to any member of the Clinical Faculty, for any injury to or death of any person to the extent that it results from, or is caused by the willful misconduct, negligence, or omission of FGP or any of its officers, directors, employees or agents; provided, however that FGP shall not hold harmless and indemnify University to the extent that the claim, suit, or loss results from, or is caused by, the negligence, error, or omission of University or its officers, directors, employees or agents, including but not limited to any member of the Clinical Faculty.
4. To the extent permitted by law, FGP shall hold harmless and indemnify University from any claim, suit, or loss, including expenses of litigation and attorney's fees, sustained by University, its officers, directors, or employees, for any claim under either Title XVIII or Title XIX of the Social Security Act, to the extent that it results from or is caused by the willful misconduct, negligence, error, or omission of FGP or any of its officers, directors, employees, or agents; provided, however that FGP shall not hold harmless and indemnify University to the extent that the claim, suit or loss results from, or is caused by, the negligence, error, or omission of University or its officers, directors, employees or agents, including, but not limited to, any member of the Clinical Faculty.

XI. ACCESS TO RECORDS; RECORDS RETENTION; PUBLIC ACCOUNTABILITY; COMPLIANCE WITH LAW

A. Access to Records and Record Retention

1. University and FGP shall retain this Agreement (including all amendments and agreements hereto) and any of their books, documents, and records which may serve to verify the costs of this Agreement for a period of ten (10) years after the services completed herein have been performed. All Parties agree to allow the Secretary of the Department of Health and Human Services and the Comptroller General access to the Agreement, books, documents, and records in the event that such access is requested in writing and is made in accordance with applicable federal regulations and P.L. 96499. Furthermore, University's auditors, University's compliance team, including the LSU System Office of Internal Audit, the Louisiana Legislative Auditor's Office, and the Office of the Governor, Division of Administration Auditors, shall have the right upon reasonable written notice to inspect and audit, during FGP's regular business hours and at no expense to FGP, the books and records of FGP, in order to verify compliance with this Agreement.
2. University shall require each member of the Clinical Faculty, as a condition of the faculty member's participation pursuant to this Agreement to agree in writing that they will allow access to all records relating to them and will waive any rights to

privacy or otherwise with respect thereto as to University and FGP. As a consequence thereof, FGP agrees to share all such records with University and to allow access thereto. This provision, however, specifically shall not constitute the waiver of any applicable attorney/client privilege and any rights to withhold based on that privilege.

3. The medical records (including billing records) maintained by FGP relating to patients seen by clinical Faculty under this Agreement or any other Amendment hereto, are the property of FGP, and Clinical Faculty will comply with all applicable state and federal governmental rules and regulations, and the policies, rules and procedures of FGP with regard to maintaining such records. It is further the policy of the FGP that the patient retains the choice to have copies of a file forwarded to a physician of patient's choosing. Said copies will only be released by FGP upon patient's written request. FGP will furnish the patient a copy of the patient's medical record upon request and upon payment of the cost of reproduction of the record in accordance with the applicable state and federal law.

B. Code of Governmental Ethics

Both Parties, and their respective Boards of Directors, officers, employees or agents will comply with the Louisiana Code of Ethics (LSA-R.S. 42:1101, et seq.) as it applies to public employees and shall not engage in nor cause the other Party to engage in, any activity in violation of such law.

C. Compliance with Federal Law

Neither Party, nor either of their Boards of Directors, officers, employees or agents shall undertake any activities prohibited by applicable federal and state law, regulation, or practice, in particular, 42 U.S.C. 1320A-7b(b) ("Federal Anti-Kickback Statute"), by knowingly and willfully soliciting, receiving or paying remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, in return for referring an individual to a person or for the furnishing of managing or the furnishing of any item or service for which payment is made under Title XVIII (Medicare) or Title XIX (Medicaid) of the Social Security Act, or, in return for the purchasing, leasing, ordering or arranging for or recommendation for purchasing, leasing or ordering any goods, facility or service or item which is made in whole or in part by Medicare or Medicaid.

D. Certain Lobbying and Political Activities Prohibited

FGP shall not use any funds paid to or received by FGP pursuant to this Agreement for services rendered, to urge any elector to vote for or against any candidate or proposition on an election ballot, or to use such funds to lobby for or against any proposition or matter having the effect of law being considered by the legislature or any local governing authority. This provision shall not prevent the normal dissemination of factual information relative to a proposition on an election ballot or a proposition or matter

having the effect of law being considered by the legislature or any local governing authority.

XII. MISCELLANEOUS

A. Authorized Representative

Except as may be herein more specifically provided, if approvals, authorizations, or notices are required hereunder, they shall be given on behalf of the FGP by its Chief Executive Officer and on behalf of University by the Chancellor of University.

B. Civil Rights and Non-Discrimination

University and FGP shall abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, The Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1972, and University and FGP agree to abide by the requirements of the Americans with Disabilities Act of 1990.

University and FGP shall not discriminate in their employment practices, and will tender services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities or in accordance with EWE 92-7 because of an individual's sexual orientation. Any act of discrimination committed by University or FGP, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

C. Use of Premises

1. University shall not use or permit any University professional or other personnel of University acting within FGP, or use any part of the premises of FGP for any purpose other than those related to the performance of professional services hereunder, unless otherwise mutually agreed to by the Parties in writing.

2. FGP shall not use or permit any FGP professional or other personnel of FGP acting within the University, to use any part of the premises of University for any purpose other than those purposes related to the performance of professional services hereunder, unless otherwise mutually agreed to by the Parties, in writing.

D. Payment of Taxes

1. FGP accepts the responsibility for payment of all state, federal or local taxes due from the funds received by it under this Agreement under Tax ID Number 36-4774713.

2. University accepts the responsibility for payment of all state, federal or local taxes due from the funds received by it under this Agreement under Tax ID Number 36-4774713.

E. Use of Names

FGP shall be permitted the use of University's name(s) or logo(s) in print only with prior written approval of the Chancellor of LSUHSC-S, with prior written notice to the LSU System. Similarly, University shall be permitted to make use of FGP's name(s) or logo(s) in print only with prior written approval and knowledge of the FGP Board of Directors.

F. Force Majeure

Neither Party shall be liable or deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service or employment deemed resulting, directly or indirectly, from acts of God, civil or military acts of public enemy; war, accidents, fires, explosions, earthquakes, floods, failure of transportation, non-appropriation, strikes or other work interruptions by either Party's employees, or any similar or dissimilar cause beyond the reasonable control of either Party.

G. Waiver of Breach

Neither acceptance of payment nor lapse of time, nor any other act on the part of either Party or its agents shall constitute a waiver of any breach by said Party of the conditions and covenants of this Agreement unless expressed in writing and signed by the Party alleged to have waived the breach.

H. Notices

Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the following addresses:

To University: President

107 University Administration Building
3810 W. Lakeshore Dr.
Baton Rouge, LA 70808

Chancellor
Louisiana State University Health Sciences Center
1501 Kings Highway
P.O. Box 33932
Shreveport, LA 71130-3932

To FGP: Chief Executive Officer
LSU Health Sciences Center – Shreveport
Faculty Group Practice
1501 Kings Highway
P.O. Box 33932
Shreveport, LA 71130-3932

XIII. CONSTRUCTION, INTERPRETATION AND ENFORCEMENT OF AGREEMENT

A. Applicable Law and Venue

This Agreement has been executed and delivered in and shall be interpreted, construed, and enforced pursuant to, and in accordance with, the laws of the State of Louisiana. East Baton Rouge Parish, Louisiana, shall be the sole and exclusive venue for any litigation, special proceeding or other proceeding as between the Parties that may be brought, or arise out of, or in connection with, or by reason of this Agreement.

B. Entire Agreement

This Agreement constitutes the entire Agreement between the Parties relative to the provision of services as described herein by FGP and University and its terms and conditions control any other provisions or agreements, even if in conflict with such. Neither Party shall be entitled to any benefits other than those specified herein. No oral statements or written material not specifically incorporated herein shall be of any force and effect and no changes in or additions to this Agreement shall be recognized unless incorporated herein by amendment as provided herein, such amendment(s) to become effective on the date stipulated in such amendments. University and FGP are also parties to a Uniform Affiliation Agreement; if any provision of this Agreement, including any amendment to this Agreement conflicts with any provision of the Uniform Affiliation Agreement, including any amendment to it, the provisions of this Agreement, and any amendments to this Agreement, shall control, regardless of the dates any of the agreements or amendments are entered into or become effective.

C. Execution and Amendment of This Agreement

This Agreement and any amendment hereto shall be in writing and may be executed in multiple copies on behalf of FGP by its authorized representative and on behalf of University by the President or his designee and approved by the Commissioner of Administration. Each multiple executed copy shall be deemed an original, but all multiple copies together shall constitute one and the same instrument. Any understanding between the Parties, whether oral or written, not formally denominated and executed as an amendment to this Agreement, which authorizes or approves any course of performance deviating from the terms hereto shall be presumed to be a temporary waiver revocable at the will of any Party and not an amendment of the provisions of this Agreement.

D. Severability

The invalidity or unenforceability of any terms or provisions hereof shall in no way affect the validity or enforcement of any other term provision.

E. Articles and Other Headings

The paragraphs and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

F. Gender and Number

Whenever the context here requires, the gender of all words shall include the masculine, feminine and neuter and the number of all words the singular and plural.

G. No Third-Party Benefits

This Agreement is not intended to and does not create any benefits or rights in any third party.

H. Assignment

1. University shall not assign any interest in this Agreement, and shall not transfer any interest in same without the prior written consent of FGP.

2. FGP shall not assign any interest in this Agreement, and shall not transfer any interest in same – without the prior written consent of University. FGP may retain the right to subcontract with external entities for the provision of services provided under this Agreement by FGP.

I. Enforcement

To the extent allowed by law, in the event either Party resorts to legal action to enforce the terms and provisions of this Agreement, the Party prevailing in such action shall be entitled to recover the cost of such action so incurred, including, without limitation, reasonable attorney's fees.

J. Approval

No liability or obligations will develop between the Parties until this Agreement has been approved by the required authorities of University and until approved by the Office of Contractual Review, Division of Administration and the Commissioner of Administration.

XVI. Notwithstanding anything contained herein, this Agreement shall be effective as of the 20th day of June, 2015, for a ten (10) year term to expire on June 19, 2025, and will be automatically renewed under like terms for additional one (1) year periods. Notwithstanding, FGP or University shall, with or without cause, at any time give to the other Party at least ninety (90) days written notice of termination, this Agreement shall terminate on the future date specified within such notice. In addition, the Agreement may be terminated by the mutual agreement of the Parties, or unilaterally in a manner specifically provided in the Agreement.

Upon termination of this Agreement as is hereinabove provided, neither Party shall have any further obligation hereunder except for: (1) obligations accruing prior to the date of termination; and (2) obligations, promises or covenants contained herein which are expressly made to extend beyond the term of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, any leases for space entered into between the Parties pursuant to this Agreement may not be without cause except upon one year's notice or otherwise upon expiration of their stated term. Except as otherwise specifically provided herein, all agreements entered into to

effectuate this Agreement or pursuant to this provision hereof, shall terminate upon termination of this Agreement.

The Parties hereby execute this Agreement effective as provided for herein.

LSU HEALTH SCIENCES CENTER – SHREVEPORT
FACULTY GROUP PRACTICE

By: _____ Date: _____
John V. Marymont, M.D., M.B.A.
President

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

By: _____ Date: _____
Robert A. Barish, M.D., M.B.A.
Chancellor
Louisiana State University Health
Sciences Center – Shreveport

By: _____ Date: _____
F. King Alexander
President
Louisiana State University

EXHIBIT A to Agreement
between LSUHSC-S and FGP
Financial Analysis for New Services

Description of proposal:

- Assumptions:
- Equipment and furnishings needed
- Facility requirements
- Start date, duration
- Physician staffing
- Marketing
- Startup expenses
- Other expenses
 - Maintenance
 - Legal
 - Support
 - General Administrative
- Revenue projections
 - CPT codes
 - Number of patients
 - Payer mix
 - Managed care contracting needs
 - Preauthorization requirements
 - Medicare, Medicaid coverage
 - Other revenue considerations
- Cash flow
 - Start up
 - Furniture, fixtures, equipment, leasehold improvements
 - Working capital
 - Reserves
 - Funding sources
 - Cash reserves
 - Leasing
 - Short term borrowing
 - Long term borrowing
 - Return on investment
- Financial projections
 - Monthly cash based projections for first 24 months
 - Annual projections for 3-5 years depending on repayment period

D. ATHLETIC COMMITTEE
Mr. Blake Chatelain, Chairman

1. Request from LSU A&M to approve amendment to the Athletic contract for Ms. Mary "Fran" Flory, Head Coach, Women's Volleyball

**REVISION AND REENACTMENT OF PROCEDURES FOR SELECTION OF STUDENT MEMBER ON
THE LSU BOARD OF SUPERVISORS**

WHEREAS, the Louisiana Constitution provides the authority for student membership on the LSU Board of Supervisors, and this provision is implemented by Act 2 of the 1975 Extraordinary Session of the Louisiana Legislature, and

WHEREAS, this legislation was amended and reenacted with Act 357 of the 1987 session of the Legislature providing for the term of the student member to begin on September 1 of each year and end on August 31 of the following year, and

WHEREAS, the LSU Board of Supervisors passed a resolution of procedure for the selection of the student member on March 21, 1980, and

WHEREAS, the LSU Board of Supervisors passed a resolution on April 29, 1988 providing for the selection of a nominee for student member for the months of June, July and August of 1988 only and resolved that no particular campus shall be represented by its student body president serving as the student member of the Board of Supervisors for more than one of any three consecutive years, and

NOW, THEREFORE, BE IT RESOLVED that these procedures are restated and revised to provide that the President of LSU shall convene the Council of Student Body Presidents elected by and from the respective campuses during the spring semester of each year, these campuses being:

LSU at Alexandria
LSU and A&M College
LSU at Eunice
LSU in Shreveport
LSU Health Sciences Center New Orleans
LSU Health Sciences Center Shreveport

BE IT FURTHER RESOLVED that the elected student representatives from a campus having more than one elected student representative may elect from among themselves the student member who shall represent the campus on the LSU Council of Student Body Presidents, and

BE IT FURTHER RESOLVED at the time of such meeting on or after April 1, but prior to May 31 each year, members-elect of the Council of Student Body Presidents for the following academic year shall select by ballot a student body president from their number to serve as the member of the Board of Supervisors for one year beginning on June 1 and ending May 31 of the following year coincident with the nominee's tenure as student body president.

BE IT FURTHER RESOLVED that representatives from the same campus cannot serve on the board for consecutive terms and no student member shall serve for consecutive terms even if representing different campuses.